



*Workplace scenes such as these photos (above and below right) will soon be happening in Council Bluffs as Google — The Best Company to Work For in America — announced plans to build a \$600-million data center in Iowa.*

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## Google Search Results in One Match: Iowa

**With construction of a \$600-million data center, America's favorite employer is coming to Council Bluffs, Iowa**

"Google, welcome to Iowa!" With those four words, an ecstatic Iowa Governor Chet Culver announced that one of western Iowa's largest economic development projects ever is becoming a reality. Google, the preeminent Web search-engine company, is locating a major data center in Council Bluffs. The \$600-million data center will provide 200 jobs for the local economy and "will have a tremendous impact on Council Bluffs, western Iowa and the entire state," Culver says.

"We're thrilled to announce our plans for a data center in Council Bluffs, which will help us continue to provide our users and customers with the best possible service," says Paul Froutan, director of operations, Google Inc. "Council Bluffs has the right combination of energy infrastructure, developable land and available workforce for the data center.

"Additionally, the team from the local community that welcomed us has worked exceptionally hard throughout the selection process. All of this has truly distinguished Council Bluffs as a great place for our new data center. We are grateful for the support from the state and local governments throughout our evaluation process."

The Google data center will be operational in spring 2009. The first round of hiring by Google — named the 2007 Best Company to Work For in America by FORTUNE Magazine — will be 100 jobs. Eventually, more than 200 jobs will be created at the data center.

"Jobs at the Google data center will focus on ensuring that the facility's computers are running at optimum speed and efficiency 24 hours a day, seven days a week," says Froutan.

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## Mechdyne Helps Customers See Clearly

Imagine stepping into a room of high-tech visualization where virtual reality technology allows you to sit in a car or tractor that's yet to be produced. Imagine floating through the human body's blood stream to understand how a medicine will affect it. Or, imagine flying a battle mission with the U.S. Air Force.

This is not science fiction. Marshalltown-based Mechdyne Corporation is producing virtual reality systems that are doing that and more. In fact, the Virtual Reality Applications Center (VRAC) at Iowa State University is the site of a landmark installation.

VRAC's C6 virtual reality environment, developed by Mechdyne, is perhaps the most impressive virtual reality environment in the world, according to Jeff Brum, Mechdyne vice president of marketing and business development.

"The six-sided system creates the most detailed, realistic virtual imagery to date," says Brum. "The six projected sides surround users, placing them inside 3D models or virtual worlds to create a sense of presence within the virtual space."

Brum says the system's 100 million pixel resolution is more than 16 times the resolution of typical immersive rooms and is more than double the resolution of Mechdyne's previous virtual reality installations.

"The standard High Definition television is two million pixels," says Brum. "So the image clarity of our system is amazing."

Mechdyne was founded in 1996 by Dr. Chris Clover, an Iowa State University Ph.D. graduate with extensive experience at the University's Virtual Reality Applications Center. ■

*U.S. Air Force planes approach targets over desert terrain during simulations on a Mechdyne-produced system at Iowa State University's Virtual Reality Applications Center.*





## Peregrine Financial Group Set to Fly into Iowa

**P**eregrine Financial Group — one of the largest non-clearing futures brokerage firms in the nation — will soon be moving from its downtown Chicago headquarters to Cedar Falls, Iowa. The move will take place following construction of a \$13 million headquarters in the northeast Iowa community. With the move, Peregrine Chairman and CEO Russell Wasendorf will have come full circle. He started Peregrine in the basement of his Cedar Falls home in 1980. Since then, “We’ve grown to become the 30th largest non-banking financial company in the U.S.,” says Wasendorf.

In the beginning, Wasendorf’s firm acted as a consultant to businesses that had a stake in the commodities market and wanted to manage their risk by purchasing futures. “We then started an in-house brokerage to follow through on our plans for the clients. Before long, our brokerage operations were growing faster than the consulting,” says Wasendorf.

Throughout this time frame, Peregrine invested in technology. Its PFG BEST Direct™ online trading system was one of the first systems to deliver customer orders directly to the Chicago Mercantile Exchange’s Globex platform.

“Our system is known for its efficiency and reliability,” notes Wasendorf. “It makes the futures markets more transparent for all participants, and it offers real-time streaming prices and charts.”

