

WHY MINNESOTA?

Talent ★ Affordability ★ Climate



Why Put Your Data Center Here?

- ✓ Named America's Top State for Business by CNBC (2015)
- ✓ Valuable data center tax breaks and no personal property tax
- ✓ An educated, skilled workforce and data center expertise
- ✓ Leading-edge broadband infrastructure
- ✓ Domestically competitive, reliable power
- ✓ A naturally cool, safe climate for business





Why Minnesota?

✓ Named America's Top State for Business by CNBC (2015)

Minnesota ranked highest overall – based on 60 measures of competitiveness in 10 categories. We ranked among the top 10 states in:

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

✓ 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.

Qualifying projects receive sales tax exemptions for 20 years on:

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

Companies that build 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.

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

These exemptions – along with incentives and low tax liability on new investments – make Minnesota an attractive location for data centers. Unlike many states, these incentives result not only in front-end savings, but in long-term operational savings for the facility.

✓ An educated, skilled workforce and data center expertise

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

The state has more than 91,500 people working in computer and math occupations.

Education is the key to our talent pipeline. Minnesota ranks 2nd nationally in the percentage of the population with a high school degree or

OCCUPATIONAL WAGE AND EMPLOYMENT COMPARISON

Occupations	Median Hourly Rate		Employment	
	MN	US	MN	US
All Occupations	\$18.30	\$17.09	2,730,020	135,128,260
All Computer and Math Occupations	\$37.44	\$38.18	91,560	3,834,180
Computer-Related Occupations	MN	US	MN	US
Computer and Information Research Scientists	\$58.17	\$52.09	430	24,210
Computer Systems Analysts	\$40.79	\$39.76	13,660	528,320
Cyber Security Analysts	\$42.74	\$42.74	1,700	80,180
Computer Programmers	\$35.35	\$37.28	7,040	302,150
Software Developers, Applications	\$43.27	\$45.92	11,890	686,470
Software Developers, Systems Software	\$46.75	\$49.46	8,990	382,400
Web Developers	\$30.14	\$30.52	3,140	121,020
Database Administrators	\$43.33	\$38.60	2,500	112,170
Network and Computer Systems Administrators	\$36.90	\$36.44	8,590	365,430
Computer Network Architects	\$45.25	\$47.32	4,790	140,080
Computer User Support Specialists	\$23.60	\$22.89	12,990	563,540
Computer Network Support Specialists	\$28.47	\$29.72	3,310	174,490
Computer Occupations, All Other	\$34.89	\$40.10	9,140	212,510
Operations Research Analysts	\$39.98	\$36.86	1,870	86,950

Source: Occupational Employment Statistics, Bureau of Labor Statistics, May 2014

higher and 11th nationally in the percentage with a bachelor's degree or higher.

Minnesota colleges and universities awarded 107,400 degrees in the 2012-2013 school year. Of those, 3,560 degrees were in computer and information sciences and communication technologies.

In fact, since 2006, Minnesota has consistently ranked among the top five states nationwide in the proportion of Science and Engineering graduate students per 1,000 individuals 25–34 years old, according to the National Science Foundation.

Minnesota's top-notch higher education system offers educational opportunities throughout the state. It includes 24 private colleges and universities, 35 state colleges and universities and five University of Minnesota campuses.



Why Minnesota?



✓ Leading-edge broadband infrastructure

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

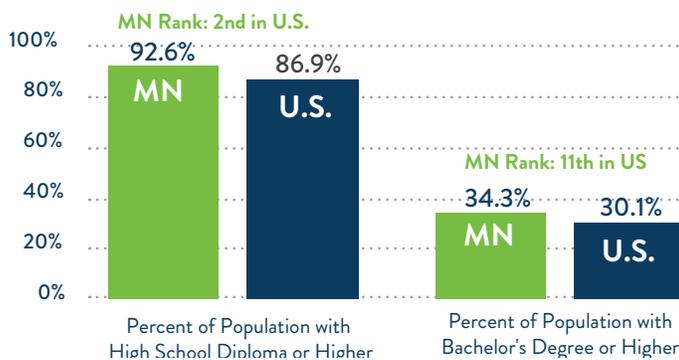
In addition to the state's tax incentives, data center growth has been made possible by Minnesota's robust digital infrastructure and its top-flight broadband and backhaul providers.

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 2014-2015, the state invested \$30 million – and leveraged another \$41 million in private investments – toward enhancing its available broadband infrastructure.

