



Impact of Data Centers on Municipal Communities

2026 Regional Survey
Results and Insights



North Central Texas
Council of Governments

Why Was This Survey Conducted?

- Survey originated from a Certified Public Manager (CPM) capstone research project by a NCTCOG member.
- NCTCOG partnered in the effort by providing input on the survey design and facilitated distribution to a broad regional audience to capture a wide range of local government perspectives.

Why It Matters

 Data center development is increasing across Texas and presents both opportunities and challenges for local governments. Dallas is also poised to become the world's top data center market, [according to Cushman & Wakefield](#).

 Communities are increasingly evaluating potential economic benefits alongside considerations related to:

- Energy demand
- Water consumption
- Infrastructure capacity
- Land use and community planning

DATA
CENTER

Survey Background & Methodology

Purpose

- Gather local government perspectives on the challenges and opportunities associated with large-scale data center development.
- Explore potential impacts related to infrastructure, utilities, water resources, energy demand, and municipal planning.

Survey Administration

- Survey period: March 10–31, 2026
- Total responses received: 31
- Results are presented in the order questions were asked and may reflect aggregated responses from survey participants.

Target Audience

Survey was distributed to members and stakeholders associated with:

- Public Works Council
- Solid Waste Advisory Committee
- Water Resources Council
- Regional Integration of Sustainability Efforts (RISE) Coalition

Who Responded? *cont.*

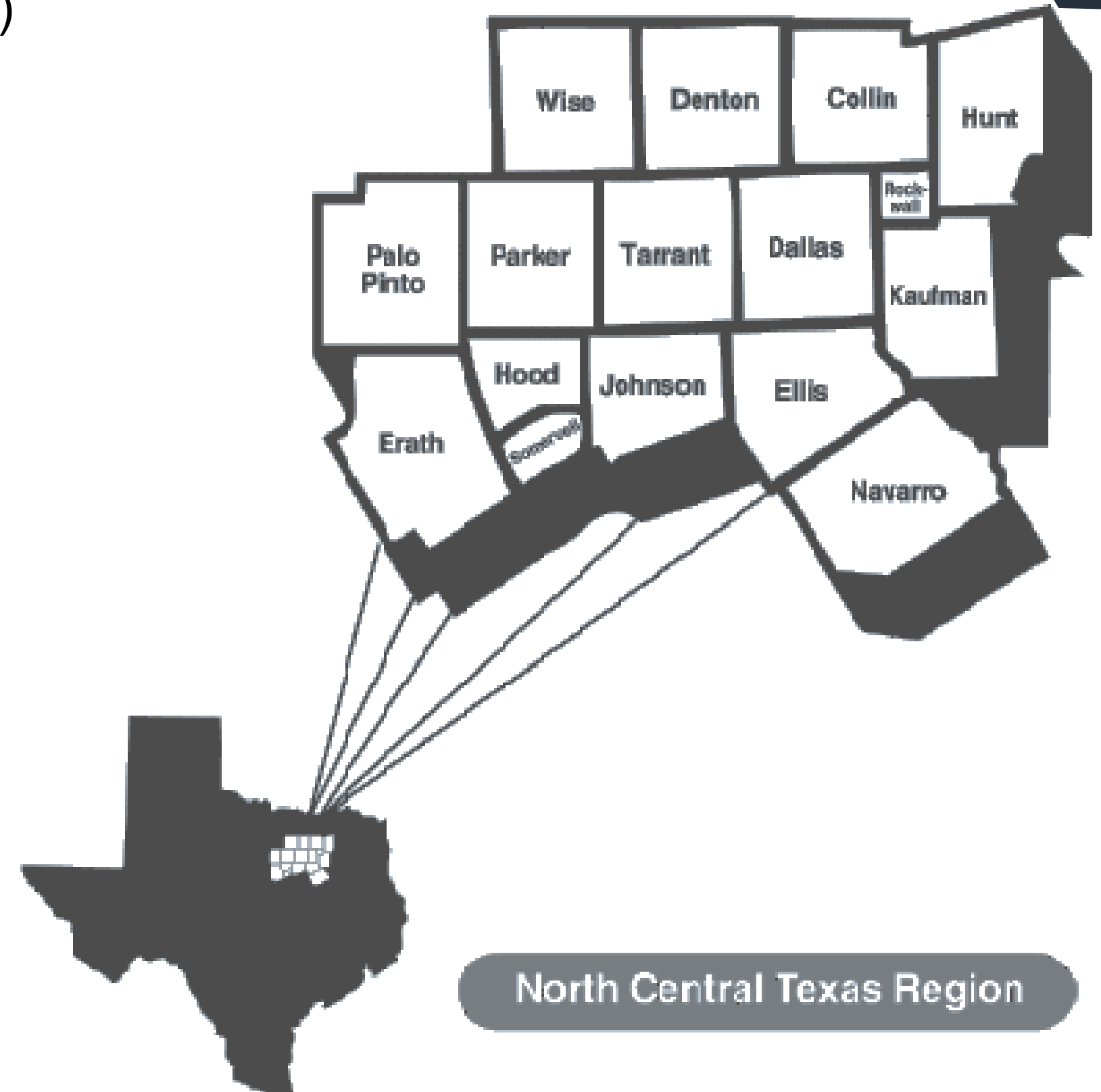
Q1. What is your primary department or functional area? (*n* = 31)

- Environmental Services / Sustainability (35%, 11)
- Other (23%, 7)
- Utilities (Water, Power, Wastewater) (16%, 5)
- City Management / Administration (13%, 4)
- Public Works / Transportation (6%, 2)
- Planning / Zoning (6%, 2)

Other responses included Development Services, Building Inspection, Parks and Recreation, Fire Marshal, and County leadership.

Q2. In what state do you work? (*n* = 29)

- 100% of respondents indicated Texas.



Who Responded? *cont.*

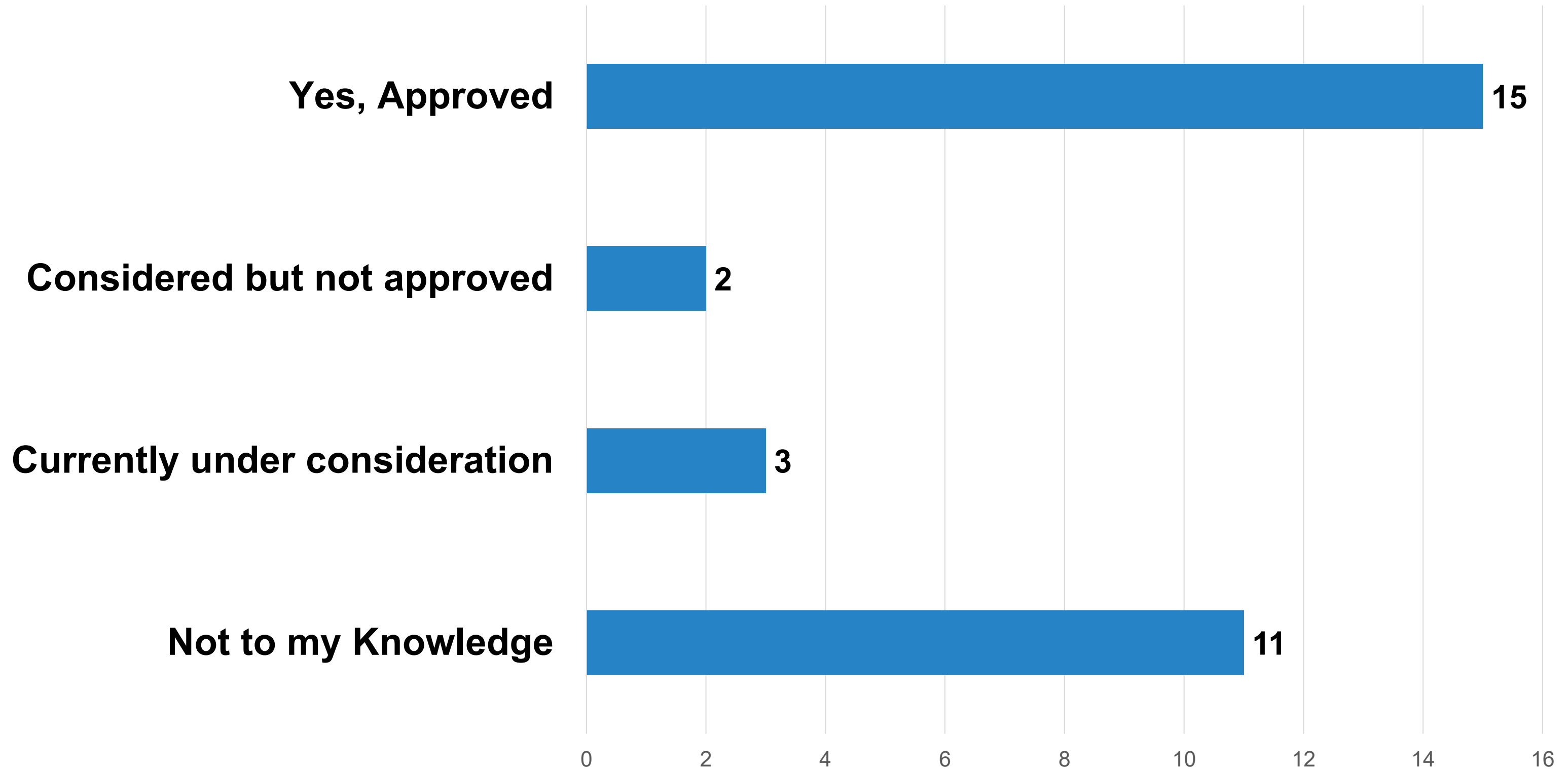
Q3. How would you classify your city/county based on population size? (*n* = 31)

