



InformationWeek

BUSINESS INNOVATION POWERED BY TECHNOLOGY

Apple Awaits Tax Break In Plans For \$1 Billion Data Center

The company is eyeing North Carolina for an East Coast data center to serve its growing Internet operations.

By Antone Gonsalves, [InformationWeek](#)

May 27, 2009

URL: <http://www.informationweek.com/story/showArticle.jhtml?articleID=217700432>

Apple is eyeing North Carolina as the location for a \$1 billion data center, and state lawmakers are working on tax breaks to get a commitment from the Silicon Valley [computer](#) maker.

The North Carolina House is scheduled to vote Wednesday on a bill that would change tax law to provide a significant break to out-of-state companies that make a large investment in the state. While no one has said outright that the bill is aimed at Apple, the [News & Observer reported](#) that the company is the focus and that Apple is considering the state for an East Coast operations hub.

Apple was not immediately available for comment on Wednesday. If the state Senate-approved bill passes the House, it will have to go back to the Senate for a vote on any changes. If approved, the measure would then head to the governor.

In trying to entice Apple, North Carolina is hoping to beat Virginia, which is also competing for the facility with its own favorable tax structure. However, Apple would prefer to be in North Carolina and is looking at sites in an area west of Charlotte and east of Asheville, the newspaper reported.

At \$1 billion, the [data center](#) would be much larger than Apple's 109,000-square-foot Newark, Calif., data center. The company also operates a facility on its Cupertino, Calif., campus and uses Akamai and Limelight Networks to distribute content to customers worldwide.

Apple's need for a larger data center across the country is likely because of its growing Internet operations. For example, more than 6 billion songs have been downloaded from its iTunes store, which has become the largest music seller in the United States. Also, more than 1 billion iPhone applications have been downloaded from Apple's App Store. Considering Apple's continued focus on Internet services, it's likely the need for more [infrastructure](#) will grow.

North Carolina is no stranger to Internet companies. The state used tax incentives to lure Google, which built a \$600 million data center in Caldwell County. Lawmakers also passed legislation to attract a Dell factory in Forsyth County.

Nevertheless, [Google](#) is looking for less-expensive alternatives. The company last month was [granted a patent](#) for a floating data-center design. The ship-based facility would avoid the high cost of real estate and presumably enjoy freedom from property taxes.

Attend a [Webcast](#) on data center consolidation. It happens June 3. [Find out more and register.](#)



The banner features an orange box on the left with the text "Applying Business Analytics". In the center, there is a photograph of several keys. To the right of the keys, the text reads "BAD DATA IS GOOD FOR NOTHING" in large, bold, grey letters. Below this, it says "What is it costing you?" and "Free webinar - click here." in blue. On the far right, there is a logo for "S.S. THE POWER" consisting of two blue 'S' characters and the text "THE POWER" below them.

Copyright © 2009 [United Business Media LLC](#). All rights reserved.