



APRIL 2026

DATA CENTER DEVELOPMENT IN TEMPLE

A LETTER FROM THE MAYOR

templetx.gov/datacenters

FROM THE **Desk of the Mayor**

Fellow residents,

Temple's success has always been rooted in our ability to pair economic growth with long-term vision. Bold choices bring thoughtful growth, and thoughtful growth brings opportunities that benefit all our residents. However, for many, growth means change, and change can bring fear.



I believe that complacency and uncertainty can hold a community back. In the moment, it can be easy to hesitate to make the bold decisions necessary to build a stronger future. Fortunately, that has not been my experience serving alongside your City Council and Executive Staff. I am proud to work with a group of people who are committed to making the right decisions, not just for today, but with the future in mind. Today, one of the most discussed topics is the development of data centers in our city. With that conversation has come interest and concern, both stemming from the love of our community that we all share. As Mayor, I believe it is important to provide clear and direct responses to these concerns.

COMMUNITY CONCERNS

Water Usage and Availability:

There has been concern about water consumption. The truth is that older data centers did require large amounts of water due to outdated cooling systems. However, the facilities being proposed and built in Temple will use the most advanced, closed-loop cooling technology available today.

Temple's long-standing surface water rights along with our contracted supplies total over 43,000 acre-feet per year. The City of Temple uses an average of approximately 18 million gallons per day, or about 20,000 acre-feet per year.

Recent peak day usage has been around 33 million gallons.

The initial charge for the data center system is anticipated to be approximately 2 million gallons total, to be circulated for 10 to 12 years. That means the long-term operational demand of these facilities is a fraction of our overall system capacity. The intake of the 2 million gallon charge will be coordinated with the City so it does not interfere with fire protection, pressure, tank levels, or the integrity of the water system.

Separately, the data center requires a domestic daily water use. The average Temple home uses approximately 240 gallons a day, and a typical sit-down restaurant can use roughly 7,000 gallons per day or more. Domestic use by the data center is contractually limited to 4,000 gallons per day, and the City has the ability to require mechanical limiting devices to ensure compliance. This is monitored, structured, and enforceable by contract.

Electricity Use:

Texas has embraced electric deregulation and a market structure that places major decisions about transmission, generation, and regional capacity outside the control of cities. The electric grid is not controlled by the City. It is governed through ERCOT, Oncor, and

state-level policy decisions. Investments in generation, transmission, and service are made at a regional and statewide level, not by the Temple City Council. That means projects built elsewhere in Texas, and certainly elsewhere in our region, still affect the broader grid and the investment decisions surrounding it. In other words, if a data center is built in another city in our region, or somewhere else in Texas that affects regional infrastructure planning, Temple does not avoid those impacts simply because the facility is located somewhere else.

Noise and Traffic Concerns:

One of the greatest benefits of bringing these properties into the city limits is control. Outside the city, developers have few restrictions; inside the city, they must comply with our local ordinances.

On noise, per the zoning ordinance, the developer is required to submit detailed mitigation plans prepared by acoustical engineers. These plans must be approved before construction, tested after completion, and enforced before operations begin. If a facility does not meet our standards, the City has enforcement options, including requiring additional mitigation, issuing citations, and pursuing further remedies if the issue is not resolved.

Transportation impacts are also being addressed. The developer is required to submit a traffic study prepared by a traffic engineer. If a Traffic Impact Analysis is needed, the developer must complete it. Additionally, they are responsible for both funding and constructing the transportation improvements approved by the city. No certificate of occupancy can be issued until those improvements are completed or financially guaranteed to the City's satisfaction.

Environmental Impact:

The developer must comply with all applicable local, state, and federal environmental laws, including Texas Commission on Environmental Quality and Environmental Protection Agency requirements. The City does not have a separate local regulation requiring broad environmental permitting or an environmental impact study, except where the City is administering state-law requirements in areas such as storm water management.

Tax Revenue:

Each Rowan data center project is expected to generate approximately \$7 million in revenue for the City during the initial 10-year tax abatement period. For perspective, even that annual revenue is enough to fund the operations of 4 of the City's 8 fire stations, or a large portion of other core City services.

After the abatement period has expired, the annual contribution is projected to increase to around \$12 million per data center project, almost double the revenue of the first 10 years.

These revenues support essential services: public safety, infrastructure, parks, and quality-of-life improvements, to name a few, without placing additional burden on local taxpayers. Beyond direct revenue, developments like these also strengthen Temple's position as a competitive, forward-looking city in a global economy.

THE CITY OF TEMPLE'S APPROACH

Temple's future has not been approached casually. We have worked to strengthen this city and prepare it for long-term growth. That same mindset is guiding us now. The decisions we make are the result of careful planning and a deep commitment to balancing growth with responsibility. Strong leadership requires looking beyond today's concerns and preparing for tomorrow's opportunities. However, suggesting that public servants act for personal gain or are indifferent to our community is blatantly false. Such accusations undermine trust and distract from the vital work of moving our city forward.

Temple's success has never been accidental. It has been built by leaders and citizens willing to engage, to ask hard questions, and ultimately to move forward with purpose and confidence. As policies are created by the State, we will use the local tools we have to make projects like this as beneficial to Temple as possible, rather than simply absorbing impacts created by decisions made far beyond the city limits.

We understand that some residents may still disagree with this approach. That is your right, and respectful disagreement is part of a healthy community. I encourage you to stay informed, stay engaged, and continue to be part of the conversation. To learn more, please visit templetx.gov/datacenters. Together, we will ensure that Temple remains a community of choice; a community that honors its values while embracing its future.

Respectfully,



Timothy A. Davis



