ELK GROVE Villager

Special Edition 2026

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Understanding Data Centers in Our Community

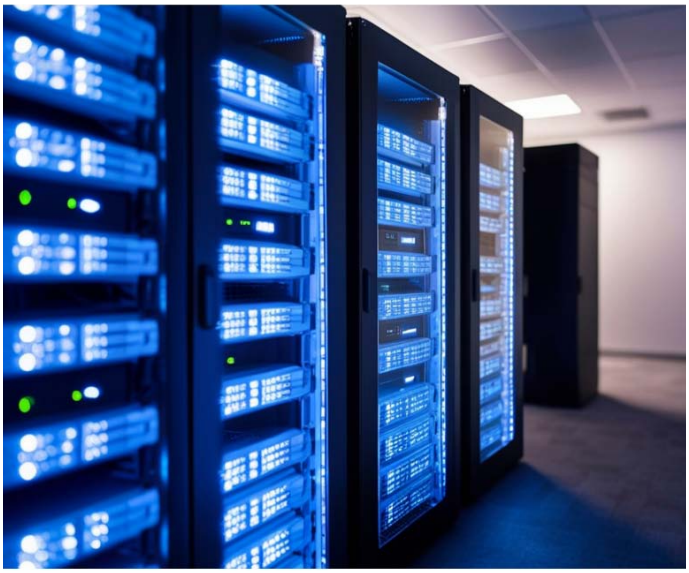
Elk Grove Village has always been transparent about its efforts to attract high-technology investment—including data centers—as part of our strategy to grow and maintain a strong and diverse tax base. These efforts support essential community services and have also enabled the Village to maintain the lowest property tax rates, eliminate residential vehicle stickers, and return $12 million to residents through water bill credits and gift cards.

Data centers have operated in Elk Grove Village for over 25 years.

Most residents are not aware that data centers have operated in the Village for decades as part of our industrial base. With recent national attention to data center impacts, we want to address questions and concerns that residents may have.

What Are Data Centers?

Data centers are highly technical facilities that very few people see or interact with directly. This newsletter is intended to provide clear, accurate information about data centers and how they fit within the Village's infrastructure and economic development goals.



Most people rely on data centers every single day — even if they've never seen one. When you send an email, stream a movie, check your bank account, use online medical records, make an online purchase, or use the internet on your cell phone, you're using a data center.

A data center is essentially a secure building full of computers. The primary equipment inside a data center consists of computer servers and cooling systems, which operate similarly to large commercial heating, ventilation, and air conditioning (HVAC) systems. The equipment inside a data center uses electricity and networking cables — just like office buildings, hospitals, schools, and homes.

How Data Centers Benefit Our Community

Major property investment creates higher annual revenue to support the community.

With investments often exceeding $1 billion, data centers provide long-term economic stability because they are very difficult to relocate.

This investment is reflected in their property values, resulting in significantly higher property taxes than typical industrial users.

The recent conversion of an existing building on Busse Road from a logistics facility to a data center quadrupled the property tax revenue paid to local taxing bodies.

With new construction data centers, the property tax revenues can be over six times as much as a typical new construction industrial building.

Property taxes help fund essential community services, including schools, police and fire protection, libraries, and parks.

A strong business property tax base lowers the burden that homeowners have to shoulder for these services, which helps keep residential property taxes more affordable.

The conversion of an existing building on Busse Road from a logistics facility into a data center resulted in an additional $1.5M+ in property taxes annually.

