

Approximate locations of two proposed Google projects, with Webber Street to the right and River Road to the left, in west The Dalles. Current server facilities can be seen at far left.

Mark B. Gibson photo/graphic

GOOGLE Tax districts voice support

Continued from page 1

will be sought Wednesday, March 3 (after print deadline for this issue) at the Wasco County Commission meeting and Monday, March 8, at the City of The Dalles council meeting.

Overview

The SIP is a state program overseen by Business Oregon. It provides up to 15 years of partial tax abatement and is similar to an Enterprise Zone, also a state program, under which previous Google data centers in The Dalles were built. The program allows for a 15-year tax abatement, beginning with the completion of each project, with an initial \$50 million of assessed value fully taxed for each facility, based on an investment of \$600 million as estimated by Google.

The SIP agreement also includes a community service fee of 25 percent of taxes saved, the amount set by Business Oregon with distribution negotiated locally, and a locally negotiated component developed by Wasco County, City of The Dalles and Google LLC.

The community service fee will be distributed among county taxing districts, using a formula negotiated locally among the districts. Under prior urban renewal tax abatement agreements, similar payments went to the city and county to be distributed as decided by their respective council and commission.

The locally negotiated component includes a guaranteed annual payment, or GAP payment, to ensure assessed taxes and the community service fee equal 50 percent of the full taxable value of the first facility and 60 percent of the second. If property taxes and the service fee, capped at \$2.5 million, does not equal 50- or 60 percent of taxable value, depending on the project, the GAP payment makes up the difference; a construction fee of \$3 million for each project, to be paid when construction begins; and a land transfer of a minimum of 35 acres to Wasco County, at no cost, which includes in part the former site of the Fort Dalles Rodeo grounds.

The GAP payments were negotiated locally to make up any deficit between taxes paid and the community service fee so that 50 percent of full property taxes for the first project and 60 percent for the second are paid.

The GAP payment, when triggered, would be paid to

the city and county. Matthew Klebes, director of administrative services for Wasco County and Enterprise Zone manager, who presented the SIP agreement staff report, said the county and city were working on a process for allocation guidelines for those payments, to be completed within a year. "If this agreement is approved, I expect that process will be expedited and brought back to the city and the commission as quickly as possible," he added.

In his presentation before the city, Klebes noted the site was delisted as a national superfund site in 1996, and the Oregon Department of Environmental Quality issued a "no further action needed" notice in 2012. "However, there is still quite a bit of infrastructure in place, and quite a large degree of complexity in clearing that property to make it site ready," he added, and the city will benefit from that cleanup.

"This agreement is solely focused on tax abatement agreement and the economic incentives associated with the project," Klebes noted at the conclusion of the staff report. Google will have to plan the projects, acquire the proper permits and address a host of local, state and federal requirements prior to start of construction. "This agreement will not circumvent any of those processes," he said.

In addition to Klebes, the negotiating team was made up of The Dalles Mayor Rich Mays, Wasco County Commissioner Steve Kramer, Wasco County Administrator Tyler Stone, Wasco County Tax Assessor Jill Amery and The Dalles City Manager Julie Kruger. Former mayor Steve Lawrence also sat in on many of the meetings, having negotiated with Google in the past.

Is this a done deal?
Mayor Mays opened public discussion before The Dalles City Council with a question submitted prior to the hearing regarding the value of holding a public hearing on the issue after negotiations had been completed. "If this is a 'done deal,' why get public input at this stage," the writer asked. A similar question was asked when prior agreements with Google were under consideration.

Mays said that although he does not vote unless there is a tie, he did help negotiate the agreement. "At the conclusion of negotiations in early February, I thought that this agreement would bring a tremendous amount of benefit to our community, with the belief that if I heard something during the one month period of time

"We need Google in The Dalles. Most of us use Google every day, isn't it nice to know they are in our own backyard?"

Corliss Marsh
The Dalles

in which this has become public, that had the possibility of changing that, I would seriously consider it. As it stands now, and we still have a ways to go, I do have an open mind and I don't think this is a done deal," he said. "I am waiting to hear anything that will make this agreement not be in the best long term interests of the city of The Dalles and Wasco County."

Councilor Dan Richardson said he had lost count of the conversations he had had regarding the agreement, but did not see it as a done deal. "We look forward to people with ideas, concerns or questions contacting us."

Councilor Rod Runyon noted that his decision was not a done deal, but noted also that negotiations with Google were conducted by elected officials, representing and speaking for the communities they represent at both the city and county level. "This is strikingly different than the deals in the past," he added. It was negotiated by a community team, hired and elected. "I've said before that I will not support another Enterprise Zone project with Google," he said, but noted the SIP was "a very different animal" and addressed the most important failings of the Enterprise Zone program, as applied to Google. "Community input was a big part of this process, and has been coming in for over 15 years regarding Google," he said. That input emphasized the need for tax district participation in how in-lieu payments were distributed, he noted, and the SIP agreement allows for that.

Councilor Timothy McGlothlin added the purpose in holding a public hearing was to inform the public of the facts and get community input. "We're listening. We will decide at the end of the process, that's how these hearings work."

