



# DATA CENTERS

Texas is a leading U.S. location for data centers due to affordable real estate, competitive electricity rates, bandwidth availability, low incidence of natural disasters, skilled workforce availability, and tailored tax incentives. Data centers fall within the data processing, and hosting industry, which statewide employs over 29,200 workers at about 710 firms.



Texas is Site Selection Magazine's 2012 "Top State for New Data Centers"



Texas ranks #1 in the U.S. for data processing and hosting jobs.



Texas data processing and hosting workers earn an average annual salary of about \$87,000.



Fortune 500 energy firms have built major data centers in Texas to support oil and gas exploration.



The percentage of the Texas workforce employed in data processing and hosting is more than double that of California.



Some of the nation's largest consumer services companies have major data center facilities in Texas.

## Recent Project Announcements

In September 2013, **CyrusOne**, a Texas-based global data center services provider and wholly-owned subsidiary of Cincinnati Bell, announced an expansion in Carrollton, Texas, due in part to recently passed state sales tax exemption for data centers. A year previous, CyrusOne opened a new 670,000 sq. ft. data center in the Dallas suburb of Carrollton valued at \$45 million.

In June 2013, **IBM** agreed to purchase Dallas-based cloud-computing storage company **SoftLayer Technologies** for an estimated \$2 billion. SoftLayer will form the basis of IBM's new Cloud Services division, as Big Blue aims to expand its data center offerings and compete with other dominant providers like Amazon.

In December 2012, British oil and gas giant **BP** began construction on a 110,000 sq. ft. Houston facility that will house the largest supercomputing complex for commercial research in the world. The \$45 million project will serve BP's seismic imaging technology needs.

## Regional Industry Workforce Concentration

The map at right identifies the state regions with above-average concentrations in data processing and hosting workforce.



### Concentration

- Moderate
- Above Average
- High

## Texas Tax Legislation for Data Centers

**Texas House Bill 1841**, passed in June 2011, improved the Texas business climate for hosting and data center companies. The bill states that an individual or business whose only activity in the state is Internet hosting is not “engaged in business” in the state, and, therefore, does not have to collect Texas sales and use taxes from customers. The bill reversed a 2010 rule change made by the Texas Comptroller of Public Accounts, which said that renting a space on a server in Texas effectively established a business presence in the state.

**Texas House Bill 1223**, passed in June 2013, provides a sales and use tax exemption on equipment purchases for data centers of at least 100,000 sq. ft. that invest \$200 million over five years and create at least 20 full time permanent jobs paying 120 percent of a county’s average weekly wage. Data centers will no longer have to pay sales tax every time they refresh equipment, which major data centers typically do every three or four years. The incentives went into effect September 1, 2013.

## Texas Education

Texas public universities have graduated more than 35,100 students with IT-related degrees since 2008.

Computer & Information Sciences	12,112
Electrical, Electronics & Telecom Engineering	9,088
Mathematics & Statistics	6,281
Management Information Systems	4,725
Computer & Software Engineering	2,020
Digital Multimedia & Game Design	889
<b>TOTAL</b>	<b>35,115</b>

## Select Companies with Data Centers in Texas



DIGITAL REALTY  
Data Center Solutions