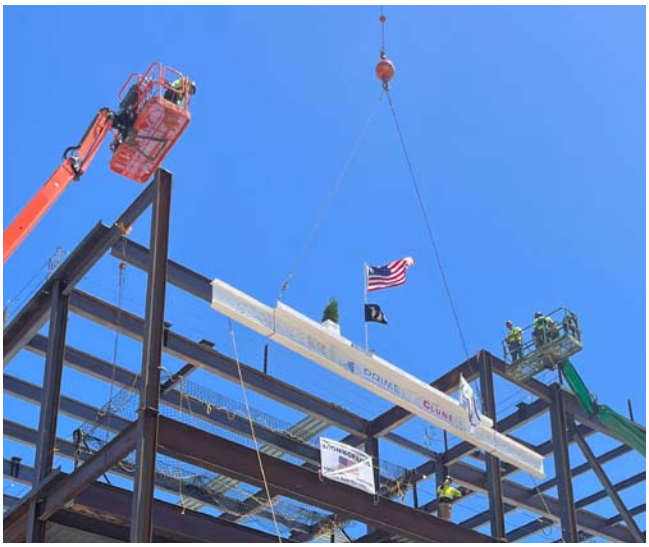
Data centers pay 4 to 6 times more in property taxes than typical industrial users, helping fund schools, libraries, and parks—without adding additional demand for those services.

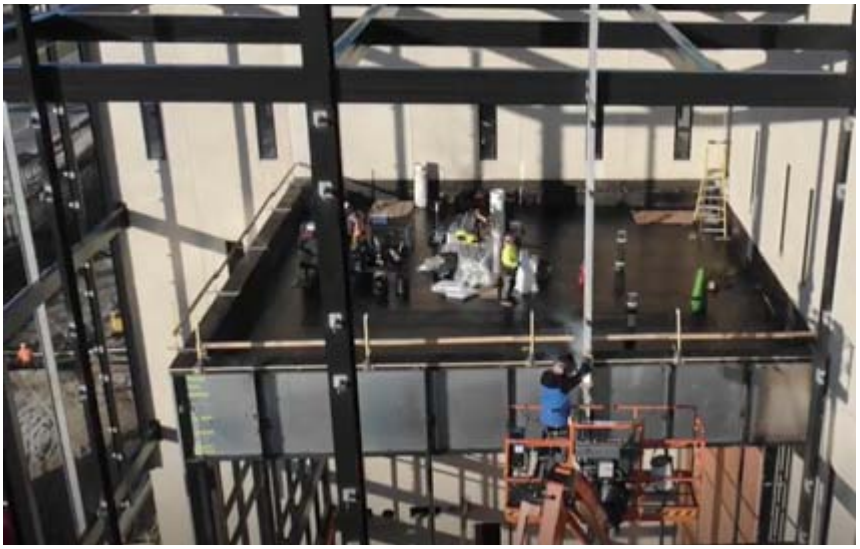
Data center construction creates high-paying, high-skilled union jobs.

Data centers are complex facilities, which take years to complete, and produce high-skilled union jobs throughout their construction, as well as with ongoing maintenance and interior upgrades. From HVAC technicians and electricians to masons and carpenters, these projects support union trade jobs that have been the backbone of our community for generations.

Over the next five years, the construction of data center facilities in the Village will create an average of over 1,000 construction jobs on each working day.

Data centers currently under construction will create over 1,000 construction jobs per day over the next 5 years.



