

REQUEST FOR FINANCIAL ASSISTANCE FORM

1. Provide a brief project description and the following information:

Building square footage: **Approximately 375,000 square feet**
Size of property: **315 acres**
Description of building: **Two-story data center facility**

Materials and other additional relevant building information:

Applicant Jet Stream LLC is a Delaware limited liability company and holder of rights to the real property in Becker, Minnesota adjacent to the Xcel Energy Sherco power plant. Applicant proposes to build a \$600+ million data center on the property. Applicant seeks abatement of all property taxes at the site in an amount equal to the increase in property taxes resulting from increases in the market value or tax capacity of the property. Applicant is a wholly-owned subsidiary of Google LLC.

A data center is a centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing, or allowing access to large amounts of data. Data centers can store and index web sites, run e-mail and instant messaging services, provide cloud storage and applications, and enable a host of other capabilities. To provide these services, data centers are equipped with a large number of computer servers that operate 24 hours per day, seven days per week. Each server is a high-performance computer, with memory, storage space, a processor or processors and input/output capability, and often stacked in racks placed in rows within a large warehouse-sized building. To allow the servers to connect with the outside world and to communicate with each other, data centers are also equipped with networking and communication equipment. Data centers require that employees oversee and monitor servers and networking devices, and manage the facility's large power, cooling, and other needs.

Applicant is presently proposing to construct one facility of approximately 375,000 square feet. While the proposed site may accommodate more than one data center facility, any expansion depends on many factors, including demand for Google's services, the economics of operating the site, additional environmental review, the availability of a skilled workforce, etc. It is not uncommon, however, for a Google data center to grow over time through the later addition of one or more facilities, particularly where the site has competitive electric service and a supportive operating environment.

Since 2006, Google has broken ground on at least nine U.S. data center campuses in nine states. Six data centers – located in South Carolina, Iowa, North Carolina, Oklahoma, Georgia, and Oregon – are constructed and operational. At least three other data centers – in Tennessee, Virginia, and Alabama – are currently under construction. As of April 2018, Google has invested approximately \$10.5 billion in its six operational U.S. data centers as summarized below.

Data Center	Year Opened	Total Investment
Wasco County, Oregon	2006	\$1.8B
Douglas County, Georgia	2006	\$1.2B
Caldwell County, North Carolina	2008	\$1.2B
Berkeley County, South Carolina	2008	\$1.8B
Pottawattamie County, Iowa	2008	\$2.5B
Mayes County, Oklahoma	2008	\$2.0B

Applicant believes it prudent business planning that the abatement application account for a scenario that, while not assured (or even planned), has turned out to be somewhat of a natural evolution of the facility build-out at several of Applicant's sister data centers in other parts of the country – i.e., the addition of one or more “bolt-on” similar data center facilities. In the case here, the application seeks authorization for abating the City's share of Applicant's property taxes in an amount equal to the increase in property taxes resulting from the increases in the market value or tax capacity of the property.

2. Provide a brief description of your business and the following information:

Business Name: **Jet Stream LLC, a Delaware limited liability company. Jet Stream is a wholly-owned subsidiary of Google LLC, a Delaware limited liability company.**

Google is a technology company providing products and services to organize the world's information and make it universally accessible and useful. Eight of Google's core products (Search, Android, Maps, Chrome, YouTube, Google Play, Gmail, and Drive) have more than 1 billion monthly active users. The company offers a broad collection of cloud-based products and services, including G Suite business productivity apps like Docs, Drive, and Calendar and satellite mapping and analysis platforms like Google Earth and Google Earth Engine. In recent years, Google has expanded into consumer electronics with products including Google Pixel, Google Pixelbook, Google Home, and Chromecast. Google's headquarters are in Mountain View, California. Google is a wholly-owned subsidiary of Alphabet Inc. Google and its affiliates have approximately 98,000 full-time employees.

Address: **1600 Amphitheatre Parkway, Mountain View, CA 94043**

Contact Information: **Todd J. Guerrero
Tim J. Keane
Kutak Rock, LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402**

Phone: [REDACTED]

E-mail: **todd.guerrero@**[REDACTED]

tim.keane@[REDACTED]

3. Provide information on the present ownership of the site:

Name: **Xcel Energy**
Address: **414 Nicollet Mall, Minneapolis, MN 55401**
Phone Number: [REDACTED]
Contact Name: **Daniel Pfeiffer**
dan.pfeiffer@[REDACTED]

