

Economic Impact Analysis Summary



University of Northern Iowa
Business & Community Services

Data Center Project

The Institute for Decision Making (IDM) at the University of Northern Iowa completed the following economic impact analysis of the impact of the construction phase of a data center project in Linn County, Iowa. IDM used IMPLAN to complete the analysis. The estimated \$800 million that will be spent on building the data center was split evenly over the four-year project, for a total of \$200 million per year.*

Economic Indicators by Impact

Impact	Employment	Labor Income	Value Added	Output
Direct	1,028.52	\$74,523,365.58	\$103,390,260.21	\$200,000,000.00
Indirect	184.87	\$14,284,286.91	\$24,418,298.09	\$47,437,825.17
Induced	285.74	\$15,218,750.08	\$30,137,594.69	\$49,126,759.65
Totals	1,499.13	\$104,026,402.57	\$157,946,152.99	\$296,564,584.82

Employment is the total employment in the area supported by the company's construction activity. Please note that the majority of these jobs are existing jobs and not new jobs created specifically for this project. So, 1028.5 construction jobs are supported directly from construction of the buildings, 184.87 jobs are supported in other industries that are suppliers to the construction company, and 285.74 jobs are supported in businesses where construction employees spend money locally.

Labor income includes all forms of income, including employee compensation (wages and benefits) and proprietor (business owner) income.

Value added is a measure of the contribution to gross domestic product (GDP).

Output is the total output in the region generated directly by the company's construction operations and indirectly from the multiplier effect. This includes payroll and purchases made locally. This impact occurs each year, for only the four years of the construction project.

Total Economic Impact

The total economic impact of this data center construction project is nearly \$200 million per year for each of four years, and the data center construction project will support nearly 1,500 jobs each year for four years. Labor income accounts for more than \$104 million of the total output, and \$157.9 million is contributed to the GDP each year for four years.



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Notes

- **Direct** effects are those directly tied to the construction of the data center.
- **Indirect** effects are the result of local industries purchasing from each other. This includes business growth/decline resulting from changes in sales for suppliers to the directly affected businesses.
- **Induced** effects reflect changes in spending from households as income/population increases or decreases due to the changes in production. This includes shifts in spending on food, clothing, shelter and other consumer goods and services, as a result of the change in workers and payroll of directly and indirectly affected businesses.

Analysis Parameters

This analysis is based on the following information:

- NAICS 236220 – Commercial and Institutional Building Construction
- Construction spending on buildings: \$800 million, over four years
- Area for analysis: Linn & Johnson County, Iowa.

**IMPLAN is a PC based economic analysis system composed of data files and software. For additional information on IMPLAN, please refer to their website at www.implan.com*

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Economic Indicators by Impact

Impact	Employment	Labor Income	Value Added	Output
Direct	70.00	\$7,268,435.87	\$13,251,009.81	\$24,596,482.43
Indirect	45.74	\$2,687,341.51	\$4,583,521.64	\$8,829,271.86
Induced	31.44	\$1,675,586.81	\$3,319,286.25	\$5,408,275.14
	147.18	\$11,631,364.19	\$21,153,817.69	\$38,834,029.43

Employment is the total employment in the area generated by the company's operations. An additional 77.18 jobs in the area are supported due to the multiplier effect of the data center's operations.

Labor income includes all forms of income, including employee compensation (wages and benefits) and proprietor (business owner) income.

Value added is a measure of the contribution to gross domestic product (GDP).

Output is the total output in the region generated directly by the company's operations and indirectly from the multiplier effect. This includes payroll and purchases made locally. This impact occurs each year.

Total Economic Impact

The total economic impact of this data center project is \$38.8 million per year and the data center supports an additional 77.18 jobs in the area, in addition to the 70 jobs at the data center. Labor income accounts for \$11.6 million of the total output, and \$21.15 million is contributed to the GDP.

Notes

- **Direct** effects are those directly tied to the data center.
- **Indirect** effects are the result of local industries purchasing from each other. This includes business growth/decline resulting from changes in sales for suppliers to the directly affected businesses.
- **Induced** effects reflect changes in spending from households as income/population increases or decreases due to the changes in production. This includes shifts in spending on food, clothing, shelter and other consumer goods and services, as a result of the change in workers and payroll of directly and indirectly affected businesses.