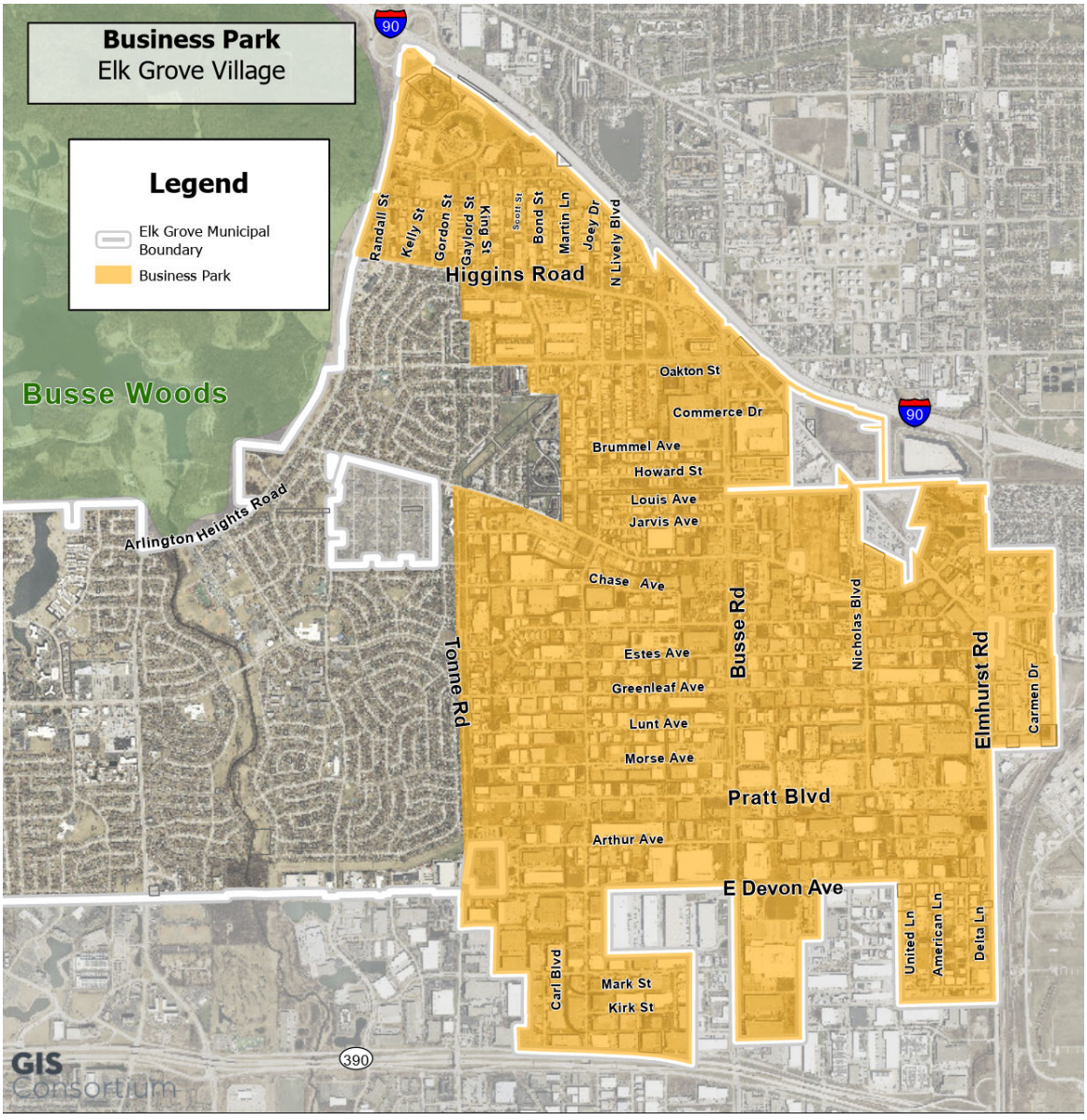


Addressing Concerns About Data Centers

Where are data centers located in our community?

Elk Grove Village is home to the nation's largest contiguous industrial park, with nearly 5,600 businesses within 6 square miles and 66 million square feet of industrial space under roof (building square footage). The Village was laid out with the industrial half of the community located on the east side, adjacent to O'Hare Airport. This industrial area helps to buffer the residential area from the noise of the airport. Because they are separated, the vast majority of our residents never interact with the Business Park or the thousands of industrial uses within it, including data centers.

The only potential data center development outside of the Business Park is the former WGN tower site, which the Village annexed after partnering with neighboring residents to prevent a more intensive, truck-heavy industrial use from being developed outside of Village control. The Village held multiple meetings with neighboring residential property owners on this project. Following a public hearing process, this use was approved as a Planned Unit Development with significant development regulations, including screening, increased building setbacks, site plan restrictions, and storm water mitigation.

