

Data centers are bright spot in tough market

Carlstadt, Clifton sites point to industry's growth in N.J.

By **ANDREW TANGEL**
STAFF WRITER

A new tenant in an office building in Clifton officially opened its new digs with a bit of fanfare Thursday – rare these days as businesses cut back, lay off workers and even vacate real estate.

Telx, a New York-based provider of facilities for other companies' servers and data-center needs, hosted a morning conference for the data-center industry in the seven-story building at 100 Delawanna Ave., which it moved into late last year.

The event drew about 200 attendees from businesses that stand to make money from data centers, which have been appearing around New Jersey in recent years.

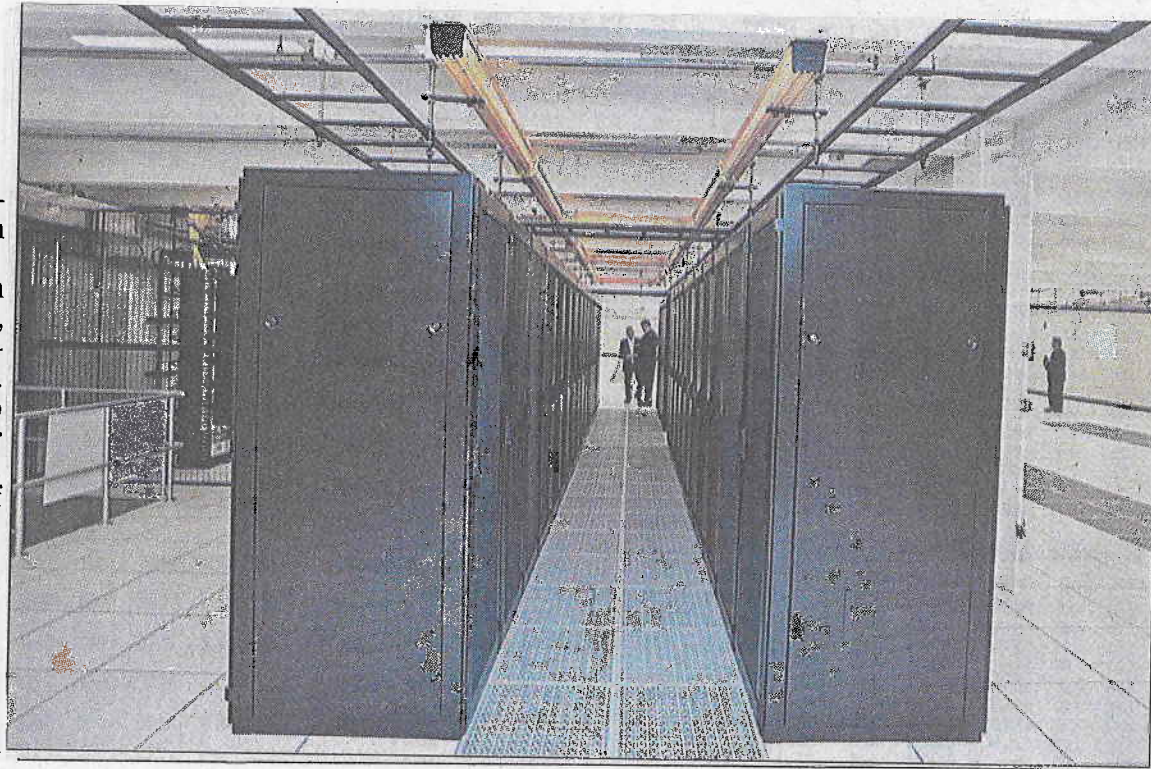
"We see this as a growth industry in New Jersey," said Gregory Dunlap, a director for large customer support and area development for Public Service Electric and Gas Co., who spoke at the event.

The utility works with data centers because they use so much power.

The state has about 6 million square feet of data centers, according to the New Jersey Economic Development Authority. Many of the facilities host back-up and data-processing centers for businesses in various industries, government agencies and some of the biggest names on Wall Street, though some companies often wish to keep information about their centers secret.

Among companies with data centers in North Jersey are banking giant JPMorgan Chase & Co., which has a facility in Carlstadt, and Switch & Data, which has a facility in North Bergen, according to the Economic Development Authority. Goldman Sachs Group Inc. is expanding an existing center in Carteret and building a facility in Bridgewater, and Cervalis LLC recently struck a leasing deal for a data center in Totowa.

Another huge data center – nearly 400,000 square feet – is un-



Telx, a New York-based provider of data-center needs, recently opened an office in Clifton. New Jersey has about 6 million square feet of data centers, which house computer systems for other companies. Proximity to New York gives the state an edge.

der construction in Mahwah. There are at least six data centers "in the pipeline" at various stages around the state, said Jerry Zaro, head of the state's Office of Economic Growth.

The state stands to benefit in coming years, attendees said, as financial firms put data centers close to their New York headquarters. Land is cheaper in New Jersey, and the state's proximity to Manhattan

cuts down on "latency," or time delays in transmissions between computer networks, and allows employees to travel back and forth.

"It's going to be a little Silicon Valley in the Northeast," said Jim

Embley, president of Fortress International Group Inc., which provides consulting, engineering and construction management for data centers.

The industry, Zaro said, has a "major presence" in New Jersey, and adds jobs in construction and development, though the centers themselves, when up and running, don't require many people.

"It dispels the myth that New Jersey is somehow hostile to business," Zaro said.

For what it's worth, the Clifton building was teeming Thursday with business people looking to get a piece of the profits to be made.

PSE&G, for example, is capitalizing on the demand for electricity needed to power the large air conditioners that cool computer equipment housed in data centers. Providers of computer services, fiber-optic cables and software were on hand as well to discuss how the industry and technology are evolving.

"We're the pharma capital of the world. We're probably the biotech capital," Zaro said. "Suddenly we're becoming the data-center capital," Zaro said in an interview Thursday.

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