



September 8, 2016

Sent Via Email: JLARC@leg.wa.gov

Joint Legislative Audit & Review Committee
RE: Data Center Equipment/Sales & Use Review for 9/9/2016

The Grant County Economic Development Council is the economic development agency for the county, and is engaged in business recruitment, expansion, and retention. Historically, we have been involved with the City of Quincy, the Port of Quincy, the City of Moses Lake, and the Port of Moses Lake in attracting data center investment to our county (seven to date). We have the competitive advantage of being the nexus of affordable power, strong fiber infrastructure, affordable land, and a trainable workforce.

We will attach statistical information to support that the data centers in our community have had a significant positive effect on our local economy in terms of taxable sales, increased property tax assessment values, increased property tax revenues, and increased employment with higher disposable incomes. Much of this economic activity is compared during the periods of 2006 to 2013 (up to 2015, if available).

It is important to note that economic impact should be examined in terms of direct, indirect, and induced factors. This impact would extend from the direct influence of a business with new jobs and capital investment, to the expenditures among business-to-business vendors, to the total additional employment with the disposable income spread within the community; and how this diversifies the total tax base. Therefore, we feel the incentive legislation has been the catalyst for a multitude of benefits as was intended.

However, the sporadic nature of the incentives has had a "start-stop" effect, which has been detrimental with lingering negative effects when the incentives expire. You can see in some of the tables the drop or lag, over the time periods when the incentives have expired versus the uptick when an announcement was made during an incentive restoration period.

As a rural community, it is much harder to recover from lagging indicators and economic volatility. Thus, we would highly encourage the consideration of much longer periods with the incentives in place, i.e. years rather than months at a time. It would be expected that corporate decision makers would feel more confident with more "stability" regarding the incentive availability, as they make their investment and site location decisions.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "Linda K. Martin".

Linda K. Martin, CEcD, Executive Director