

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLN
26127108

NewsRoom

9/15/26 Dallas Morning News (No Page)
2026 WLN 26127108

Dallas Morning News, The
Copyright © 2026 The Dallas Morning News

September 15, 2026

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless

Lana Ferguson; The Dallas Morning News

Sep. 15—Driving their fenceline tall with prairie grass and what few wildflowers have survived the summer heat, Laura and Brian Crawford looked across and imagined what's coming.

When they purchased their sprawling 118-acre property along the Paluxy River Valley in 2017, they were looking for an escape from busy city life.

They hadn't given much thought to owning land on the boundary that separated them in Somervell County from several Hood County ranches. They'd come to find out that division can complicate neighborly relationships.

The Crawfords, who live near Glen Rose about 80 miles from Dallas, recently learned about plans for a massive data center campus next door and just as quickly discovered the issues that come with living in an unincorporated area.

"That development will utterly and completely change the landscape of these properties," Brian Crawford said.

As data centers continue to boom across Texas, there has been growing pushback among residents in recent months about where projects are going and who is building them.

People worry about how much water and power data centers use, the noise and light pollution they could create, and other potential health and environmental impacts, especially if a development is built near a residential area. They're also raising flags about the tax abatements the projects are awarded.

Across Dallas-Fort Worth — the No. 1 primary data center market in the world — city council meetings have turned into heated debates.

Neighboring municipalities are at odds, such as Westlake and Keller. Cities, like Red Oak, are continuing to plan data centers despite resident outcry. Several places, including Denton and Fort Worth, are exploring what a moratorium on this type of industry could mean.

There's a growing number of cities acting in their own self interests, and Texas land-use laws allow them to do so.

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

It's created problems for residents in neighboring cities who have no real power and even less so when they live in rural unincorporated areas. The laws and regulations, or lack thereof, are such that many people feel powerless, even when the project being built is just hundreds of feet away.

The data center disputes crept into state and national politics last month with Gov. Greg Abbott putting data center approvals on hold in Texas until regulators can conduct a sweeping audit. Days later, President Donald Trump called data center opposition in Texas a mistake, adding that the economics of the industry are "tremendously important" and "could be bigger than oil."

Developers and some local officials argue as long as the rules and regulations are being followed, there's no reason to turn away a project, especially if it could bring economic benefits to the community.

The Texas data center market added \$65.8 billion to the state's GDP in 2024 including direct, indirect and induced effects, industry organization Data Center Coalition reported. The group said the industry contributed \$4.5 billion in state and local taxes in Texas during that time.

"Our companies, for years, have been investing in communities where they go above and beyond just the jobs and the tax revenue, which is significant," said Dan Diorio, executive vice president of state policy and government affairs for the Data Center Coalition. The industry organization has members such as Google, Anthropic, OpenAI, Meta, QTS, NTT Data, PowerHouse Data Centers, DataBank and Compass Datacenters.

"We see the cases throughout the country where communities are able to invest in reduced property taxes and reduced other taxes because they have data center revenue coming in," he said, "and that's a way for folks to really kind of feel the impact here."

A subset of Texans living along municipal boundaries are also wondering what authority local governments in Texas actually have when it comes to land use. While cities have been given some zoning and regulation power, counties are left with little control over what's being constructed in their unincorporated areas, experts said.

Living on the outskirts of a development in a different county or city, several residents told The Dallas Morning News, has left them with all the potential downsides of living near a data center and none of the possible benefits.

In some cases, they live only hundreds of feet from a data center campus. In other instances, they're further away but will be able to see the top of the buildings or hear operations from their front yards.

They're showing up and speaking out at public meetings but don't have any voting power in elections for the officials making these decisions and deals.

Some groups have even turned to litigation.

"It's this big political awakening and it's interesting to see how much power citizens have," Francine Romero, a professor in University of Texas San Antonio's public administration department, said. "Agree with them or not, they're making politicians listen right now."

Looking for answers

While most existing data centers across the U.S. are in urban areas, more than half of new ones are being planned in rural communities, according to a Pew Research Center analysis published earlier this year.

