UNDERSTAND AND EVALUATE WHAT MATTERS

Data Centers: What People Hear vs. What the Evidence Shows

Separating fact from claim, and evaluating the real community impact of a specific proposal

J. Shane Howard, Principal · Engage Group, LLC · November 2, 2026

Part 1
Eight common claims: water, electricity, noise, generators, taxes, transparency

Part 2
Evaluating a specific proposal, including community benefit arrangements

Tools
Four questions to ask of any number; eight questions before major commitments

Evaluating a data center proposal?

This briefing draws on the **Data Center Feasibility & Fiscal Impact Toolkit**, Engage Group's full-scale process for evaluating data centers and other Advanced Technology Infrastructure Projects, customized to each community's systems, standards and priorities.

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What This Briefing Covers

Most claims about data centers are half right. Some are true for the state but not your town, and some are true for your town but not the state. Others are true somewhere else but not in Texas.

> **The goal is to decide whether a project fits the community.** That takes two things at once. Claims that are false or misleading need to be set aside, whichever side makes them. And the real effects of a project need to be taken seriously: water demand, noise, traffic, power infrastructure and fiscal commitments are real. They need to be measured, understood and communicated accurately, neither dismissed nor exaggerated.

Data centers are one type of Advanced Technology Infrastructure Project (ATIP). **Part 1** checks the eight claims Texas residents and councils hear most often. Each gets a verdict, what the evidence shows, and what a city can do about it. **Part 2** sets out how to evaluate a specific proposal, from the full buildout to verification after approval.

How to Read the Verdicts

Verdict	What it means
False	The evidence contradicts the claim.
Misleading	The numbers may be real, but they are applied to the wrong place, scale or source.
Partly true	Correct in some settings, wrong in others. Each claim says which.
Not settled	The evidence so far points one way, but the rules or the data are still changing.
True, with a gap to close	The concern is real, and the city has a way to address it.

The verdicts are not one-sided. Several claims made by supporters of data centers fail the same tests as claims made by opponents.

Part 1: Eight Common Claims, Checked

1. “Data centers will drain our water supply.”

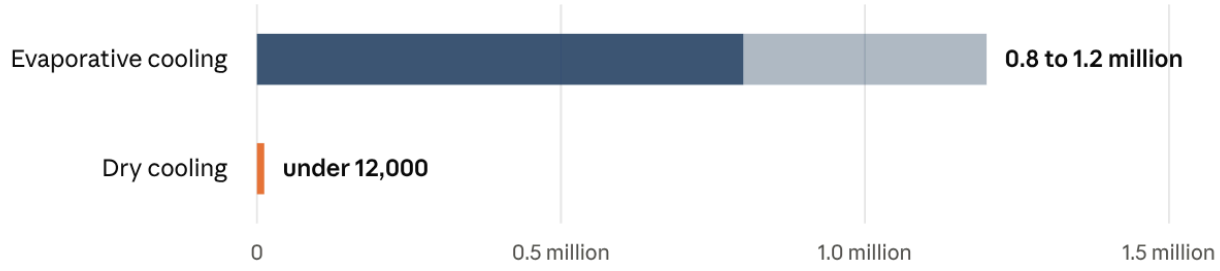
VERDICT Misleading statewide. Can be true locally.

WHAT THE EVIDENCE SHOWS

- **Statewide, the share is small today.** Data centers use under 1% of Texas water, projected to reach 3–9% by 2040 depending on how the grid is powered. Manufacturing uses about 7% (UT Austin COMPASS). Irrigation and cities and towns use 84% of Texas water (Texas Water Development Board, 2023). Nationally, a peer-reviewed estimate put data centers at about 0.14% of U.S. water consumption (Mytton, *npj Clean Water*).
- **Most of the water footprint is at the power plant, not the site.** Federal researchers estimate about 92% of the national data center water footprint is used in generating their electricity (LBNL 2024). That figure is debated because it counts reservoir evaporation at hydroelectric dams, and Texas has little hydropower.
- **Locally, one facility can matter a great deal.** A 100 MW campus using evaporative cooling can use 0.8 to 1.2 million gallons a day. The same campus with dry cooling uses under 12,000 gallons a day (COMPASS). For a small water system, the first number can be decisive.

Cooling design decides how much water one campus uses

Gallons per day for the same 100 MW campus, by cooling type

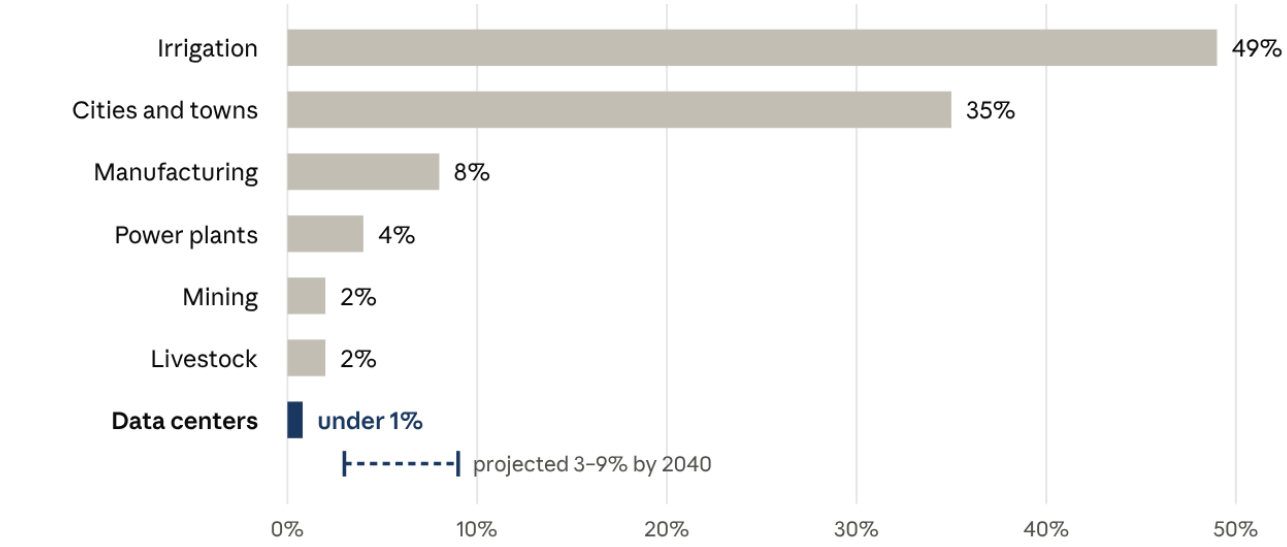


Lighter shading shows the range of estimates. Figures are at total facility load.