Responses represented a broad range of community sizes, including:

- Large Metropolitan Area (1.5 million+) - 23% (7)
- Metropolitan Area / Large City (500,000–1.5 million) - 3% (1)
- Medium-Size City / Urban Area (200,000–500,000) - 23% (7)
- Small City / Urban Area (50,000–200,000) - 29% (9)
- Town / Small Town (below 50,000) - 23% (7)



Q4. Has your city/county approved or considered a data center within the past 10 years? (*n* = 31)



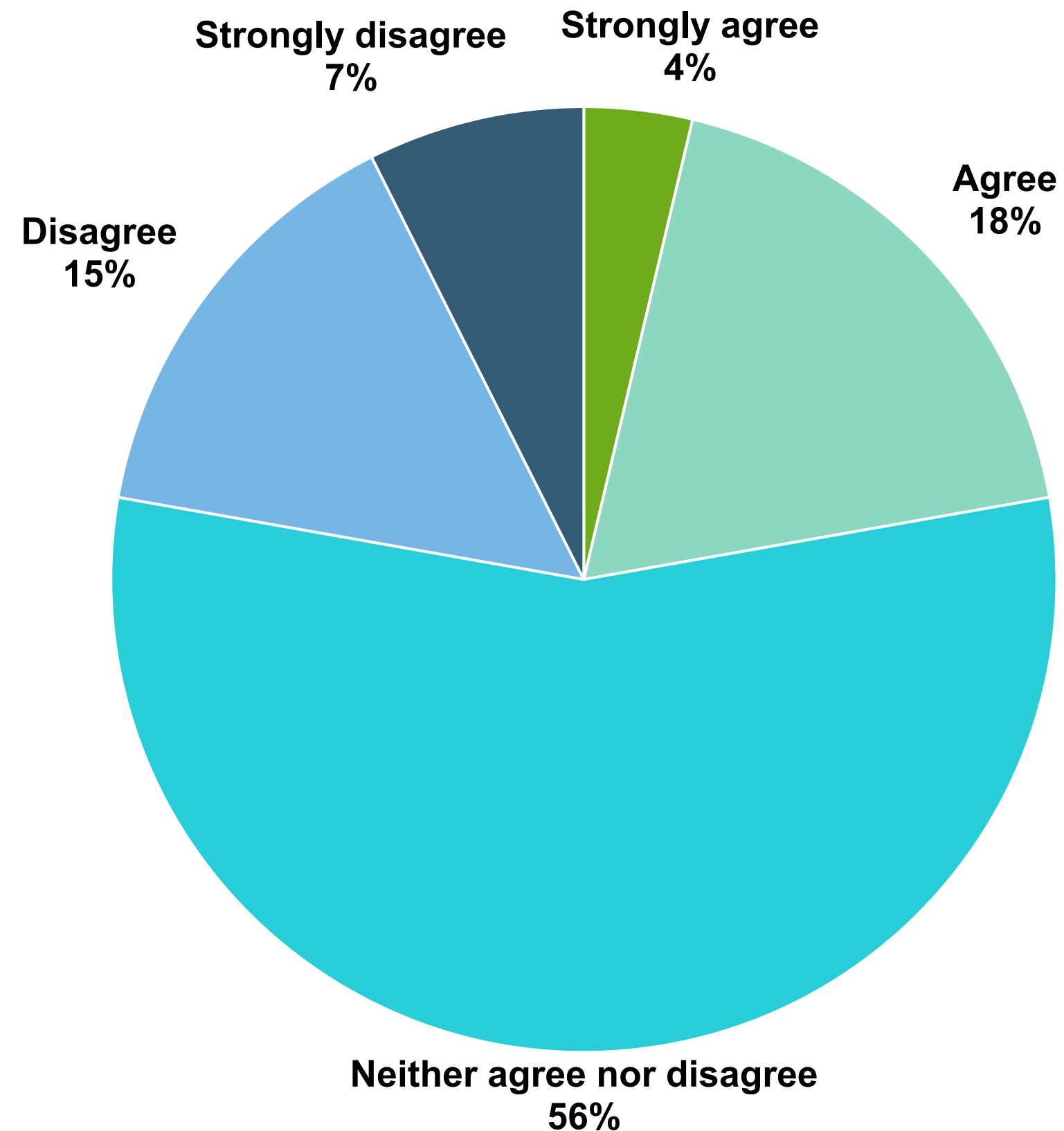
Perceived Economic Value of Data Centers

Questions 5-10 explore how respondents assess the economic benefits and costs of data centers, focusing on:

- Tax revenue generation
- Incentive return on investment
- Permanent job creation
- Local economic diversification
- Overall fiscal impacts on local governments

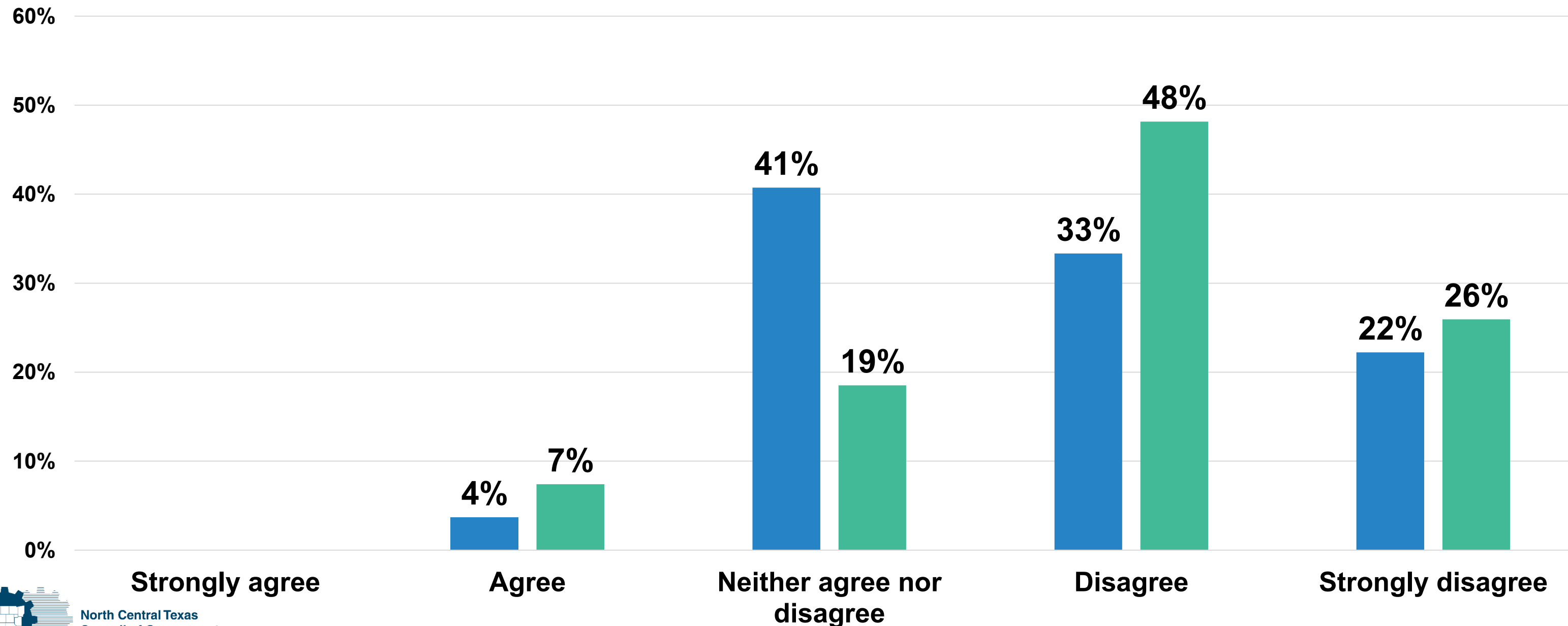
Perceived Economic Value of Data Centers

