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Data center corridor work at top of EDC agenda

By Kyle H. Goelling

The push to establish this region as North Carolina's Data Center Corridor is seeing some significant progress.

Apple's 500,000 square foot center in Maiden will open soon. Google's data center in Lenoir, a \$600 million investment, is already operational. And it announced plans last fall for a second site that could be operational later this year. Facebook has chosen Rutherford County as the home for a \$450 million data storage facility.

So what happens next, especially for Catawba County?

Scott Millar is president of Catawba County's Economic Development Corp., which is behind the Data Center Corridor initiative. According to him, this region has prime real estate for data centers, which are large-scale facilities that store vast amounts of information.

"Our assets match up with the needs of data centers very well," said Millar.

These assets include the low cost and availability of water and electricity. The utility infrastructure left behind by the textile industry and Duke Power's provision of low-cost electricity serve these facilities well.

The Great Hickory area also boasts a low-cost and reliable fiber optic and network infrastructure. The state of North Carolina also offers incentives to companies who place these centers in economically distressed areas.

"Apple was given a range of incentives from state, local, and other sources. Both the of Maiden and Catawba County approved incentive grants in the amount of 50 percent of real property investments and 85 percent of personal property investments," Millar said.

The primary benefit of a data center presence lies in the amount of money it provides to the local government. "They provide a lot of income from the tax value perspective, even after the incentives are factored in," Millar said.

According to him, the Town of Maiden received \$170,402 from Apple in 2010 and Catawba County received \$718,359. "The buildings and investment were not complete at the time of filing, and the first year of awarding incentives will be 2011," he said.

At first glance, data centers do not appear to offer many jobs. About 50 of the 300 jobs provided by Apple's facility in Maiden are permanent, full-time technical positions. The remaining positions come from indirect, contract jobs. These are the jobs needed to build the facility and keep it operational.

But there is already industry talk that the Apple might double the size of the Maiden data center to 1 million square feet.

"These indirect jobs are needed on a full-time basis to keep the place cool, keep the water running, things like that. The power can't ever go off. The air conditioning can't ever go off," said Millar. "You've got around-the-clock jobs that we

consider indirect that are there on a full-time basis. They're contract jobs, rather than Apple jobs. There are a lot more people impacting that facility than most people think."

The presence of some of the industry's biggest players is expected to attract even more centers to the area.

"The reality is that there are a lot of people around the United States that have looked at what is going on in North Carolina. With Apple and Google here, they almost have to give a look at what's going on in the Data Center Corridor. There's a large snowball effect, and we're trying to take advantage of that," Millar said.

As cloud computing becomes more established, the need for and reliance on data center will increase. Apple is clearing land behind the already massive 500,000-square-foot data center in Maiden for a possible addition to the facility.

The EDC employs a four-pronged approach to persuade companies to place data centers in the area. Millar said the first and most important prong is the preparation of sites that are suitable for data centers.

"The real reason we got Apple is that we had a site ready to go when they needed it," he said. Preparations are under way for other sites. Newton's Data Center Park #2 is nearly complete. "If somebody comes into town, they're going to be able to see what we have," he said.

The development of informational materials also was necessary so companies can quickly and easily understand what the region has to offer. "We've got a lot of material that is targeted towards this specific industry," Millar said. "We're also developing mapping that shows how much data center activity is going on in the area."

A quick glance at the EDC's homepage online is enough to understand how highly prioritized this campaign is.

The third prong is establishing a brand name for the area. The EDC now strongly markets the region as North Carolina's Data Center Corridor.

To keep interested businesses informed, the EDC hosts The Data Center Information Exchange as the fourth prong of the approach. The Exchange provides an opportunity for businesses to visit the area and see what it has to offer.

When it comes to vying for these companies' consideration, Millar said we're competing with every community in the country. He spotlighted places like Grant County in the state of Washington, northern Virginia, and Atlanta.

His goal for data center presence in the next 10 years is for Hickory "to be the centerpiece of a data center clustering, with information technology suppliers such as contractors and engineers that can specialize in data center activities, and end-users that support education and technology initiatives that cause students to realize the opportunities they can have here in Catawba County."