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LOW 69
Facebook to build data center

$800 million facility will be located on DeKalb’s south side

By KELSEY RETTKE
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DeKalb – Facebook is coming to DeKalb, and will build its 16th data center in the world on 505 acres in DeKalb’s south side, along Route 23 and Gurler Road across from the Chicago West Business Center.

The social media giant will invest $800 million into a 907,000-square-foot facility, the 12th to be built in the United States, which will be dubbed the Facebook DeKalb Data Center, according to a news release from the company.

DeKalb Mayor Jerry Smith and Gov. JB Pritzker joined Facebook for an announcement video in lieu of traditional groundbreaking celebrations due to crowd restrictions from the COVID-19 pandemic, the release states.

“Today, we’re proud to celebrate that DeKalb will be Facebook’s newest home,” DeKalb Mayor Jerry Smith said. “It’s a boon to our community, and once online, this data center will be part of a network that connects people all over the world. We hope that the ripple effect of Facebook’s decision will be a catalyst for more companies to see all that DeKalb and this region have to offer.”

“Founded in 2004, the world’s largest social network is headquartered in Menlo Park, California, employs more than 48,000 people across the world, and operates data centers in Iowa, North Carolina, Texas, Virginia, Oregon, New Mexico, Ohio, Utah, Nebraska, Alabama, Georgia, Denmark, Singapore, Ireland and Sweden.

The development, under the code name Project Venus, has been a fixture of the City of DeKalb and countywide business community for months now, as tax abatements and local workforce development funnels from Northern Illinois University and Kishwaukee College have been touted to entice the company to put down roots on 505 acres of land across from the Chicago West Business Center, soon home to Ferrara Candy Co., announced in February.

“There are many variables that enter into the decision process for data center locations, and DeKalb provided many compelling reasons for Facebook to bring our newest data center to Illinois,” said Rachel Peterson, vice president of data center strategy for Facebook. “We’re so thankful to the City of DeKalb, the DeKalb County Economic Development Corporation, the Illinois Department of Commerce & Economic Opportunity, and all of our community partners for their diligence and enthusiasm throughout this process. We are proud to join the DeKalb community and look forward to a strong relationship for years to come.”

Hiring

At the project’s peak, Facebook officials estimate that the site construction will employ 1,200 construction and trade workers that will span the two to three years it will take to get the first building up and running. For data center jobs – which could start at $38.50 per hour according to city documents – Facebook plans to hire technicians, engineers, construction managers, facility managers, logistics professors and security personnel.

The development also comes with tax abatement provisions attached, per intergovernmental agreements signed by countywide taxing bodies over a period of a few months this spring.

The Facebook data center will be privy to a 20-year, 55% property tax abatement plan, already approved by the council and agreed upon through the DeKalb County Enterprise Zone, a program administered by the DeKalb County Economic Development Corporation, with a stipulation of 50 tech jobs with a starting wage of $38.50 an hour to qualify for tax abatements within the first few years, documents show.

Over the next 20 years, city officials have said the data center is projected to yield tax revenue for the participating taxing bodies, even with the tax abatements, that is comparable to the five largest existing industrial companies in DeKalb (Target distribution, 3M, Panduit, Nestle, Goodyear) combined, documents show.

Minnesota-based Mortenson Construction is the general contractor for the project. Facebook is also partnering with the city, Kishwaukee Water Reclamation District and Krusinski Construction Company to design the site, which will include nearly three miles of water lines, one and a half miles of sewer extension and repaving local roads.

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DeKalb City Manager Bill Nicklas said that all the taxing bodies have some responsibility in the way TIF funds were used in the past decade. “All of us are complicit in this,” Nicklas said, adding he would not have voted for the 2007 agreement. “So the city made out twice but everybody else made out pretty well too, to the tune of $35 million dollars. As I drive home every night, I drive up 7th Street on Lincoln Highway and I look east. Everything on Peace Road was part of TIF 1, that area was begging for redevelopment, hundreds and hundreds of acres, and what have we done? We’ve got factory buildings out there that will stand until they go to dust. I regret it mightily.”

Some JRB members took issue with Nicklas’ claim. Hanson said his issue was that the city was surplussed an extra $4.5 million that should have gone to the taxing bodies when sales tax revenue was included in the surplus.

“Take exception to this sales tax surplus that paid to the state and the city, I really think that clearly should’ve stayed local,” Hanson said. “I don’t think we can jump over that number that probably should have been distributed out to the taxing bodies.”

DeKalb District 428 Finance Director Cindy Carpenter also voiced concern about ongoing TIF processes in the city, and called for better record keeping to ensure those who receive TIF funds for a development have a record of having paid back the loan so future JRB members can keep accounting of the TIF awards.

“As a school district we’re in the same situation where we encompass more than just the City of DeKalb, obviously Malta and Cortland, and it has effected all of the taxpayers,” Carpenter said.

• FACEBOOK
Continued from page 4

As part of ongoing construction for Ferrara’s site along with Facebook’s, Gurler Road is also undergoing a road widening project, paid in part through funds secured by the Illinois Department of Transportation.