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

More than one-third of planned data centers were headed to counties that don't have any.

The trend is concerning for many Texans, who have voiced apprehensions about the strain heavy industry can have on local resources like water and the power grid. Many worry it will also change the culture of where they live.

Grassroots groups have organized across the state, including Protect the Paluxy Valley, founded by the Crawfords. What began as small meetings of worried neighbors in the couple's backyard quickly multiplied.

One of their most recent meetings drew 500 people with local and state officials in attendance.

When the group felt it needed to elevate its message, it took charter buses full of community members to Austin to testify in front of state lawmakers. Many begged for more regulations on data centers, especially in rural areas to protect the Texan way of life.

"Rural Texans are anxious, we're irritated and we're mad," Brian Crawford told the Texas House of Representatives State Affairs Committee last month. "We're looking for answers, and we're looking for help. County commissioners tell us to come to the Legislature, so we're here."

The Hood County Commissioners Court voted Sept. 8 to delay a permit decision on Sailfish Investor's 2,100-acre Comanche Circle data center next door to the Crawfords until mid-October when a public hearing can be held.

In a July letter to Hood County's director of development, Sailfish's managing partner Ryan Hughes asked the company's application to build Comanche Circle be approved.

"It did not have to be this way, and it still does not," Hughes wrote. He said Sailfish followed the county's procedures, filed concept plans, attended hearings and answered conditions.

"... What Sailfish wants is unremarkable: to build its projects in compliance with the County's lawful regulations, state law and federal law, and to be a long-term taxpayer and neighbor in Hood County," Hughes wrote. "... Accept this application and process it under the County's own Section 4.5, and this ends the way it always could have: with projects built under the rules."

Romero, the UTA professor, said state lawmakers have previously had conversations about changing regulation and zoning policies, but they haven't been as serious as they are now.

These discussions have been overlaid with the recent movement in the last decade or so to reduce cities' annexation authority, Romero said.

"People who live outside city limits never liked that they could be annexed by the city," Romero said, "but again, that's what would have given them the right to vote in elections for people who determine the land use policies and now they don't have that."

Choosing where a data center goes

Dan Diorio with the Data Center Coalition said companies take several factors into account when deciding on a development site.

They're seeking available land and access to energy, water and workers, he said. A business-friendly tax and regulatory climate is an added perk.

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

The overarching factor right now is the speed to market as these companies scramble to meet an ever-growing demand, especially with facilities supporting the artificial intelligence boom.

Diorio said the industry has historically been primarily focused in urban corridors, but as infrastructure, like fiber, expanded to rural areas, so did data centers.

"All of those factors are why we've seen data centers kind of move out into the rural areas, Diorio said. "You have more land. You have additional opportunities, and we know how to deal with latency a lot better." Latency is the delay between a user's request and the system's response.

Diorio said the shift into different areas of Texas has created unique challenges, including the debate over who has jurisdiction over development.

"We see that tension between cities that have more significant ability to regulate ... these developments, while counties and other rural areas have less defined jurisdiction, and that puts them in the position of really questioning what they can do and what they cannot do, and I think it's not necessarily isolated to data centers," Diorio said.

Data center tracker: See where data centers are planned or operating near you in Texas.

The dynamic isn't necessarily unique to Texas, he said, but it's drawing significant attention right now and is something state lawmakers are going to have to grapple with.

Diorio said top-notch developers want residents' concerns to be taken seriously and encouraged them to ask questions about companies and projects, but he warned delaying or stopping a development that's following the rules could cause communities to miss out down the line.

"Regulate us, don't ban us and allow for the good developments to move forward because there are good developments out there," Diorio said. "The benefits are real, but we understand we need to address your concerns, and we take that very seriously."

'Give us the same courtesy'

Texas' data center drama and municipal disagreements made national news last month.

The dispute began in July when Westlake, which has been recognized as one of the most affluent communities in the nation, announced plans for its first data center in the southernmost part of town that borders Keller.

They touted it as an "exciting development," but the neighbors in Keller didn't agree.

Keller residents had the usual concerns about data centers, and multiple people also pointed out that their backyards abut the property.

