

Greg Pruszinske

From: Steve Taylor <Steve.Taylor@[REDACTED]>
Sent: Monday, February 18, 2019 3:16 PM
To: Greg Pruszinske
Subject: FW: WP article and such...

Greg,

See email below I sent to my Commissioners on the project.

Steve

From: Raeanne Danielowski <Raeanne.Danielowski@[REDACTED]>
Sent: Sunday, February 17, 2019 12:41 PM
To: Steve Taylor <Steve.Taylor@[REDACTED]>; Commissioners <commissioners@[REDACTED]>
Subject: Re: WP article and such...

Thank you Steve for the information and talking points.

Sincerely,
Raeanne Danielowski
Sherburne County Commissioner District 2
[REDACTED]

From: Steve Taylor <steve.taylor@[REDACTED]>
Sent: Sunday, February 17, 2019 11:42 AM
To: Raeanne Danielowski; Commissioners
Subject: WP article and such...

Commissioners,

Here is some information, background and potential talking points on our proposed project. This is a rather long email – sorry in advance!

At the outset, let me emphasize that we need to get through the regulatory filing (PUC) first before much of this is relevant. More to come later.

Background

- We want to proactively rebuild the tax base with the future closure of Sherco Plants I and II.
- Xcel has several thousand acres to build on. The original plan back in the 70's & 80's was to build 9 coal plants!
- Xcel is looking to increase the use of renewable energy and Google has a corporate philosophy of using only renewable power.
- The Google project is a catalyzing event which will accelerate the area's growth thru the purchase of Xcel property. As you know, we are asking the State to contribute \$20M to upgrade water, sewer, wastewater etc. in the area. From an \$20M infrastructure standpoint, this is not Google specific – the goal is to jump start future development in and around the area as we transition from a coal economy to a high-tech economy. The Google project is only one potential user as Xcel apparently has been in touch with other firms.

Economic Development & Abatements

- Google, Facebook, Amazon, Apple, Microsoft, et. al. are all sensitive to trade secrets and concerns regarding being put into a competitive disadvantage by releasing too much information and data...hence the use of Non-Disclosure Agreements (NDA's). Having said that there are certain provisions in MN state statute that requires disclosure of certain information. Further, this developer trusts us and we have not had the typical transparency issues that apparently other jurisdictions have had.
- The developer has clearly stated that there is no intent to shield information or not be transparent – in many cases it is simply impossible to predict value of the building, construction costs etc. There are too many moving parts and if a number is thrown out it will be wrong. Having said that here is our best estimates on County benefits based on their recent application and DEED's projections:
 - The project would add a minimum of 50 full time jobs
 - Those 50 jobs result in approximately \$4M in annual wages
 - The 50 jobs would also result in about 60 additional indirect and induced new jobs (110 new jobs total)
 - This is extremely important for the City and the County in light of the impending closure of Sherco 1 and 2, and the associated job loss
 - The project would also add 2,300 construction jobs for the first 2 years while the project is being built
 - The result is over \$200M in economic impact to the County, in just the construction phase alone
 - This is derived from using national economic modeling software that the County relies on for its economic development programs
 - It's important to keep in mind that the 50 full time jobs and 2,300 construction jobs are for the planned project only – if the project builds a second facility, that would mean another 50 jobs, and another 2,300 construction jobs and another 200M in direct economic impact
 - And at the same time, Google will still pay State and Becker School District property taxes
 - Estimate School District property taxes at around \$300,000 per year
- There is a request to abate 100% of the improved value of the construction for the City and County. And remember...**You can't take away something you don't have.**
- If you assume a 375,000 sf facility, an estimate would be \$387,500 per year in abatements for the County. Over 20 years that hypothetically would be about \$7.7M. The abatement time schedule is listed below.