It’s the kind of cutting-edge tech development that can transform a region, said Bobby Hollis, director of global energy, environment and site selection for Facebook. Hollis said “without a doubt" cities that house a Facebook data center have seen a correlating rise in similar industries coming.

“If you looked at most of the places where we have actually constructed a data center, usually it’s not long afterward that we see other technology companies,” Hollis said. “You can look at Iowa as a great example, it’s well over five years into its process currently. Microsoft is also building in the same community, and Google was there before us.”

He said Facebook looks to hire local because local workers know the lay of the land better, and other data center locations have found ways to use local workforce development pipelines as well, whether with local education institutions or otherwise.

“When we come to a community we are looking to be part of that community, and that includes the workforce that we want at our location,” Hollis said. “It actually isn’t very easy to hire from outside of the community because we do have an expectation that people will come here and live here for many years, people will have kids in the schools, spouses that participate in the community.”

How it works
Hollis said DeKalb was chosen specifically because of its connectivity to land resources and water connections, but also partnerships from countywide and city officials who worked for months to pave the way for the social network to build.

The data center’s build will be a years-long process, Hollis said, and the goal is for it to expand naturally as need expands. The site will store the computers or tablets. Water is used for cooling the computer systems down as quickly as we possibly can. As our company looks to serve our community better, it’s really around creating that infrastructure that can be deployed and serve those communities.

Storing computers that house much data takes an equally complex cooling system, which is why the site will be 100% renewable energy, Hollis said, including its water and electrical components.

Water is used for cooling the computer systems down as they run continuously, though the efficiency of the site and subsequent plumbing—designed with the help of the Kishwaukee Water Reclamation District—means that less water is needed to act as a cooling agent, Hollis said.

“It’s 80% more water efficient than a typical data center,” Hollis said.

He said Facebook already has a large office in Chicago, but the goal was to continue to expand outward into DeKalb.

“This is a great opportunity for us to really be part of a different community,” he said. “We’re really excited to come to DeKalb, everybody has been an incredible partner.”

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Attracting data centers – a coordinated effort

Construction officially begins on the Ventus Tech Services site south of Gurler Road in DeKalb. The $800 million, 900,000-square-foot cloud data center is the first phase of development that will bring jobs and opportunity to DeKalb County and the state of Illinois. It is noteworthy to highlight the initiatives and partners that contributed to this accomplishment.

One of the thought leaders and driving forces on this project was Krusinski Construction Co. CEO Jerry Krusinski. Krusinski began this journey 14 years ago. At that time, he had a vision for how this property could be used for technology purposes.

Partnering with the DeKalb County Economic Development Corp., the two organizations began working together prior to 2010. At that time, discussions with ComEd highlighted the intersection of high-voltage electrical transmission lines on the Chicago West Business Center site making it distinctly capable of serving high-power technology operations like data centers.

In addition, the abundant availability of high-quality water from the City of DeKalb, essential sanitary sewer capacity from the Kishwaukee Water Reclamation District and proximity to multiple broadband carriers within the I-88 right-of-way were also advantageous. Data centers use municipal water to augment cooling of scores of computer server racks and broadband fiber lines that are the lifeblood of the internet and cloud infrastructure.

Krusinski wasted no time in completing site due diligence targeting the mission-critical data center industry. DCEDC assembled information on infrastructure with the help of ComEd, Nicor Gas, the DeKalb Water Division and the Kishwaukee Water Reclamation District, as well as data on technology labor, education and training opportunities with the assistance of Northern Illinois University and Kishwaukee College.

Data Center Incentive Analysis, Gov. JB Pritzker and Illinois General Assembly leaders Michael Madigan, John Cullerton, Jim Durkin and William Brady embraced legislation backed by industry and labor. DCEDC communicated the importance of the data center industry to legislators and presented firsthand experience at a news conference in Springfield organized by the Illinois Chamber. DeKalb County Reps. Jeff Keicher and Tom Demmer worked to assemble a bipartisan legislative coalition resulting in passage of data center legislation in May 2018.

With data center legislation in place, prospects renewed consideration of large-scale operations in Illinois. Krusinski assembled the 505-acre site required by this project and provided the design and coordination of off-site infrastructure, utilities and necessary roadway expansion. This work is underway by Krusinski Construction Co. to facilitate a 1,000-acre regional development. The City of DeKalb succeeded in attracting Ventus Tech Services to acquire 505 acres for development of a data center campus.

DeKalb City Manager Bill Nicklas and city staff coordinated the annexation, zoning and permitting of the large-scale project, as well as the collaboration of the city, ComEd, Illinois Department of Transportation, Kishwaukee Water Reclamation District and Nicor Gas to provide for essential road, water, sewer and utility improvements.

DCEDC commends the many partners that have contributed to attracting the data center industry to DeKalb County. As a result of this collaboration, Curran Contracting has mobilized 37 pieces of earthmoving equipment to prepare the Ventus Tech Services site for development.

• Paul Borek is executive director of DeKalb County Economic Development Corp.