

Small city plucks a big plum in Apple

Technology giant will build a \$1 billion data center in Maiden, enticed by millions in taxpayer incentives.

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Kitty Barnes, Catawba County commissioners chair, said Maiden beat the competition for a new Apple data center because the location “felt right” for the computer maker.

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- [The lure of incentives](#)

Incentives are difficult to track, because they come from local and state sources and are not reported in a central database. But they have become common in large projects statewide. Here are a few recent high-dollar deals:

2009: Apple data center, Maiden. Investment: \$1 billion. Incentives: State incentives estimated at \$46 million; local incentives not determined. Jobs: To create 50 full-time jobs.

2008: Spirit AeroSystems, a Kansas aircraft parts supplier, Kinston. Incentives: \$180 million. Jobs: Agreed to hire 1,000 at the state-owned Global TransPark.

2007: Google data center, Lenoir. Investment: \$600 million. Incentives: Received state and local incentives valued at an estimated \$260 million over 30 years; the company last year turned down a state job creation grant worth \$4.8 million. Jobs: The center is expected to eventually employ about 210 people.

2004: Dell computer manufacturing plant, Winston-Salem. Investment: \$100 million. Incentives: State, local and other incentives valued at an estimated \$242 million to \$267 million. Jobs: Agreed to create 1,700, though the plant has not yet reached that number.

- [Apple data center](#)

The facility will be Apple's primary data center on the East Coast, company officials have said. The company is buying land and will begin construction soon.

Talks with N.C. officials began last year, and last month, Gov. Bev Perdue announced that the state had worked out an economic incentive deal with the company. By this summer, signs began to point toward Maiden as the site of the new data center.

Apple's new facility is likely to support iTunes and the iPhone app store. The company will create 50 full-time jobs, though some say the facility will need at least 250 contractors and could support as many as 3,000 jobs in related industries.

Apple has managed to navigate the recession better than other companies. In the most recent quarter, it reported a profit of \$1.21 billion on sales of \$8.16 billion, exceeding analysts' estimates. Kirsten Valle

MAIDEN Three years ago, Catawba County economic development leaders targeted the data center market by developing a 183-acre business park outside Maiden, just west of U.S. 321.

On Monday, they announced a big catch: Apple's new \$1 billion center – the California-based computer company's first on the East coast.

"This opportunity is... fabulous," Catawba County Economic Development President Scott Millar said at a joint meeting of county commissioners and Maiden town council. "We went after it very hard."

N.C. Secretary of Commerce Keith Crisco called the project the largest investment in state history. "It's a big deal," he said. "The ripple effect will be enormous."

For its part, North Carolina kicked in a multimillion-dollar tax break – \$46 million over a decade for Apple's pledge to build the data center here and hire 50 fulltime employees.

Crisco said the Apple data center represents the target for the next generation of North Carolina's economic development. As North Carolina's economy shifts away from manufacturing, it is the latest in a string of technology-related recruitments, including Google, which received an incentives deal in 2007 totaling about \$260 million over 30 years for its data center in Lenoir.

Negotiations over the Apple data center date to at least September, when state officials started working with an Atlanta consultant representing the company.

Government officials and Apple spokesmen had been tight-lipped about the project, but Catawba and Cleveland counties surfaced as the top prospects.

Maiden, a town of 3,500 people about 40 miles northwest of Charlotte, is known "as a big football center," Mayor Bob Smyre said Monday, but now will be known as a computer data center.

Getting Apple "was a lot of hard work," he said. "But it was worth it. It's a dream come true."

Smyre said the partnership between the town and the county "didn't really run into any snags because we were all on the same page."

County commission chair Kitty Barnes said Catawba County beat out Virginia for the Apple center because "...of the community, the people and this location felt right.

"We're proud of our community," she said. "And we welcome you with open arms."

In addition to 50 new full-time jobs, the center is expected to bring 250 indirect jobs and Millar said the impact could eventually be 3,000 jobs in related industries. He said salaries for full-time jobs will average about \$50,000 a year. Hiring has not begun and will be announced by the EDC.

If all goes well, Millar said construction of the 500,000-square-foot building could begin in August. The project, which will employ about 750 construction workers, would be completed by late 2010.

Meeting at the Maiden Recreation Center, county and town officials approved incentives that will grant Apple 69 percent of the revenue stream over a 10-year period. But Millar said the county and town will get \$9 million over the same period as a result of the project.

He described the incentives as "prudent and reasonable."

N.C. lawmakers in June passed legislation to cut Apple's tax bill by \$46 million over a decade. Incentives critics have blasted the legislation as the latest example of an out-of-control bidding war for the attention of business.

Millar said landing one of the most recognizable brand names in the industry was the result of having a skilled work force

and a business park equipped with power and utilities. A water source that runs continuously was a big selling point, he said.

Apple has promised to buy materials locally and regionally, Millar said, and to identify events that it can sponsor. Also, the company won't employ anyone under 25 without a high school diploma, according to Millar.

“It's a great day to be in Catawba County,” Millar said.

Staff writer Kirsten Valle contributed.

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