

TEDC 2022 CEDA APPLICATION

All Applications Must Be Received by August 19, 2022

The 2022 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be given to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000 X _____
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: Temple, TX

TEDC Member Name: Amanda Carlson (individual member, not organization)

Telephone #: 254-773-8332

Email Address: acarlson@templeedc.com

Community Population (as currently marketed): 84,706

Application Submitted By: Amanda Carlson, Director of Marketing & Communications

Email Address: acarlson@templeedc.com

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

SUBMITTED FOR:

- Business Retention
- Business Attraction
- Business Expansion
- Community Involvement

SUMMARY REVIEW

Please attach a brief description of the economic development efforts and accomplishments of the project or program (specific to the project or program for which you are submitting the application). Within this description, address the awards criteria of innovativeness, transferability, community commitment, measured objectives and secondary benefits. The narrative portion of the application is limited to four (4) conventionally formatted 8.5" x 11" pages. Please also submit up to five (5) digital photographs (jpeg) to amy@texasedc.org. The photos must be submitted with the application form. The photographs will be presented during the CEDA luncheon at the TEDC's 2022 Annual Conference.



TEMPLE EDC

ECONOMIC DEVELOPMENT CORPORATION

APPLICATION FOR CEDA 2022

AUGUST 19, 2022



Temple Economic Development Corporation

Established in 1988, Temple EDC is a private, not-for-profit economic development organization that serves as the economic development entity for the City of Temple, Texas. Located 45 minutes north of Austin, and right off I-35, Temple is a rapidly growing community of over 86,000 residents.

Meta Hyperscale Data Center Project

On March 31, 2022, the Temple Economic Development Corporation announced Meta's hyperscale data center project. This project represents an \$800 million investment spanning 393 acres with a completed facility size of approximately 1 million square feet and will support 100 direct hires, and 200-250 additional full-time contract operations jobs when fully operational. Having broken ground in April of 2022 the project will also support 1,200 jobs during the peak of construction and will create an economic ripple effect in the Temple community and Central Texas. The project is anticipated to invest in four future phases, which in total represent an additional investment \$3.2 billion, 400 direct hire jobs, and 600-1,000 contracted full-time jobs.

Meta is an American multinational technology conglomerate that owns Facebook, Instagram, and WhatsApp, among other products and services. Meta builds technologies that help people connect, find communities, and build businesses. Now, Meta is moving beyond 2D screens toward immersive experiences like augmented and virtual reality to help build the next evolution in social technology.

To meet customer demand as they blaze the trail of digital connectedness, Meta needed a strategic location to add to their hyperscale data center portfolio. To secure the project Temple EDC, along with entities such as the City of Temple, Bell County, and Temple College, worked to create a tailored incentive program that eventually led to Meta choosing Temple, Texas as their next data center location.

Project Numbers

Project Investment: \$800,000,000

Facility Size: 1,000,000 sq. ft.; 393 acres

Jobs: 100 direct hires, at \$90,000 average salary

200-250 contract operations jobs

Innovativeness

The Meta project required the purchase and consolidation of seventeen land parcels from ten different landowners. To remain competitive, the Temple EDC architected a plan that allowed them to quickly acquire the needed acreage. A land committee was formed, through an economic development agreement between the City of Temple and Temple EDC by which seed funds were placed into a land bank account by the Temple Reinvestment Zone. Those funds would then be managed by Temple EDC and used to acquire the parcels necessary to create the site that Meta would locate on. The agreement also allowed for Temple EDC to recoup any revenues derived from the sale to Meta and any future revenues derived from land sales within the Temple Industrial Park. This supports Temple EDC's ability to sustain an economic development program centered around property acquisition and the development of shovel ready sites.

To meet Meta's incentive expectations the Temple Economic Development Corporation utilized traditional project abatements as well as rebate programs through Chapters 380 and 381. Due to the substantial initial and ongoing investment the project will bring to the community it was important for Temple EDC to present a custom-tailored incentive package.

This incentive package included separate 10-year Chapter 312 abatements, per project phase, from the City of Temple, Bell County, and Temple College District. Since this project is expected to see several different phases, each phase that commences construction during the original 10-year abatement period will receive a separate 10-year abatement period beginning in the year after completion of construction related to such phase. After each 10-year abatement period, City and County phase in real and personal property tax liability over 10 years (years 11-20) per phase via Chapter 380/381 refunds with a negotiated PILOT schedule.