Public testimony

Public testimony before both the county and the city included statements of support from a number of taxing districts, which will receive a share of the community service fee, with distribution details negotiated by the taxing districts within 90 days of agreement approval. Additional community input focused primarily on possible environmental impacts, impacts to the city's water sourcing and usage, negotiations regarding the

community service fee and distribution of the GAP payments.

"We need Google in The Dalles. Most of us use Google every day, isn't it nice to know they are in our backyard?" said Corliss Marsh.

"That proposal will come before the city council, and those meetings will be public," Mays said. "While the agreement is expected to accommodate Google, it will also ensure an adequate water supply for all residents," he said.

Steve Lawrence, former mayor of The Dalles, said, "I was very impressed with how this negotiation went. When you look at the first Google facility, the deal was valued at about \$3.5 million. Google two, it was about \$13 million. When you look at Google 3, it was over \$30 million. And now we are talking about \$120 million," he noted. "I was very impressed that Google came to us to talk about a SIP agreement, because of all the things that had been said," Lawrence said. "This is going to be a great opportunity for this community."

Don Warren, of The Dalles Main Street, noted that he was in favor of the project. But he encouraged the city to consider a way to decrease the visual impact of the new facilities. "Could we do a fantastically large mural, or fool the eye and make it look like the basalt cliffs of the Gorge, or something. How can we make sure this is beautiful and not detracting from the beautiful Gorge," he said.

Tonya Brumley, a resident of Dufur, also encouraged the council to consider ways to improve the visual impact of the new facilities to make them "more welcoming."

The existing buildings, Brumley noted, are "a bit of an eyesore." She suggested finding some way to be more artful, and perhaps reduce the industrial appearance of the facilities.

"I think with the beautification we have set forth in the city, this is maybe the time, finally, to make something a little more appealing that reflects not only the history, but also the future of The Dalles. Something we would all be proud to look at daily when we drive by. Especially now that its off the freeway — this is our front door to the community, our front porch, our front yard. Let's make this look the best we can if this moves forward."

Taxing districts impact

Estimated property taxes on \$50 million, year 1, by taxing districts. This represents property taxes assessed under the SIP agreement, and does not include the community service fee or locally negotiated components.

Total: \$909,010	\$11,640
Wasco County: \$197,905	City of The Dalles: \$140,345
Port of The Dalles: \$9,345	Urban Renewal District: \$60,240
Northern Wasco County Parks & Recreation: \$31,630	School District 21: \$243,835
Wasco County/The Dalles Library: \$31,650	Columbia Gorge Community College: \$12,580
Mid-Columbia Fire & Rescue: \$97,755	Education Services District: \$21,775
Wasco County Soil & Water Conservation District: \$11,640	Bonds (CGCC, MCF&R, Parks & Rec): \$38,670
4-H and OSU Extension:	

Water issue to be addressed

By Mark Gibson
Columbia Gorge News

Water usage by Google, especially as it relates to two new proposed data centers in The Dalles, is currently being negotiated between Google LLC and the City of The Dalles, and details of that agreement will be made public when negotiations are complete, Mayor Rich Mays said during the public hearing Feb. 22 in The Dalles. That should happen within a couple of months, Mays said, and no information on the negotiations would be available prior to that time.

However, one of the potential benefits of Google expansion in The Dalles noted in the staff presentation reviewing the Strategic Investment Program (SIP) proposal before the city and Wasco County is engagement with the city in water storage and recovery, and questions were asked about how that would work.

Dave Anderson, The Dalles public works director, explained that "aquifer storage and recovery is a method of taking surface water through our water treatment plant in the winter when there is a surplus supply, treating it and putting it down a well into an aquifer for recovery later. Its a way to improve the sustainability of an aquifer, and is an option we are looking at in the future."

He added that providing a safe and reliable water supply to everyone in the city was the primary objective of his department, and

no agreements would be considered that jeopardized that supply.

Design LLC (Google) has paid for and provided the city with all the analysis needed to show this is an option for The Dalles in the future, and has paid for the permitting for the city to move forward with this if it decides to do so in the future.

During the hearing, Carolyn Wood of The Dalles noted the city gets water from the mountain and through wells, and suggested there were wells at the project site that served the aluminum plant. She added that sufficient water was "part of the reason they are here." She added, however, that she was concerned with the quantity of vapor being discharged by the current facilities.

"That has increased the fog level," she said, and asked what the impact of that would be to the regional airport in Dallesport. "These new ones are closer, I assume they're larger, and may put out even more vapor."

"I can look out and see that vapor come up, level out, and move up the river. And on foggy days, that contributes to the fog. I hope you keep that in view as you look at this," she said. "But I support it completely," she said of the project.


Mays noted that part of the permitting process will involve a review by the Federal Aviation Administration to look at possible impacts to the airport.

Dr. Cullen's Student of the week


Logan Baumgarten, Student of the week

Logan attends every single day and is usually one of the first few to sign into Zoom. Logan leads by setting a positive example: he keeps his camera on, participates verbally as well as in chat, and creates a positive rapport with others in class.

Congratulations



Logan Baumgarten, TDHS



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