

Cavalier County Job Development Authority

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RE: Testimony for SB 2137
Senate Finance and Taxation Committee
January 12, 2021

Good Morning Chair Bell and Members of the Senate Finance and Taxation Committee.

My name is Shannon Duerr and I am the Executive Director of the Cavalier County Job Development Authority. I also serve on the Board for the Economic Development Association of North Dakota. I am testifying today in support of Senate Bill 2137.

Recruiting industries such as the data center industry to the state is an important step in diversifying the economy of North Dakota and a step that this bill can help the state archive.

The data century industry is extremely competitive and states like Virginia, Kansas, Iowa, and Illinois have very robust incentives and attract much of the industry. North Dakota has many attributes that make it very attractive for the industry such as a high number of free cooling days, remoteness (good for promoting physical security), a very robust fiber infrastructure network, network redundancy, and relatively competitive infrastructure pricing. However, to compete with other states we must match or beat what they offer.

In Cavalier County, we are working on redeveloping a cold-war era military site, The Stanley R Mickselsen Safeguard Complex into a data center. Attributes of the site such as remoteness, fencing, and three-foot-thick concrete walls make it extremely attractive for very secure data center development. However, we have been cautioned by our engineers and others with extensive data center development experience that recruiting a business without being able to offer the same or better incentives than other states would be difficult. In many cases, for a site to even be considered by a data center company, the state must offer incentives like what is being proposed in Senate Bill 2137.

The ability to offer these incentives would allow rural areas that can offer the remote locations the industry is starting to desire to compete with larger cities. In addition to remote locations becoming increasingly desired by the industry, rural areas are also a good fit for the industry because data centers do not require many employees. The provision in this bill that calls for four data centers per region would provide rural areas a great tool for recruiting this industry. Recruiting a project of this magnitude has the potential to be a game changer which could lead to long term economic prosperity for many rural communities due to the tax revenue received by the county and the well-paying jobs.

This bill could make a big impact on the state's future by helping to attract an industry to all areas of the state. Additionally, industries already in the state such as energy and communications would benefit substantially as the data center industry is a heavy user of both.

Thank you for the opportunity to address this committee and express support for SB 2137.