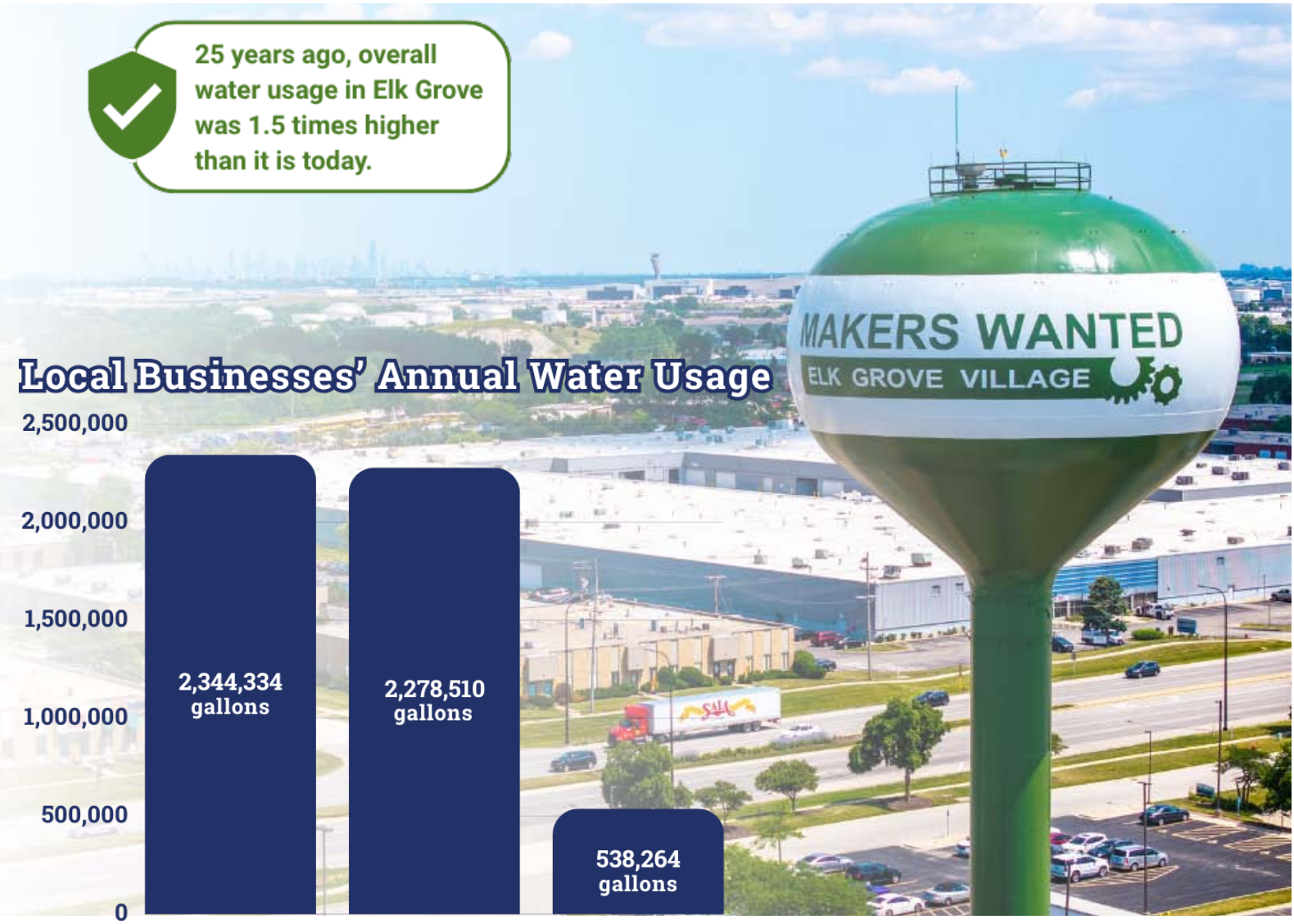


Modern data centers are not large water users.

The idea that data centers consume a lot of water is rooted in an older generation of facilities that relied on evaporative cooling. Modern data centers generally use an air-cooled heat rejection system combined with a closed loop system that recycles the same fluid (typically a water-glycol mixture) over and over in a sealed environment.

