

Cheyenne's chances for project hinge on tax incentive before lawmakers, official says

Wyo's in running for data center

By JEREMY PELZER - Star-Tribune capital bureau | Posted: Thursday, February 18, 2010 12:00 am |

CHEYENNE -- The city of Cheyenne is one of three finalists for a \$750-million-plus computer data center that would be the largest in the Rocky Mountain region, said Cheyenne LEADS President Randy Bruns.

The fact that Cheyenne even made the short list for the data center indicates that the city is already reaping economic dividends from luring in the National Center for Atmospheric Research's new supercomputing center.

Bruns said he didn't know which company was seeking to build the data center, except signs point to it being a financial institution. He also said he didn't know the other two finalist cities, except they're located outside Wyoming.

There hasn't yet been discussions on exactly where the data center would be located if Cheyenne is selected, Bruns said, though Cheyenne LEADS has submitted information about sites in its two business parks.

The company initially intended to pick a site by the end of 2009 and begin construction this year, Bruns said. But it's now waiting to see if the Wyoming Legislature passes legislation waiving sales tax on computer equipment for data centers. The waiver would only apply to data centers that spend \$5 million or more in capital investment and \$2 million or more in computer equipment.

"If (that bill) doesn't pass, we're pretty well assured that we won't get it," Bruns said.

The bill, House Bill 67, passed an initial vote by the state House on Wednesday. The legislation must pass two more House votes before it moves to the state Senate for consideration.

Bruns said Cheyenne initially popped up on the company's radar screen because of NCAR's decision in 2007 to build a new \$65 million supercomputing facility in the city.

But, Bruns said, Cheyenne is a finalist mostly because of the same factors that attracted NCAR: an abundant supply of electricity, access to two interstate highways, and proximity to major fiber optic cable networks.

While Cheyenne is already home to several data centers, they would be dwarfed by the size of this project, Bruns said.

"It's off the charts of anything that's happened in this part of the country," he said.

Bob Jensen, president of the Wyoming Business Council, said a data center of this size would be a "gamechanger" for Wyoming's nascent tech industry.

"I mean, NCAR has put us on the map in terms of what I call digital industries," Jensen said. "If another facility this size came in, it would definitely put us on the map and be, we think, a strong magnet for other businesses like that."

Bruns said city business officials have been in talks about the data center since last year with a professional site selector, Kansas-based Black & Veatch.

A Black & Veatch spokesman declined to comment late Wednesday afternoon.

Jensen said it's standard procedure in cases such as these for the search firm to protect the identity of its client company.

Black & Veatch, he said, "has been very protective of their client."

Bruns said exact name of the company is largely irrelevant given the real benefits such a project could bring to Cheyenne.

"If it's John Deere or Walt Disney, it really doesn't make any difference -- it's a data center," Bruns said. "It's 750 to 800 million dollars in capital investment, it's 150 jobs, and I don't know if the name is terribly relevant."

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