STOP SOLON TOWNSHIP DATA CENTER

WHAT ARE DATA CENTERS?

Data centers are collections of networked computer servers used to store, process, and manage data, often accessed through the internet. These large-scale operations can house thousands of servers and require complex systems to manage power, data processing, and cooling.

- **The dominant tech firms Meta, Alphabet, Microsoft and Amazon are projected to invest $527 billion into AI and data center infrastructure in 2026.** As they proliferate across the country, their exorbitant power and water needs are straining the capacity of local utility systems. Many, if not all, of these data centers will also be subsidized by taxpayers, directly siphoning resources away from local communities. Supporters say this extraction is justified by economic development promises — promises that research shows will almost certainly not materialize. Instead of sustained employment growth and ancillary economic development, communities can expect few permanent jobs and even fewer knock-on economic effects.

- There are currently approximately 5,426 data centers nationwide and 64 data centers in Michigan.

- There are currently zero hyperscale data centers in Michigan, however, a $7 billion data center is slated to open 2027 in Saline Township, south of Ann Arbor, and developers are publicly pursuing projects in at least 10 more Michigan communities.

- On January 17, 2025, Governor Gretchen Whitmer signed House Bill 4906, now Public Act 207 of 2024, into law, amending the Michigan General Sales Tax Act. The legislation extends the current sales tax exemption for data center equipment through December 31, 2050. These tax break incentives have drawn massive interest from tech developers to Michigan.

> "I think that AI will probably, most likely, sort of lead to the end of the world. But in the meantime, there will be great companies created with serious machine learning"
> –Sam Altman, CEO of OpenAI

IMPACTS OF DATA CENTERS

WATER

- **Tech companies are targeting Michigan and other Great Lake States to gain access to the Great Lakes Water, which is 20% of the world's surface freshwater.** The computer servers that fill a data center generate heat and require powerful cooling systems. Data centers consume enormous amounts of water, typically sourced directly from local water utilities.

- Approximately 80% of the water (typically freshwater) withdrawn by data centers evaporates, with the remaining water discharged to municipal wastewater facilities. Once groundwater evaporates, it's not returned to the local water system.

- A new report shows that in 2023, U.S data centers directly consumed about 17.4 billion gallons of water, and that figure is expected to double by 2028.

- **A closed loop system, the model supposedly proposed for Solon Township, may seem like a good alternative as it recirculates the same fluid instead of evaporating it, however, it is just a trade off with its own set of serious implications.** Because the same water loops again and again, anything that does not evaporate or break down simply piles up. Salts, metals and treatment chemicals keep increasing in concentration with each recycling round. Operators bleed a small fraction of water each month to keep levels in check, a practice known as blow-down. When blow-down leaves the site, it can carry nitrite, glycol and heavy metals at thousands of times the limit set for surface waters. A single 500m loop drained for repair can send over 3 tons of nitrite to the local plant. Glycol concentrates above 10% suffocate fish faster than raw sewage. Data centers are critically under-equipped for real-time water quality monitoring, creating an imminent risk.

ENERGY BILLS/ ELECTRICITY

- Cooling and fueling hyperscale data centers requires unprecedented amounts of energy. All of that energy needs to be produced and delivered to a central site, requiring new transmission lines, transformers, and other infrastructure. **In October 2025 alone, Michigan utilities DTE and Consumers Energy announced deals for 6.4 gigawatts of data center power. DTE signed 1.4 gigawatts, while Consumers Energy is finalizing 2 gigawatts across three facilities. This is the equivalent to adding six or seven major cities to the grid in just two to three years.**

- Although Governor Gretchen Whitmer passed laws in early 2025 to protect ratepayers from the costs of supplying power, the language in the law provides few specifics and leaves gaps for energy companies to shift significant costs onto consumers. **Michigan currently ranks near the bottom in grid reliability and charges the highest utility rates among Midwestern states, according to the U.S Energy Information Administration.**

- Monitoring Analytics, the independent watchdog for mid-Atlantic grid operator PJM Interconnection, found that 70% or $9.3 billion of last year's electricity price increase in the mid-Atlantic region, is due to data center demand.