Q5. Data centers provide meaningful long-term tax revenue for cities/counties. (*n* = 27)



Perceived Economic Value of Data Centers *cont.*

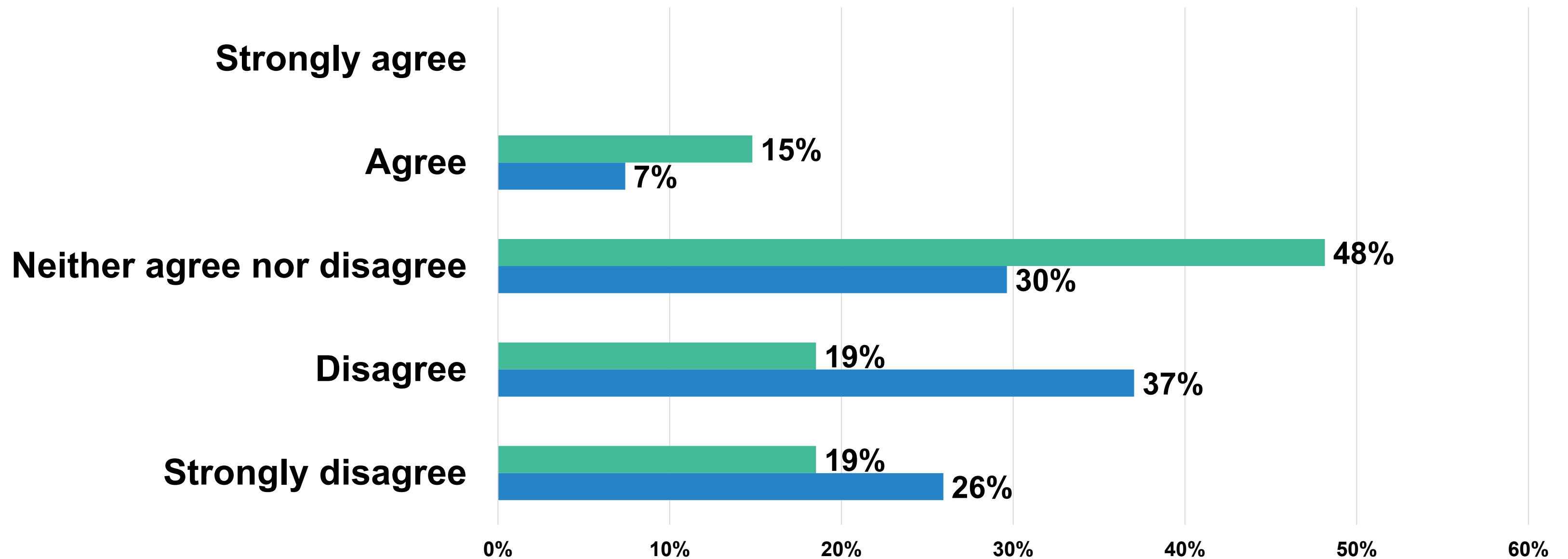
- Q6. The economic incentives offered to data centers are justified by the return on investment. (n = 27)
- Q7. Data centers create sufficient permanent jobs to justify public investment. (n = 27)



Perceived Economic Value of Data Centers *cont.*

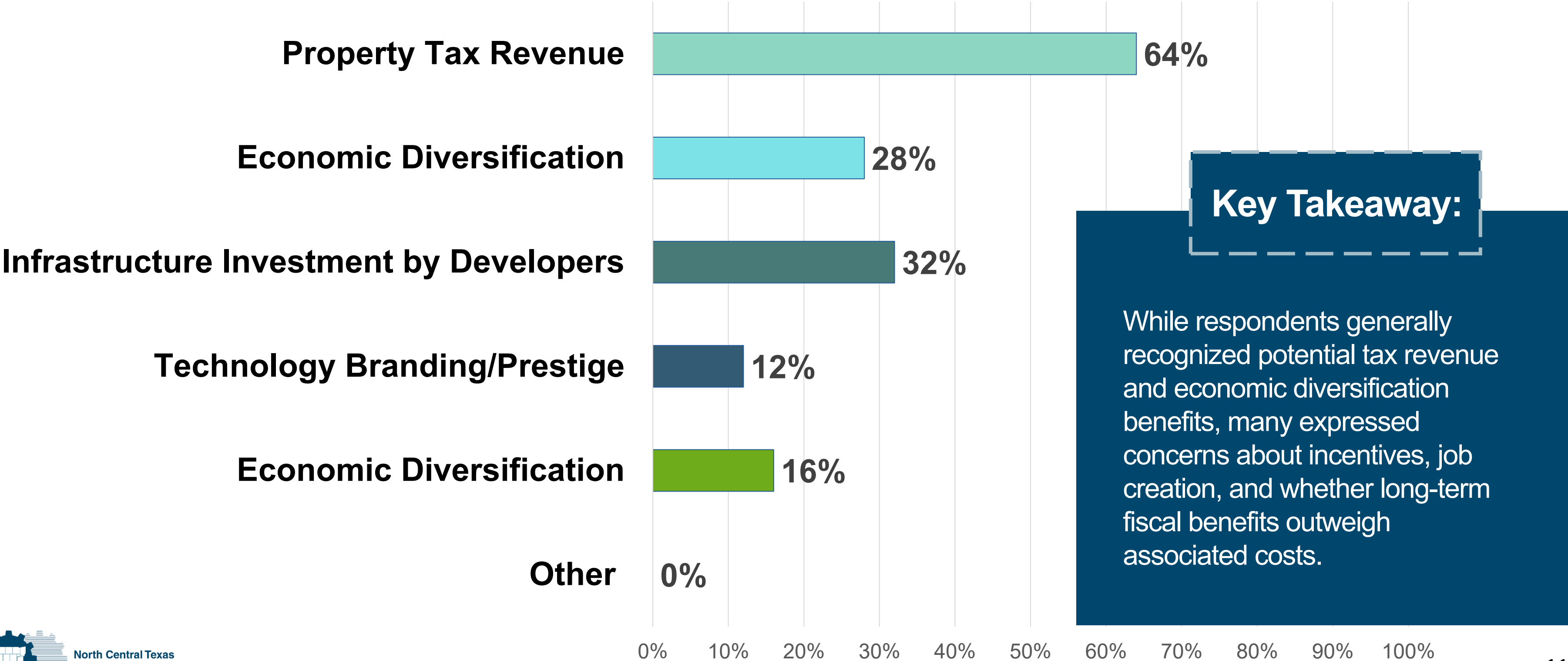
■ Q8. Data centers help diversify the local economy. (n = 27)

■ Q9. The fiscal benefits of data centers outweigh the long-term costs to the city/county. (n = 27)