Source: UT Austin COMPASS, Water Use Requirements for Data Centers in Texas (Dec 2025)

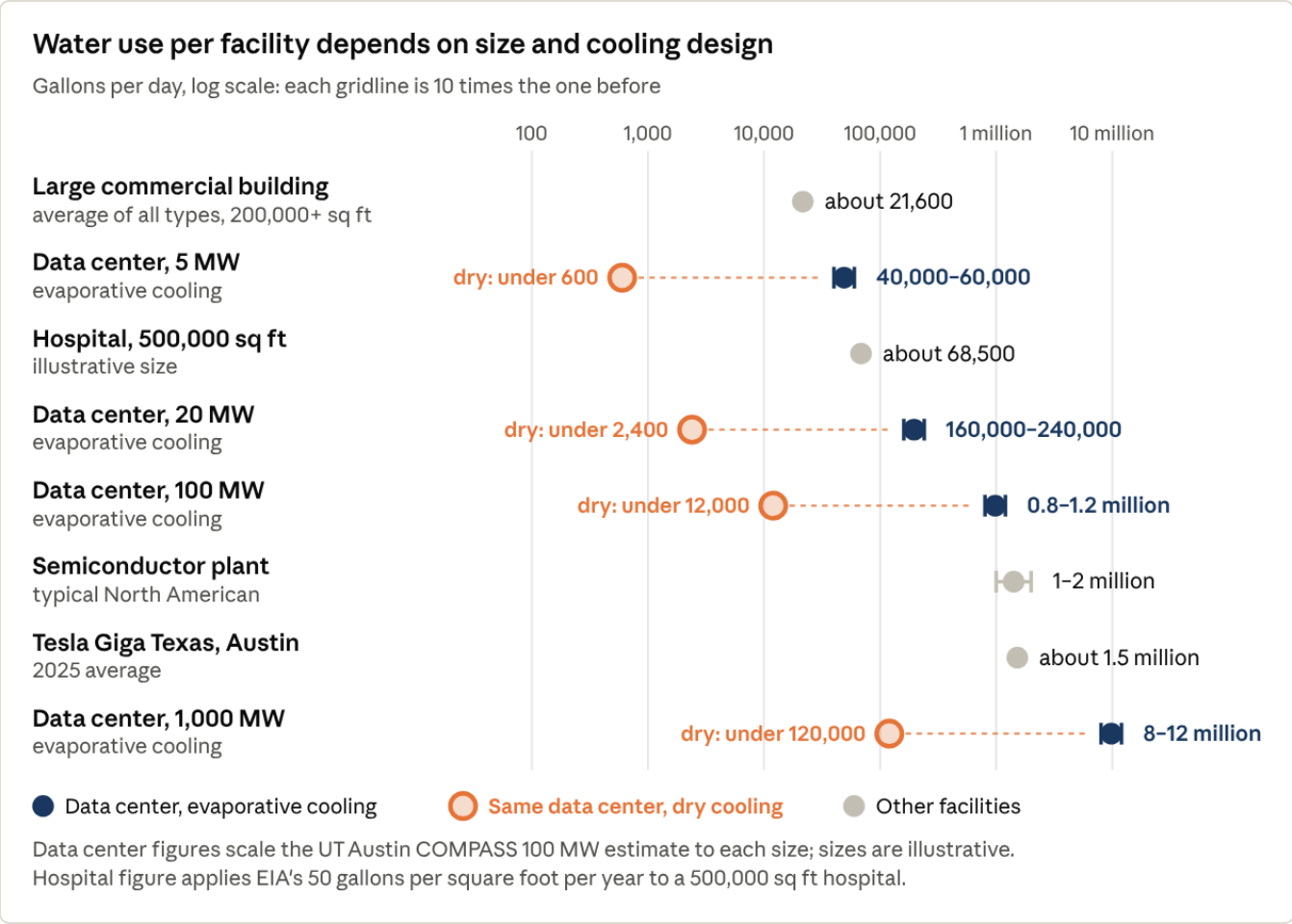
Farms and cities use 84% of Texas water; data centers use under 1% today

Share of statewide water use by type of user



Sector shares: 2023. Data center share: 2025, and includes water used to generate their electricity, so it overlaps the power plant figure.

Source: TWDB, 2023 Texas Water Use Estimates Summary; UT Austin COMPASS (Dec 2025)



Source: UT Austin COMPASS (Dec 2025); U.S. EIA 2012 CBECS water consumption; Texas Tribune / Austin Water (Apr 2026)

A large evaporative-cooled campus uses water on the scale of a major manufacturing plant. A 100 MW campus with dry cooling uses less water than a large hospital.

The statewide average does not tell a city whether its own system can serve a project. The cooling design does.

WHAT A CITY CAN DO

- Require a Water Demand Analysis that states the cooling type, average and peak daily demand, and the water source (drinking water, groundwater or reclaimed).
- Tie approval to the cooling design the analysis assumes, so the numbers cannot change after approval.
- Ask how the facility will operate during drought restrictions.

2. “The state tracks how much water data centers use.”

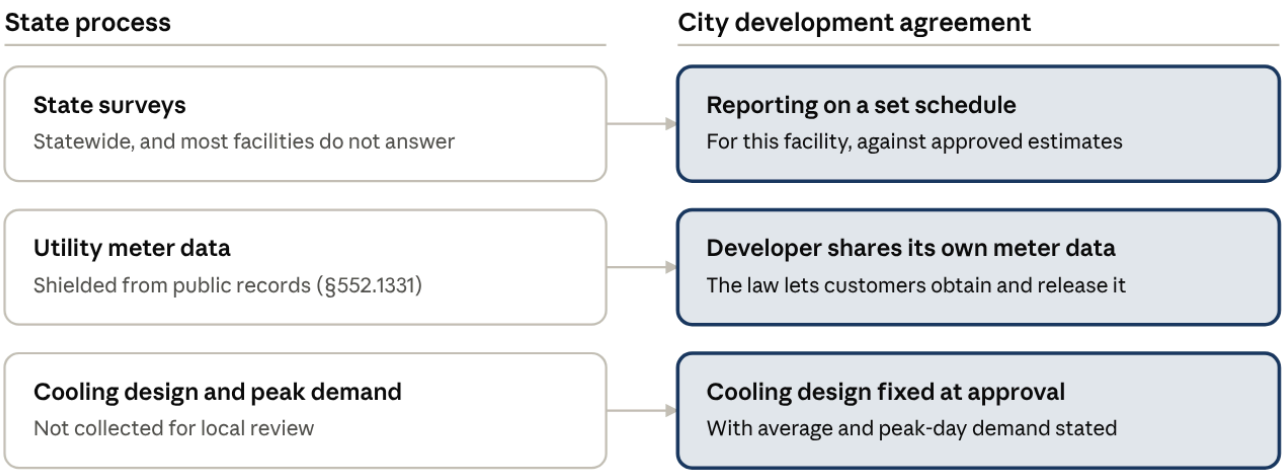
VERDICT False.