A review of actual water usage in the Village showed that data centers built in the last decade use less water than businesses like the local laundromat or car wash. Some of today's manufacturers actually use far more water than even the old, legacy data centers.

The Elk Grove Village water system was designed with sufficient capacity, storage, and supply to serve both our robust Business Park and our residential community. In fact, the Village's total water usage twenty-five years ago was 1.5 times more than it is today. Even with the growth in data centers in the last decade, the Village's total water usage has continued to decline.



Addressing Concerns About Data Centers

Back-up generators at data centers are used only during power outages and maintenance testing.

The purpose of emergency backup generators is only to operate during a power outage to ensure uninterrupted service. This redundancy is critical because data centers support essential services such as banking, healthcare systems, and emergency communications.

Backup generators at data centers are designed to start only when a power failure occurs, which is relatively rare in Elk Grove, with its strong utility infrastructure. Outside of a power outage, backup generators are only operated during routine maintenance testing (typically once a month for less than an hour).

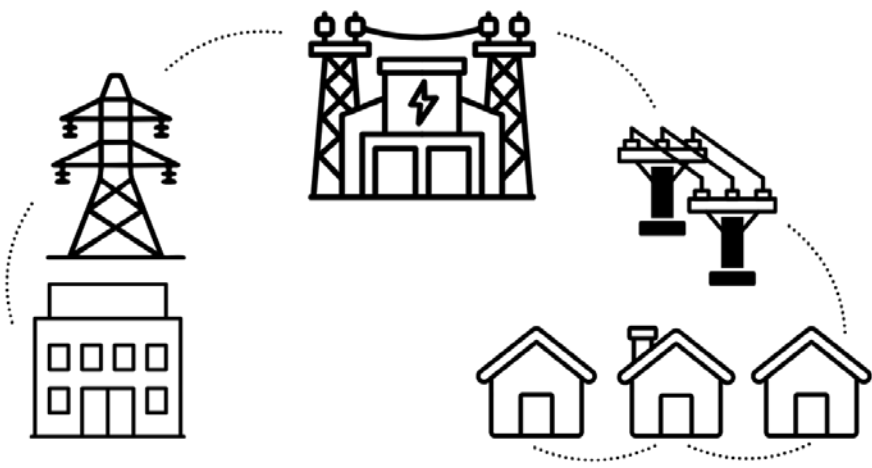
Aligned Data Centers reports average maintenance windows less than 10 hours a year per emergency generator.

Though rarely used, diesel generators at data centers are now required to meet U.S. EPA Tier 4 emission requirements—the strictest emission standards for non-road diesel engines—which regulate emissions of particulate matter and nitrogen oxides.

ComEd is ranked #1 in the U.S. for electric service reliability—with the lowest frequency and duration of outages for customers.

Data centers are not connected to the same power distribution lines as homes and other businesses.

Due to their high power needs, data centers are served by separate, dedicated electric distribution lines. This means they are not connected to the power distribution lines running to homes and other businesses, and so they have not been the cause of power outages in our community.



How do data centers affect the cost of power?

Data centers have no special impact on electric rates for the community in which they are located—Elk Grove Village residents pay the same electric rates as all other communities in Northern Illinois.

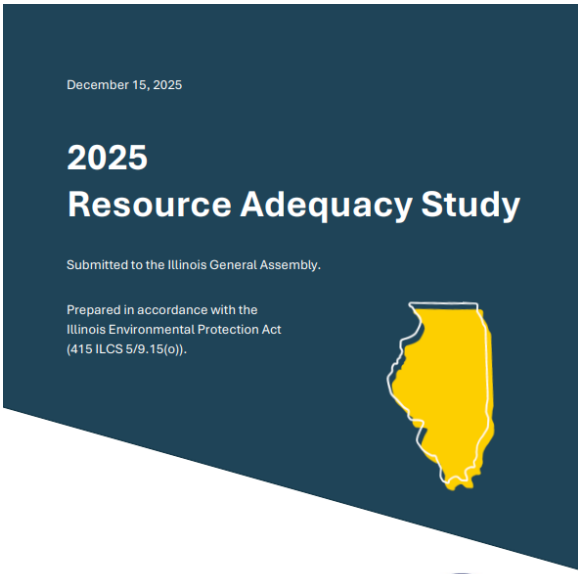
Projected electricity demand is increasing due to the growth of data centers and AI, as well as broader electrification trends such as advancements in manufacturing and electric vehicle charging.