While the nearest Westlake home was promised to be at least two-thirds of a mile away from the data center, Kevin Myers and his neighbors in Keller's Lakes at Marshall Ridge community said the data center's distance from their homes was closer to roughly 500 feet.

Myers called his street the "ground-zero neighborhood."

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

Less than a week after finding out about the project, more than 100 Keller residents packed Westlake's planning and zoning commission meeting. It was tense with raised voices and booing and hissing.

"Build your data center, that's fine," Myers and others pleaded. "But give us the same courtesy as your residents."

Westlake officials have repeatedly said they cannot deny the developer's application because the land zoning rules from 1998 established this kind of project as use-by-right.

The town has published multiple news releases about its proposed data center, including one titled "The Truth About Westlake's Data Center." The release says Westlake has always been intentional about responsible growth and making decisions to better the community.

"This project is not about choosing growth over quality of life," the release reads. "It is about creating a stronger, more financially sustainable future while protecting everything that makes Westlake special."

Ahead of Westlake Town Council's vote on a development agreement for the data center, the Lakes at Marshall Ridge Homeowners Association and two others collectively sued the town, its mayor and council members. Myers is involved in the lawsuit.

Judge Kimberly Fitzpatrick, of the 342nd District Court in Tarrant County, granted a temporary restraining order about an hour before the Aug. 17 council meeting, preventing the elected officials from taking any action and — at least momentarily — blocked the project from progressing. The restraining order was extended until a court hearing on Sept. 25.

Keller City Council also voted to take legal action.

"We encourage our residents to raise their concerns firmly, respectfully and diplomatically, but make no mistake: Keller will be heard," Keller Mayor Ross McMullin said. "Our residents elected us to protect this community. They expect us to stand up when something threatens the character and quality of life we have worked so hard for."

Kellen Zale, associate professor at the University of Houston Law Center, said neighbors having issues with what's being just across the city or county line is a "long-standing issue in land-use law that doesn't have a great solution."

Data centers are the latest example, she said, but there are documented cases over other developments such as landfills, truckyards and even music venues.

Local officials in Texas are only legally accountable to serve the welfare of residents within their borders, Zales said, meaning they don't have to necessarily prioritize or accommodate people living outside of the boundary.

Because of this, if a developer follows the procedures and rules inside the municipality it wants to build in, there's not a good basis for residents to sue most of the time, Zale said.

The power differential between cities and counties in Texas is stark, too.

"A Texas county is uniquely unregulated and unable to regulate," Zale said, "so I think that is part of the explanation of why there's so many data centers looking at rural areas of Texas for development."

'It feels like a patchwork process'

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

The tension between a city embracing the potential economic benefits of data centers and residents on the periphery has been magnified in unincorporated Ellis County. Red Oak has seven data center projects in various stages of development.

As a lifelong Ellis County resident just outside Red Oak city limits, Lacey Hamel felt tuned in on local happenings. She was shocked in April when she discovered plans for a large data center campus walking distance from her house.

She and many other people learned about the development when the city's planning and zoning commission met to vote on whether to rezone an 830-acre property from agricultural to industrial use.

Concerned residents from Red Oak and Ellis County packed that meeting and a City Council meeting two weeks later. Though they were able to speak during public comment, several residents said it felt too little too late.

Two Red Oak residents filed a lawsuit this month asking the court to determine with whether the rezoning was legally adopted.

Red Oak Mayor Mark Stanfill has previously said positioning the city to be a hub for data centers required a mix of foresight and years of planning and partnerships that put the city ahead of the curve in this now flourishing industry.

"It is no understatement to say this investment has fundamentally transformed our community, creating thousands of construction jobs and attracting retail and other industries to support the growth, along with employees of businesses tied to construction and operations," Stanfill wrote in an opinion piece last year for The News.

"Until they figure out how to get it on the moon, it's going to be here," Stanfill said in a recent interview. "So, why not have it here in our backyard? We can control it. We can help make it look and be less intrusive to other citizens."

Hamel said there should be a way for people outside the strict municipal jurisdiction to become involved when a large development wants to build in an area where residents and neighbors rely on the same resources.

