



Kalkaska Go Data Center Initiative

A Long-Term Economic Opportunity in the Power & Data Center Sectors

Community Benefits

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- Tax Base – Millions in new funding for schools and local government priorities (public safety, infrastructure, etc.)
- “Skilled-labor” – opportunity for local training, hiring, and retention of Kalkaska workers
- Potential STEM education partnerships with local schools
- High-quality jobs

Long-Term Benefits

- Job creation – both during construction and permanent operations
- Job types – Engineering, computer science, technicians, IT, management/administration
- Infrastructure investment – upgrades to roads, grid capacity, broadband
- Spillover economic activity – housing demand, small business growth, local contracts
- School enrollment stability – attracting young professionals and families

Location Highlights



Economic Benefits / Tax Revenue

Estimated Additional Tax Revenue Allocation

Service Area	Millage	Tax Revenue %	Data Center Yearly Tax Revenue	Power Plant Yearly Tax Revenue	Gas Storage Yearly Tax Revenue
Local Schools	18	45.8%	\$13,500,000	\$4,500,000	\$675,000
School SET	6	15.3%	\$4,500,000	\$1,500,000	\$225,000
School Debt	3.6	9.2%	\$2,700,000	\$900,000	\$135,000
County Government	5.3444	13.6%	\$4,008,300	\$1,336,100	\$200,415
COA	0.49	1.2%	\$367,500	\$122,500	\$18,375
COA	0.4932	1.3%	\$369,900	\$123,300	\$18,495
Transit	0.2449	0.6%	\$183,675	\$61,225	\$9,184
Kal Op	0.2449	0.6%	\$183,675	\$61,225	\$9,184
Library	0.2449	0.6%	\$183,675	\$61,225	\$9,184
Roads	0.9802	2.5%	\$735,150	\$245,050	\$36,758
Con Dist	0.2449	0.6%	\$183,675	\$61,225	\$9,184
Recycle	0.1134	0.3%	\$85,050	\$28,350	\$4,253
Animal Control	0.13	0.3%	\$97,500	\$32,500	\$4,875
911	0.6	1.5%	\$450,000	\$150,000	\$22,500
Township Government	0.9384	2.4%	\$703,800	\$234,600	\$35,190
Hospital	1.6	4.1%	\$1,200,000	\$400,000	\$60,000
Total	39.2692	100.0%	\$29,451,900	\$9,817,300	\$1,472,595

*assumes 50% of capital costs are real property (land/building/infrastructure) & 50% industrial facilities tax abatement; additional state tax exemptions are currently being discussed

Key Project Elements

Strategic Location

- 1440-acres of DNR land located SW of town
- No wetlands, no houses
- Land cover is upland conifer & shrubland

Independent Power Supply

- Plan is to co-locate on-site natural gas generation (behind the meter power)
- Ensures reliability without burdening the grid

Minimal Water Use

- Leverage Northern Michigan’s cool climate by utilizing an air-cooled design plus closed-loop geothermal (finite amount of water for cooling)

Low Carbon Pathway

- Includes a carbon capture and storage (CCS) option to eliminate CO₂ emissions

For more information, please visit:

www.KalkaskaGo.com



ROCKLOCKER

Who is the project developer, Rocklocker LLC?

Rocklocker is a leading clean energy company in NE United States that is actively involved in multiple CCS projects and data-center developments with low-carbon options. Rocklocker is Traverse City-based company, focused on proactively driving projects forward through early and direct engagement with key project stakeholders, including local and state-level governments, communities, and private landowners. Rocklocker takes pride in being a leader promoting and developing carbon-storage options as a key value-add for power generation and data center development opportunities.

Data Center Development FAQs

1. Will local residents see an increase in electricity costs?

- A co-located power plant will provide behind-the-meter generation, ensuring no impact on residential electricity rates.
- If grid-connected, under new rules approved by the Michigan Public Service Commission, utilities like Consumers Energy and DTE must ensure that large users such as data centers pay the full cost of the infrastructure and power that they require – so residential and small business customers are fully protected from subsidizing them
- Data centers must sign 15-year contracts, pay for at least 80% of their contracted power even if they use less, and cover exit and administrative fees – ensuring that any new infrastructure built for them is paid entirely by the project

2. How many full-time jobs are created from a highly automated data center?

- Beyond hundreds of temporary construction jobs, a 1 GW+ data center supports 100+ full-time positions (on-site and remote).
- Roles include engineers, IT technicians, operations staff, security, management, and maintenance.
- The co-located natural-gas power plant will employ 50+ full-time staff, and the gas-storage facility another 10+.
- The ripple effect benefits local trades, suppliers, restaurants, hotels, and service businesses.

3. What are the main environmental concerns?

- Water use: The facility will use closed-loop and air-cooled systems, minimizing water draw and eliminating discharge.
- Groundwater protection: Comprehensive hydrogeologic and environmental impact studies (coordinated with EGLE) will ensure no contamination or depletion of drinking water resources.
- Monitoring: All water and emissions data will be tracked, verified, and publicly reported.

4. What are the benefits for the community?

- Significant local tax revenue and higher property values.
- High-paying technical jobs and training opportunities for local residents.
- Upgraded broadband and electrical infrastructure.
- Secondary economic growth: hotels, retail, restaurants, and housing.

5. Could state tax abatements reduce local tax revenues?

- Michigan’s programs are designed to attract capital-intensive projects that otherwise wouldn’t locate in rural areas.
- Local governments retain discretion in granting abatements and can negotiate terms that balance fiscal needs with economic development.
- Community Benefits Agreements (CBAs) or Payment in Lieu of Taxes (PILOTs) can guarantee direct contributions to schools, roads, and emergency services.
- Even with abatements, a 1 GW-scale data center generates millions in new local revenue through real property taxes, construction activity, and spin-off businesses.

Michigan Tax Abatement Programs Relevant to Data Center Development

Public Act 198 – Industrial Facilities Tax Abatement

Purpose: Encourage new investment in industrial and high-tech facilities.

Mechanism: Freezes 50% of the taxable value of new real-property improvements and equipment for up to 12 years, cutting property taxes roughly in half.

Public Act 207 – Sales & Use Exemption for Data Centers

Purpose: Reduce upfront costs on data-center equipment (~50% of total project investment).

Mechanism: Exempts servers, racks, cooling systems, and related personal property from the 6% state sales and use tax. Valid through December 31, 2050.

Tax Abatement Summary Table

Tax Type	Program	Relief	Control	Duration
Sales & Use Tax	PA 207 (State)	100% exemption on eligible equipment	State (MSF/DOR)	Through 2050
Real Property Tax	PA 198 (Local)	~50% reduction on new improvements	Local + STC approval	Up to 12 years
Personal Property Tax	PA 198 / Renaissance Zone	Partial/full abatement	Local	Negotiable
Local Agreements	PILOT / CBA	Predictable revenue stream	Local	Custom term

KALKASKA

