Why Put Your Data Center Here?

- Top 5 in America’s Top States for Business
- Valuable tax breaks and no personal property tax
- Leading-edge broadband infrastructure
- Shovel-ready data center sites
- Domestically competitive, reliable, green power
- A skilled workforce with data center expertise
Why Minnesota?

Top 5 in America’s Top States for Business (CNBC, 2015-2017)

Minnesota has ranked among the top five states for business for three years running – based on 66 measures of competitiveness in 10 categories. In 2017, we ranked 3rd overall and among the top 10 states in:

- Education
- Technology and Innovation
  - Quality of Life
  - Economy
  - Infrastructure

Valuable data center tax breaks and no personal property tax

Minnesota’s tax incentives make it more attractive than ever to build data and network operation centers here. These incentives apply to both enterprise and colocation data centers.

Qualifying projects receive sales tax exemptions for 20 years on:

- Computers and servers
- Cooling and energy equipment
- Energy
- Software and software maintenance

Companies that build new data or network operation centers of at least 25,000 square feet and invest $30 million in the first four years qualify for the tax break. Refurbished facilities of at least 25,000 square feet and invest $50 million in two years also qualify.

In addition, Minnesota does not tax personal property, intangible property, inventories, utilities, Internet access, information services or custom-created software.

Leading-edge broadband infrastructure

Minnesota has become a data center hub. At right is a chart of recent data center projects that have qualified for Minnesota’s data center tax incentives.

Minnesota is heavily connected to fiber, cable, DSL and wireless broadband networks, with the infrastructure in place to help prospective data centers locate and expand. In 2014-2017, the state invested $85 million – and leveraged another $110 million in private investments – toward enhancing its available broadband infrastructure.

The large national/international backbone providers available in Minnesota include:

- AT&T
- Intregra Telecom
- Verizon
- BCE Nexxia (Bell Canada)
- Level 3
- Windstream
- CenturyLink
- Singapore Telecom
- XO Communications
- Frontier Communications
- Sprint
- Zayo Bandwidth

This list is complemented by over 100 local and regional carriers to provide a full range of connectivity options.

Recent Data Center Projects

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<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Certification Date</th>
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<tbody>
<tr>
<td>Prudential Data Center</td>
<td>New</td>
<td>2017</td>
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<tr>
<td>Wells Fargo Bank</td>
<td>Refurbishment</td>
<td>2017</td>
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<td>Toro Company</td>
<td>Refurbishment</td>
<td>2017</td>
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<td>Land O’Lakes</td>
<td>Refurbishment</td>
<td>2017</td>
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<td>Xcel Energy</td>
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<td>Medtronic</td>
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<td>Assurant</td>
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<td>Involta</td>
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<td>C.H. Robinson</td>
<td>New</td>
<td>2018</td>
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<tr>
<td>Stream</td>
<td>New</td>
<td>2018</td>
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Source: Minnesota Department of Employment and Economic Development

NOTE: Many of the projects listed are certified Tier III data centers.
Shovel-Ready Data Center Sites Available

Minnesota has more than 15 certified shovel-ready sites of up to 300 acres that are suitable for data center development.

These sites have passed a multi-level review of the available infrastructure, surrounding uses as well as local government and demographic information. Planning, zoning, surveys, title work, environmental studies, soils analysis and public infrastructure engineering have been completed.

Here are three examples of available sites:

- **Becker** (Xcel Energy certified)
  - 300 acres at $25k/acre; $0.57/sq. ft.
  - Adjacent to Sherco Power Plant

- **Elk River** (DEED certified)
  - 33.8 acres at $2/sq. ft.
  - Adjacent to two Fortune 50 data centers

- **North Mankato** (Great River Energy certified)
  - 25 acres at $1.49/sq. ft.
  - 27 MW available today, scalable to 75MW

Domestically competitive, reliable, green power

Minnesota has domestically competitive power rates, and our electricity is exempt from sales tax for qualified data centers. Our commercial and industrial electric rates have historically been below the national average.

Minnesota’s average price of electricity for commercial users is lower than the U.S. average. All of the electric utilities in the state offer both special high-use rates and back-up power programs to select customers.

Minnesota is a leader in green energy. As of 2017:

- 25 percent of the electricity produced in Minnesota came from renewable sources
- 18 percent of the state’s electricity was generated by wind power
- We rank 8th in the nation for wind energy as a share of total electricity generation, according to the U.S. Energy Information Administration

Couple our competitive power rates with our mild climate and a data center can save millions of dollars in energy costs over time by locating in Minnesota.
An educated, skilled workforce with data center expertise

With our labor pool of over 3 million people, Minnesota can deliver an educated, skilled workforce for any data center at a competitive cost.

The state has more than 97,600 people working in computer and math occupations. Two examples:
- Cyber security analysts: $42.06 median hourly rate; 3,506 employees statewide
- Network and computer systems administrators: $39.56 median hourly rate; 9,180 employees statewide


Minnesota ranks 4th in Technology and Science Workforce

Source: Milken Institute 2016 State Technology and Science Index

Education is the key to our talent pipeline. Minnesota ranks 3rd nationally in the percentage of the population with a high school degree or higher and 12th nationally in the percentage with a bachelor’s degree or higher.

Minnesota postsecondary institutions conferred 3,728 degrees in computer and information sciences and communication technologies in the 2015-2016 school year. It ranks 8th nationwide in advanced degrees in science and engineering as a percent of all degrees conferred in science and engineering.

Minnesota’s top-notch higher education system offers educational opportunities throughout the state. It includes 17 private colleges and universities, 37 state colleges and universities and five University of Minnesota campuses.

Growth and Innovation

Minnesota is home to 19 Fortune 500 companies – including UnitedHealth Group, Target, 3M and U.S. Bancorp. We have 40+ national top 10 rankings, including:
- 1st in 5-Year Business Survival Rate (Bureau of Labor Analysis, 2012-2017)
- Best-Run State in America (24/7 Wall Street, 2017)
- 1st in Quality of Life (Forbes, 2017)

A patent powerhouse and technology hub, Minnesota ranks:
- 4th overall in patents awarded per capita (2015)

Source: U.S. Patent and Trademark Office, most recent available data as of April 2018

Plentiful Resources

We offer lots of resources to high-tech workers and companies through industry and professional organizations such as:
- Minnesota High Tech Association – a non-profit association of 300+ high tech companies.
- Association for Computer Operations Management (AFCOM), Greater Minnesota Chapter – an industry group that advances professional development in data center and facilities management through education and networking opportunities.
- Midwest Internet Cooperative Exchange (MICE) – Minnesota is home to one of the largest independent Internet exchanges in the country. Over the past three years, MICE traffic has grown five times faster than the overall Internet, showing how an independent, member-run exchange can flourish.