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## Microsoft data center to be built in West Des Moines

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Microsoft is expected to announce today that it will bring its new data center to West Des Moines, sources familiar with the project say.

The size of the project and employment were unavailable.

Gov. Chet Culver will hold a press conference this morning at the Capitol to announce a "major economic development" project, his office said Wednesday. Key lawmakers, state and local officials, and members of Iowa's congressional delegation will join him.

West Des Moines Mayor Steven Gaer declined to comment Wednesday. Microsoft officials did not return telephone calls.

Spurred by tax breaks lawmakers approved earlier this year, Microsoft said last month it would build a data center in the Des Moines metro. It is expected to be similar in size to a \$550 million project Microsoft announced last year in San Antonio, Texas, that would employ about 75 high-tech workers. Employees are expected to earn an average of \$70,000 annually.

The Redmond, Wash., software giant did not disclose where in central Iowa the project would be located. Sources have said Urbandale and West Des Moines were finalists. The project is expected to be located just off Booneville Road, south of Wells Fargo's new \$300 million headquarters.

Culver has said high-tech data farms like Microsoft's are a good fit for Iowa.

"Microsoft's innovative spirit is a perfect match with that of our hardworking people," Culver said in July. "We look forward to working with Microsoft in the coming months as this project takes shape and expands our economic opportunities here in Iowa."

In February, Culver signed into law tax exemptions on computer equipment, cooling towers and the purchase of electricity for companies building data centers that cost at least \$200 million. The exemptions tally up to about \$3 million a year, the state estimates.

The incentives are similar to breaks provided last year for Google.

The Mountain View, Calif.-based company is building a \$600 million data center in Council Bluffs that will employ an estimated 200 high-tech workers. They will earn an average of \$50,000 annually. The center will be operational early next year.

Last week, John Boyd, founder of Boyd Co., a New Jersey-based site selection company, said Iowa could see more data centers.

Good access to fiber optics networks and low-cost energy to power and cool the centers are critical to landing the projects, experts say.

A study by Boyd shows Council Bluffs, Ames and Des Moines rank among the 10 lowest-cost locations nationwide for data centers. Costs include labor, power, and property and sales taxes, among other expenses. Ames and Council Bluffs get high marks from Boyd for their ability to provide

workers who can keep information safe.

Iowa State University and the University of Nebraska-Omaha have National Security Agency-recognized computer assurance programs. ISU's Information Assurance Center, for example, teaches students how to defend against hackers.

"Data centers is a growth industry, despite the slow economy," Boyd said. "Bandwidth demands generated by YouTube, Facebook, MySpace, downloading to cell phones, downloading movies - all that comes from a server somewhere."

Microsoft is expected to invest more than \$2 billion this year on infrastructure like data farms, which process online queries. The company announced new data centers in San Antonio and Dublin, Ireland, last year.

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