LOCAL PROGRESS IMPACT LAB

NO BUILDOUT FOR BILLIONAIRES

UNDERSTANDING THE DATA CENTER EXPANSION

The world's largest tech corporations — Microsoft, Google, Amazon, Meta, and others – are racing to embed artificial intelligence (AI) into every aspect of how we live and work, driven not by social benefit but by profit. To cement this control, they are spending billions to build "hyperscale" data centers with thousands of servers, often sprawling over a million square feet.

This buildout is not inevitable. It reflects a specific corporate strategy: bullying localities into accepting scale at all costs and manipulating democratic processes to prioritize speed over accountability. And the costs of this strategy are devastating. Data centers devour resources that our communities rely on to survive: straining water and energy supply, spiking residents' utility bills, generating suffocating pollution, and draining public budgets through massive tax breaks. Promised economic benefits rarely materialize. Instead, localities are left to manage the consequences while corporations pocket the profits.

DATA CENTER 101

What is a data center?

Data centers are massive warehouses that hold servers, chips, storage, and networking equipment (i.e. the hardware that enables computing and the "cloud"). They power everything from basic digital tasks to AI. While smaller data centers have existed for a long time, we are currently seeing a rapid buildout of much larger, more energy-intensive "hyperscale" facilities – accompanied by a sprawl of supporting infrastructure, from fossil fuel plants and electricity substations to methane gas turbines and nuclear facilities. Tech giants and their allies are racing to build unsustainable infrastructure for speculative AI tools, which require exponentially more computing power than previous digital services.

Who is behind this buildout?

Big Tech corporations, private equity, fossil fuel companies, monopoly utility companies, real estate developers, cryptocurrency mining, military, as well as policing industries are all driving and profiting from this expansion. Tech giants profit from deploying AI products in every aspect of our lives (such as surveillance pricing, facial recognition, data collection, and replacing workers with AI systems), while externalizing infrastructure costs onto localities. Fossil fuel companies justify locking communities into new extractive infrastructure. Real estate investors profit from speculative land deals.

Expanded data center capacity powers AI-driven surveillance tools used by police, federal agencies, including Immigration and Customs Enforcement (ICE), the military, and corporate vendors to spy on us, deport our neighbors, and suppress communities organizing against authoritarianism. Meanwhile, hyperscale data centers — which require eye-watering capital investment — are introducing massive risk into our infrastructure, local economies, and financial markets.

What's a hyperscaler?

Hyperscalers are data centers requiring immense power capacity, consuming over 100 megawatts of power capacity, enough to power 80,000 homes. Hyperscale facilities are often much larger, especially when linked to AI development. Texas recently issued air permits for a single complex of data centers and gas power plants at 7.65 gigawatts – the equivalent of around 7 million homes.

Some industry players define hyperscale data centers as over 10,000 square feet and 5,000 computer servers, but given how rapidly technology is changing, localities should define them based on actual energy and resource use and broader impact. The number of hyperscalers in the U.S. doubled between 2019 and 2024, reaching 1,136 – with thousands more under construction in the next few years.

How many data centers are there in the U.S.?

Though corporations don't share their raw data, researchers report over 5,500 data centers in the U.S, including over 50 in Michigan, at least 100 in Pennsylvania, and over 300 in Texas, which is on track to have more data centers than anywhere else in the world by 2030. Even if your community isn't facing a data center today, you may already be feeling the impacts — whether you live next door or share the same water table, air, or power grid.

How long does it take to build a data center?

Planning, permitting, and construction typically take years, but Big Tech is aggressively accelerating timelines by bypassing environmental, water, labor, and land regulations, in some cases lobbying utilities to speed up permitting and interconnection processes, also using non-disclosure agreements to avoid public scrutiny. Speed is a central part of their strategy: corporations quietly pursue permits and approvals for multiple sites simultaneously, understanding that not all will go through, so that if one locality pushes back or slows down, they can quickly pivot to the next. Developers also pit localities against each other in a race to the bottom, or move across jurisdictional lines, to move forward in whichever locality rubber-stamps their plans fastest and asks the fewest questions.

Other resources:

- **North Star Data Center Policy Toolkit - AI Now**
- **The People Say No: Resisting Data Centers in the South**
- **Data Center Site Fight Guide: A Shared Resource for Stopping Data Centers**