

Data Centers in Lincoln County: What We Know, What We Don't Know, and How the Process Works



North Platte Chamber & Development: Data Centers FAQ

Our goal is to provide factual information and community contacts. As the economic development organization for Lincoln County, we believe informed discussions begin with accurate information. Yes, we have been contacted by several land developers co-opting with potential data centers on finding an appropriate location. They often reach out to us, just as do other business prospects, for information about locations, communities in Lincoln County and key contact officials on land, water use governed by Natural Resources District, public power entities and other information such as housing, community amenities and infrastructure. Often these conversations also involve other officials who may be involved in the processes.

Why is everyone talking about data centers?

Communities across Nebraska and the country are being approached by companies looking for locations to build data centers. The rapid growth of artificial intelligence (AI), cloud computing, online storage, and digital services has created unprecedented demand for this type of infrastructure. The President has declared it a national security issue. There have already been **39 data center related projects** in Nebraska of various sizes, almost exclusively in eastern Nebraska.

Why Lincoln County?

North Platte and Lincoln County are one of many communities being evaluated. The Chamber Development Corporation *DID NOT* recruit any of these companies. They came to us. The attraction comes from the power grid connectivity and high-power transmission lines near Gerald Gentleman Station GGS. There is a major natural gas pipeline that crosses through southern Lincoln County. The recent designation of a second gas line for CO2 sequestration is also an attraction because

the CO2 coming off the power generation plants can be recaptured, much like ethanol plants. Large parcels of land in remote areas are also attractive. Larger data centers typically look for 1,000 to 1,200 acres that would provide adequate space to build a data center and a co-locating energy production plant. Smaller ones target acreages of 50 acres and smaller, but are primarily in municipal boundaries.

The Chamber Development has no authority to make zoning decisions or approve projects.

Who decides whether a data center is built?

Several entities have roles in the process, depending on the location and scope of a project.

Typical Processes include:

- **LAND OPTION** - Negotiating an **option to purchase** with a local landowner owning large tracts of land in strategic locations. This takes several months, if not longer.
- **POWER** - Working through a **power capacity and delivery study** with Nebraska Public Power District or Tri-State Generation and Transmission. Any project anywhere in Nebraska using greater than 5 megawatts of energy must go through a lengthy 9 months to 18 months study. The study is costly at **\$35,000 deposit and \$12,000 per megawatt needed**. The Southwest Power Pool, which serves a multi-state power generation situation must also approve. Some of the data center's use as much as 1,000 megawatts or 1 gigawatt of power, so to find the power and target the date of delivery is very difficult and would cost \$12 million for the study.
- **PUBLIC POWER STATE** - **Nebraska is the only public power state** in the United States meaning its electrical utilities are owned by the public and managed in territories by various public power entities. Power capacity in the Midwest has been strained over the past five years largely due to data centers already locating and using existing power sources. In 2026 the Nebraska Legislature allowed for the first time ever, private power plants to be built behind the meter to generate power for the data centers. Data

centers must also guarantee that no existing rate payer can be impacted in higher costs because of their project and they must pay for all the upgrades.

- **NATURAL GAS** – In addition to the land option, a data center locating in rural areas and needing to build a power plant would likely turn to natural gas. They would need to negotiate a contract with Tallgrass Energy for capacity to run the power plant and have that signed into contract.
- **NRD CONTROLS WATER** - Natural Resources District are the governing body for determining water use in Nebraska. Lincoln County and the general areas surrounding it has been designated as “**over appropriated**” for water. Irrigation development was so rapid in previous decades there were far more pivots placed in service that what the acquirer could handle, so restrictions came into play with metering and allocations determined for every water user. There can be no new water use, so if a new water user wants to come in to Lincoln County, they have to negotiate with existing water users and purchase those rights. In the most logical scenario this would mean retiring irrigation pivots. The NRD must then approve the situation and allow transfer of irrigation acreage for industrial use.
- **LOCAL CONTROL** - Local government approval. Most larger data centers want to locate in remote rural areas away from cities. Lincoln County adopted a new comprehensive plan in 2026 after three years of study, placing restrictive language regarding data centers, wind and solar projects. They also adopted a **conditional use mandate** for each of these projects, regardless of location. The conditional use process can take up to 90 days with the planning commission and then 90 days with the governing body, in this case with Lincoln County Commissioners.
- **CITY DATA CENTERS** - The City of North Platte has been targeted by some smaller data companies and they would follow a similar process as Lincoln County does, and likely they would need over 5 megawatts of energy, so they would have to do the study process with NPPD also. The city does not have large undeveloped tracts for larger data companies, unless they would locate adjacent to the current city limits and then be annexed.
- **LOCAL BENEFITS** – a **Community Benefits Agreement plan** is now mandatory in Nebraska. The local jurisdiction has control over negotiating a community benefits agreement plan over and above the new tax revenue being generated and jobs being created on what the data company would be

willing to do for providing other types of benefits for example with law enforcement, road or street systems, fire departments and general property tax relief.

- **STATE & FEDERAL** - State and federal agencies would also be involved in approval processes that protect the environment and any emissions or discharge of wastewater. These can also be lengthy processes.
- **PUBLIC HEARINGS** - Public meetings with public hearing are required before any project can move forward through many of these processes, taking input from the citizens, but also educating the public on the project.