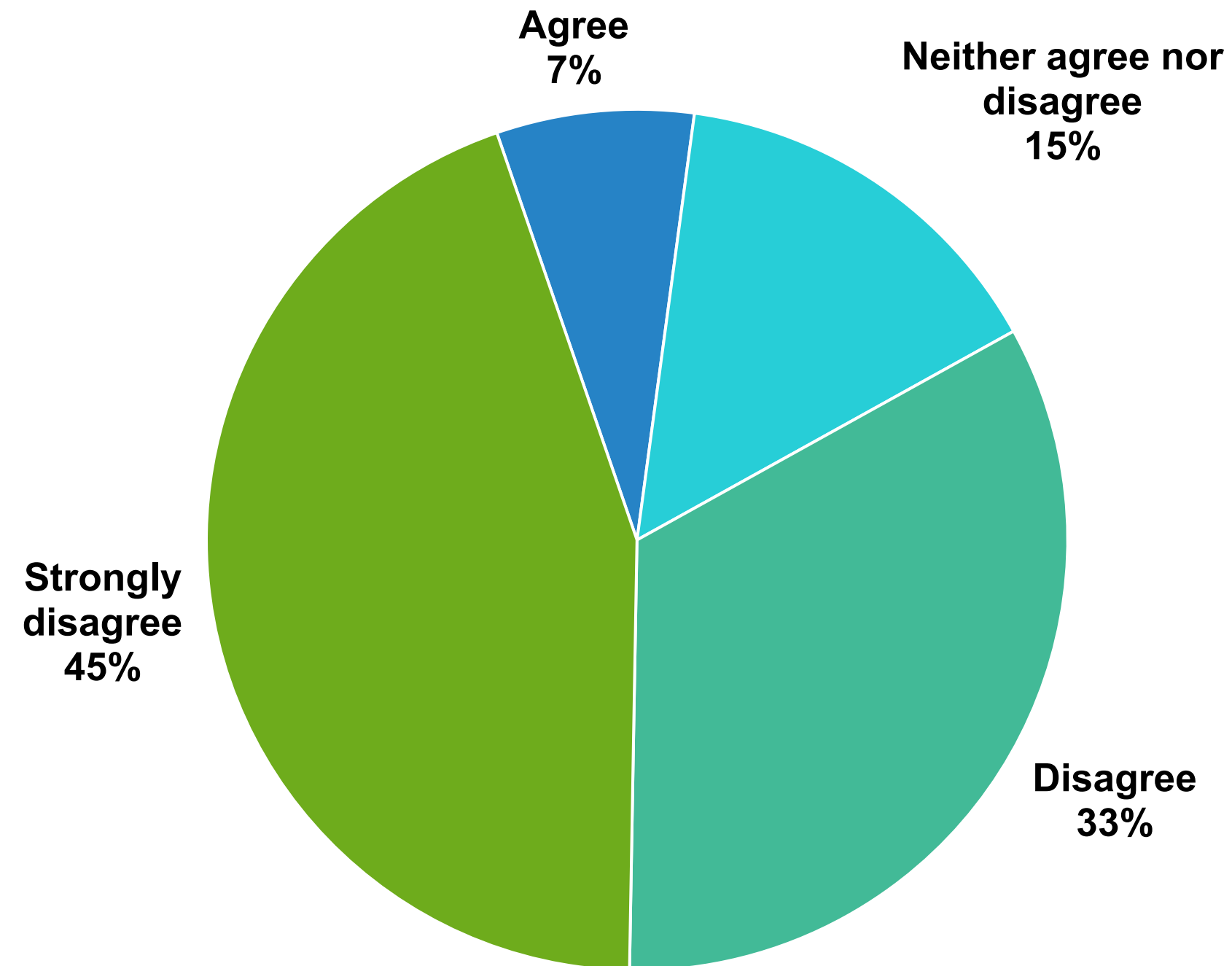
Perceived Economic Value of Data Centers *cont.*

Q10. In your opinion, what are the top fiscal benefits of data centers for cities/counties?
(n = 25)



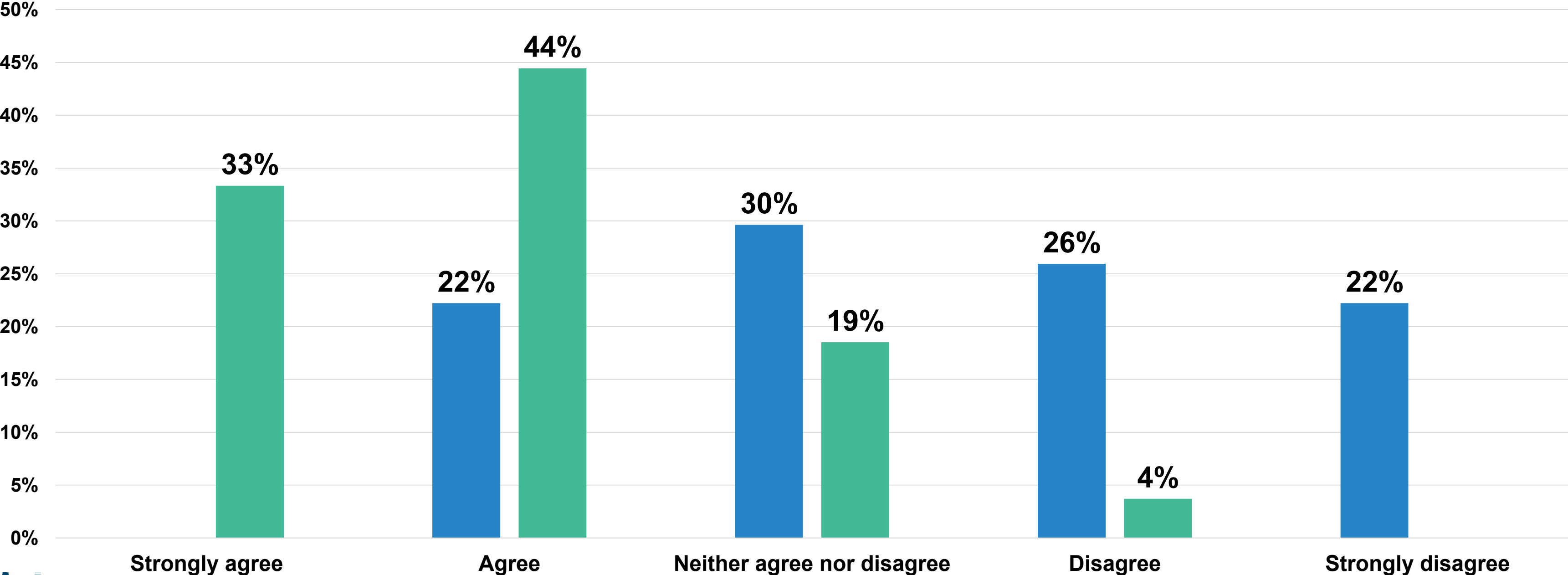
Infrastructure and Capacity Challenges

Q11. Existing infrastructure is adequate to support data center development without major upgrades in your city/county. (*n* = 27)



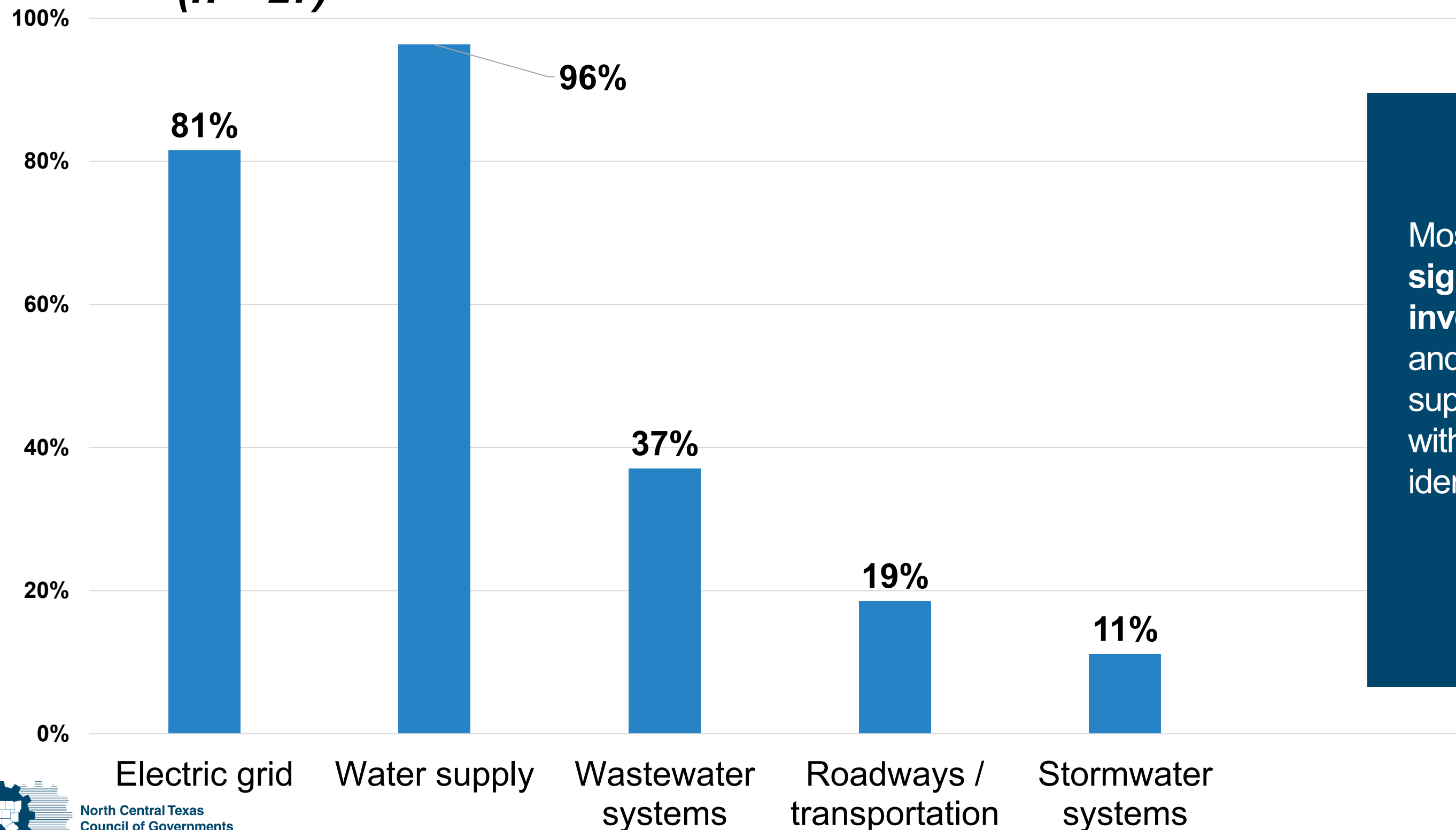
Infrastructure and Capacity Challenges *cont.*

