

Council Communication

October 10, 2022

<u>Department:</u> Community Development	<u>Resolution No:</u> 22-__	<u>City Council:</u> October 10, 2022				
<u>Subject/Title:</u> Google LLC’s application to the Iowa Economic Development Authority (IEDA) for financial assistance under the High-Quality-Jobs Program (HQP).						
<u>Location:</u> 10420 Bunge Avenue, Council Bluffs, IA 51503						
<u>Company Background:</u> Google LLC (originally BackRub) was founded in 1995 by Larry Page and Sergey Brin. Google LLC’s history is a story of classic entrepreneurialism and hard work. From humble beginnings, Google LLC has blossomed into a world leader in online advertising cloud computing, software and hardware solutions.						
<u>Scope of Project:</u> Google LLC’s infrastructure requirements have increased as its customer base and demand for its products and services have grown. The proposed project would involve the construction and operation of a data center that powers many internet-related products and services to support the increased demand. The proposed project would involve a minimum investment of \$600 million and the creation of 31 new full-time equivalent employees.						
<u>Project Budget:</u> The minimum investment will be \$600 million.						
<u>Project Timeline:</u> Google expects to start their expansion project in Q4 2022 with full operations expected to commence in Q4 2024.						
<u>Project Workforce:</u> As of December 31, 2021, Google LLC (Alphabet) employed 156,500 full-time employees at their locations throughout the United States. Google will retain all of their current Council Bluffs employees but also add an additional 31 new full-time positions at their Southlands facility in Council Bluffs as a result of this expansion project. Average hourly wages of the new full-time employees will exceed the minimum Iowa wage threshold of \$23.94 per hour. These positions include Hardware Technicians, Facilities Technicians, Management and Administrative support. Google LLC also provides a robust benefit package to their full-time employees that exceeds the State requirements for the High-Quality Jobs program.						
<u>Discussion:</u> Google LLC desires to apply to the Iowa Economic Development Authority (IEDA) for benefits under the High-Quality Jobs Program (HQP). The company has submitted a project questionnaire form to IEDA and has been invited by the State to submit a full application for the HQJ incentive program. Per program guidelines, the City must pass a resolution outlining the support of the local property tax component of the HQJ Program. Benefits under the High-Quality Jobs Program include investment tax credits and a local property tax abatement. The following outlines the local property tax exemption estimate that Google LLC qualifies for under the HQJ program as well as the staff recommendation to support Google LLC’s application and expansion project. <table><tr><td>High Quality Jobs Program</td><td></td></tr><tr><td>Estimated Local Property Tax Abatement</td><td>\$16,600,000</td></tr></table>			High Quality Jobs Program		Estimated Local Property Tax Abatement	\$16,600,000
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<u>Staff Recommendation:</u> Upon review of the investment levels and job numbers, staff is recommending that the City support Google LLC’s High-Quality Jobs application to Iowa Economic Development Authority which includes an estimated local property tax abatement in the amount of \$16,600,000.						
<u>Attachments:</u> Google LLC’s High-Quality Jobs application						

Respectfully Submitted By: Paula Hazlewood, Chief Executive Officer, Advance Southwest Iowa Corporation

Approved By: Courtney Harter, Director, Community Development