

## Data Center Industry

Abundant telecommunications capability is in place throughout the metropolitan area. With major fiber backbone running through the region and diverse routes in and out of the city, Des Moines-area businesses are able to successfully meet their local and long-haul data telecommunication needs. Fiber providers include:

- AT&T
- Verizon
- Sprint
- Qwest
- PAETEC
- Iowa Network Services
- Enventis
- Norlight Telecommunications
- Pinpoint Communications
- Mediacom Enterprise Networks
- Cogent Communications

EdgeBCC, a 30,000 square foot co-location and disaster recovery center, is located in Altoona. Constructed specifically for the weather related risks associated with Central Iowa, the EdgeBCC's pre-cast concrete wall and roof design has been tested to withstand sustained 200 mph winds for maximum tornado resistance. The entire facility is designed to offer N+1 redundancy on every main component.

## Greater Des Moines Advantages

### • The State of Iowa

Recently approved legislation that offers a sales tax exemption on computers, computer equipment, electricity and back-up fuel for large data center projects.

### • Competitive, stable and reliable electric energy

Electric service in the Des Moines metro is provided by an investor-owned utility company, MidAmerican Energy, along with several municipal electric departments and rural electric cooperatives. Our electric providers can offer electric rates to industrial customers as low as 4¢ per kilowatt hour.

### • Abundant and affordable IT workforce

Greater Des Moines is a major insurance and financial services center. Our labor market is ranked in the top 20 metropolitan areas for software-related employment on a per capita basis. In addition, IT salaries are four percent below the national average and 30 percent below coastal cities.

### • No sales and use tax on equipment

The purchase of industrial machinery and computers assessed as real property and used in manufacturing or the processing of data by insurance companies, financial institutions, or certain commercial enterprises is exempt from Iowa sales or use tax.

### • Computers are exempt from property tax

### • Single-factor, non-unitary tax

Iowa's corporate income tax is based only on the percentage of total sales income within the state.

### • Iowa Department of Economic Development Financial Assistance

Data center projects are eligible to receive tax credits and direct financial assistance from the Iowa Department of Economic Development (IDED). Benefits include:

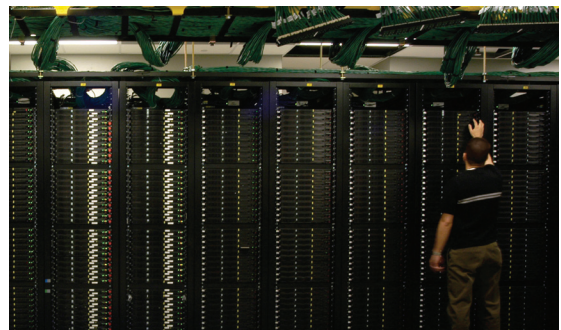
- Supplemental research activities tax credit
- Investment tax credit of up to ten percent
- Sales tax refund on construction materials
- Direct financial assistance

### • Job Training

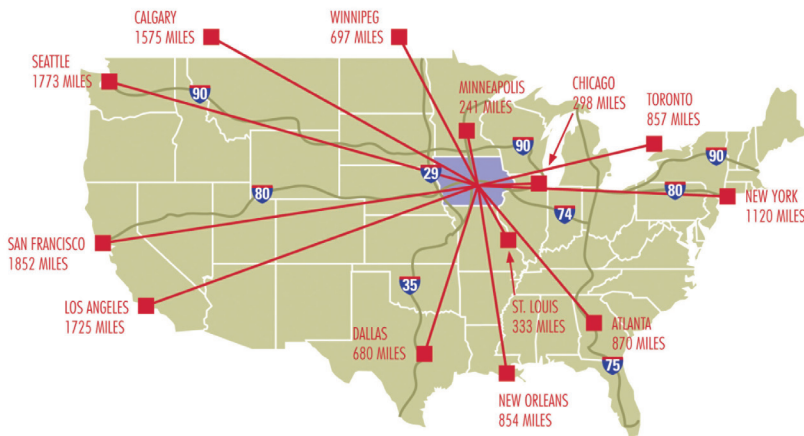
Data center jobs would qualify for job training assistance under the 260E job training program. Depending on the wages, the benefit could amount up to \$10,000 per job or more. This program also allows a corporate income tax credit of \$1,482 per new job created, if Iowa employment is increased by at least 10 percent.

