

# The Pennsylvania State University

## **Member Information:**

Katherine Groves: Junior, Supply Chain & Information Systems

Annika Sernyak: Junior, Supply Chain & Information Systems

Anna Shimek: Sophomore, Management Information Systems

**Topic:** Google is Bringing Back the Corporate Town

**Division:** Undergraduate

**Audience:** Google CEO and Executive Team

## **Executive Summary**

Over the past few decades, California's Bay Area has become one of the worst places in the United States to find housing. Severe housing shortages have driven rent amounts higher than ever before. Many people blame technology companies with headquarters in these areas for the issues. In 2019, Google took steps to be a good neighbor and committed \$1 billion to help with the housing crisis across California. As part of this commitment, Google has been exploring the idea of a corporate town. While corporate towns rose to popularity around the early 20<sup>th</sup> century, they quickly disappeared due to a series of ethical issues. We have a plan for Google's re-envisioned Corporate Town that is law-abiding and financially viable, while also creating value for the most people.

It is completely legal for Google to build and develop a corporate town on their land in Mountain View, California. Google must, however, keep their development plans aligned with the East Whisman Precise Plan and understand the financial implications of the California Mitigation Fee Act of 1987. Although there are tremendous development costs for a corporate town, Google can make this plan financially sound by applying for tax breaks and generating revenue from leases. To be successful, we recommend that Google makes several changes to their proposed plan. We advise that Google transparently communicates about their finances and immediately cedes the land dedicated for affordable housing to the city.

Ethically, Google must ensure employees understand there is no preference given to employees living in the town. Additionally, Google must give all employees the same chance to live in the new community. Lastly, there is a fine line between acting in employees' best interests and restricting their freedoms. Google must write clear contracts that outline the housing details, and the contracts must not be incredibly restrictive to the point where they are infringing on their employees' autonomy and free will.

Taking these considerations and our advice into account, Google can create a better corporate town that benefits everyone for decades to come. Google can rise as a leader to solve the housing crisis that is crumbling the Bay Area. If successfully implemented, our re-envisioned corporate town could be adapted in different areas or by other companies to continue to address similar issues across the country.