Transferability

The efforts made by Temple EDC to secure the Meta project can easily be replicated by other EDC's. Our approach to business attraction relies upon bringing key-decision makers to the table for our clients. When working with a prospective investment we try and remove as many barriers as possible in their decision-making process. The Temple EDC has spent the past several years cultivating relationships within our city and now use it as standard practice on all our projects. This collaboration, and ease of access for our client, was the key to meeting Meta's fast-paced timeline.

Community Commitment and Leverage

Winning the Meta project required coordination and collaboration across multiple entities within the City of Temple. This project was unique not only due to its scope, but also due to its timeframe. From first contact to final signatures the Temple EDC had twelve months to complete all incentives, agreements, and land acquisitions.

The Temple EDC was able to establish ongoing, weekly virtual meetings between themselves, the City of Temple, and Meta. This collaboration provided a quick turnaround for the client, while also providing them with real-time problem-solving opportunities.

To create a parcel of land with enough acreage to fit the needs of the project Temple EDC had to purchase and consolidate seventeen land parcels from ten different landowners. The Land Committee that was formed to satisfy this need would not have been possible if not for the support and commitment from the City of Temple.

Finalizing the various abatements required the buy-in from several different entities. The community stepped forward and provided the support needed from Bell County, Belton ISD, City of Temple, Elm Creek Watershed Authority, Temple College, Temple ISD, and Troy ISD that allowed Temple EDC to provide the Chapter 312 abatements.

Measured Objectives

The main objectives of locating the Meta data center in Temple, Texas were to increase the tax-base, to provide job opportunities with above-average annual salaries, and to increase private funding of public projects.

Increasing the Tax-Base and Providing Job Opportunities

Based on the anticipated valuation of the initial campus, the abatements that have been granted, current tax rates, and the structure of the Temple Reinvestment Zone, it is expected that direct fiscal revenues will total approximately \$12.8 million per annum once the facility is fully placed in service. In addition, it is estimated that indirect revenues from collateral activity will yield yearly tax receipts of \$3.2 million to the State and \$2.1 million to local governmental entities.

Construction Benefits: According to a report by Ray Perryman, when multiplier effects are considered, economic benefits of construction of the first phase include an estimated \$389.6 million in gross product and 4,404 job-years of employment in the Temple area. A job-year is one person working for one year, though it could be multiple individuals working partial years.

These cumulative effects translate into more than 1,200 workers being on site at the peak in construction activity.

Ongoing Economic Benefits: The Meta project brings with it 100 direct hire jobs at full operation, with an average annual wage of \$90,000, plus an additional 200-250 contracted operations jobs. Temple's current average wage, across all SOC codes stands at \$39,356, and for computer specific SOC codes stands at \$71,887. These high-quality, high-paying jobs will make a positive impact on the Temple community for generations to come.

Additionally, once operational, the facility's ongoing spending and employment will generate significant benefits to the area economy. The ongoing benefits of the data center are projected to be \$52.1 million in gross product each year and 376 jobs in the Temple area (including multiplier effects).

Private Funding of Public Projects

For each of their data center locations Meta commits to supporting the local community through a variety of initiatives. Temple was able to benefit from this support very early in the relationship when Meta committed to helping for City of Temple water and wastewater infrastructure through a contribution to the City of Temple. While this infrastructure was essential to serving the site they were locating on, the investment will also have positive impact for City of Temple businesses and residents.

Meta's investment also had a positive impact on the anticipated increase in tax revenues. These anticipated increases allowed the local school district, Temple ISD, to go out for a bond within the same school year for \$165 mil with a tax impact of \$0.09 less than the initial asking in November the previous year.

Secondary Benefits

In addition to the primary benefits described above, the Meta hyperscale data center sets Temple up as a high-tech business destination. Major, high-profile corporate locations can serve as a catalyst for growth, leading to a higher rate of economic expansion than would have occurred otherwise. Economic benefits of potential incremental growth associated with the data center's role as a catalyst to incremental growth are estimated to include over \$511.5 million in annual gross product and 4,397 jobs. These gains represent an increase in direct manufacturing employment of about 16.7% over current levels, with overall gains in private sector employment of more than 4.6%.

In addition to the positive tax increase impact to Temple ISD stated above, Meta immediately set up meetings with the school district and will enter into a partnership for STEM labs at elementary campuses, implementing and designing a robust robotics program at middle and high school, gifting devices to the students as part of the 1 to 1 device initiative for the middle schools, and establishing the *Engineer for the Week* program.