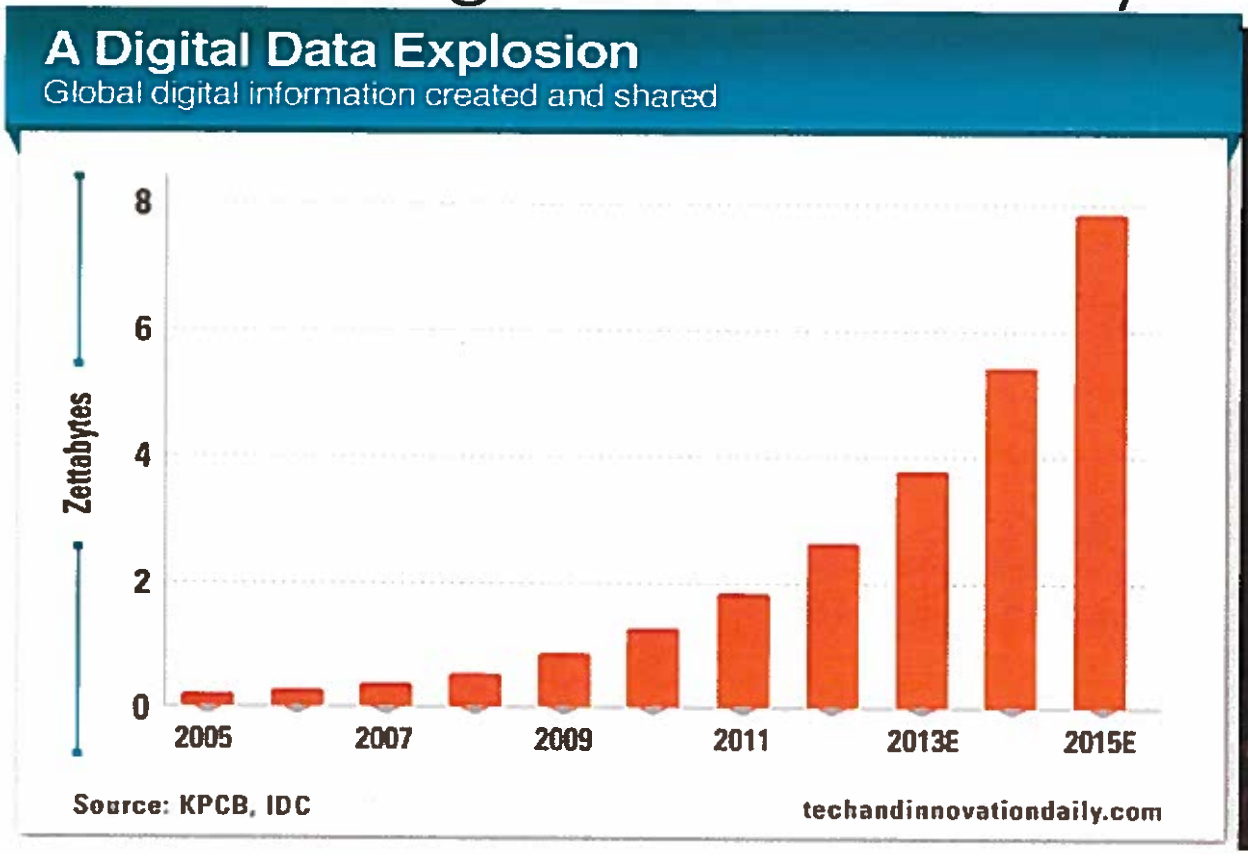
Mass Digitization And The Data Center

An Opportunity to Secure The Future of Michigan

December, 2015

Mass Digitization - Zettabytes Of Data



What is an Outsourced Data Center?