WHAT THE EVIDENCE SHOWS

- **State surveys have not produced facility data a city can use.** Both the Texas Water Development Board’s required annual survey and the Public Utility Commission’s 2026 survey drew limited responses (KUT / Texas Newsroom).
- **Utility meter data is shielded.** Under Government Code §552.1331, usage data a city utility collects through smart meters is excepted from public records requests. The utility must still give that data to the customer.
- **Industry-aligned researchers support disclosure too.** A July 2026 paper from the Information Technology and Innovation Foundation calls for mandatory, standardized water reporting for facilities above 1 MW (ITIF).

The city’s agreement supplies the water data the state does not

What each source gives a city about one facility’s water use



Source: State vs. city water data · Gov't Code §552.1331; KUT / Texas Newsroom (Jun 2026)

WHAT A CITY CAN DO

- Write water reporting into the city’s own development agreement. The state process will not supply it.
- Require the developer to obtain its own meter data and share it on a set schedule, which §552.1331 allows.
- Define in advance what the city may publish, so public reporting stays lawful.

3. “Data centers will raise your electric bill.”

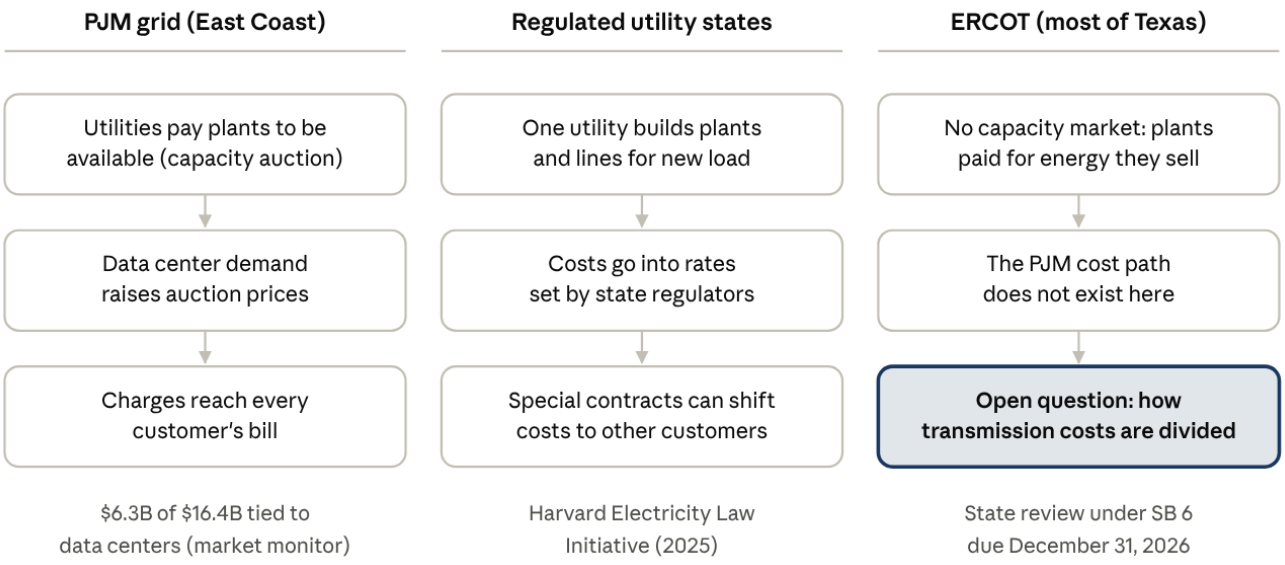
VERDICT Not settled. Not supported in Texas to date.

WHAT THE EVIDENCE SHOWS

- **Growth has not tracked higher prices.** In most states, growing electricity demand came with falling average retail prices from 2019 to 2025. Increases were concentrated in the Northeast and on the West Coast. Texas had high demand growth and a comparatively modest price increase (Lawrence Berkeley National Laboratory). The researchers say this is a pattern, not proof of cause.
- **Where bills rose, the state’s rules set the path.** How data center costs reach other customers depends on the market and rate rules already in place:
  - **In the PJM grid (East Coast),** utilities pay power plants to be available through a capacity auction. The independent market monitor attributes $6.3 billion of $16.4 billion in recent auction charges to data centers. Several PJM states have responded with separate data center rate classes (Utility Dive).
  - **In states with traditionally regulated utilities,** one utility builds for new load and recovers its costs through rates set by regulators. Researchers at Harvard identify three ways this can shift costs to other customers: special contracts, how transmission costs are divided, and sharing existing plants (Harvard Electricity Law Initiative).
  - **ERCOT, which serves most of Texas, has no capacity market,** so the PJM path does not exist here.
- **Costs can still rise for everyone.** Virginia’s legislative auditor found current rates assign costs correctly to data centers. It also found that more data center demand will likely raise total system costs for all customers (JLARC Report 598).
- **Texas policy says large users pay their own way.** Senate Bill 6 (2025) sets rules for loads of 75 MW and up. It requires new large loads to be able to cut power use during grid emergencies and to disclose if they are seeking connections at several sites. In June 2026 the Governor directed regulators to make data centers pay all of their electric infrastructure costs (directive).
- **The Texas rules are not finished.** State regulators told lawmakers they need more authority to complete that directive (Houston Public Media). SB 6 also orders a review of how transmission costs are divided among customers, due December 31, 2026. That review will decide how Texas answers the cost question other states have faced.

Where bills rose, the grid's rules set the path

How data center costs can reach household bills under three arrangements



Source: PJM vs. ERCOT cost paths · Utility Dive (Jul 2026); Senate Bill 6 (2025)

WHAT A CITY CAN DO

- Treat cost allocation as an open question in any long-term analysis, not a settled one.
- Ask the developer which utility will serve the project, and under what tariff and contract terms.
- Follow the 2027 legislative session, which is set to revisit these rules.

