

Harris Sells Data Center

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HARRISONBURG - Harris Corp. sold its shuttered Harrisonburg data center back to the previous owner for about \$6 million less than what it paid for the facility three years ago.

The \$35 million deal between Melbourne, Fla.-based Harris and DBT-Data was filed late Friday afternoon at the Rockingham County Courthouse.

Harris, a billion-dollar communications and information technology firm, bought the 13-acre Tyco Street property on Harrisonburg's north end in March 2010 for \$41.6 million. It invested another \$22 million in the 140,000-square-foot facility for use as a cloud data storage center, but the project flopped and Harris shut down the operation in February 2012.

Since then, the company and Harrisonburg city officials have been looking for a buyer.

It's not immediately clear what Washington, D.C.-based DBT-Data plans to do with the property. David Tolson, president of DBT, declined to comment Tuesday, saying an announcement detailing the company's plans would be made early next week.

Brian Shull, Harrisonburg's economic development director, also declined to comment.

DBT is a real estate investment and development firm that designs, constructs and owns and operates tech properties. It first bought the Harrisonburg center in early 2008 from Criticon for \$3.6 million.

Criticon, which had about 25 employees, planned to develop and market secure sites for data storage, continuity of operations, and disaster recovery for federal agencies and private industry.

At the time, DBT planned to move forward with Criticon's plan before opting to sell the facility to Harris in 2010.

Harris obtained \$22 million worth of building permits for renovations to the site. It invested about \$200 million total in the facility and employed 60 people with an average salary of about \$85,000.

But in February 2012, company officials announced that Harris would discontinue its cloud hosting operations after only nine months in operation.

During a fiscal 2012 second-quarter earnings call, William Brown, Harris' president and CEO, said the Harrisonburg location "remains highly underutilized and a significant financial drag."

"The progress that we thought we'd make in the cyber business is not materializing as we first thought," he said at the time.

Harrisonburg Councilman Charles Chenault said DBT's purchase of the property is a step in the right direction toward bringing the data center back online.

"It is the kind of job creator - even though it doesn't create a lot of these jobs - that we're trying to obtain for the city," Chenault said, "and that's jobs that'll allow us to keep our college graduates at home instead of having to go somewhere else to get a job."

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