Elk River chosen for the site of two Fortune 50 companies' data centers

A COOPERATIVE ECONOMIC DEVELOPMENT DEPARTMENT, RELIABLE ELECTRICAL POWER, AND SUFFICIENT WATER CAPACITY COMBINE TO MAKE CITY A VERY DESIREABLE LOCATION

Two Fortune 50 Companies who have their corporate headquarters in Minnesota have chosen Elk River as the site of their new data centers.

Target Corp.

In June 2007, Target Corp. finished the construction of their new 161,300 square foot data center which is located on 30 acres of land in Elk River. It was Target Corp.'s second data center in the Twin Cities. This particular building supports the growing needs of ecommerce and credit card processing.

The Target project moved through the approval process relatively quickly, procuring the necessary city and county approvals in a matter of just a few months. Elk River's Planning Manager, Jeremy Barnhart, believes the City was able to demonstrate the benefits of locating a data center in Elk River because of the experience received from processing the Target development application and other, similar large scale projects.

"Because of the cooperation between the City and the contractor (Ryan Companies) of the Target data center, Staff was able to provide necessary, relevant information and ask the imperative questions vital to the prompt, efficient processing of UnitedHealth Care's data center application. This experience should prove useful for future projects as well"
-Jeremy Barnhart, Elk River Planning Manager

"We looked for sites in the Northwest suburbs, and other locations and we found Elk River to be a good fit for this project," says Mr. Spalla. "From the outset of the project, the City, Mayor Stephanie Klinzing and the City Council and Economic Development staff, were very knowledgeable and helpful. They understood our goals and they seem to recognize what a business needs to be a success."
-Dennis Spalla, UnitedHealth Group

UnitedHealth Group

In the spring of 2007, UnitedHealth Group started construction of their new 185,000 square foot data center which was completed in June 2008.

For UnitedHealth Group, building the data center in Elk River provides the national health and well-being company with an excellent location and a "great" community to be a part of, according to Dennis Spalla, UnitedHealth Group's director of real estate services.

Basic background and key factors in choosing a location for your data center

Several variables must be considered when choosing the ideal location for your data center.

Often times desirable data center locations possess some of the same qualities that the center itself offers for their company:

- Easy accessibility
- Protection from hazards
- Characteristics that provide for potential growth and change

Additional factors may include: the cost of the land, beneficial tax rates, particular zoning, or supply of available and qualified labor force. Regardless of the specific factors of a location, it's essential to assess any potential risks of the site location and identify any risk factors which may pertain. These factors range from earthquakes to landslides to tornados. Once potential hazards are identified, the necessary steps can be taken in the application and construction process to address these concerns.

Data Center ranking depends on functionality

Data centers are typically ranked in tiers; Tier I through Tier IV. Tier I is a single path for cooling distribution and power, not including redundant components. Tier IV has numerous active cooling distribution and power paths and includes several redundant components. The Target data center in Elk River, built by Ryan companies, is classified as a Tier III+, meaning it provides a high reliability at a great value by systematically incorporating only the optimal back-up equipment and system components.

Elk River is an excellent location for data centers for many reasons

The Economic Development Department works cooperatively to make the process simple for developers

Data center projects must pass through the city's planning, engineering, and building and inspections departments. Along the way, the project may require approvals for platting, site plan and conditional use permits from the Elk River City Council.

In Elk River, projects and site plans are reviewed in a monthly meeting by staff representation from the County, police, fire, environmental, engineering, streets, public works, municipal utilities, planning and zoning department. During these meetings ideas are shared in order to identify any immediate red flag issues which may occur early in the process.

When there is an Economic Development assisted project in Elk River, one point person is assigned to act as the liaison between the developer and staff. This person maintains a high level of responsibility and oversight for the project from the first meeting until the certificate of occupancy is issued. This system works exceptionally well and has efficiently guided the complex data center projects through the application process.

"The City of Elk River and Sherburne County distinguished themselves well, both during the negotiations for the land and the approval process. They did the whole thing efficiently and effectively, which often is not the case here in Minnesota, and which was important on this project. It really did take a lot of hand-in-hand coordination between the City and the County, and they did a very good job of that."

- Collin Barr, VP of Development for Ryan Cos., the designer, builder and contractor on the Target project.

Cooperative utilities provide reliable electrical power with the required capacity

Elk River Municipal Utilities (ERMU) designed and constructed the necessary electric substations and underground electric distribution system especially for the two new data centers. This was done at no cost for the owner to meet the customer's electric requirements. Although the permitting and approval process on a new substation is a very involved process, ERMU had the substation up and running well in advance of the construction deadline for Target's data center. ERMU has two substations that could serve a data center facility.

The electric infrastructure of the city is well suited to serve any data center complex. Its system is underground for increased reliability. Both the 600 MW Monticello Nuclear plant and the 2200 MW Sherburne County coal plant are very close the City of Elk River.

Necessary fiber optics were available

Fiber optics are a necessity for data centers. Many cities the size of Elk River would not have even one source that could provide this service. Elk River is fortunate enough to have two companies that provide high bandwidth fiber optic networking, one of which has chosen the city as a hub location for their facility.

Adequate water and waste water capacity

Each data center will use between 40 – 50 million gallons of water per year for cooling. The City of Elk River has a distribution system and an infrastructure that is large enough to handle this demand. The system includes water lines, pumps, wells and water towers that are well-equipped for the high volume of water used for cooling a data center. This system is also a looped system to increase the domestic reliability and available fire flow. Since the city is outside the 7-county metro area, the waste streams from the data center go to Elk River's own waste water treatment plant. This plant has enough capacity for all of the data centers' waste water, clearing the water of the contaminates before it is discharged into the river.

Good road access and future commuter rail access

The city has good road access from the east and west with Highway 10, and also excellent access from the north and south with Highway 169. The Northstar Commuter Rail will transport commuters from the Twin Cities to Elk River, and will be operational by the fourth quarter of 2009.

For additional information, please contact the Elk River Economic Development Department at 763-635-1000, or visit us on our website at www.ci.elk-river.mn.us