4. "The World Health Organization says 40 decibels at night is the limit."

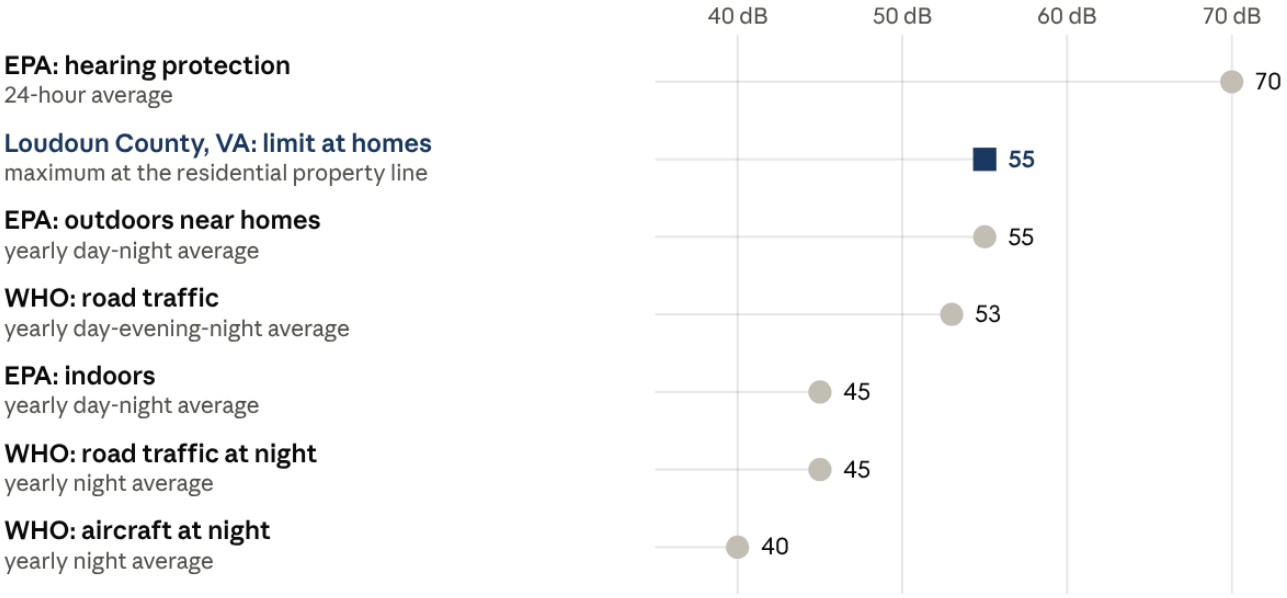
VERDICT Misleading. The number is real, but it is applied to the wrong source.

WHAT THE EVIDENCE SHOWS

- **The WHO figures are for traffic and aircraft.** The 2018 WHO guidelines are written for the European Region and set levels for road, rail and aircraft noise. The 40 dB night figure is for aircraft. None of the levels is for continuous equipment like a data center (WHO 2018).
- **The EPA's 55 dB figure is not a regulation.** The EPA's 1974 "Levels Document" identified a yearly day-night average of 55 dB outdoors as protective near homes and schools. The document itself warns that these levels are not regulatory goals (EPA).
- **Data center limits are written differently.** The figures above are long-term averages. Local limits are usually maximums measured at the property line. Loudoun County, Virginia, for example, allows a maximum of 55 dBA at a residential property line (Loudoun County).
- **The type of noise matters as much as the level.** Cooling equipment runs around the clock and can produce a low-frequency hum and distinct tones. Standard A-weighted readings under-count low-frequency sound, and people find tonal sound more annoying than steady noise at the same level (ANSI/ASA S12.9 Part 4). Loudoun County notes that its dBA limits may be too high to address steady tonal noise. Backup generators add a different, intermittent noise during testing and outages.
- **Complaints can come even under the limit.** Virginia's legislative auditor found some residents reported problems from constant noise even where ordinance limits were rarely exceeded. Most facilities drew no complaints because of their location or design (JLARC Report 598).

The figures people quote are averages, not data center limits

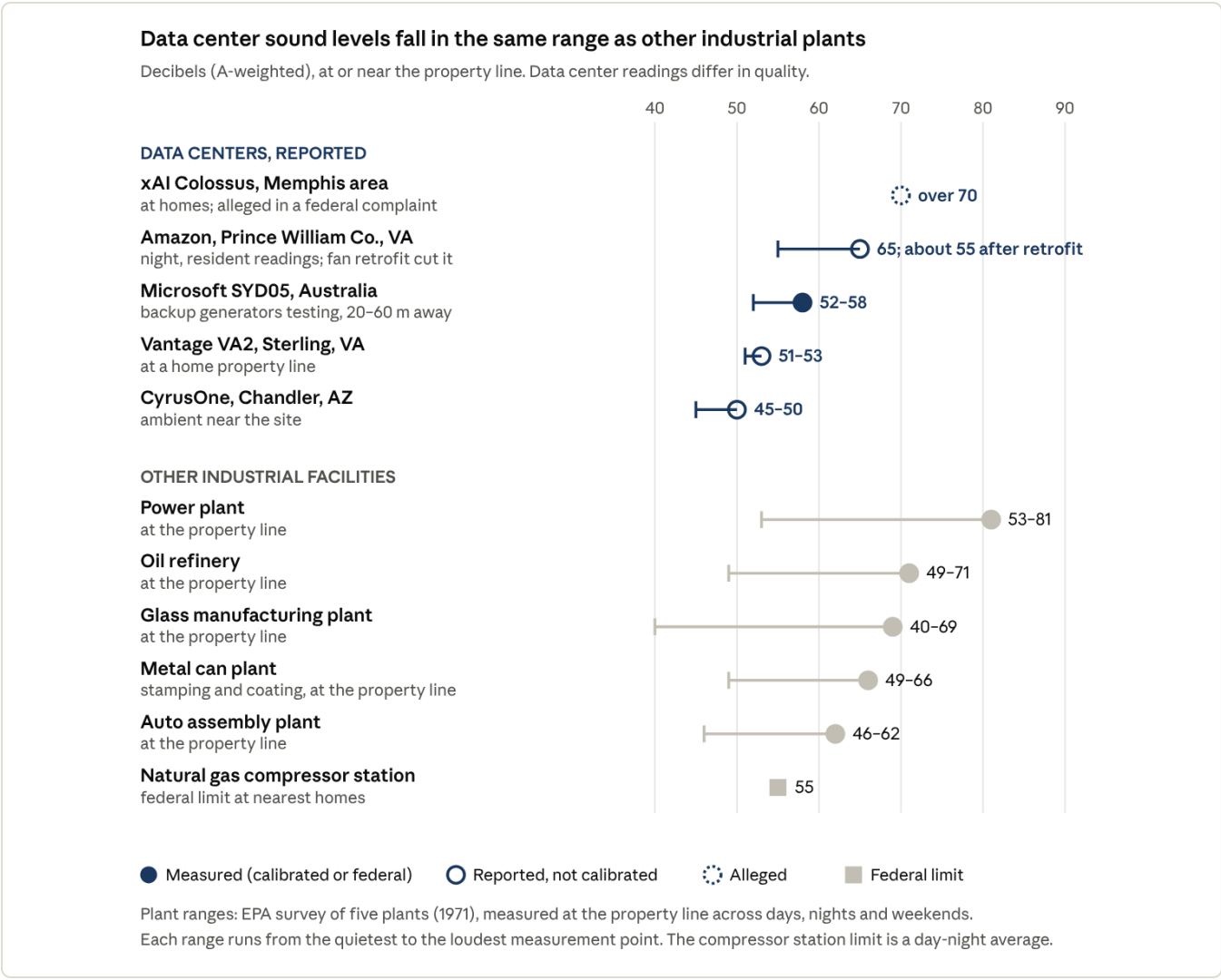
Decibels (A-weighted). Highlighted: a local limit that applies to data centers.



