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COMMERCIAL REAL ESTATE

Data center tech supplier changes the location of its planned Georgetown HQ

Facility expected to be operational early next year



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Data center services company Total Site Solutions Inc., which plans to move its headquarters from Round Rock to Georgetown, has settled on a roughly 213,000-square-foot space near Georgetown Municipal Airport instead of a previous site it had been eyeing.

TSS – which uses artificial intelligence plus other computing infrastructure and software in the design, deployment and maintenance of data centers – announced Dec. 5 that it signed a multiyear agreement to lease the space in the 48-acre Georgetown Logistics Park. It expects the site to be operational early next year.

“Continuing our rapid growth trajectory was centered around two key drivers: signing a long-term agreement with our primary customer, which we successfully completed and announced in Oc-

tober, and building capacity to deliver the demand driven by AI infrastructure needs in the market,” TSS CEO Darryll Dewan said in a statement. “Our new facility more than doubles our square footage and positions TSS to continue our rapid growth.”

TSS (Nasdaq: TSSI) previously announced it was relocating its 105,000-square-foot headquarters from 101 E. Old Settlers Blvd. in Round Rock as a way to increase capacity by 60% to keep up with expected growth in artificial intelligence integration. The company then late last month won approval from the Georgetown City Council for roughly \$550,000 in incentives to aid in a \$17.7 million move into a 169,000-square-foot building at Blue Springs Business Park at 610 Blue Springs Blvd.

But the company has pivoted from that site and instead opted for the space in the 620,000-square-foot Georgetown Logistics Park that was developed by StoneLake Capital Partners LLC. Chief



Darryll Dewan (L) and actor Jenna Dewan at a 2018 gala in New York City.

Financial Officer Danny Chism said the company opted to move from Round Rock because of the power availability needed for its expanded efforts. It liked the new site because of the financial terms, he said, describing the company as “very excited to deal with a landlord that appeared to be cooperative and solution-oriented.”

Other tenants there include Strategic Thermal Labs LLC, which took about half of the 123,000-square-foot building 3, and 1-800-Pack Rat, which took the entirety of the 70,000-square-foot building 2. TSS is occupying half of the 426,000-square-foot building 1, according to JLL’s Ace Schlameus, who is handling leasing along with Kyle McCulloch.

It’s unclear what the change in location means for the previously approved incentive agreement, but it’s expected that TSS will have to go through the process again for the new site. Under the incentives agreement, TSS was set to receive a 10-year, 25% property tax abatement and a 50% abatement of real property above the base year established in 2024, for an estimated value of \$354,703,

according to public documents. An agreement to provide a \$200,000 grant to help fund infrastructure improvements at the site also was approved.

In return, TSS was required to invest a minimum of \$17.7 million in the relocation and employ 150 employees, with a minimum salary of \$50,000, according to the agreements. The company was required to sign a minimum of a 10-year lease at the location. It also was required to start the lease by March 1, 2025, start construction on the improvements by Aug. 1, 2025, and complete them by Dec. 31, 2025.

Cameron Goodman, Georgetown’s director of economic development, said in a statement that the company has been in close contact with the city as it was evaluating its site options and will continue to “work collaboratively with their team through this process.”

Chicago-based Molto Properties, the owner of the Blue Springs Business Park, and Transwestern Real Estate Services, which is handling the leasing, declined to comment. Stonelake did not respond to a request for comment.

TSS was incorporated in 2004 in Delaware and headquartered in Round Rock. The company in federal filings reported 81 employees as of Dec. 31, and noted that it renewed a seven-year lease for the Round Rock site in 2021 that serves as a production facility, warehouse and office. Officials said they’re still deciding what to do with that property and that a sublease is possible.

The company has experienced rapid growth this year. TSS in November reported that it generated revenue of \$98.2 million for the first nine months of 2024, or 227% growth compared to the previous year. TSS had 2023 revenue of \$54.4 million, compared with \$30.6 million in 2022.

The company has previously referenced that it “signed a multi-year agreement with one of the company’s largest customers to provide integration services for AI-enabled racks.” While TSS did not identify its customers, the company works with Dell Technologies Inc., which is headquartered in Round Rock. Dell has invested heavily in artificial intelligence, primarily as a partner of tech giant Nvidia Corp., which is said to be looking for office space nearby as well.

TSS officials have said the new site will allow it to increase capacity by more than 60%, while also expanding cooling capacity for rack testing and validation stations and tripling capacity to test and validate direct liquid cool racks and traditional air-cooled racks. The company previously estimated the cost of the project at \$25 million to \$30 million, primarily for improvements to bring additional power to the building, and said it would finance it with bank debt and cash on hand.

Georgetown, located about 30 miles north of Austin, has been the fastest-growing city of its size for three straight years with a population nearing 100,000 people. It has become a hotbed for manufacturing. GAF Energy LLC, CellLink Corp., US Farathane Corp., Hanwha Advanced Materials LLC, Austin Cutlery & Tool LLC, Ward and Burke Tunneling Inc. and ZT Systems all have moved to the area in recent years.