- Q12. Infrastructure upgrades required for data centers primarily benefit the broader community. (n = 27)
- Q13/Data center developments increase long-term maintenance costs for public works departments. (n = 27)



Infrastructure and Capacity Challenges *cont.*

Q14. Which infrastructure systems experience the greatest strain from data centers?
(*n* = 27)

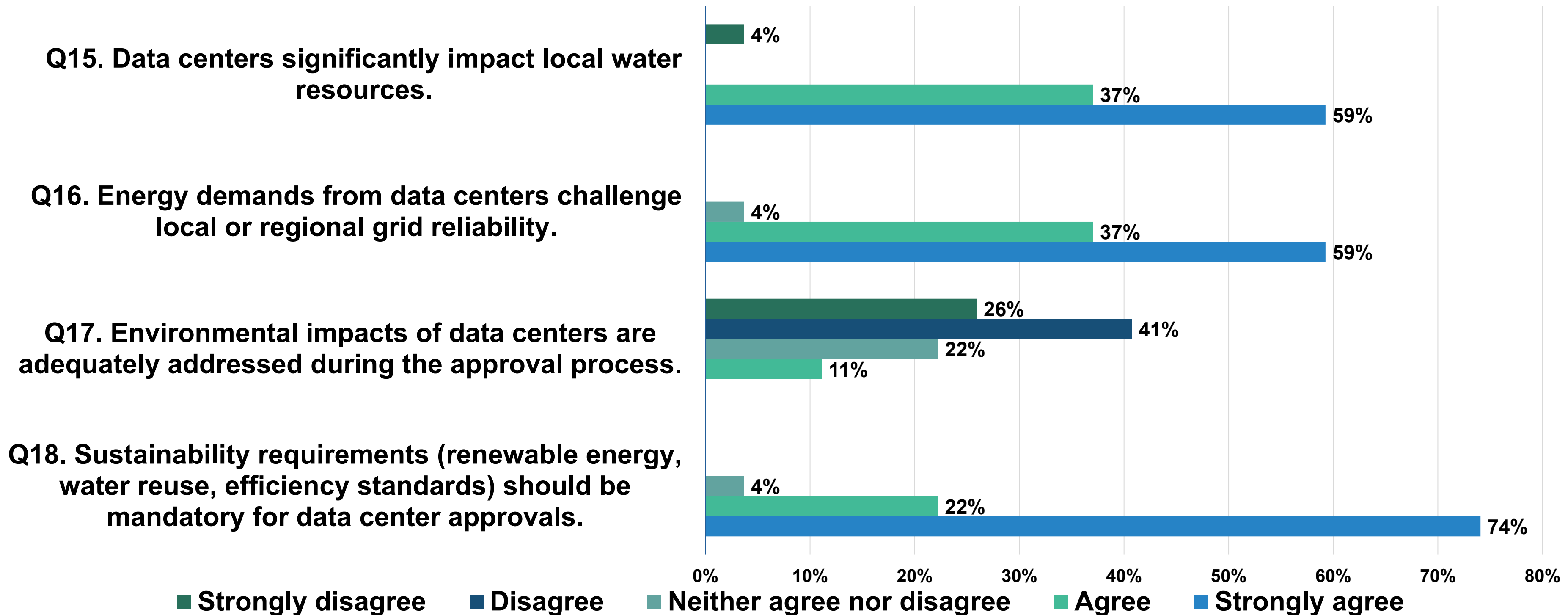


Key Takeaway:

Most respondents indicated that **significant infrastructure investments** in the **electric grid** and **water supply** are needed to support data center development, with utility-related systems identified as key areas of concern.

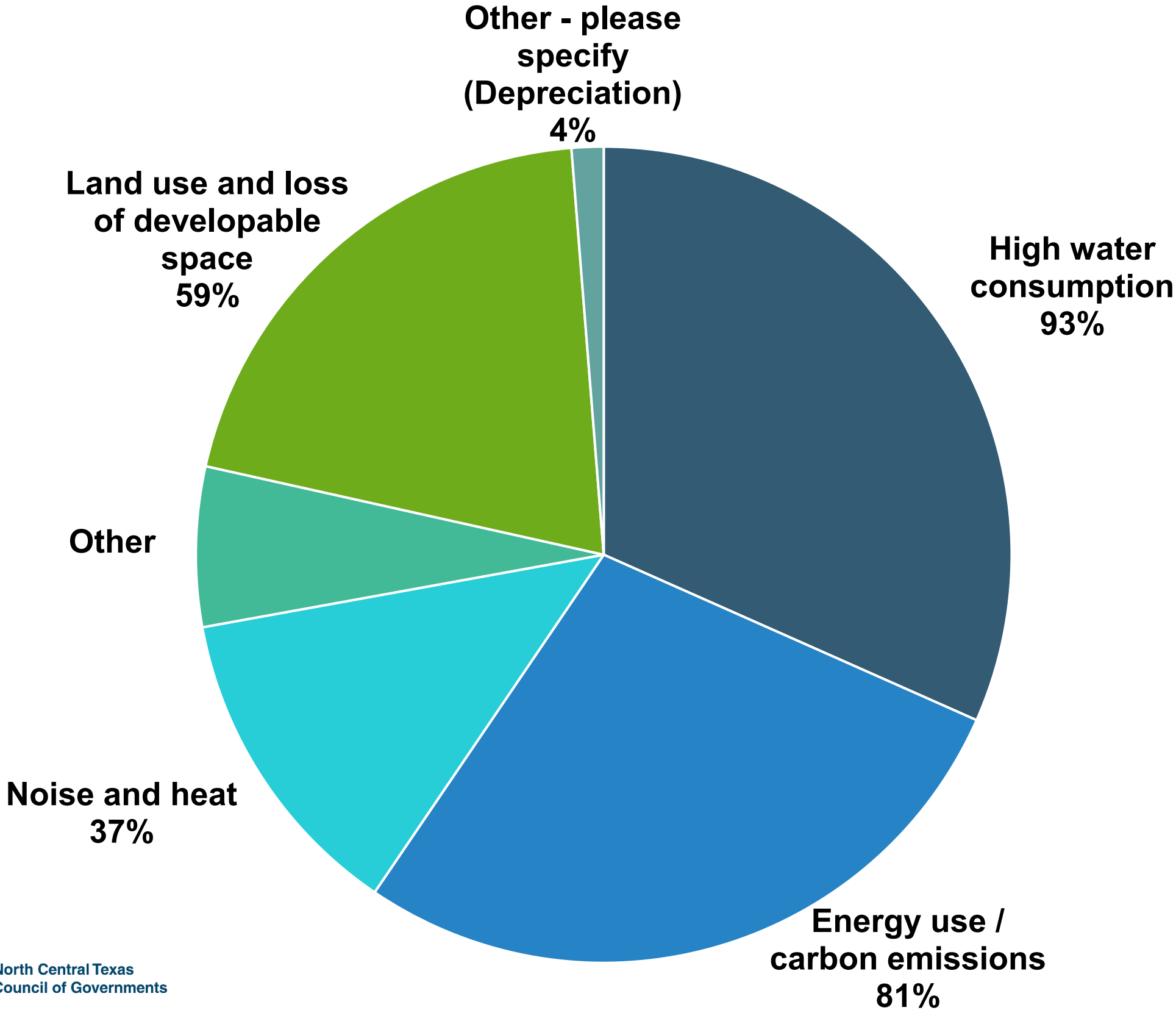
Water, Energy, and Environmental Considerations

Chart data taken from Q15 to Q18 ($n = 27$)



Water, Energy, and Environmental Considerations *cont.*

Q19. What environmental concerns do you associate most with data centers? (n = 27)



Key Takeaway:

Respondents expressed **significant concerns** regarding water use, energy demand, and environmental impacts from data centers, and also indicated **strong support** for sustainability requirements and a need for clearer **local policies and evaluation frameworks**.

