Google wins more tax breaks for two new data centers

By MIKE ROGOWAY *The Oregonian*

THE DALLES — The Dalles City Council voted unanimously Monday, Oct. 25, to grant new property tax breaks for two more Google data centers, worth tens or hundreds of millions of dollars to the tech giant. Wasco County commissioners voted unanimously in favor of the tax breaks last week.

Before Google proceeds with new construction in its property along the Columbia River, the company also wants agreement from the city on a deal to substantially increase the water available to the company to cool its massive data centers. The water pact, which has generated skepticism among some residents of the small city, is due for a vote early next month.

Google says it has spent \$1.8 billion on its data centers in The Dalles over the past 15 years. The company said Monday that it expects to say more about its plans in early November.

The new tax agreement is a vastly better deal financially for the local governments than three prior deals for Google data centers built over the past 15 years.

Google would pay \$3 million up front for each new data center. It would then pay half of the normal property taxes for the first new data center and 60% of regular property taxes for the second.

While Google employs just about 200 in The Dalles, two new data centers combined could provide more than \$6 million annually to the city, county and local government agencies.

That's according to county estimates, based on \$600 million in spending on each new data center.

Potentially, that represents a 15% increase in what Wasco County collects in total property tax revenue each year, and it's more than double what Google paid under three prior agreements.

City Councilor Dan Richardson acknowledged that some members of the community oppose tax breaks for big companies like Google. He said he's troubled by that idea, too, but feels The Dalles has to accept it.

"That's sort of the reality of the world we live in, that cities and states have to compete, will compete, for big projects, and we either negotiate to try and find some beneficial agreement or get nothing," Richardson said. "Google can go many places. It doesn't have to build here, or build more here."

Oregon has some of the nation's most lucrative tax breaks for data centers and puts no limit on how much local governments can offer. On the one hand, that gives small Oregon cities and counties the autonomy to make their own decisions. But it also forces them to compete with one another to offer the biggest tax breaks. The state's program of industrial tax exemptions, which dates to the 1980s, was conceived to draw large manufacturers and other major employers, long before the data center industry emerged. In the 21st century, it's proven to be an enormous windfall for wealthy Silicon Valley companies, which receive Oregon tax breaks worth more than \$120 million annually.

Left unaddressed in The Dalles' new tax deal is how much Google will pay in property taxes on its first corporate data center, which opened in 2006. It comes onto the tax rolls next year when its original tax breaks expire after 15 years.

If Google continues to operate the aging facility, it could provide several million dollars more each year in new property taxes for the small community.

But Google won't say whether it will continue running the original facility once it becomes taxable, or if it will make other changes — like moving the most expensive equipment into newer, more advanced data centers still covered by tax deals.

Data centers are still a relatively young industry. Google's original data center in The Dalles was its first such facility anywhere. So it's not clear how long the company will continue using it, or in what way.

Google and the Oregon Department of Revenue are currently negotiating over how to assess that original data center.

It's an important precedent for Oregon's multibillion-dollar data center industry.

Facebook, Apple and Amazon have collectively spent billions of dollars on server farms in small towns from Prineville to Hermiston. All those facilities could eventually generate huge tax revenue for those communities — or very little, if the companies shut them down when they become taxable.

Oregon's ag, natural resources departments lose few employees to vaccine mandate

By SIERRA DAWN MCCLAIN Capital Press

SALEM — Ten out of Oregon Department of Agriculture's 489 employees, or 2% of workers, did not meet the Oct. 18 deadline to get vaccinated against COVID-19 and were put on administrative leave.

"Administrative leave," according to recent Oregon government rules, means those employees will be given a grace period until Nov. 30 before the employer takes "personnel action," asking employees to resign.

Other departments related to farming and natural resources also lost workers, though officials say the losses were "minimal."

According to data from the Oregon Department of Administrative Services, obtained by the Capital Press through a public records request, out of 40,056 total executive branch employees statewide, 203 workers, or 0.5% of the state government's workforce, were put on administrative leave due ment approved seven medical exemptions and 128 religious exemptions.

"We may end up with a few more on administrative leave in the coming weeks or months because there are a small number of employees who are not yet compliant, but have either started the process or are currently on protected leave," Joy Krawczyk, spokesperson for ODF, told the Capital Press.