Why would a company choose North Platte / Lincoln County?

Every company has its own reasons, but they typically look for communities with:

- Reliable electric infrastructure
- Access to transmission
- Available land
- Fiber connectivity
- Transportation access
- Stable local government
- Workforce availability

The North Platte area shares many of these characteristics.

What benefits could a data center bring?

Potential benefits vary by project but may include:

- Significant private investment
- Increased property tax valuation
- Construction jobs during development
- Permanent technical and maintenance positions
- Local spending on goods and services
- Infrastructure improvements

- Property tax relief by increasing the overall valuation for all taxing entities impacted by the project

Each proposal should be evaluated individually.

Do data centers create many jobs?

Not typically with smaller data companies compared to manufacturing facilities. However, it depends on the data center size, Data centers are typically leased from the agent owning the land for a period of 20 years.

A large data center often creates hundreds of construction jobs during the build and a significant number of permanent employees once operational.

Job numbers depend entirely on the company's design and operational needs.

The energy source needed to run the data center can create many high paying jobs. Especially when they are behind the meter.

How much WATER do data centers use?

This depends on the type of cooling system used.

Some data centers use large amounts of water, especially some of the **older** ones built. Improved technology has reduced the water demand *significantly* with closed loop, and air-cooling systems. Water usage is one of the many topics that should be evaluated during project review.

In Nebraska, and specifically Lincoln County, a closed-loop system is considered as a **requirement**. While discussions have occurred with Twin Platte NRD, a **2-million-gallon system** would be needed for a large data center. This facility would be the equivalent of **1 large irrigation pivot running for 2 days**. It would not need to be refilled for **5-6 years**!!!!

The challenge is the amount of water the power generation system uses, which would likely need to retire between 10-15 pivots for its cooling operation. As technology improves this will diminish also and once the public power entity can provide stable long-term power, that's likely the preferred source of data centers.

How much electricity do they use?

Data centers require substantial electrical capacity, that's why they must generate their own unless existing power is readily available, like in the case of a smaller data operation.

Are incentives automatically given to data centers?

No.

Any incentives must meet state and local requirements and are evaluated individually. Not every project receives incentives, and the amount and type can vary.

None of the data centers or agents have inquired about local incentives in Lincoln County.

Nebraska Governor Pillen has closed the door on data centers incentives this week with an executive order. Sen. Jacobson will introduce legislation in the next session basically eliminating them from eligibility through ImagiNE Nebraska, which is the statewide incentive package for job creation and investment awarding tax credits and tax rebates.

Tax Increment Financing is not allowed in rural areas and only in municipalities. It would be up to the local government entity to approve TIF or not for this type of project, but it's highly unlikely.

Is anything currently finalized in Lincoln County?

No.

When companies first contact a community, many discussions are exploratory.

No project is considered final until all necessary studies, agreements, approvals, and public processes have been completed.

EXAMPLE OF A PROJECT LOOKING AT LINCOLN COUNTY

Statement from a land developer / data center prospect. Permission has been granted to use these statements from the developer. Our questions, their answers.

Approximate investment that would occur?

Data center: \$25 - \$35 Billion

Power Plant: \$5 - \$7 Billion

Anticipated Value of the project once it was built?

There are a lot of variables to this one, but I would estimate \$50 - \$70 Billion over the life of the data center.

Number of construction workers involved during the two-year process to build it?

5,000 construction jobs

Number of permanent jobs that would be created at the natural gas power plant?

125 jobs at the power plant

Number of permanent jobs that would be associated with the Data Center?

250 jobs at the data center

Average wages paid at the power plant and data center?

These are highly skilled positions in demand throughout the United States so very competitive wages must be paid with excellent benefits. Many of the jobs would range between \$100,000 and \$200,000 with some even higher.

Would the majority of those jobs be being local, or outsourced through technology?

Everyone prefers as much local help for construction and full-time jobs as possible. The job market for data centers and power plants is both very constrained nationwide so the more local help, the better. Each Data Center group is also holding job fairs, trainings, etc. to get the local communities up to speed on opportunities with the project in their area.

Anything else you feel would be helpful?

These projects are a very large undertaking for all the parties involved. The data center, the power plant, the construction, but also the communities they are being built in. You will definitely notice the extra traffic, the extra people eating at restaurants, hotels, gas stations, etc. There's no real way to hide an extra 5,000 people in most communities. Having said that, the upside of these projects is very real. These data center companies are absolutely willing to pay their share, and help anyway they can because they want to be seen as a good community partner, not a drain on resources. If you have a county commission that is willing to work with the data center company (I believe you do based on our conversations), you'll have an amazing partner in town for a long time. The last deal we did in Texas gave the county the following in exchange for the 10-year tax abatement:

\$10 Million a year to the county for infrastructure/improvements the county wanted to make for 10 years or \$100 million. Normal tax rates after that.

10 college scholarships a year awarded to county kids

\$250,000 a year for Sheriff's deputies

\$250,000 a year for fire department

**In most cases, Nebraska does not allow tax abatement, so a different Community Benefits Agreement would be negotiated. The above is just an example that happened by this same developer in a different state.*