Circles are long-term averages; the square is a maximum that cannot be exceeded at any time.

The 40 dB figure in the claim above was set by the WHO for aircraft noise in Europe.

Source: U.S. EPA Levels Document (1974); WHO Environmental Noise Guidelines for the European Region (2018); Loudoun County, VA



Source: Bray & Dominici, Harvard T.H. Chan School of Public Health (arXiv preprint, 2026); U.S. EPA, Noise from Industrial Plants (1971); 18 CFR 157.206

Reported levels near data centers, about 45 to over 70 dBA, fall within the range the EPA measured at the property lines of power plants, refineries and manufacturing plants. A fan retrofit lowered one site by about 10 dB. Few of these readings were taken with calibrated equipment, which is why a city should require its own testing.

WHAT A CITY CAN DO

- **Test for the type of noise, not only its loudness.** Require A-weighted and C-weighted readings, plus octave-band measurements that show low-frequency content and tones (Ramboll).
- **Penalize tones.** Apply an adjustment that lowers the effective limit for tonal sound, using the methods in ANSI/ASA S12.9 Part 4.

- **Measure before and after.** Record background sound before construction, then retest at the same locations once the facility operates. Loudoun County requires a pre-construction study and a post-construction study 1 to 12 months after the first certificate of occupancy.
- **Test under the hardest conditions.** Measure at full cooling load in hot weather, at night, and test generators separately.
- **Set the model inputs first.** Specify receptor locations and operating scenarios for the developer's noise model before the study is run.
- **Close the air-conditioner loophole.** Check the local noise ordinance for an exemption written for home air conditioners. In one Virginia jurisdiction, developers read such an exemption to cover industrial cooling equipment (Acentech).

5. “Backup generators are the state’s job, not the city's.”

VERDICT True, with a gap to close.

WHAT THE EVIDENCE SHOWS

- **The state authorization requires no registration.** Most backup generator fleets operate under a TCEQ permit by rule, 30 TAC §106.511. It requires no registration and no fee. Records stay on site, and run time is capped at 10% of the primary equipment’s normal annual operating schedule.
- **So the state cannot tell a city how many generators are planned.** Only larger fleets go through full air permitting.
- **Power plants serving data centers can skip public notice.** The Texas Tribune reports that state permitting is letting some new pollution sources tied to data center power supply begin operating without public notice or environmental review (Texas Tribune).
- **State permits are paused, but applications are still moving.** On September 21, 2026, the Governor directed TCEQ to issue no permits for data center projects until ERCOT and the Texas Water Development Board finish their audits (Texas Tribune). The audits have no deadline; ERCOT has said it intends to finish by December 2026. A review by FracTracker and Public Citizen found 35 TCEQ actions on data center projects in the following weeks, including stormwater coverage and public notices. The Governor’s office says the pause covers approvals, not processing (Inside Climate News). A city should not assume state permits will be in hand on any fixed schedule.

WHAT A CITY CAN DO

- Require the site plan to show every generator: its number, size, fuel and location.
- Require the testing schedule, and set testing hours that avoid nights and weekends.
- Ask whether the project includes on-site power generation beyond backup, which raises separate air and noise questions.

6. “Data centers pay big local taxes.” / “Data centers pay no taxes.”

