



The Definitive Chicago Data Center Market Cheat Sheet

8 reasons why Chicago is a hot data center market

Here are some of the most important factors that data center customers should know about Chicago



Very affordable power

Illinois' energy industry is deregulated, so ComEd's price of around USD 0.06 per kW-hour is low compared to the national average of USD 0.0725. Climate plays a major role in lower power costs as well. Chicago has an average of 300 days each year that are cool enough to pipe outside air into a data center. This "free cooling" helps to lower the total energy costs associated with operating a data center.



Significant tax incentives

Data center projects receive exemptions from state and local sales tax on data center equipment for 10 years if they invest a minimum of USD 250 million in the facility and create 20 high-paid full-time jobs.



More tax savings in suburban locations

Many data center customers set up at colocation facilities in city suburbs such as Itasca, Franklin Park, Aurora and Elk Grove Village. The suburbs offer sales tax rates that can be a quarter of a percentage point lower than in Chicago proper, which can lead to significant savings when considering the scale of investment required for a data center.



Colocation options in both downtown and suburban areas

Some customers choose to lease space in both Chicago-area markets, paying more downtown for financial-related applications that require low latency or interconnections, while using more economical larger footprints in the suburban Chicago market for data storage and bulk processing.



Robust connectivity

An abundance of fiber providers and several Internet exchanges make Chicago a hub for content delivery services to a large portion of the American Midwest. The marquee facility in downtown Chicago is 350 East Cermak, a massive 1.1 million sq.ft.² carrier hotel that includes 91 service providers such as Cogent, Zayo, CenturyLink, etc., and network fabrics including Megaport and PacketFabric.



More important factors that data center customers should know about Chicago



Low latency to both U.S. coasts

As a key strategic market located in the Central U.S., Chicago is one of the very few locations that can offer data center customers low latency to both U.S. coasts. According to AT&T, IP network latency from Chicago to New York is 17ms, and from Chicago to Los Angeles is 43ms.



Strong business climate

Almost 40 Fortune 500 companies are headquartered in the Chicago metro area, including Walgreens, Boeing, State Farm, Archer Daniels Midland, and Caterpillar. In addition, Google announced plans to double its Chicago offices in the West Loop. Salesforce also announced plans to add 1,000 new jobs in Chicago over the next five years.



Low risk of natural disasters

Compared to hurricane and earthquake-prone coastal cities, catastrophic natural disasters are almost unheard of in Chicago. Hurricanes are nonexistent, and it is rare that seasonal storms result in flood or tornado damage.

About NTT's Chicago Data Center Campus

NTT's Chicago Data Center campus is located in Itasca, Illinois, which is about 27 miles northwest of downtown Chicago. The campus will have a total of 72 megawatts in two 36-megawatt buildings. For more about this campus and other data center options in Chicago, [download Data Center Frontier's report on the Greater Chicago Market.](#)