

It's Official: Catawba County Lands Apple



Written by Gina Lindsey (O-N-E Staff Reporter)

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Rumors suggesting Apple Inc is coming to Catawba County were confirmed Monday by Economic Development Corporation President Scott Millar.

It's now official, the California-based computer company will invest \$1 billion within the next 9 years in its first east coast infrastructure hub to be located just outside Maiden. The announcement was made during a joint meeting of the county Board of Commissioners and the Maiden Town Council at the Maiden Recreation Center with special guests N.C. Secretary of Commerce Keith Crisco, state legislators and others.

"It's the greatest thing that's ever happened to Maiden," said Maiden Town Council Member Howard Ervin. "It will really be a boom for the whole area."

Apple will construct a 500,000 square foot data center in the West Star Mission Critical Data Park, a 183-acre property off Startown Road near U.S. 321 Business. The facility will host a network of computer servers to support Apple's iTunes Music Store and iPhone applications.

"This is an important day not just for this community, but for North Carolina," said Crisco. He said it will have a ripple effect throughout the state.

The WestStar Mission Critical Data Park, also known as the multi-jurisdictional park, was designed specifically with data centers in mind. Apple is expected to break ground at the park as early as August and finish construction in late 2010, which is also when it would begin hiring about 50 people to staff the facility.

The county and Maiden, which plans to annex the data park, will also reap benefits from the partnership with Apple. Millar said Catawba County stands to gain \$4.18 million during the 10-year initial contract with Apple. Meanwhile, Maiden expects to gain about \$5.13 million during the 10-year period, including \$200,000 in tax receipts and another \$313,000 annually in property tax revenues, not including the proceeds from providing sewer service, said Millar.

However, the local governments are also giving up about \$21 million in a 10-year incentives package. Apple will receive a 10-year grant for 50 percent on real property tax and another 10-year grant of 85 percent for personal property tax. Millar said there is also the option to extend the contact in 10-year increments up to two times if Apple agrees to invest an additional \$500 million into its Catawba County site.

"I'm 100 percent happy with the incentives we're giving," said Maiden council member David Boldon. "You're not going to get anything now if you don't give something."

Millar said the county EDC has been actively recruiting Apple as "The Dolphin Project" since spring 2008 and by name since August 2008. Even the Maiden Town Council wasn't informed of the company's true identity until Monday, said Boldon.

Millar said Virginia and Kings Mountain were two other top contenders for the computer giant. The competition was actually even greater than that considering Apple could have located just about anywhere in the United States, he said.

Millar feels Catawba County had the land and infrastructure that Apple demanded.

"It was a fantastic win-win for us and the county," he said.

Apple representatives also looked at the T5 facility, known to many as the old Carolina Mills building off U.S. 321 Business, Millar said. The site already has a 150,000 square foot building suitable for a data center, but Apple ultimately decided to start from scratch with a new building at the currently vacant West Star Mission Critical Data Park site.

When the Apple representative was asked why Catawba County was chosen over Virginia, the response was, "It was the community. It was the people. It felt right," said Kitty Barnes, chair of the county Board of Commissioners. "That speaks volumes for the community and Catawba County."

Millar said landing Apple in Catawba County will likely open up a number of other opportunities in the future.

"We still have an abundant resource," he said.

The state also offered Apple incentives to make sure the company chose North Carolina for its newest facility. N.C. Gov. Beverly Perdue signed Senate Bill 575 on June 3, which changes the way capital-intensive businesses calculate corporate income tax liability in North Carolina. The legislation will grant Apple about \$3 million in annual tax breaks from the state, which could equal \$300 million if the facility operates for 30 years.

The legislation requires the average wage of those hired by Apple to exceed the wage standard for the county. The North Carolina Department of Commerce projects Apple's new data center would create more than 3,000 jobs in the regional economy. Those spin-off jobs may be related to construction, server maintenance and repair, heating and air conditioning work, landscaping and security, among others.

Boldon said Maiden held a public hearing regarding annexation during Monday night's regularly scheduled Town Council Meeting. Annexation will be finalized at a later date.