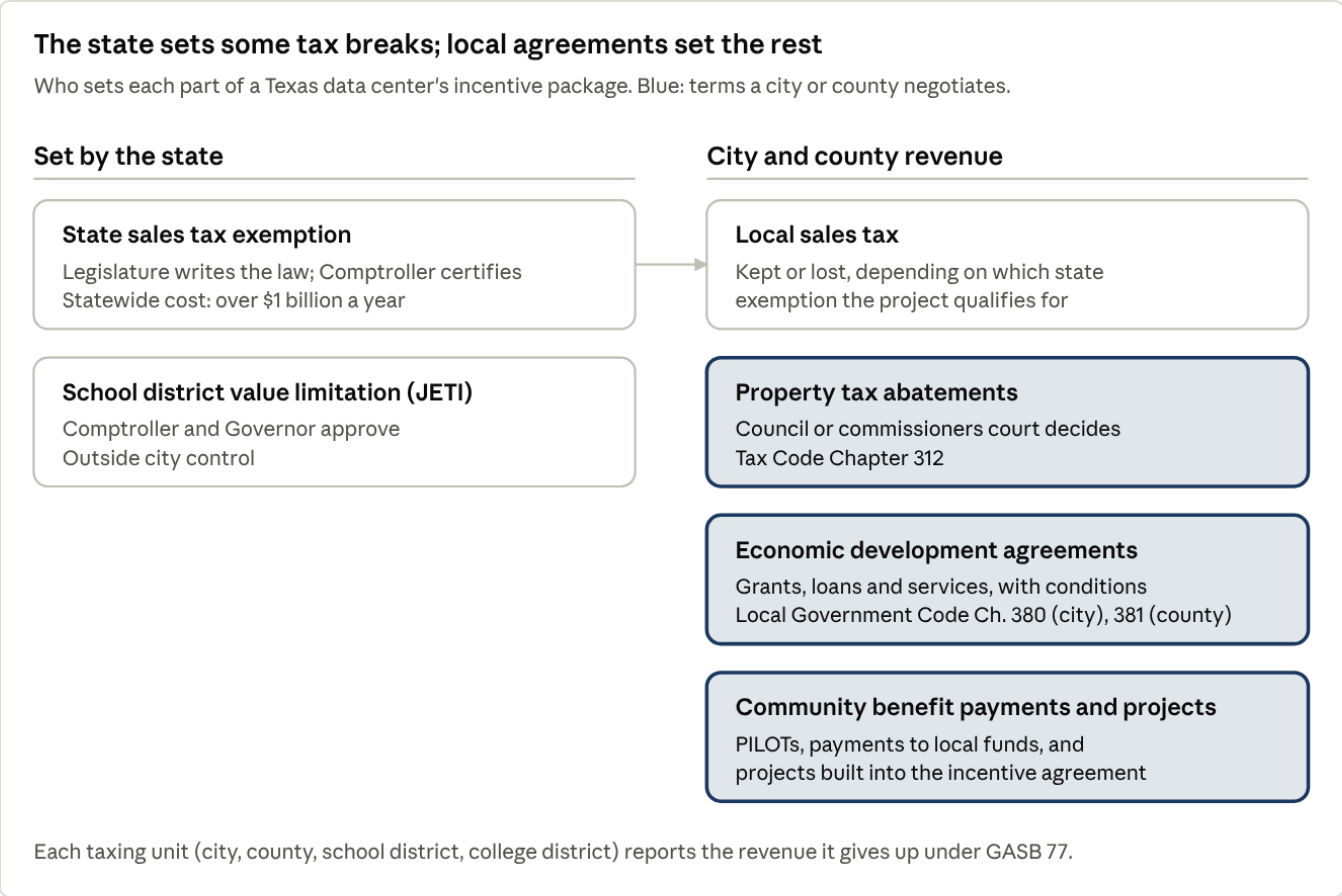
VERDICT Partly true, both ways. It depends on the deal, and each local taxing unit sets its own terms.

WHAT THE EVIDENCE SHOWS

- **The state gives up the most.** The Texas Comptroller estimates data center sales tax exemptions cost the state over $1 billion a year, rising to nearly $1.8 billion by 2030, as reported by Texas Public Radio.
- **Which law applies decides what the city keeps.** Two separate state exemptions exist, and they are often confused (Comptroller):

Exemption	Qualifying project	State sales tax	Local sales tax
Tax Code §151.359	100,000 sq ft, $200 million investment, 20 jobs	Exempt	City keeps it
Tax Code §151.3595	250,000 sq ft, $500 million investment, 40 jobs, 20 MW	Exempt for 20 years	Appears exempt for 20 years; confirm with counsel

- **Property tax is the main local revenue, and the local terms are set locally.** Cities and counties may grant abatements under Tax Code Chapter 312. School district value limitations run through a separate state program (JETI) that the Comptroller and Governor administer (Comptroller).
- **Chapter 380 and 381 agreements give cities and counties a second tool.** Local Government Code Chapter 380 lets a city make “loans and grants of public money” and provide city personnel and services to promote economic development (§380.001). Chapter 381 gives counties similar authority (Ch. 381). These agreements can carry performance conditions, reporting duties and repayment if conditions are not met.
- **PILOTs and community benefit payments are negotiated.** A payment in lieu of taxes (PILOT) is a payment a project makes in place of taxes that are abated or exempted. A community benefit payment funds a specific local need, such as schools, emergency services or water infrastructure. Both are terms written into the abatement, the Chapter 380 or 381 agreement, or the development agreement, and so are community benefit projects. See Community Benefit Arrangements in Part 2.
- **Most jobs come during construction.** Virginia’s legislative auditor found most of the economic activity from data centers comes from construction, not ongoing operations (JLARC).
- **The state rules may change.** Lawmakers have been assigned to review the sales tax exemption before the 2027 session (Foley & Lardner summary).



Source: Texas incentive layers · Texas Comptroller; Tax Code ch. 312; GASB 77

WHAT A CITY CAN DO

- Confirm which exemption the developer is seeking before any local sales tax revenue enters a projection.
- Use the full set of local tools together. An abatement, a Chapter 380 or 381 agreement, a PILOT and community benefit payments can be combined so the city's net position is negotiated, not left to state exemptions.
- Tie every incentive to performance conditions, reporting and repayment terms.
- Count the full cost of a deal, including infrastructure the city commits to build, not only the abatement amount.
- Do its own fiscal analysis rather than relying on figures from the developer or another taxing unit.

7. “These deals are made in secret.”

VERDICT Partly true before signing. False after.

WHAT THE EVIDENCE SHOWS

- **Negotiations can be confidential.** Before an agreement is made, a city may withhold trade secrets, competitively sensitive business information and incentive offers (Gov't Code §552.131).
- **Incentive terms become public once the deal is made.** After an agreement, that exception no longer covers incentives that cost public money or reduce public revenue. Economic development corporations are covered by the same law.
- **Forgone revenue is reported every year.** Accounting standard GASB 77 requires each local government to disclose the tax revenue it gives up through abatements, even when another government granted the abatement.
- **The state is now asking too.** A 2026 ERCOT information request asks large-load developers to report local abatements and grants by jurisdiction (ERCOT).



Source: Disclosure by stage · Gov't Code §552.131; GASB 77

WHAT A CITY CAN DO

- Decline broad nondisclosure agreements, since incentive terms cannot stay confidential after signing.
- Set a public timeline that says when information will be released.
- Publish a plain-language summary of any agreement when it is approved.

8. “Closed-loop cooling means the data center uses no water.”

VERDICT Misleading.

WHAT THE EVIDENCE SHOWS

- **“Closed loop” describes only part of the system.** A fluid can circulate again and again through the computers while a separate system releases the heat outdoors. If that outdoor system is evaporative, it still consumes water (LBNL 2024).
- **Water use varies about tenfold by design.** A standard efficiency measure, water use effectiveness, runs from about 2.5 for evaporative systems to about 0.2 for highly optimized designs (UT Austin COMPASS).
- **Hybrid systems change with the weather.** Some switch to evaporative cooling on the hottest days, when other customers are also using the most water.
- **The power plant’s water use continues either way.** See Claim 1.

WHAT A CITY CAN DO

- Ask how the whole facility rejects heat, including in the hottest weather, not only how the computers are cooled.
- Require the peak-day water demand for that hottest-weather operation.
- Make the cooling design a condition of approval.

