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Best and Worst Places for Data Centers

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By Rachael King

Computing Heads for the Clouds

Each time a Web user uploads a photo to [Facebook](#) or builds a document using Google ([GOOG](#)) Apps, the computing power needed to fulfill the request comes from faraway buildings called data centers—and is delivered via the Internet. It's referred to as computing "in the clouds," or more simply, cloud computing.

Demand for this remote computing is on the rise, causing companies to look for low-cost places to house their data centers. They're looking for the right mix of inexpensive real estate, cheap electricity, and affordable, skilled labor. Those costs vary widely in the U.S. It costs 250% more to locate a data center in New York City than in Sioux Falls, S.D., according to a recent report from The Boyd Co., a Princeton (N.J.)-based management consulting firm that helps companies decide where to house operations.

The Boyd Co., which lists companies including PepsiCo ([PEP](#)), Hewlett-Packard ([HPQ](#)), and JPMorgan Chase ([JPM](#)) among its clients, calculated the annual operating costs for running a hypothetical 125,000-square-foot data center with 75 employees in 45 cities.

Read on to find out which cities are the most expensive for operating data centers and where deals can still be found.



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