4. Estimated Project Costs
- | | | |
|----|-------------------------------|-----------------------|
| a. | Land acquisition | \$6 million |
| b. | Site development | TBD |
| c. | Building cost | \$300+ million |
| d. | Equipment | \$300+ million |
| e. | Architectural/engineering fee | TBD |
| f. | Legal fees | TBD |
| g. | Off-site development costs | TBD |
| | TOTAL ESTIMATED COSTS | \$600+ million |

5. Estimated Project Funding
- | | |
|----|-------------------------------|
| a. | Private financing institution |
| b. | Tax increment/abatement funds |
| c. | Other public funds |
| d. | Developer equity |
- TOTAL ESTIMATED SOURCES**
(should equal Total Estimated Costs)

See Schedule 5

6. Describe amount and purpose for which TIF or Tax Abatement is required.

Consistent with subdivision 5.01 of the City's business assistance policy, the proposed Becker data center is intended to provide increased employment opportunities in the City, help provide development opportunities at the Sherco business park, and to diversify the City's tax base. See Schedule 15 for more information.

7. State specific reasons why TIF or Tax Abatement is necessary for the project ("but for" analysis).

The competition for data centers from other cities and states is very strong. In light of this competitive environment, Google is continually evaluating its options before making a decision to invest \$600+ million in Becker. Abating local property taxes for a specified duration is common practice for capital intensive projects such as large-scale data centers.

8. List project costs that may be eligible for assistance. Please attach as a separate document.

Improvements to real property estimated at \$300+ million

9. Provide market value information.

Current market value (from County Assessor):	\$ \$1,762,900
Proposed market value at completion:	\$ \$41,625,000*

***Based on City estimated valuation for a 375,000 data center facility.**

10. Provide real estate property tax information.

Existing real estate taxes of property:	\$ \$16,476
Estimated real estate taxes of property upon completion:	\$ \$328,726*

***Based on estimated City property taxes for a 375,000 square foot data center facility. Applicant seeks abatement of all of the property taxes in an amount equal to the increase in property taxes resulting from the increases in the market value or tax capacity of the property. Applicant is not seeking abatement of any property taxes allocable to the School District.**

11. Provide attach document with the name and address of architect, engineer, and general contractor for the project.

TBD

12. Provide project construction schedule.

Estimated construction start date:		4Q 2019 (estimated)
Estimated construction completion date:		1Q 2022 (estimated)
If phased project:	_____ Year _____ % Complete	
	_____ Year _____ % Complete	

13. Provides names of any other municipalities wherein the applicant, or other corporations the applicant has been involved with, has completed developments within the last five years.

<u>Data Center</u>	<u>Year Opened</u>	<u>Total Investment to Date</u>
Wasco County, Oregon	2006	\$1.8B
Douglas County, Georgia	2006	\$1.2B
Caldwell County, North Carolina	2008	\$1.2B
Berkeley County, South Carolina	2008	\$1.8B
Pottawattamie County, Iowa	2008	\$2.5B
Mayer County, Oklahoma	2008	\$2.0B

14. Provide the following required supplemental information:

- Project Pro Forms (one showing with assistance and one without assistance)
- Legal description of the property
- Applicable application fees and escrow payable to the City of Becker
- Site plan and building rendering

See Schedule 14

In addition to the required information from above (items 1-14), the following information is requested as a separate document and will be considered as part of the application approval process:

- Provide number of years in business
- Provide number of years located in the City of Becker (if applicable)
- Number of new jobs as a result of the project
- Number of new jobs to Becker
- Describe potential for business growth or future development
- Explain whether the building will be owner-occupied (Yes/No)
- If rental space, provide the targeted retail rates
- Provide land costs per acre or square foot
- Provide the projected building cost per square foot
- Additional comments