UNFULFILLED JOB/ECONOMICAL GROWTH PROMISES

- Proponents for data centers promise great job opportunities, but in reality, most data centers employ between 10-100 people, with construction offering the bulk of temporary employment. In 2015, Switch Inc, a data center near Grand Rapids, pledged 1,000 jobs and $5 billion in investment. By 2022 it had created just 26 jobs, yet continued to receive $1 million annually in tax breaks from the state of Michigan.

- **Michigan passed new tax incentives in 2024 that could cost Michigan $90 million in lost state and local tax revenue, by 2065. The average cost per subsidized job at data centers nationally is $2 million.** An economist, Kasia Tarcynaska, with Good Jobs First, describes it as, "At this rate, it is impossible for the public to recoup invested revenue, it's truly a race to the bottom."

- **As Michigan residents face increasingly high cost of living, high unemployment and a labor recession, state politicians offer tax breaks to some of the wealthiest companies in the world, two of note, Microsoft and Google, beneficiaries of said breaks, are currently valued at $3.2 trillion and $2.2 trillion respectively.**

- Tax incentives can, and almost always do, cause significant revenue loss for state and local taxpayers, even as some jurisdictions see increased property tax revenue when data centers occupy previously undeveloped land. For example, the state comptroller in Virginia, the largest hub for data centers in America, estimated a loss of $750 million in tax revenue in 2023 alone due to data center incentives.

NOISE POLLUTION & AIR POLLUTION

- Data centers generate significant noise pollution primarily from diesel generators and HVAC systems, with internal noise levels reaching up to 96 A-weighted decibels, well above the 85 dBA threshold considered harmful to hearing. This persistent noise adversely affects data center staff, nearby communities, and local wildlife.

- Air pollution is the most acute concern. Fossil fueled power plants and diesel backup generators that power data centers emit hazardous pollutants such as nitrogen oxides and fine particulate matter, increasing rates of respiratory diseases, cardiovascular conditions and elevating cancer risks in nearby communities.

- **As of 2023, it is estimated that air pollution from U.S. data centers has already resulted in a public health cost of about $6.7 billion. Research has found that those impacts could rise to $20 billion by 2026, or approximately 600,000 asthma symptom cases and 1,300 premature deathsMichigan.**

LONG TERM FINANCIAL RISKS

- For many small communities, the most enticing aspect of building a data center is the massive tax revenue opportunities. However, the technology industry is known for the pace at which it redefines itself. The tech industry is constantly disrupting and dumping its old technology, even on a large scale; only 6% of data centers in use today are more than 25 years old. Today's data centers are not normal commercial buildings, they are built very specifically to be data centers (low ceilings, no windows) and their average lifespan is just 15-25 years. What will happen to a town that relies heavily on one source for tax revenue once the data center moves on? What will happen to that obsolete data center building once the tech giant finds a better option? Commercial development promises to broaden the tax base, reducing reliance on residential property tax, but it also concentrates risk into a single taxpayer. Of all states, hasn't Michigan learned its lesson about one industry dominating a town?

- **Solon Township currently has a population of 6,626 people and a budget of $1.48 million. We stand no chance against a Fortune 100 company.** We would be outclassed in the proposal, the financial analysis, the negotiations and in perpetuity in dealing with a multi billion dollar company. Large data center companies are pursuing small villages in Michigan in part because they prefer 'partners' that don't have the resources to navigate these deals.

- Proper analysis of short and long term financial impacts and risks require far more skill and experience than that of a small township's board. We are likely to make many rookie mistakes, such as: failure to foresee future risk, optimistic revenue assumptions, missing cost estimates and believing the myth of tax incentive being "free money". Big projects and big corporations are expensive. Has Solon Township properly estimated our operational and project costs of doing business with them?

- Saline Township was sued in 2025 by developers after town officials denied rezoning for their massive $7 billion data center project. The board settled, allowing OpenAI and Oracle to proceed, despite a 4-1 community vote against it. Small towns do not have the legal resources to fight back against the massive budgets of the major tech companies. The tech companies will always have the upper hand.

- The frantic and intense pressure from multibillion dollar corporations to build hyperscale data centers in Michigan, fueled by the greedy utility companies and self-serving politicians (both Democrat and Republican) is leaving Michigan's everyday people to fend for themselves. We are foolish to believe tech billionaires have our best interest in mind, hyperscale data centers will usher in an AI acceleration that we may not be able to step back from.

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