Four Questions to Ask of Any Number

Most bad data center figures fail one of these four tests. They apply equally to claims from supporters and opponents.

1. **Water taken, or water used up?** Withdrawal counts water taken and mostly returned. Consumption counts water that does not come back. In the last survey-based national count (2015), U.S. irrigation withdrew 118 billion gallons a day but consumed 73.2 billion (USGS Circular 1441). Comparing one kind to the other inflates or shrinks a number.
2. **National, or local?** A small national share can still be a large share of one town's water system or substation. A large local number says nothing about the state.
3. **Today, or a projection?** A projection for 2030 or 2040 should not sit on the same chart as today's figures for something else.
4. **Who produced it, and who paid for it?** Industry groups, advocacy organizations and political parties all publish data center figures. Funding does not make a number wrong, but it should be stated. Even some university research here is funded by industry members, including the UT Austin COMPASS consortium cited above.

Worked example: land use. Two figures circulate widely: data centers will cover about 1,400 square miles, and data center buildings cover 25 square miles. The 1,400 figure comes from one independent writer's estimate for 2030 and is often compared with today's farmland, which fails question 3. No one has shown where the 25 figure comes from, and it is about double that same writer's own estimate of 11 to 14 square miles (source). Neither figure should be used.

Part 2: Evaluating a Specific Proposal

A construction value, a job announcement or a comparison with another city does not describe a proposal. Residents need to know what is proposed, what the community would receive, what it would commit, and how those commitments would be checked.

Start with the full project

Ask for the full campus at buildout, not only phase one. A proposal for one building today may lead to several buildings, more cooling equipment, substations and generators over time.

Labels such as "hyperscale" or "AI" do not say what will happen on a particular site. Facilities differ in computing capacity, cooling design, electricity demand and physical size (LBNL 2024). Every figure in a proposal should say which phase it describes.

Ask also whether the same project is being offered elsewhere. Texas Senate Bill 6 requires large loads to disclose interconnection requests at multiple sites (SB 6).

Water: can the local system serve it?

A small statewide share does not show that a particular water system has spare supply. The supply may come from a reservoir, an aquifer or a purchased-water contract, and each has its own limits. The system also serves existing customers and may already be committed to future growth.

Peak demand matters as much as the average. Annual averages can hide large demand on the hottest days, when other customers also use more. *Illustrative example:* a facility that averages 200,000 gallons a day but needs 800,000 on its peak day needs a different system from one that steadily uses 200,000.

Reclaimed water helps, but is not free. It can reduce demand for drinking water, but its supply, treatment needs and other uses still need review.

What residents should expect to see: the water source, annual demand, peak daily demand, consumption, wastewater returned, and a drought operating plan, each for a stated phase.

QUESTIONS WORTH ASKING

- How much water is available after existing customers, drought conditions and prior commitments?
- What happens to the facility's demand at each stage of the local drought plan?
- Who pays for new supply, treatment, storage and delivery capacity?
- Will actual withdrawals and consumption be reported against the approved estimates?

Electricity: how big is the request, and who pays?

A large customer brings both revenue and costs. A blanket promise that a data center will lower bills is too broad. So is a blanket claim that every project will raise them.

Megawatts and megawatt-hours measure different things. Megawatts (MW) are the rate of use at a moment. Megawatt-hours (MWh) are the amount used over time. A facility drawing 100 MW for 24 hours uses 2,400 MWh that day. Designed peak demand is not the same as normal operating demand.

Know what a load figure includes. A figure may cover only the computers or the whole facility, including cooling. Two projects stated on different bases cannot be compared (LBNL 2024).

Paying for a connection does not settle every cost. More electricity sales can spread existing fixed costs over more use. New generation, transmission and substations can add costs. Texas's adopted large-load rule separates a study fee, financial security and construction-related obligations (16 TAC §25.194, Texas Register). Each should be explained separately. A security deposit protects against defined risks; it is not payment of every future cost.

QUESTIONS WORTH ASKING

- Which utility serves the site, and which customers could bear added costs?
- What infrastructure must be built, who pays, and when are payments due?
- What protects other customers if the project is delayed, reduced or abandoned?
- What assumptions about demand, energy prices and future investment drive the rate analysis?

Fiscal return: what each public entity actually receives

An announced investment is where the fiscal analysis starts, not where it ends. What a city receives depends on taxable property, exemptions (see Claim 6), negotiated incentives, service costs and how the project performs over time.

Show each taxing entity separately. The city, county, school district and college district have different revenues and duties. A benefit to one is not revenue for another. Show each before any community-wide total.

Net receipts against added costs. Costs include infrastructure financing, maintenance, emergency services, administration and ongoing compliance work. Payments that reimburse a specific cost are not unrestricted revenue. *Illustrative example:* $4 million in annual city receipts against $1.5 million in added annual city costs nets $2.5 million a year, before upfront obligations and timing.

Test the downside. Equipment value falls and is replaced, operations change, and state exemptions may change in 2027. A projection should include reasonable downside cases, not only the developer's expected outcome.

Describe jobs in plain categories. Ask separately for construction jobs and duration, permanent positions, wages, contract positions and local purchasing. A "job-year" is one year of work, not one lasting position.

Indirect and induced jobs are model estimates and should state their geography and assumptions.

Few permanent jobs do not mean a project has little fiscal value. Large capital investment does not mean the community gets a good deal. Both questions need an answer.

Community Benefit Arrangements

An incentive is an exchange, and the community's side of it can include more than tax revenue. A property tax abatement, a Chapter 380 or 381 agreement, or a development agreement can carry payments or projects that answer a project's real local effects and leave a lasting public benefit. These terms are negotiated; none is automatic.

Form	What it looks like	Example uses
Community benefit payment	A fixed or scheduled payment to the city or a designated fund	Emergency services, parks, community programs
Payment in lieu of taxes (PILOT)	A payment that replaces part of the taxes abated or exempted	Keeps the city's revenue closer to the unabated level
Developer-built infrastructure	Improvements built to city standards and dedicated to the city	Water and wastewater lines, reclaimed water supply, roads, drainage
Service and capacity support	Equipment, training or staffing tied to the demand the project adds	Fire and EMS equipment, training for battery storage hazards
Workforce and education	Partnerships with local schools and colleges	Training programs, internships, scholarships

Make each one enforceable. Each arrangement should state its amount or scope, its schedule, who receives and administers it, how it adjusts if the project grows or shrinks, and what happens if the developer does not perform. Typical remedies are repayment, recapture of abated taxes, or ending the incentive. This is the five-part commitment test below, applied to benefits.

