Economic Development & Community Investment

Require Community Benefits Agreements (CBAs)

Intense competition for computing power among technology companies strengthens the municipality's negotiating position. When expectations are clearly articulated, standardized across jurisdictions, and predictable, municipalities are well-positioned to ask for benefits, without deterring investment.

Negotiating CBAs can generate greater community buy-in for data centres as they secure enforceable benefits. CBAs can ensure benefits such as:

- local hiring and purchases,
- workforce training,
- public infrastructure investments,
- grid upgrades,
- renewable energy and storage projects,
- heat pumps initiatives,
- home retrofits initiatives,
- home weatherization initiatives,
- EV charging infrastructure
- community-resilience projects

Fulfillment of community benefits, including long-term job creation and local economic development, should be communicated with the public.

Municipalities can develop a standardized CBA menu of pre-approved community benefits, co-designed with residents and businesses, to give developers clear expectations and reduce one-off negotiations while increasing certainty and consistency across projects. This standardized menu can calibrate recommended benefits and expectations with project factors such as, facility scale, power and water intensity, proximity to sensitive users, local environmental conditions, and reliance on public infrastructure. Larger, hyperscale projects can reasonably be held to higher standards. Third-party developers can be more sensitive to cost structure, tenant requirements and standardized approval processes.

Setting up a Community Advisory Group to oversee the establishment and implementation of the CBA ensures continued community engagement and accountability.



Case Study: Prince George IREN Data Centre

Prince George has one AI data centre located on a 12-acre freehold site that was converted from a bitcoin mine in 2022, and is owned by IREN. According to Councillor Frizzell, the initial development played a big role in spurring universal broadband to the city. Prior to the facility, the community used to only have one high-fibre line, which caused connectivity issues, including incidents where the line was accidentally cut by a farmer, and a wildfire.

Despite not requiring any community benefit contributions, IREN provides community grants up to $250,000. They host an annual event to distribute the grants at a local winery and actively take part in career days and opportunities to hire new graduates.

Limit tax abatements, exemptions, or financial incentives

Any incentives a developer may receive should be tied to environmental criteria relating to energy-efficiency, on-site renewable energy generation or storage, water reuse, and waste heat capture. Ensure clawbacks or step-down mechanisms are in place that allows cities to recapture incentives if developers fail to meet agreed performance or reporting requirements.

Incentivize capturing heat waste for reuse

The densely packed chips within data centres generate a lot of heat. If managed correctly, that heat could be reused for space and water heating. A significant percentage of residential energy use goes towards space and water heating, so diverting waste heat from data centres could result in significant energy savings. Municipalities should encourage waste heat recovery, when possible, and could provide incentives such as increased density points or waived fees. If designed poorly without waste heat capture, data centres risk creating heat islands, raising nearby temperatures.

Case Study: Bell's Thompson River University Facility in Kamloops

Rather than venting server heat into the atmosphere, Bell Canada's AI Fabric centre, under development on the Thompson River University(TRU) Campus, includes a "heat recovery loop". The waste heat generated by the AI processors is fed directly into TRU's Low-Carbon District Energy System to keep the university's campus buildings warm.