In Northern Illinois, power capacity prices—the cost of ensuring enough power is available during peak demand—are established through PJM Interconnection, a regional transmission organization serving 67 million people across 13 states. Last summer, all 67 million customers throughout the PJM territory—including in Elk Grove Village—experienced an increase in their monthly electric bills due to increased capacity prices.

Currently, the State of Illinois is an energy exporter—our state produces more electricity than we use.

But unlike residents of other communities in the PJM region, Elk Grove residents benefit from the significant tax revenue generated by data centers through property taxes and the electric utility tax. These tax revenues help fund schools, parks, and other local services, ultimately reducing residents' share of the tax burden.

Currently, the State of Illinois is an electricity exporter—our state produces more electricity than we use. Looking into the future, there are some ways to help mitigate the costs of electric supply and infrastructure improvements. In a report released late last year, the Illinois Commerce Commission (ICC), Illinois Environmental Protection Agency (IEPA), and the Illinois Power Agency outlined a series of steps that the state could take to mitigate the gap between power supply and power demand, including expanding renewable power generation, transmission lines, and battery storage; promoting greater energy conservation; and potentially delaying the fossil-fuel plant closing mandated by legislation passed in 2021.



With regard to infrastructure costs for large power load customers like data centers, two requirements have recently been implemented to ensure that large load customers pay their fair share to connect to and use the power grid. ComEd has implemented Transmission Security Agreements, which require large load customers to make firm financial commitments for the transmission investments needed to support their projects. These commitments ensure that the costs of these investments are not shifted to other customers if planned projects don't move forward. The ICC also approved new tariff provisions that require large deposits to ensure that data centers—not residential customers—bear the full infrastructure costs to bring power to their projects. These changes at the transmission and distribution level will protect other customers from potential cost-shifting.

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Just the Facts

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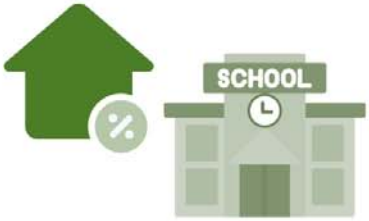
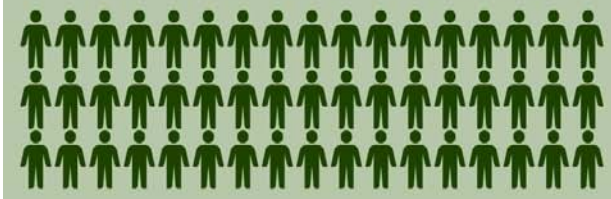
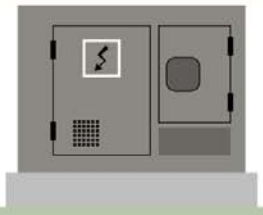




Over the next five years, the construction of data center facilities in the Village will create over 1,000 construction jobs on each working day.

Back-up generators at data centers are used only during power outages and for less than an hour per month for maintenance testing.



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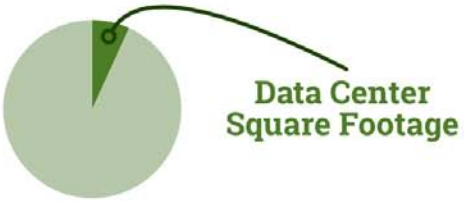
There are 5,600 businesses in Elk Grove Village. Only 20 of those are data centers.

Of the 66 million square feet of industrial space in Elk Grove Village, only 4.5 million is occupied by data centers.