See Schedule 15

Schedule 5 – Project Funding

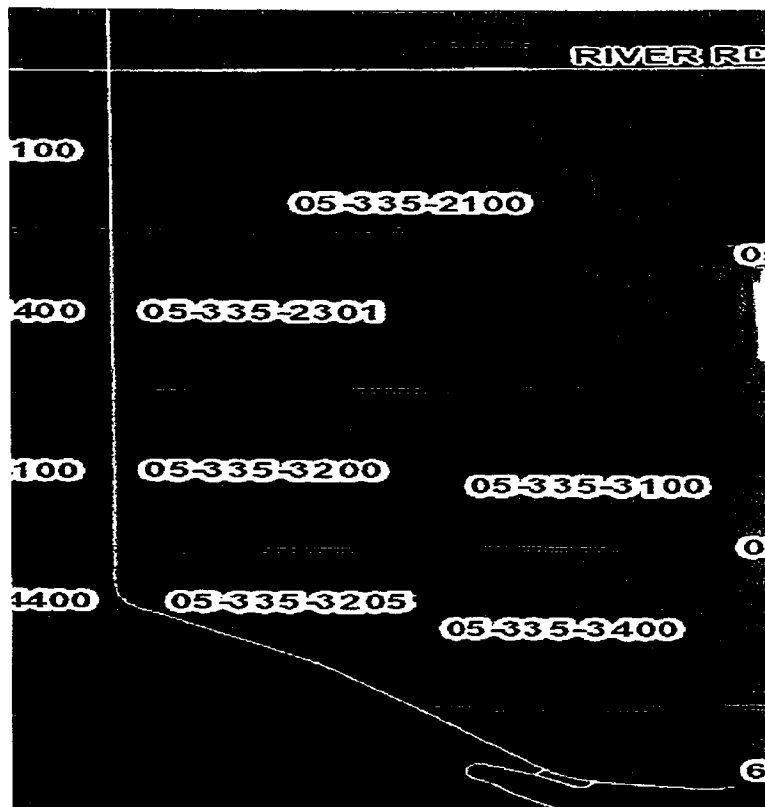
Applicant intends to fund 100% of the projects costs through corporate working capital.

Schedule 14

Project Pro Formas

Based on discussions with the City it was determined that project *pro formas* were not applicable to a publicly held company and/or this project. Applicant is a wholly-owned subsidiary of Google LLC. Google is a subsidiary of Alphabet Inc., a publicly traded company. Publicly available financial information with respect to Alphabet and Google can be found at <https://abc.xyz/investor/>.

Property Description/Parcel Identification Number



Legal Descriptions

- 05-535-2100 – 120 Acres
E 1-2 OF NW 1-4 & NW 1-4 OF NW 1-4
- 05-535-2301 – 40 Acres
SW 1-4 OF NW 1-4
- 05-335-3200 – 40 Acres
NW 1-4 OF SW 1-4
- 05-335-3105 – 8 Acres

NWLY 8 AC OF NE 1-4 OF SW 1-4
05-335-3100 – 32 Acres
ALL THAT PT OF NE 1-4 OF SW 1-4 LYING SELY
OF NWLY 8 AC.
05-335-3205 – 23.94 Acres
NWLY 32 AC OF LOT 1
05-335-3400 – 40 Acres
SE 1-4 OF SW 1-4
05-202-2101 – 13.33 Acres
LOT 2 LYING N OF CO RD

Site Plan

**Non-Public Version
Confidential/ Trade Secret Information under Minn. Stat. Section 13.37, subd. 1(b)**



Schedule 15

If the proposed Becker data center project moves forward, it is expected to invest a minimum of \$600 million into the City of Becker and Sherburne County, making it one of the largest private development projects in recent state history. The local and statewide public benefits are significant. Based on economic studies evaluating the public benefits of similar data center campuses, Minnesota's Department of Employment and Economic Development (DEED) projects that construction of the data center will create approximately 2,300 jobs in Sherburne County with a corresponding approximately \$169 million in labor income, and produce approximately \$223 million in gross domestic product. Once operational, the data center will employ a minimum of 50 full-time equivalent positions with an aggregate annual payroll expected to exceed \$4 million.

Google data centers have spurred significant economic development within the states and communities where they are located. The April 2018 Oxford Economics report analyzed the economic benefits of Google data centers throughout the United States and found that in 2016 alone, Google's U.S. data centers generated \$1.3 billion in economic activity, including \$750 million in new income from more than 11,000 new jobs.¹ Google's investment in its data centers to date has created more than 1,900 new direct jobs – i.e., new Google data center employees and direct contractors – at its six currently-operational data centers. Because these centers often undergo regular expansion and upgrades, the data centers continually employ a significant number of full-time construction workers each year. Overall, Google has invested more than \$10.5 billion in its U.S. data centers.

Google's data centers also stimulate job growth in a number of unrelated industries, including trade, transport, utilities, professional and business services, and leisure and hospitality. For example, within three years of Google opening data centers in these locations, Douglas County, Georgia gained 5,595 jobs; Berkeley County, South Carolina gained 2,378; and Pottawattamie County, Iowa gained 1,185 jobs.²

¹ OXFORD ECONOMICS, GOOGLE DATA CENTERS ECONOMIC IMPACT AND COMMUNITY BENEFIT, P. 13 (April 2018).

² OXFORD ECONOMICS, GOOGLE DATA CENTERS ECONOMIC IMPACT AND COMMUNITY BENEFIT, P. 19 (APRIL 2018).