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Iowa in running for \$1.2 billion data center; is it Facebook? Apple?

It could be Apple. It could be Facebook. It could even be the U.S. government that's considering Iowa for a \$1.2 billion data center, say industry experts.

"It's all very cloak-and-dagger stuff," says Clyde Evans, West Des Moines' economic development leader. The city, already home to a \$200 million Microsoft center, has fielded interest recently from three or four site selectors looking to locate large data center projects. "We get contacted by a real estate agent, they won't give us a card or a last name. We never know who they represent."

Nebraska lawmakers, who are pushing through incentives they hope will match Iowa's data center tax breaks, call the proposed mega-center "Project Edge," according to the Omaha World Herald. Debi Durham, Iowa's economic development leader, confirmed Thursday that Iowa was competing against Nebraska for the data center, but declined to name the company behind the project.

She told the Associated Press it wasn't the massive high-tech companies already in Iowa, like Microsoft in West Des Moines, Google, with a \$600 million data center in Council Bluffs, or IBM, with a \$42 million high-tech hub in Dubuque.

Durham said the company is considering two locations in Iowa and one in Nebraska. The Iowa Economic Development Authority board could consider incentives for the project later this month, she told AP.

The jobs, typically high-paying, would likely be less than 100. The company is expected to break ground on the project in May.

Mark Kittrell, a data industry consultant in Cedar Falls, believes high-tech giants Apple or Facebook could be behind the project, with an initial investment of \$500 million that could eventually grow to \$1.2 billion.

He said a large group of unidentified "consultants and brokers" were recently looking at sites in central and eastern Iowa. "It's another Microsoft-, Google-sized data center. When you think about who could do that, Facebook and Apple are clearly that big."

Kittrell said he heard from a landowner that Apple short-listed the Des Moines area for a data center a couple years ago to support its iCloud business. That project went to North Carolina, but Iowa could be in the running again.

"That's an incredible amount of business that you'd have to have from Day One," said Scott Riedel, a spokesman for LightEdge, a Des Moines provider of data center services. "It would have to be one of the bigs."

Social networking, software, banking and other companies are adding data storage and computing power as more and more Americans use their cell phones, computers and other electronic devices to keep and share information online. Even the federal government is building data centers, said John Boyd Jr., a New Jersey site locator.

Iowa and its neighbors are attractive locations for data centers, Boyd said. Good access to fiber optics, low-cost and dependable power, inexpensive land, and access to talented workers are the major factors companies consider when locating data farms.

Massive data centers can use as much electricity as a small city, said Kittrell, potentially about half what Cedar Falls uses. "Then you get into incentives, tax issues, regulatory issues," said Kittrell.

Nebraska lawmakers Thursday moved along bills that are similar to Iowa's sales-tax exemptions on computer equipment and energy.

Boyd said Iowa stacks up well. The consultant ranks Ames as the No. 3 place to locate a data center. Council Bluffs ranks fourth and Omaha, eighth. Topping the list is Sioux Falls, S.D., followed by Tulsa, Okla. Data centers are the "economic development trophies" that states are scrambling to land, he said.

The jobs are relatively small, compared to the investment in computers, cooling towers and other capital costs. "The naysayers say geez, why offer incentives. It's only 75 jobs. But these people forget the huge property taxes these companies pay," said Boyd.