

July 1, 2009

Internet giant coming to western New York

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Yahoo Inc. will build a new data center in Lockport, the company confirmed Tuesday.

State officials said the Internet giant will add a regional data center to Lockport, choosing Niagara County over Genesee County, which had also been in the running. The site will serve the eastern United States.

The project is expected to create up to 125 full-time jobs.

The location in Lockport is not a loss for the Rochester area, said Larry Southwick Jr., a State University of New York at Buffalo management professor. Lockport is close enough to Genesee County and Rochester to have some effect, Southwick said. From Rochester, Lockport is 64 miles west along Route 104.

The Yahoo location also makes western New York less dependent upon the turbulent automotive industry, said Southwick.

"Yahoo is (in) an industry that will grow," said Southwick.

The decision brought glee to New York economic development officials.

"Bringing Yahoo to western New York will help position this area for attracting more technology investments, as other information technology and communications firms can take advantage of the available fiber-optic network access," said Dennis Mullen, president and CEO of Empire State Development Corp., and the former president and CEO of Greater Rochester Enterprise.

One major attraction for Yahoo, the Sunnyvale, Calif.-based global Internet player, was discounted hydroelectricity delivered via the New York Power Association, state officials said.

The Yahoo data center will receive an allocation of 10 megawatts for the first phase of construction, which is expected to begin in the fall and allow the facility to be operational in January 2011, state officials said.

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