



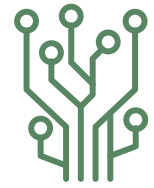
**Michigan *for*
Responsible
Data Centers**

Who We Are

Michigan for Responsible Data Centers includes:



Industry associations and statewide partners focused on Michigan's competitiveness and economic growth



Advanced manufacturing and mobility companies that benefit from proximity to digital and energy infrastructure



Utilities and infrastructure stakeholders supporting reliability and responsible planning



Communities and community leaders with a direct stake in local outcomes



Subject-matter experts with wide-ranging expertise in economics, water systems, energy, public health, land use and more.

Coalition Members

- Accelerate Jackson County
- Access Michigan
- Anderson Economic Group
- Andy Egan
- Associated Builders & Contractors Western Michigan
- AVI-SPL
- Bricklayr
- Business Leaders for Michigan
- Chemlex (RayChem)
- Clear Creek Systems
- Cloverleaf Infrastructure
- Construction Association of Michigan
- Consumers Energy
- Detroit Chamber of Commerce
- DTE Energy
- Electro-Matic Products
- Enerco Corporation
- Equitas Technologies LLC
- Grand Rapids Chamber
- Hendrick Associates
- I2G
- ITC Michigan
- JEM Tech Group
- Lansing Board of Water & Light
- Lansing Economic Area Partnership (LEAP)
- Lansing Regional Chamber of Commerce
- Lecom, LLC
- LIUNA
- Matrix Consulting Engineers, Inc.
- Michigan Building and Construction Trades Council
- Michigan Chamber of Commerce
- Michigan Laborers District Council
- Michigan Pipe Trades Association
- Michigan State Utility Workers Council
- Northern Michigan Chamber Alliance
- Northern Midwest Regional Council of Carpenters and Millwrights
- NorthStar Clean Energy
- NTH Consultants, Ltd.
- Operating Engineers 324
- Perpetual Progress, Inc.
- Plumbers and Pipefitters Union/UA Local 174
- Psyonicist Innovations
- Riverside Energy
- Taft Stettinius & Hollister LLP
- The Right Place
- Utility Workers of America (UWUA), AFL-CIO
- Walbridge
- West Michigan Plumbers, Fitters and Service Trades Local Union No. 174

60+ members and growing

What is driving demand?



Streaming Services – Netflix, Spotify, Zoom / Teams calls, gaming



Finance – online banking, retail



Advanced Manufacturing – such as automotive R&D



Healthcare – research, telehealth, electronic medical records



Artificial Intelligence – Not just generative AI, but advanced research on things like drug discoveries, climate modeling, etc.

Michigan's Incentive Program

- **Eliminates 6% sales tax on eligible data center construction and equipment purchases. To be eligible, data centers must:**
 - Invest at least \$250 million.
 - Create at least 30 qualified new jobs, w/ wages at least 150% of the region's median wage.
 - Must connect to municipal water.
 - Must not receive state or local property tax benefits.
 - Must certify green building certifications within three years.





**DATA CENTERS IN MICHIGAN:
EVALUATION OF POLICY CONTROVERSIES REGARDING
HYPERSCALE DATA CENTER DEVELOPMENT**

Key Findings:

- **“Data centers are well established as a critical component of the global economy.”**
- **“The negative impacts of data centers are often overstated.”**
- **“Adopting strict prohibitions or moratoriums on data centers that include smaller traditional facilities is unnecessary and could have detrimental impacts on local economies.”**
- **“Hosting data center developments could yield meaningful benefits for local communities through property tax revenue and community benefit agreements.”**



**DATA CENTERS IN MICHIGAN:
EVALUATION OF POLICY CONTROVERSIES REGARDING
HYPERSCALE DATA CENTER DEVELOPMENT**

Key Findings:

- **“There are sufficient policies in place to prevent data center development from imposing power shortages or increasing electricity costs.”**
- **“Data centers pose no substantial threat to Michigan’s water resources, assuming that existing environmental protection laws and policies are enforced.”**
- **“Local governments should make noise pollution a focus when evaluating data center proposals and require sufficient noise mitigation.**

Water Protections

- EGLE and the Great Lakes Compact prevent overuse and protect regional water resources.
- Any facility discharging wastewater must obtain a permit, regulated by EGLE.
- With closed-loop systems, the water is often sent to a licensed facility as hazardous waste.



Energy Protections

- **MPSC Rules:**
 - Data centers must pay in full for the electricity they use and the infrastructure required to serve them.
 - Long-term power purchase contracts protect customers from sunk costs.
- **Large users put downward pressure on utility rates:**
 - DTE to pause future electric rate requests as data centers come online



Regulating Noise Pollution

- Standard noise ordinances may not account for the type of sound that data centers can emit (frequency vs decibel).
- Local governments should require a full-spectrum sound study during the design phase.
- Require the most stringent limitations on noise emissions that can be reasonably justified by reference to applicable ISO and ANSI standards.



Lessons from Loudoun County, VA

For homeowners, real property tax rates are decreasing per \$100 in assessed value:

- **2016:** \$1.145
- **2025:** \$0.805

George Mason Schar School of Government and Public Policy 2023 Report:

- **“Any negative externalities associated with data centers, such as noise, do not have a systemic effect on housing values.”**

Virginia DEQ:

- Currently studying air quality impacts from backup generators



Anderson Economic Group Report

- One small data center with 25 full-time employees adds roughly **one million dollars in annual payroll** to local households.
- The net new economic impact from one large data center is equivalent to:
 - The opportunity to host **two Detroit Lions playoff games** every year.
 - The opportunity to host the **MSU v. UM football game five times** per year.
-
- **Construction spending for a data center in Michigan could generate \$121 million to \$5.5 billion** in total net new economic output in the state over the construction period, depending on the scale of the facility.

Key Indicators

Data Center Property Tax Impact (millions)

OVER 40 YEARS

Jurisdiction	Scenario 1	Scenario 2	Scenario 3
County Government	\$15.73	\$78.64	\$668.42
Local Authoritizes	\$3.93	\$19.66	\$167.11
Schools	\$14.42	\$72.08	\$612.72
Total	\$34.08	\$170.38	\$1,448.25

Source: Industry reports listed in “Data Sources,” U.S. BEA RIMS-II multiplier.
Analysis: Anderson Economic Group, LLC.