Governance and Planning

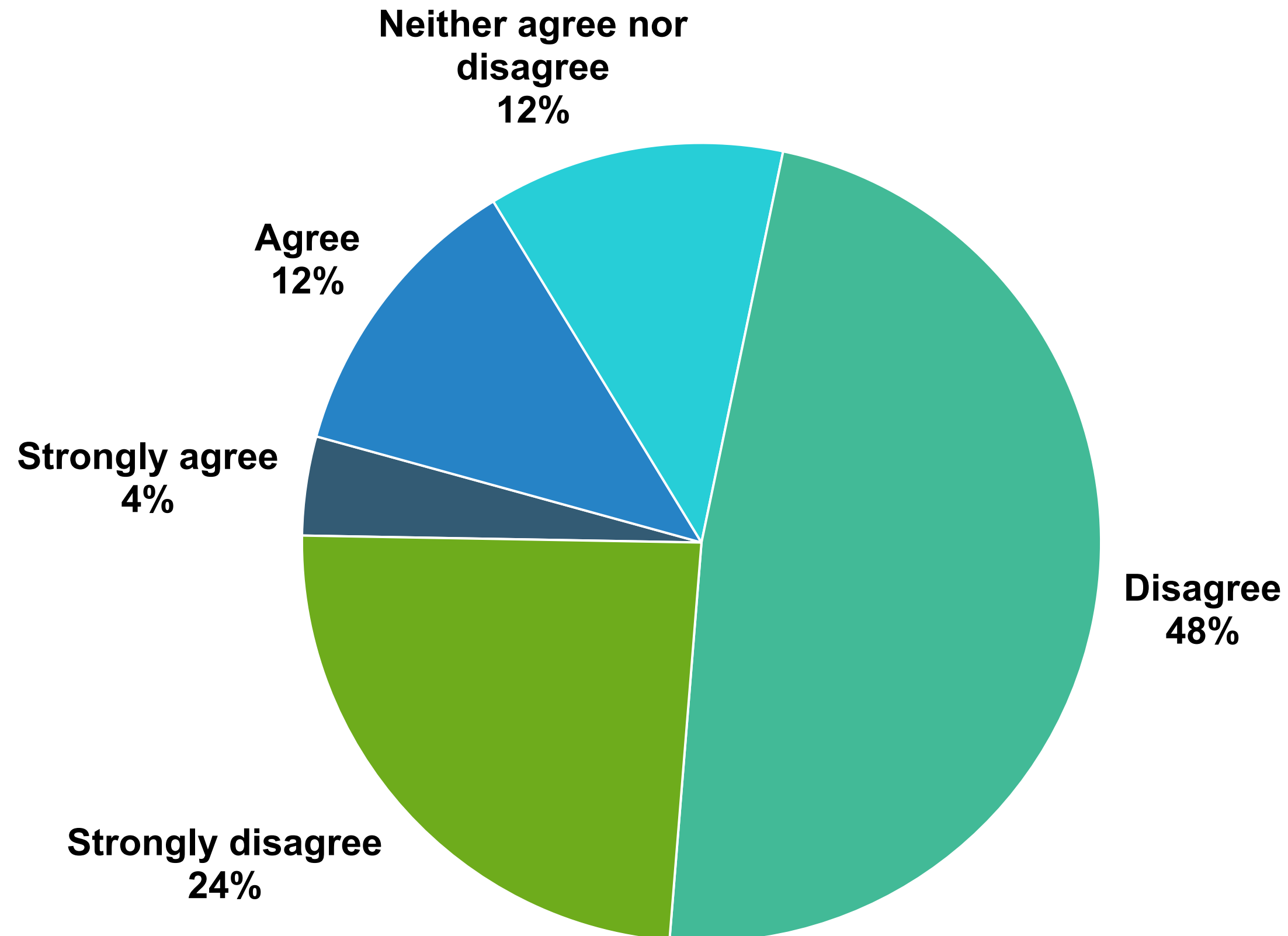
Questions 20-25 explore local government perspectives on data center governance and oversight, focusing on:

- Evaluation policies
- Development agreements
- Public transparency
- Plan alignment
- Governance tools
- Benefits vs. drawbacks

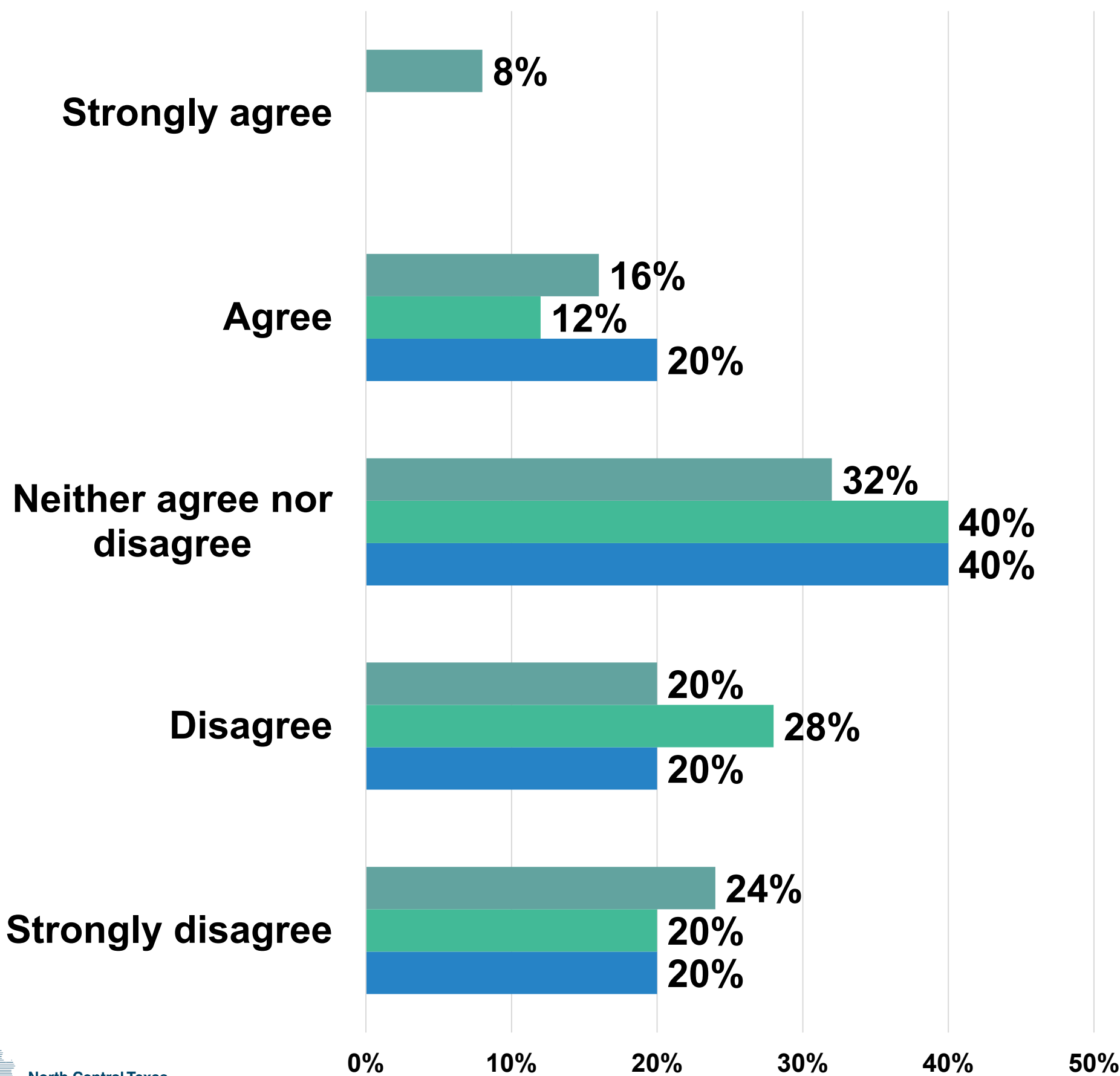


Governance and Planning

Q20. My city/county has clear policies or guidelines for evaluating data center proposals. (*n* = 25)