At Oregon Water Resources Department, which employs 154 people, 16 religious exemptions were approved and only one worker was put on leave.

Oregon Department of Lands, with 104 employees, approved 8 religious exemptions and did not dismiss any workers.

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Oregon to increase RV fees 25% for out-of-state campers

Oregon Capital Bureau

SALEM — The Oregon Parks and Recreation Department is requesting public comment on three proposed amendments to the Oregon Administrative Rules that govern state parks, as directed by legislation passed during the 2021 session.

The deadline for comments is 5 p.m. Friday, Nov. 10.

One change prohibits individuals convicted of a bias crime on public property or state waterways from entering state park property for up to five years, as per Senate Bill 289. The proposed amendment establishes a process for issuing exclusion notices.

The second change implements Senate Bill 794, which increases fees for recreational vehicle campsites by 25% for out-of-state residents. Under the current system, out-of-

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state campers just pay the RV site rate. Oregon residents with RVs pay both the RV site rate plus an RV license plate fee, some of which goes to state park operations. Additional revenue from this surcharge will go to pay for day-to-day operations and repairs to state parks. With a system nearly 100 years old, those costs go up every year.

The third amendment under consideration adds a requirement that members of the Outdoor Recreation Advi-

TO COMMENT

Online: oregon. gov/OPRD/PRP/Pages/

PRP-rulemaking.aspx. **Mail**: Oregon Parks and Recreation Department, attn.: Katie Gauthier, 725 Summer St. N.E., Suite C,

Salem OR 97301. Email: OPRD.publiccomment@oregon.gov.

sory Council be appointed by the governor, as per House Bill 2171. The council will advise

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A full copy of the proposed amendments is available on the Proposed OPRD Rules web page.

After reviewing public comments, agency staff will present final amended rules for consideration by the Oregon Parks and Recreation Commission at its November business meeting.

the Office of Outdoor Recreation on outdoor policy and priorities.

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to not meeting the vaccination deadline.

Washington state, by contrast, lost 3% of its state employee workforce. Officials say the contrast is likely because Oregon left the work of approving religious exemptions mainly up to agencies, while in Washington, exemption decisions were made at the state human resource office level. Oregon granted religious exemptions to at least 11% of state executive branch workers, nearly double the rate of faith-based exemptions for state workers in Washington.

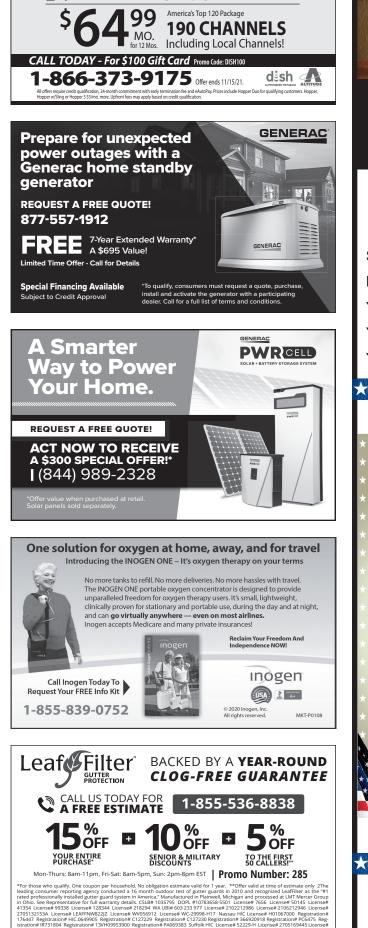
According to the Oregon Department of Administrative Services, of the 40,056 state employees subject to the mandate, 4,514 received a religious exception, 323 received a medical exception and roughly 180 religious or medical exception requests are still waiting to be processed.

Adam Crawford, the administrative department's external relations director, said the total percentage of fully vaccinated state employees or those in the process of becoming vaccinated was 83%.

As of Oct. 25, among the Oregon Department of Agriculture's 489 employees, five had an approved medical exemption, 70 were approved for religious exemptions and 10 were put on administrative leave.

ODA's spokesperson Andrea Cantu-Schomus, told the Capital Press in a recent interview that several staff members already have volunteered to help cover gaps as needed and said the agency will do "its very best to maintain services that Oregonians expect."

Of the Oregon Department of Forestry's 867 workers not including 193 seasonal workers — only two people were put on leave. The depart-



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