Separate reimbursement from benefit. A payment that only covers a cost the project creates, such as review costs paid from the escrow or repair of roads damaged in construction, is reimbursement. It is not a community benefit and should not be presented as one.

Disclose it. Once an agreement is signed, its incentive terms are public (Claim 7). A plain-language summary of what the community gives and receives, by taxing entity, should be published when the agreement is approved.

Coordinate, but keep each entity's terms its own. The county, school district and college district negotiate their own arrangements. Counsel should confirm which instrument carries each term and the authority for it.

What neighbors will experience

A nearby resident's experience depends on site layout, distance, surrounding land uses, equipment and operating conditions. A regional benefit does not cancel a local impact.

A noise study should answer specific questions. A comparison with a dishwasher or traffic means little without a distance, a measurement method and an operating condition. The study should identify the nearest homes and other sensitive locations, the existing background sound, the predicted operating sound, and the conditions modeled. It should address low-frequency hum and tones (see Claim 4). The public should know how complaints are investigated, who pays for retesting, and what happens if a limit is exceeded.

Construction and operations are different. Construction brings truck traffic, work hours and road wear. Operations bring deliveries, lighting and equipment. A site plan should show building placement, screening, exterior lighting, drainage, and where generators and substations sit.

Backup power and routine power are different. Air review should separate emergency backup equipment from generation meant to run routinely (see Claim 5). A state permit and a neighborhood impact study answer different questions.

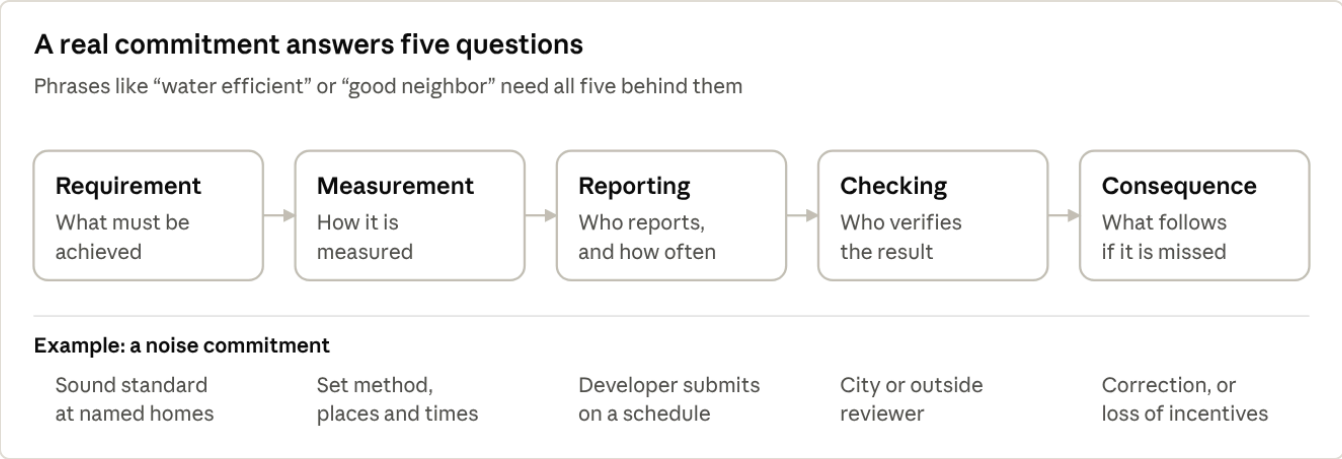
Effects add up. Evaluate a project alongside nearby facilities and other committed development, and say which projects are included.

What residents should expect to see: a map of the campus and nearby sensitive locations, a construction plan, predicted sound at named locations, the environmental authorizations, and a complaint and correction process.

Site design and operating limits work best when set before construction, while equipment can still be moved and separation increased.

Commitments and verification

An assurance that a concern "has been addressed" should point to a document that shows how. Residents should be able to trace each claim in a proposal to the city's findings and the conditions of approval.



Source: Five-part commitment test · Engage Group, LLC

Verification continues after approval. A project can change through construction, equipment replacement, expansion or sale. Each ongoing duty needs an assigned city position, a reporting schedule and funding.

Plan for the end of the facility's life. Residents should know the required condition of the site, who is responsible for restoring it, and what financial protection exists if that party fails to perform.

Eight questions before major commitments

1. What is proposed at full buildout, and which later phases are still uncertain?
2. Can the water system serve it during drought and peak demand while meeting existing commitments?
3. What could it do to electricity costs, and who pays for each kind of infrastructure?
4. What is the net fiscal benefit to each public entity after incentives and added costs?
5. Which jobs and local purchasing benefits are commitments, and which are estimates?
6. What will nearby residents experience, and what measurable protections address it?
7. Who independently checks the key claims, and where can the public read the findings?
8. Who monitors performance after approval, and who responds if commitments are not met?

A sound public discussion can weigh economic opportunity and costs at the same time. The decision should rest on the particular project, verified information, and terms the community can understand and administer.

Building an Evaluation Program

Each of the eight questions becomes a step in a standing review program. Engage Group, LLC's Data Center Feasibility & Fiscal Impact Toolkit sets out that program from first contact with a developer through verification after approval. It covers what the city requires at application, who reviews it, how review costs

are covered through a developer-funded escrow controlled by the city, and how commitments are checked. The Toolkit is customized to each community's water and power systems, development standards, taxing entities and priorities. It includes:

- Development standards and the studies they require
- Fiscal impact analysis by taxing entity, with abatement, Chapter 380/381, PILOT and community benefit strategy
- Water, power and noise review requirements, including testing protocols
- Development agreement terms, reporting requirements and verification after approval
- Briefings for elected officials and the public

Data Center Feasibility & Fiscal Impact Toolkit

A full-scale evaluation process, from first contact with a developer through verification after approval. Customized to your community's water and power systems, development standards, taxing entities and priorities.

To discuss the Toolkit for your community

info@engagesg.com · engagesg.com/data-centers

About This Briefing

Prepared for public education as of November 2, 2026. Figures are cited to their sources; questions and recommendations are Engage Group, LLC's. Examples marked *illustrative* are hypothetical. Research from other states is context, not a forecast for a Texas project. A proposal's own studies, utility commitments, local standards and executed agreements supply the local answers. Check regulations and tax eligibility against current authority before relying on them.

Engage Group, LLC · info@engagesg.com · engagesg.com/data-centers

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