Governance and Planning *cont.*



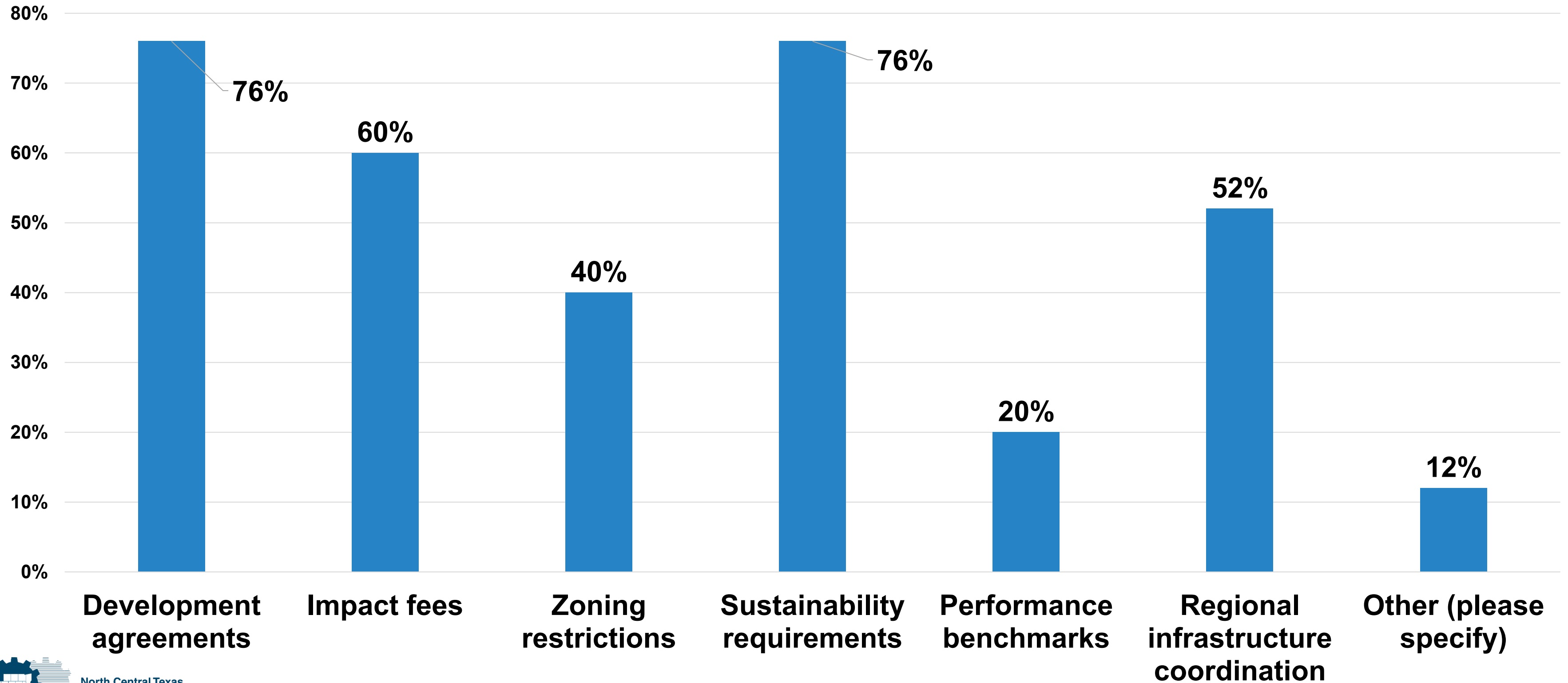
■ **Q21. Development agreements adequately protect the city or county's long-term interests. (n = 25)**

■ **Q22. Public engagement and transparency are sufficient during data center approval processes. (n = 25)**

■ **Q23. Data center projects align with the city or county's long-term comprehensive or strategic plans. (n = 25)**

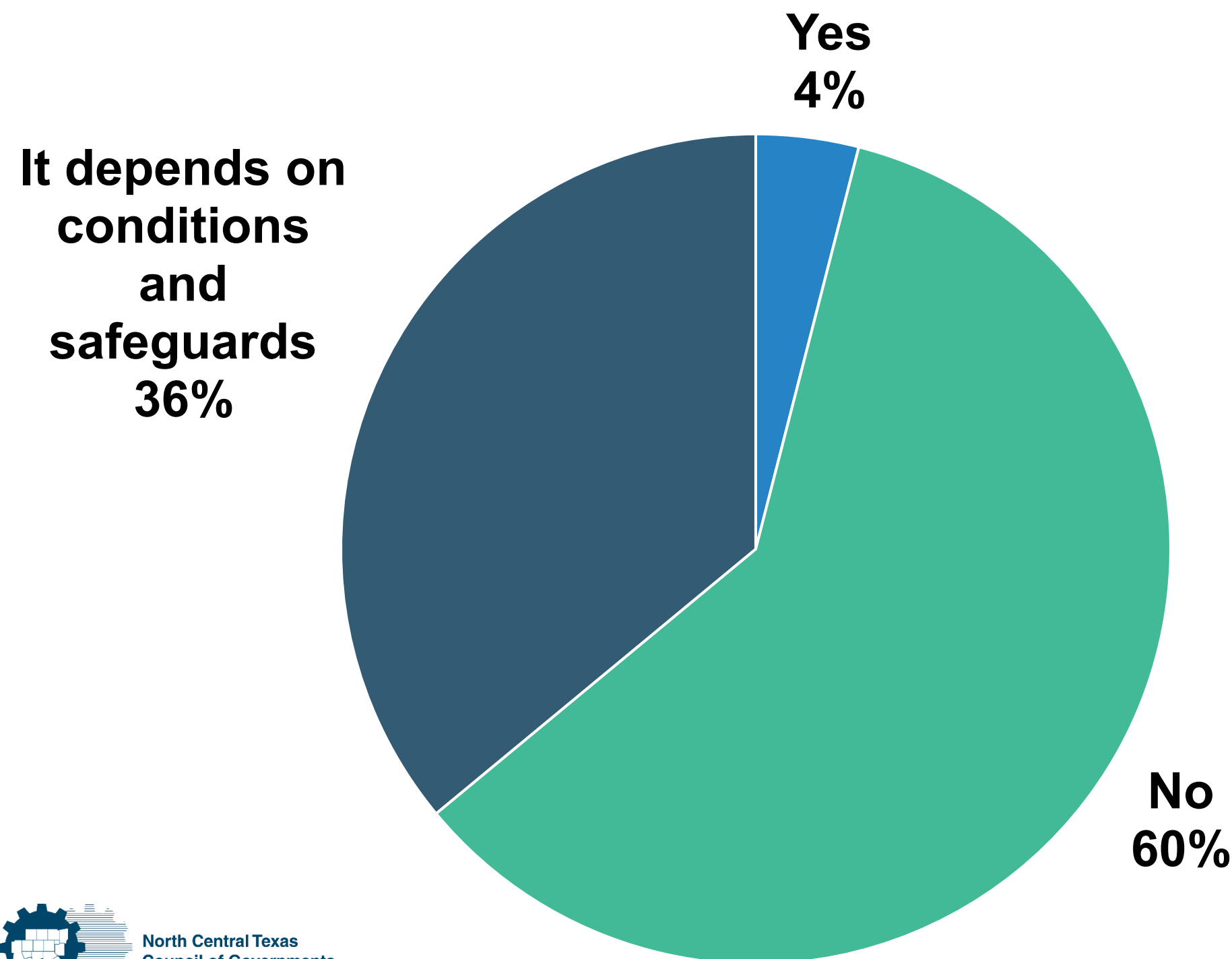
Governance and Planning *cont.*

Q24. Which governance tools are most effective in managing data center impacts? (*n* = 25)



Governance and Planning *cont.*

Q25. Overall, do you believe the benefits of data centers outweigh the drawbacks for cities/counties? (*n* = 25)