### • Tax Abatement

Many of the communities in Greater Des Moines have established tax increment financing districts. Depending on the location of the new facility, companies may be eligible to receive a partial abatement or rebate on property taxes for a period of years.



# Greater Des Moines has been recognized as a great location for data centers due to low costs, quality IT workforce and profitable business climate



## Business Highlights

- Greater Des Moines is an ideal location for building data centers. The area offers competitive, stable and reliable electric energy at an average price of 4.06 cents per kilowatt hour for industrial customers, which is a great advantage to projects that require a lot of energy.
- MidAmerican Energy, the area's electric provider, is ranked in the top 10 percent nationally in reliability for customers and has invested more than \$2 billion since 2002 to ensure the ability to serve customers.

In addition to low electric rates, the area offers lower-cost land, workers with computer security training, and limited exposure to natural disasters. As *Information Week* said, "The place to be is the heartland, where labor, land and power costs are lower and the risks of terrorist attack or natural disaster are smaller."

- Team Companies recently constructed the first phase of a \$45 million data center in Waukee. Iowa Health System plans to use about half of the first 16,000 square feet.
- Iowa Network Services recently opened a 16,000 square foot co-location data center in West Des Moines.
- Microsoft is building a \$100 million data center in West Des Moines.

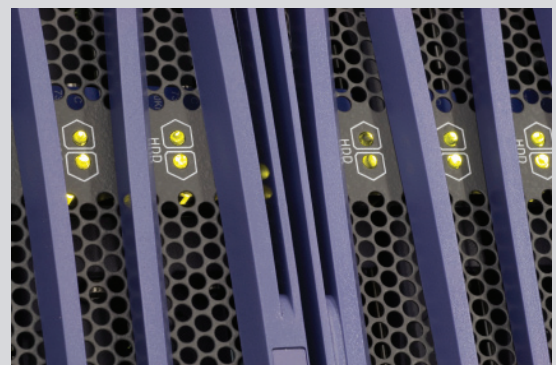
## Local Business News

"Des Moines is one of the top 10 cities to build a data center facility," based on a study from The Boyd Company, Inc. that ranks metro areas based on annual operating costs.

"The ranking is based on factors such as land and power costs, telecom infrastructure, and a local workforce with data security skills, including people trained at universities recognized as National Centers of Academic Excellence in Information Assurance Education, which are certified by the National Security Agency. Other considerations include airline service from national carriers, insulation from natural disasters and quality of life." *Information Week*

"Des Moines is the **most affordable place in the country for electric power**," based on a recent study by Boyd which broke out which cities were cheapest and most expensive for several individual categories.

"Des Moines and Iowa are attractive data center locations, with their **low-cost land, workers with computer security training, inexpensive electrical costs and limited exposure to natural disasters**," says John Boyd, President of The Boyd Company, Inc.



## Look Who's Talking

### ***Forbes*, April 2010**

Metro Des Moines ranks #1 for "Best Place for Business and Careers."

### **MarketWatch, December 2010**

Ranked Des Moines #4 city in the U.S. for doing business.

### **Moody's Economy.com, 2010**

Des Moines is 17 percent below the national average for cost of doing business.

### ***ACCRA Cost of Living Index*, Third Quarter 2010**

Des Moines living costs are 10 percent below the national average.

### ***Newsweek*, November 2010**

Des Moines is a top ten city for recession recovery.

## Contact us:

This brochure only begins to share the advantages of locating your company to Greater Des Moines.

Visit [www.desmoinesmetro.com](http://www.desmoinesmetro.com) to find the latest information on the area's business climate, assistance programs, development news and available sites and buildings. Let us help you find a site or expand your business in Des Moines by contacting us directly:

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