"A lot of us are saying it feels like a patchwork process that is not letting people that are going to be impacted have a voice or any kind of notice or participation in a process until it's already kind of a done deal," Hamel said.

She pointed to when Mayor Stanfill concluded the City Council meeting by telling the crowd the incoming data center project had been in the works for six years, but residents said it was the first time they had heard about it.

"There's all these different entities involved but no single way for us to really know what's coming unless you're kind of put in a situation where your radar is up, you're seeing things or you're knowing to check [Texas Commission on Environmental Quality] filings or [Public Utilities Commission of Texas] filings," Hamel said. "It kind of heightens your awareness of what to keep a lookout for."

Hamel, who is an organizer in Red Oak TX — Say NO MORE Data Centers, said a lot of Texans feel like they're trying to catch up in a race that was started before they knew they were in it.

The grassroots groups have been supporting and educating each other on what they can do to fight a data center development even if they aren't living in the municipality it's being built in.

Data centers are reshaping parts of Texas. Neighbors outside the city, county line feel powerless, 2026 WLNR 26127108

"Money is going to do what money does, but if we come together and share information and ask questions and go through the processes that are available to us, then we're hoping that our voices will be heard," Hamel said. "The goal is coming together in that way and being a presence."

Hamel and others in her group have called for state lawmakers to enact policies and regulations that could better protect residents, like increasing the distance for who is required to be notified about public meetings or giving counties more zoning authority.

"I'm just trying to do what anybody would do and care about where I live," Hamel said. "I'm not like, 'All these companies need to stop existing.' They brought me into this by trying to move next to my house."

This reporting is part of the Future of North Texas, a community-funded journalism initiative supported by the Commit Partnership, Communities Foundation of Texas, The Dallas Foundation, the Dallas Mavericks, the Dallas Regional Chamber, Deedie Rose, Lisa and Charles Siegel, the McCune-Losinger Family Fund, The Meadows Foundation, the Perot Foundation, the United Way of Metropolitan Dallas and the University of Texas at Dallas. The News retains full editorial control of this coverage.

---- Index References ----

Company: SAILFISH LIMITED; DATABANK; NTT DATA CORPORATION; MEADOWS FOUNDATION, INCORPORATED; TEXAS, STATE OF; COMMIT CO; UNITED WAY OF METROPOLITAN DALLAS, INC.; RED OAK B.V.; COMPASS DATACENTERS, LLC; THE PEROT FOUNDATION; META PLATFORMS, INC.; DALLAS FOUNDATION DRILLING COMPANY, INC.; COMMUNITIES FOUNDATION OF TEXAS, INC.; MARK CUBAN COMPANIES; GOOGLE LLC; UNIVERSITY OF TEXAS AT SAN ANTONIO; ANTHROPIC, PBC; PEW RESEARCH CENTER; DALLAS REGIONAL CHAMBER

News Subject: (Foundations (1FO95); Government (1GO80); Local Government (1LO75); Local Taxing Authorities (1LO66); Philanthropy (1PH09); Social Issues (1SO05); Taxation (1TA10))

Industry: (Accounting, Consulting & Legal Services (1AC73); Real Estate (1RE57); Zoning (1ZO58))

Region: (Americas (1AM92); North America (1NO39); Texas (1TE14); U.S. Southwest Region (1SO89); USA (1US73))

Language: EN

Other Indexing: (Data Center Coalition; PowerHouse Data Centers; Texas House of Representatives State Affairs Committee; Hood County Commissioners Court; UTA; Westlake Town Council; Marshall Ridge Homeowners Association; 342nd District Court; University of Houston Law Center; Public Utilities Commission of Texas; McCune-Losinger Family Fund; Sailfish; DataBank; NTT Data; The Meadows Foundation; Texas Commission on Environmental Quality; Commit Partnership; United Way of Metropolitan Dallas; Red Oak; Compass Datacenters; Perot Foundation; Meta; The Dallas Foundation; Communities Foundation of Texas; Dallas Mavericks; Google; University of Texas San Antonio; Anthropic; Pew Research Center; Dallas Regional Chamber)

Word Count: 3055