While Peregrine will continue to have an office in downtown Chicago, the hub of commodities and mercantile trading, Wasendorf believes the move of his 100-plus-employee headquarters to Cedar Falls will help him grow his business. “As of now, our employees



**ABOVE:** Peregrine’s 50,000-square-foot, three-story glass headquarters will eventually house about 200 employees. It will include a fitness center, daycare center and Montessori school, and a four-star employee cafeteria.



**LEFT:** Peregrine Chairman and CEO Russell Wasendorf started Peregrine in the basement of his Cedar Falls, Iowa, home. Since then the company has become the 30th largest non-banking financial company in the U.S.

are on board,” he says. “Peregrine’s accounting department is already in Iowa. When our headquarters project is completed, it will help increase our online customers as well as service an increasing number of worldwide offices.”

The Iowa Department of Economic Development is assisting the project with its \$350,000 award from the Community Economic Betterment Account (CEBA) and approval of tax benefits from its High Quality Jobs Creation (HQJC) program. An IDED award is also helping finance development of a high-bandwidth fiber optic connection to the headquarters.

With expertise in commodities futures, financial futures and options, forex products and services, and managed futures accounts, Peregrine Financial Group helps its corporate and individual customers manage risk. While Wasendorf believes there is risk associated with Peregrine’s move to Iowa, he is confident that the rewards will be greater. “The ability to take on risk probably takes more skill than managing to avoid risk,” he says. ■

## **Nordstrom's Iowa Center Facilitates Online Sales**

**\$1 billion worth of merchandise will soon be distributed from 900,000-square-foot facility**

**W**ith a stated goal of hitting \$1 billion in online sales within the next two to four years, Seattle-based Nordstrom is expanding its Cedar Rapids, Iowa, fulfillment facility to handle the increased business. To keep pace with its Web-based sales, Nordstrom — No. 40 among Internet Retailer Top 500 Retail Web Sites — is adding 258,000 square feet to its Iowa location to double the size of the contact center's working space to more than 500,000 square feet.



“The Nordstrom expansion brings a level of visibility to the region that not many companies can provide,” says Mark Seckman, president of Priority One, the economic development division of the Cedar Rapids Area Chamber of Commerce. “This project is really something we’ve been working toward for 10 years since they decided to locate in Cedar Rapids in 1997.”

“We are excited to expand our presence here in Cedar Rapids,” says Jamie Nordstrom, president of Nordstrom Direct, which handles all the company’s catalog and online sales. “Our online business has experienced rapid growth and we are committed to building a billion dollar business within two to four years. We’re confident we’ll continue to find the local talent we need in the Cedar Rapids community to support our efforts as we move forward.”



The \$50-million expansion will expand the footprint of the facility to nearly 900,000 square feet and will add more than 500 new jobs within the next several years. “It was once thought that customers would either shop online or at your brick-and-mortar store,” says Nordstrom. “It’s now become apparent that customers are loyal to brands, not to channels. When our expansion is complete, it will coincide with systems updates that will create a single view of inventory across channels. This will result in a more seamless shopping experience for customers whether they choose to shop online, in-store or by phone.”

Nordstrom — one of the nation’s leading fashion retailers with 158 U.S. stores in 28 states — looked at locations throughout the U.S. for the expansion project. In the end, says Nordstrom, everything pointed to Iowa. “We started our fulfillment operation in Cedar Rapids 10 years ago,” he says. “We’ve found a tremendous workforce in Iowa, and we’ve found the climate for business in Cedar Rapids as positive as anywhere we do business. The location has just been outstanding.”

Nordstrom’s expansion project is receiving job training assistance through the Iowa Industrial New Jobs Training Program, coordinated by the Iowa Department of Economic Development. The training will be provided locally by Kirkwood Community College.

Nordstrom Direct was launched in 1993 as a catalog business. Nordstrom.com was launched in 1998 with the goal of providing customers with the Nordstrom shopping experience online. “The new catalog program, online merchandise that is more integrated with Nordstrom stores, and our thriving partnership in Cedar Rapids, Iowa, are all important elements in our multi-channel strategy to reach \$1 billion in sales,” says Nordstrom.