- It's a Building…

- Owned and operated by a 3rd party
- Always Powered
- Always Connected
- Always Secure

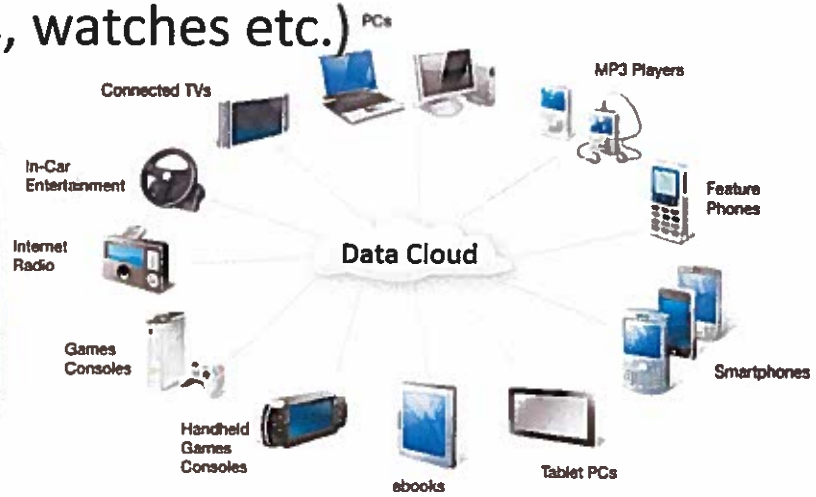
- Houses Servers with store and present digital content

Michigan Data Center Providers

Company	Datacenter Locations	# or Datacenters	Michigan Employees
123.net	Southfield	3	70
ACD.net	Lansing	2	100
Liberty Onel	Royal Oak	1	20
Liquid Web	Delhi Township (Lansing)	4	400
Managed Way	Southfield, Troy	2	30
Nexcess.Net	Southfield	3	120
Online Tech	Flint, Ann Arbor, Westland/Detroit	4	65
Secant	Kalamazoo	1	100
Trivalent	Grand Rapids	2	75

What's In The Data Center?

- The Data Center has rows of racks which house servers
- Those Servers "store" and "process" information that is accessed from the billions of devices (thermostats, watches etc.)



Location of The Data Center Matters

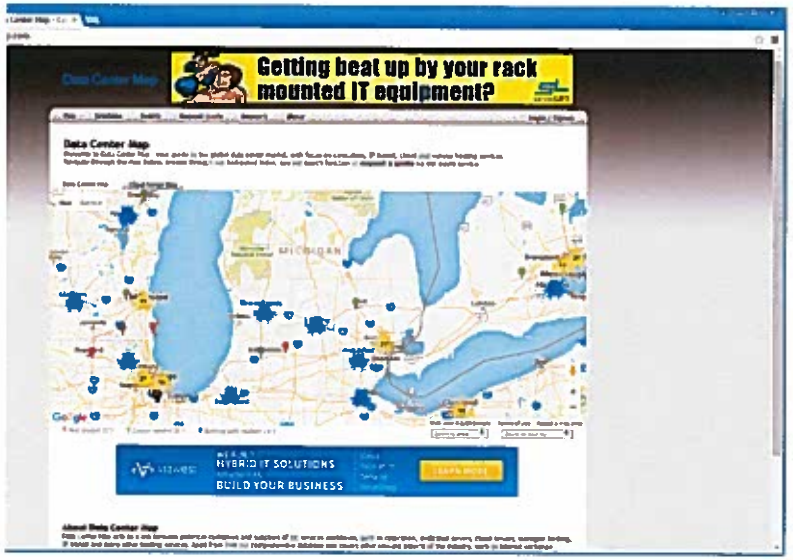
- Near The End Users – Be close to your end users and their devices (latency)

- Only need so much data center / geography
  - Like airports, how many gates can Michigan support?
  - We don't really know

- The IT Equipment will *flow* to lower taxed environments, whether Michigan or another state

Operating Datacenter Locations

www.datacentermap.com



Location	Quantity
Lansing	6
Grand Rapids	6
Kalamazoo	1
Battle Creek	1
Flint	1
Ann Arbor	3
Southfield	11
Other Detroit	8
Alpena	1
Total	38

Data Center Industry Models

- A few really really large data centers
- A handful of municipal sized data centers
- Lots of smaller data centers

Think Airports

Capital Intensive Financial Model

- Data Centers cost millions to build – on spec
- Clients spend millions on IT equipment and move in to the data center
- The faster the data center business grows, the more capital it needs
- The industry is growing 8-12%/year,
  many businesses as much as 20-30%/year

Suggestion

- Support the data center industry. It is the under pinning of the future of Tech and will attract "tip of the spear" tech jobs of the future.
- Like water and gravity…Companies will outsource Tech equipment to lower tax geographies, worst to a single tax exempt party.
- Allows Michigan to compete fairly for the Future of IT