

Citigroup Technology Economic Development Incentive Agreement

November 26, 2019



Agenda Items

- AA. Consideration and possible action to approve an economic development **retention** agreement with Citigroup Technology, Inc.
- AB. Consideration and possible action to approve an economic development **expansion** agreement with Citigroup Technology, Inc.

Project Background

- In 2008, Citigroup opened a 300,000 square foot data center facility in Georgetown
- Has become a significant Georgetown electric customer
- Also a large property and sales tax contributor
- Facility has room for growth



Project Background Cont.

- Citigroup's economic development incentive agreement has expired
- A new economic development agreement is required in order to:
 - Retain the existing capacity at the site
 - Encourage expansion of the capacity within the facility

Proposed Retention Incentive

- Reduction of the all-inclusive kWh rate following the schedule:
 - Nov. 1, 2019 - **\$0.062675** per kWh
 - May 1, 2019 - **\$0.053170** per kWh
 - Nov. 1, 2020 - **\$0.033465** per kWh
 - Until Nov. 1, 2024 - **\$0.033465** per kWh

Compliance Requirements

- Compliance certifications will be performed November 1 and May 1 during eligibility period
- Citigroup must maintain the following monthly average minimums for the 12-month period prior to each certification
 - 92% load factor
 - 6,000 kW of demand per month
 - 4,000,000 kWhs per month

Proposed Expansion Incentive

- Eligible once the average monthly kWh use exceeds 5,000,000 kWhs per month
 - All-inclusive rate of \$0.033465 per kWh for energy above 5,000,000 kWhs
 - Property tax grant equivalent to fifty percent (50%) of the City ad valorem taxes above a base of property value of \$275,000,000
 - Sales tax grant equal to 25% of the City sales tax receipts above the base sales tax of \$1,250,000 per year

Penalty for Non-compliance

- Property and tax reimbursements forfeited
- Rate per kWh converts to \$0.076920
- Ability to come back into compliance at subsequent compliance certifications

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