Miscellaneous

- Unions/trades and use of local companies: In informal discussions with Google, they have said they make every effort to hire locally. Further, they are supporters of a living wage and if prevailing wage/union wages are the norm then they will follow suit.
- Multiple phases - Here is an example of what has gone on in Council Bluffs, Iowa. In 2007, Google announced plans to construct a data center complex in Council Bluffs, Iowa. Then in 2012 and 2015, we announced expansions of our local data center facilities. Over time, they invested over \$2.5 billion and have established a long-term commitment to the region and state. Now a fully operational site, they created over 400 jobs on site. This is only provided as an example. There are no guarantees of future phases although the site being looked at could support multiple future additions.
- Charitable Giving: What is not well publicized is since 2009, Google awarded more than \$2 million to local schools and nonprofits in Council Bluffs, IA. Additionally, in 2011, they partnered with the City of Council Bluffs to launch a free WiFi network for everyone in and around Council Bluffs.

What we don't want to see is what happened to Luverne, MN – see link below. Governor Walz is very aware of this situation and was asked about it twice at a recent Chamber of Commerce meeting.

<http://www.startribune.com/tru-shrimp-s-decision-to-build-harbor-in-south-dakota-surprises-luverne-state-officials/504080372/>

Abatement Time Schedule:

February 12 = Last day to submit abatement application to City and County

February 19 = County Board direction to request School Board participation
February 20 = County letter sent to School Board
March 2 = Notice Published by County/City
March 11 = School Board Decision
March 11 = City EDA recommendation
March 19 = City Council public hearing and decision
March 21 = County EDA recommendation
March 26 = County Board public hearing and decision

One last thing. I have been asked about whether this is a good investment in terms of how long a company like this may stay in business. Here is my response:

- Google was incorporated as a privately held company on September 4, 1998.
- An initial public offering took place on August 19, 2004 so it has been around a number of years.
- In speaking with technology people, they use the analogy that we are in the 3rd inning of a 9 inning baseball game – meaning there continues to be demand for cloud services with all the social media, body-cam and other videos needing storage.
- Finally, the future of any company is always questionable. Lehman Brothers was founded in 1850 and filed for bankruptcy in 2008. Who knows how long any service/company will be around. You just do your best.

Let me know if you have any questions on the above information.

From: Steve Taylor
Sent: Sunday, February 17, 2019 8:42 AM
To: Raeanne Danielowski <Raeanne.Danielowski@[REDACTED]>; Commissioners <commissioners@[REDACTED]>
Subject: RE: WP article

I will send the Board some more balanced information on our proposed project later today. I have been reading the Washington Post off and on since I started college in 1980 in DC (I have a subscription today in fact) and they have a certain "slant" on matters such as this.

Steve

From: Raeanne Danielowski <Raeanne.Danielowski@[REDACTED]>
Sent: Saturday, February 16, 2019 9:29 AM
To: Steve Taylor <Steve.Taylor@[REDACTED]>; Commissioners <commissioners@[REDACTED]>
Subject: Re: WP article

Thank you Steve, very interesting read.

Have a great weekend.

Sincerely,
Raeanne Danielowski
Sherburne County Commissioner District 2
[REDACTED]

From: Steve Taylor <steve.taylor@[REDACTED]>
Sent: Saturday, February 16, 2019 7:31 AM
To: Commissioners
Subject: FW: WP article

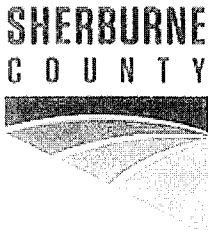
Commissioners,

Thought you should see this article in the Washington Post.

Steve

From: Tim Sime <Tim.Sime@[REDACTED]>
Sent: Friday, February 15, 2019 3:55 PM
To: Steve Taylor <Steve.Taylor@[REDACTED]> Dan Weber <Dan.Weber@[REDACTED]>
Subject: WP article

https://www.washingtonpost.com/business/economy/google-reaped-millions-of-tax-breaks-as-it-secretly-expanded-its-real-estate-footprint-across-the-us/2019/02/15/7912e10e-3136-11e9-813a-0ab2f17e305b_story.html?utm_term=.4aa3bacb5306



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