

Region files more Bay Area data

The Bay Area needs somewhere to stash its growing mountain of data. Increasingly, it's using Sacramento as a giant filing cabinet. Data farms larger than football fields are springing up in former Air Force bases and light industrial complexes in Rancho Cordova, while existing industry players here are looking to double in size. They store data and provide computing power to corporations such as Twitter and eBay. Call The Bee's Rick Daysog, (916) 321-1207.



pkitagaki@sacbee.com - Racks of computer servers fill RagingWire's data center in Natomas, with space the size of four football fields. Its business has been growing 30 percent a year. Growth in the sector has created about 100 jobs during a deep recession, and it is expected to create just as many more over the next several years.

"Sacramento is an emerging market," said Michael Levy, research associate with Tier1 Research, a New York-based information technology analysis firm.

Today, data centers are attracted to Sacramento for the same reason that the region drew distribution centers and call centers in years past.

Land is relatively cheap, the capital region is centrally located, at the junction of two major freeways, and it is out of the Bay Area's earthquake zone.

"It's far enough away from the Bay Area to be a low seismic risk but close enough to Silicon Valley," said Meg Arnold, CEO of the Sacramento Area Regional Technology Alliance. Another major attraction: low energy rates.

It takes a massive amount of electricity to run thousands of servers 24 hours a day, seven days a week.

The cooling systems alone require the amount of electricity used to run several city blocks. Douglas Adams, vice president for sales and marketing for RagingWire Enterprise Solutions, the largest local data center operator, said rates charged by the Sacramento Municipal Utility District are 25 percent to 50 percent cheaper than those in the Bay Area.

These kinds of prices translate into huge savings for companies like RagingWire and their customers, he said.

To be sure, the Bay Area, New York, Los Angeles and Chicago remain the top regions for data centers.

But Sacramento began to see more growth after Hurricane Katrina in 2005, said Lou Kirchner, CEO of Herakles Data Center in North Natomas.

The deadly hurricane and subsequent floods knocked out computers and information technology systems for thousands of companies in the New Orleans area.

That provided a wake-up call for businesses in the earthquake-prevalent Bay Area to set up backup systems in Sacramento, which is the closest major metropolitan area outside of the quake zone. "It's a great place to put a data center," added Michael Cohen, CEO of Advanced Data Centers, a 4-year-old company that recently moved from the Bay Area to Sacramento, where it is developing a facility at McClellan Park that will eventually occupy five buildings.

Data centers need a huge amount of space for their banks of servers. Security is also at a premium, which adds to the appeal of former air force bases like McClellan, where the buildings have thick concrete walls and few windows.

RagingWire, whose Natomas data center occupies floor space the size of about four football fields, said its business has been growing at a rate of 30 percent a year, or roughly twice the industry average.

The privately held company, founded 11 years ago, said revenues currently stand in excess of \$50 million.

RagingWire said it serves more than 200 businesses, many of which are Fortune 500 companies. But it declined to identify its biggest clients due to security reasons and confidentiality agreements. Located in a nondescript beige and brown light industrial complex in Natomas, RagingWire is the clear leader in this region.

Inside, the company's 220,000-square-foot campus looks more like the set of Star Trek than a high-tech plant.

Rows and rows of servers behind black steel cages extend for what seems like miles. Workers can enter the company's data floor only after they undergo a retinal scan. (Some data centers use biometric palm scans.)

In case of a power outage, the company has an on-site backup generator system that can create enough electricity to light 40,000 homes.

Over the next several years, RagingWire said it plans to more than double the footprint of its campus to about 470,000 square feet, which would make it larger than Power Balance Pavilion. "It's been a good industry, and Sacramento has been a very good city to us," Adams said.