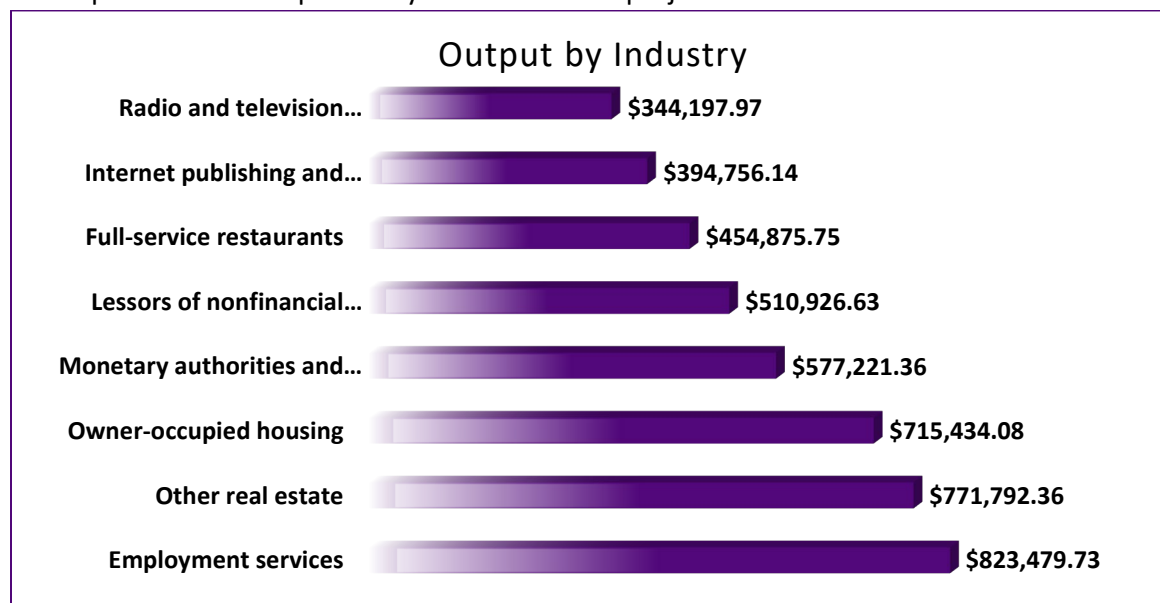


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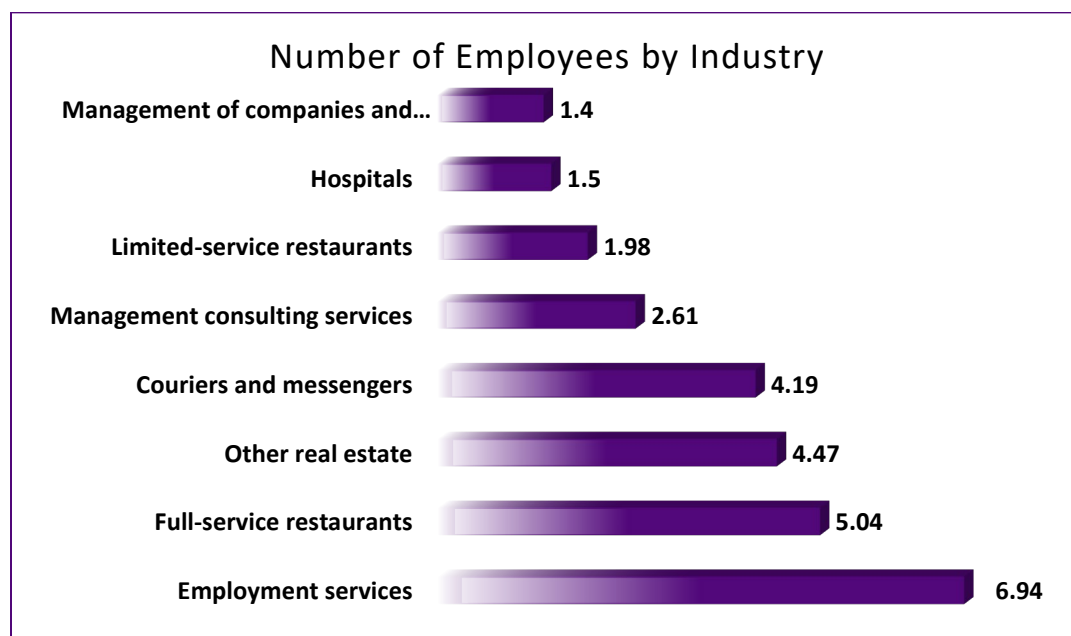
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Industries Impacted by Investment

The top 8 industries impacted by the data center project's investment in the area are:



The presence of the data center helps to support employment in other industries in the area. The top 8 industries supported are:



Analysis Parameters

This analysis is based on the following information:

- NAICS 518210 – Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services
- Total employment: 70
- Area for analysis: Linn & Johnson County, Iowa.

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Tax Impacts

IMPLAN estimates that the tax impacts attributed to the data center are as follows. Taxes are included in the total impacts shown on page 1, so these are not additional impacts.

Impact	Sub County General	Sub County Special District
Direct	\$95,836.91	\$100,818.38
Indirect	\$54,478.98	\$56,204.32
Induced	\$59,716.13	\$60,652.09
Totals	\$210,032.02	\$217,674.79

Sub County General taxes include local and city taxes.

Sub County Special District taxes include things like police districts, school district and school districts.

Other taxes include:

Impact	County	State	Federal	Total (all 5 categories)
Direct	\$38,564.31	\$395,150.66	\$1,574,597.62	\$2,204,967.89
Indirect	\$21,868.59	\$178,498.59	\$547,206.17	\$858,256.65
Induced	\$23,926.46	\$164,143.53	\$358,549.11	\$666,987.31
Totals	\$84,359.36	\$737,792.78	\$2,480,352.90	\$3,730,211.85

*Direct taxes are paid by the data center, and are estimated by IMPLAN. Taxes are an average for the industry, or what a typical data center in this industry would pay. If you are able to obtain tax information from the county assessor's office or another source, you should use those numbers.

Indirect taxes are what the suppliers to the data center pay, and induced taxes are paid by individuals who are spending their paychecks. IMPLAN does not provide separate estimates on individual or household sales taxes or property taxes paid.

Sales tax and property taxes paid by businesses (taxes on production and imports, or TOPI) are included in the IMPLAN estimates.

Taxes on production and imports (TOPI) is not separated into components such as sales tax and property tax by industry for a certain place. The estimates are general amounts for any business in Linn/Johnson Counties with 70 employees. It is recommended to construct your own estimates of these taxes, based on local knowledge.

IMPLAN notes:

- Tax data is based on existing relationships – *collected* and *reported* taxes.
- Local tax policy changes may not be fully reflected in IMPLAN.
- Taxes are industry and geographically specific, however the breakout of tax by type (sales, property, etc.) is not industry specific.
- Taxes on Production and Imports (TOPI) includes all direct government subsidies.