**For more information on how an Iowa location can help your company grow and prosper, visit [www.iowalifechanging.com](http://www.iowalifechanging.com) or call a project manager of the Iowa Department of Economic Development for a confidential consultation at 800.245.IOWA (4692). ■**



## Iowa Joins World Cup Circuit

Des Moines became a stop on the world cup triathlon circuit this year with the launch of the Hy-Vee World Cup Triathlon. The inaugural event attracted 97 elite athletes competing for the largest purse in the sport's history. Winners Rasmus Henning in the men's division and Laura Bennett in the women's division each won \$200,000 and a Hummer H3 vehicle. Elite athletes representing more than 20 nations swam, biked and ran the downtown course that began at Gray's Lake and ended at the State of Iowa Capitol Building. In 2008, Des Moines will host the U.S. Olympic Trials for the triathlon. ■



*LEFT: With Iowa's historic Capitol Building in the background, competitors in the Hy-Vee World Cup Triathlon ride bicycles through downtown Des Moines.*

*BACKGROUND: Danish Olympian Rasmus Henning runs to a first place finish in the Hy-Vee World Cup Triathlon in Iowa to claim the largest purse in the sport's history.*

*BELOW: Laura Bennett of the United States crosses the finish line to win the women's division of the Hy-Vee World Cup Triathlon.*





## Google — Continued from page 1

“Positions require a variety of skills, ranging from experienced data center managers and Linux administrators to technology assistants.” The jobs have an average salary and other benefits equal to about \$50,000 per year, creating an annual payroll of about \$10 million.

The data center project was leveraged by recent legislation that upgraded Iowa’s tax system related to sales tax, use tax, and property tax for computer related businesses. It exempts the electricity and capital investment necessary for this kind of facility from sales tax, as is common in the manufacturing sector.

Google’s data center site includes an existing 100,000 square foot building, with plans for a second building to be added. The company bought three parcels of land totalling 1,185 acres. The data center will house computers supporting Google services in a climate-controlled environment.

Founded in 1998, Google’s innovative Web search technologies serve the company’s mission of organizing the world’s information and making it universally accessible and useful. Each and every day Google’s search engine technologies connect millions of people around the world with information. When it was time for the company to find a business location for the 21st century, Google’s extensive search yielded one match: Iowa. ■



## Why Information Technology businesses thrive in Iowa



### **Low cost, reliable electric power.**

According to the Energy Information Administration, Iowa has the eighth lowest average costs of industrial electricity in the nation. Electric service areas are capable of handling large loads because of the state’s strong manufacturing sector. Iowa is not a state where rolling blackouts occur.

**Secure location.** Iowa’s geographic location in the middle of the continent makes it an ideal, safe location for data storage and back-up systems. The state is an unlikely terrorist target, and is a place with relatively low risk of earthquakes or other natural disasters.

**State & local incentives.** Iowa has enacted specific incentives for server farms. Computers, cooling systems, power infrastructure, generators and other equipment for Web search portals that invest at least \$200 million are exempt from sales and property taxes. There are no sales taxes on electricity or generator fuel used to operate server farm equipment and heat and air condition the buildings.

**Deep talent pool.** More than 3,000 technology businesses employ Iowans across a broad range of industries from sophisticated aircraft electronics to

worldwide financial services. In addition, new technology talent is emerging from Iowa’s community colleges, university engineering and computer science programs. The Information Assurance Center at Iowa State University is certified by the National Security Administration.

**Network infrastructure.** National communications networks crisscross in Iowa, putting the state in the center of advanced network infrastructure. Broadband and wireless communications are widely deployed in the state and connected with redundant loops.

**Quality of life.** Iowa consistently ranks as one of the most livable states in the country. Families moving to Iowa discover more affordable housing, safe neighborhoods and top-ranked schools for children. Signature outdoor events are family favorites including the bicycle touring event RAGBRAI, the Iowa State Fair and community folk festivals.

**Contact the Iowa Department of Economic Development at 1-800-245-4692 for facilities location assistance that begins the moment you call. Ask for a project manager. We’re also on the Web at [www.iowalifechanging.com](http://www.iowalifechanging.com). ■**

## TEAM Technologies Leads the Way for Data Safety

With 100 percent of TEAM Technologies' Cedar Falls data center completely leased, CEO Mark Kittrell is turning his attention to building more world-class data storage and protection centers throughout the upper Midwest. Kittrell says his company has already broken ground on a new data center in Madison, Wisconsin, and is currently scouting locations throughout Iowa for another center.