The large national/international backbone providers available in Minnesota include: AT&T, Verizon, Sprint, Level 3, XO Communications, Singapore Telecom, Zayo Bandwidth, CenturyLink, BCE Nexxia (Bell Canada), Windstream, Integra Telecom, and Frontier Communications. This list is complemented by over 100 local and regional carriers to provide a full range of connectivity options.

Major CDNs (Content Distribution Networks) recognize the value of the regional and national networks that exist in Minnesota. Netflix, Google, Akamai, Apple, CloudFlare and Vubiquity all have a presence here.

Educational Attainment



Source: American Community Survey, Census Bureau, 2014

Recent Data Center Projects

Company	Square Feet	Type	Certification Date
ViaWest	70,000	New	2014
Compass	50,000	New	2014
Stream	75,675	New	2014
UnitedHealth Group	30,235	Refurbishment	2014
Cologix, Inc.	28,000	New	2015
Best Buy Company, Inc.	30,570	Refurbishment	2015
DataBank	88,000	New	2015
EdgeConneX	32,000	New	2015
UnitedHealth Group	234,000	Refurbishment	2015
SuperValu	28,300	Refurbishment	2015
One Neck IT Solutions	38,350	Refurbishment	2015
Irongate Solutions	88,000	New	2015

Source: Minnesota Department of Employment and Economic Development

NOTE: Many of the projects listed are certified tier three data centers.



Why Minnesota?

✓ Domestically competitive, reliable 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.

As of 2014, Minnesota's average price of electricity for commercial users (9.85¢ per kWh) was lower than the U.S. average (10.74¢ per kWh). The state's average price for industrial electric users (6.72¢ per kWh) also was lower than the national average (7.10¢ per kWh). These are non-negotiated rates, and individual projects may see a lower negotiated cost.

Couple these 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.

Minnesota power companies are reliable and get high approval ratings from their business customers. Some of the largest providers of electricity in the state include Xcel Energy, Minnesota Power, Great River Energy, Otter Tail Power, Connexus Energy, Dakota Electric and East Central Energy. Minnesota has more than 110 electric utilities owned/operated by investors, municipalities and cooperatives.

All of the electric utilities in the state offer both special high-use rates and back-up power programs to select customers.

✓ A naturally cool, safe climate for business

Data centers need to be up and running around the clock. Minnesota's moderate climate allows for more than 300 days of free cooling annually.

Minnesota's average seasonal temperatures (°F) from 2005-2015*:

Winter: 13° Spring: 42° Summer: 67° Fall: 46°

According to historical data, less than four percent of the tornadoes in the country take place in the state.* This low occurrence makes Minnesota a safe place for data centers.

*National Oceanic and Atmospheric Administration

STATEWIDE BUSINESS EXPERTISE

Minnesota DEED is the state's principal economic development agency. We have over 25 shovel-ready certified development sites. Our Business Development staff stand ready to assist with any data center plans you might have.



MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
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A GREAT CLIMATE FOR BUSINESS

Beyond the weather, Minnesota also has a great climate for business. That's why 17 Fortune 500 companies have their headquarters here – and why Minnesota was named America's Top State for Business in 2015 by CNBC.

Fortune 500 Companies Based in Minnesota (2015):

- UnitedHealth Group
- Target
- Best Buy
- CHS
- Supervalu
- 3M
- U.S. Bancorp
- General Mills
- Land O'Lakes
- Ecolab
- C.H. Robinson Worldwide
- Mosaic
- Ameriprise Financial
- Xcel Energy
- Hormel Foods
- Thrivent Financial
- St. Jude Medical

ECOSYSTEM FOR INNOVATION

Minnesota is a patent powerhouse and a mecca for technology. As of August 2015, we are the fastest-growing state for technology jobs (Dice.com and Forbes).

We also offer tremendous resources to high-tech industries through industry, professional and academic organizations that include:

- Minnesota High Tech Association (MHTA) – a non-profit association of more than 350 high tech companies and organizations with a vision of making Minnesota one of the country's top five technology states.
- Association for Computer Operations Management (AFCOM), Minnesota Chapter – an industry group that advances professional development in data center and facilities management through education and networking opportunities.
- IT@UMN – a community of professionals that provides information technology and consulting services to researchers and partners. The University of Minnesota is one of only three higher education institutions in the "InformationWeek Elite 100" 2015 Rankings, which honor the innovative use of information technology in business.