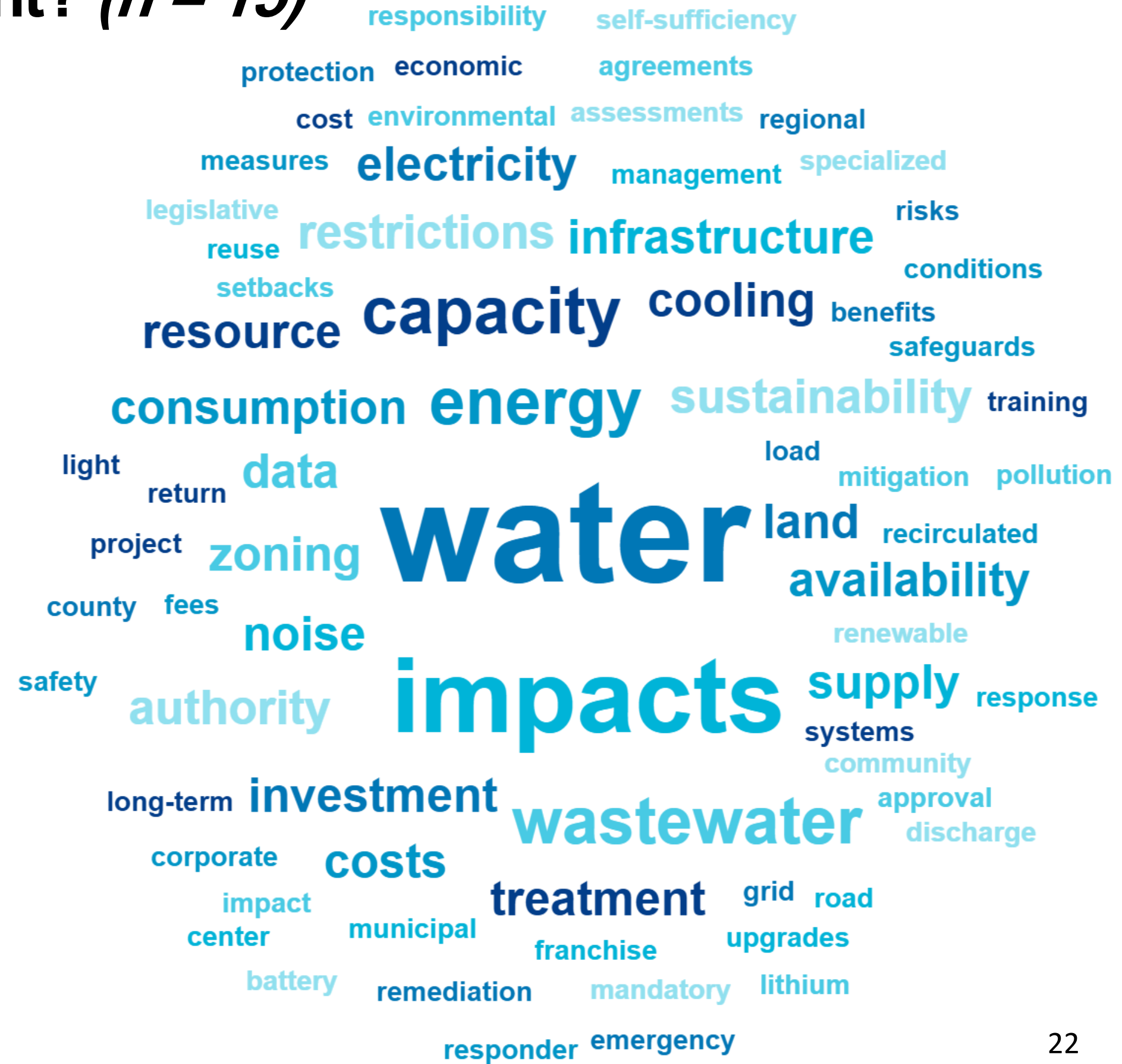
Key Takeaway:

Responses suggest a **lack of confidence** in current policies and approval processes, with **strong support** for enhanced governance tools to manage **long-term** data center **impacts**.

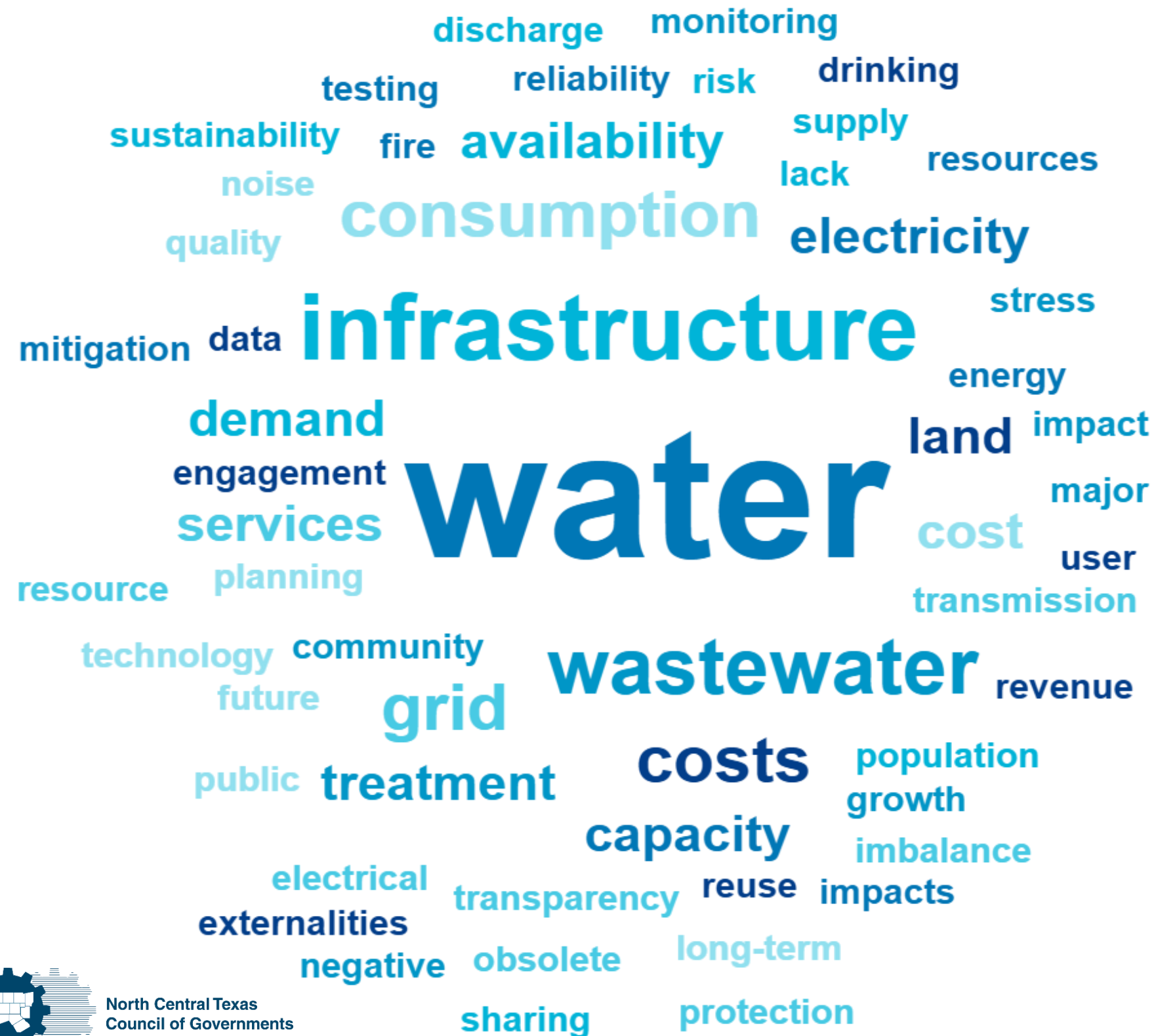
Q26. What conditions or safeguards are most important for ensuring positive outcomes from data center development? (*n* = 15)

Common conditions and safeguards identified in open-ended responses:

- Water supply, water use, and wastewater management (6 responses)
- Energy capacity, grid reliability, and power costs (5 responses)
- Sustainability measures (renewable energy, water reuse, efficiency requirements) (4 responses)
- Infrastructure capacity and upgrades (3 responses)
- Noise, lighting, and community impacts (3 responses)
- Developer responsibility for infrastructure costs (3 responses)
- Clear policies, zoning standards, and regulatory authority (3 responses)
- Need for additional data, planning, and impact assessment (2 responses)



Q27. From a public works or municipal operations perspective, what is the biggest challenge posed by data centers? (*n* = 17)



Most frequently mentioned challenges in open ended responses:

- Water supply, water use, and wastewater capacity (8 responses)
- Electricity demand and grid capacity (6 responses)
- Infrastructure capacity and expansion needs (5 responses)
- Cost recovery and funding infrastructure upgrades (2 responses)
- Lack of long-term impact data and planning information (2 responses)
- Resource consumption and strain on public services (2 responses)
- Noise and community impacts (1 response)
- Public safety and fire risk concerns (1 response)

Q28. What is the greatest benefit data centers can provide to cities/counties when properly managed?

(n = 11)

Most frequent benefits identified in open ended responses:

- Property tax revenue and increased tax base (3 responses)
- Infrastructure improvements and utility investments (1 response)
- Community and operational efficiencies (1 response)
- Enhanced community reputation/prestige (1 response)

Key Takeaway:

Across the open-ended responses, respondents emphasized the need to manage water, wastewater, energy, and infrastructure demands through sustainability requirements, infrastructure investment, and clear policies, while noting that the primary perceived benefit of data center development is increased tax revenue when community impacts and resource costs are effectively addressed.



Q29. Do you have any additional comments or recommendations for cities/counties considering data center developments?



Common responses identified were:

- Sustainable siting, land use, and resource planning
- Environmental impacts and sustainable infrastructure
- Utility demand, power reliability, and resilience
- Local oversight, permitting authority, and regional coordination
- Long-term planning for expansion, cleanup, and redevelopment
- Potential unintended consequences of data center development
- Need for more information on benefits, risks, and tradeoffs



NCTCOG Data Center Resources:

[NCTCOG Publications](#)

NCTCOG Webinar: [Data Centers in Texas - Water Resources Impacts and Policy Recommendations](#)

NCTCOG Webinar: [Data Centers in Texas - Energy Resources Impacts and Policy Updates](#)



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