"We currently target two customer bases; enterprise customers and disaster recovery customers," says Kittrell. "And all of them enjoy 99.9 percent uptime and redundant power, connectivity and security in our Prairie Lakes data center, located in Cedar Falls."

The Prairie Lakes data center is one of the world's most secure, state-of-the-art facilities. The \$6-million center, staffed 24 hours a day by highly trained information technology specialists, opened in October 2004 and received a \$250,000 award from Iowa's Entrepreneurial Ventures Assistance program, administered by the Iowa Department of Economic Development.

Located in one of the nation's safest suburban areas, the 24,000-square-foot data center is designed to shrug off disasters both natural and man made. "Iowa and the upper Midwest are excellent locations for data centers, with plentiful, reliable and inexpensive power along with few safety concerns such as hurricanes, flooding, rolling blackouts or terrorist target sites," says Kittrell. "It's a recipe for being a very, very good place to put one of these centers."

TEAM's centers protect company data using the most sophisticated security technology available. "The center has two-foot-thick, steel-reinforced concrete walls engineered to withstand the power



of a F4 tornado and winds in excess of 200 miles per hour," explains Kittrell. "It also has multiple-redundant fire protection and electrical generation backup. Video cameras monitor activity and a swipe card system and palm-print scanner allow access only to authorized personnel."

Kittrell — co-chair of Iowa's Information Technology Council, a private-public partnership of business, education and government dedicated to maximizing the IT industry in Iowa — says TEAM took on its most recent role as a secure data storage center after the national tragedy of 9/11. "Following 9/11, people have been asking if they really want all their company's critical data sitting next to the Sears Tower, the Pentagon or any other highly visible and

thus, terrorist target. As an Iowa native, I always believed a world-class data center could be built here far less expensively than in New York, Chicago or on the West Coast," says Kittrell.

From its Cedar Falls location, and very soon from a Madison site, TEAM Technologies' data centers serve as a model for the nation with unique architecture and uninterrupted power. They provide clients industry-leading security, performance and value for hosting and data recovery providers. Its unparalleled performance coupled with low-operating costs means its customers receive the best value in co-location services in the industry. TEAM Technologies and Iowa: leading the way for data safety, reliability and security. ■

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## guest opinion

### Iowa Offers IT Opportunities



**Gary Scholten**  
Senior Vice  
President & CIO

**The Principal  
Financial Group**

**D**rawn by affordable housing, safe and friendly neighborhoods and top-ranked schools, highly skilled information technology (IT) professionals are moving to build their careers in Iowa. And that's not a bad idea.

More than 3,000 innovative and sophisticated technology companies are growing in Iowa's nurturing business environment. Numerous large financial services and insurance organizations also call the state home, offering technology pros unique and challenging business opportunities.

Fast Company magazine recently noted that Greater Des Moines is an area loaded with technology and talent, a "City on the Verge" of making its annual list of high-tech hot spots. Forbes magazine ranks Des Moines the fourth best place for business and career.

One company that is gaining special attention is The Principal Financial Group, a global organization and leading

provider of retirement and investment services, life and health insurance and banking. The Principal has been headquartered in downtown Des Moines for 127 years and also enjoys operations in Mason City, Cedar Falls, Pella, Ottumwa and Hiawatha, Iowa. For six years The Principal has been recognized on Computerworld's list of top workplaces for IT professionals, and in 2006, the company was named the No. 1 technology innovator by InformationWeek magazine.

For the more than 2,200 IT employees at The Principal, innovation is more than just a buzzword, it's a business standard.

Iowa has chosen Information Technology as an industry to target for development. I'm excited to serve on the state's Information Technology Council, where representatives from companies, secondary education and government connect and work together to keep the economy strong.

We recognize that information technology is a growth catalyst not only for business, but also for our state's economy; increasing the number of talented Iowa IT professionals is a critical factor for success.

Recent programs — such as our private/public partnership to create a new training program to share the costs of upgrading and broadening the skills of IT workers — are designed to increase our IT talent and help to attract groups historically underrepresented in the IT profession, such as women, African Americans and Hispanics.

The key for employers and the state to grow through the use of information technology is to prepare now. Iowa is taking informed and effective action, and we welcome any industry, company or individual, who would like to join us.

The opportunities have never been better. ■