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## From textiles to tech, the state's newest crop

NC attracts companies like Apple, Facebook and Google



## North Carolina,

Home of Pepsi, Krispy Kreme, Tar Heel basketball, Carolina barbecue, and... Server farms?

That's right. One of N.C.'s growing industries is hosting server farms for companies, including **Facebook**, **Google** and **Apple**, to name a few.

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- By [Alex Barinka](#), and [Kristen Long](#)
- Multimedia Journalists

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## Sources

- N.C. Department of Commerce
- [DataCenterKnowledge.com](http://DataCenterKnowledge.com)
- Scott Millar, president of the Catawba County Economic Development Corporation
- Tom Johnson, executive director of the Rutherford County Economic Development Commission
- Steve Killian, director of planning and economic development for Kings Mountain, N.C.

There is a new crop growing in North Carolina — the server farms in the newly minted N.C. Data Center Corridor.

While Research Triangle Park is known for being the oldest continually operating high-technology and scientific research parks, western North Carolina had been traditionally associated with the fading textile industry.

But five counties in the western part of the state are changing that.

Alexander, Burke, Caldwell, Catawba and Iredell counties announced the N.C. Data Center Corridor initiative in November 2009, geared towards attracting the technology and communication industries. Their efforts have since attracted some of the most recognizable companies in the technology industry.

The household name companies like Apple, Facebook and Google have chosen locations in these counties along with Wipro, one of the largest information technology services providers. They join the state's IT company ranks along with IBM, SAS and NetApp.

### **Why North Carolina?**

Catawba County became interested in data centers in 2006 and began marketing its location by contacting tech companies and hosting the Data Center Information Exchange, said Scott Millar, president of the Catawba County Economic Development Corporation. Apple looked into the county as a result of the county's outreach efforts.

North Carolina was already being considered because of the existing infrastructure from the furniture and textile industries and Duke Energy's competitive pricing, Millar said.

Access to water is also a factor as some data centers use it to cool electronic equipment, said Steve Killian, director of planning and economic development for Kings Mountain, N.C. The water and sewer capacity set up for textile manufacturing in Cleveland County helped to draw Wipro to the area.

Tax incentives and grants are also offered to these companies, such as the grants Wipro will receive from the City of Kings Mountain, Killian said.

In Catawba County, the incentives are based on future taxes, and Apple will be refunded 50 percent of the taxes it pays on its real estate and 85 percent of taxes paid on its moveable property, Millar said.

"Everybody said, 'Well heck, if the biggest tech companies in the world are choosing North Carolina, then maybe we ought to at least give it a look,'" he said.

But North Carolina has not been successful in winning over all the proposals it has vied for.

In August 2010, Microsoft had been considering Catawba County and two sites in Virginia.

[Mecklenburg County, Va., won the proposal](#) as they already had the utilities the data center would need. The county also promised a 90 percent refund of property taxes for 20 years, said Angie Kellet, director of economic development for Mecklenburg County.

Mecklenburg County, Va., as well as parts of northern Virginia, Atlanta and Kansas City have been North Carolina's major competitors in attracting data centers, Millar said.

### **Benefits to the communities**

If the companies are receiving all of these tax cuts, then what's in it for North Carolina?

“Financially, it has been a great shot in the arm for this community,” said Tom Johnson, executive director of the Rutherford County Economic Development Commission.

About 60 different businesses have been used throughout Facebook's construction of a data center in Rutherford County, from catering services to concrete, Johnson said. About 400 people are being employed in the construction process.

Rutherford County has 3,696 unemployed persons and 21,461 with jobs as of February 2011, [according to data](#) from the Employment Security Commission of North Carolina. Forest City, the location of the Facebook data center, has a population of 7,162.

After construction, all of the centers will have full-time employees. At the Apple location, there will be 50 permanent employees from the company living in and providing income streams for the town of Maiden, Millar said. There will also be 250 people employed to do the heating and cooling, to maintain power and electrical systems, and to provide security.

Maiden has a population of 3,433, according to data from the employment commission. The 300 total people employed by Apple make up about 8 percent of the town's population.

Apart from the jobs created by construction and maintenance, utilities, income and property taxes will also benefit the town and Catawba County, he said.

Apple is expected to [invest about \\$1 billion](#) in the state during the next nine years, Gov. Bev Perdue stated in a press release. [About \\$450 million in investments](#) is anticipated from Facebook and [about \\$75 million](#) from Wipro.

The interest in North Carolina could reap future benefits for the state by bringing more companies to the area.

“Gosh, I don't know anyone out there that's not at least heard of Facebook,” Johnson said. “I think that it does give us validity in terms of trying to bring other data companies here because Facebook did a tremendous amount of due diligence in determining what would be their most proper location.”

Killian thinks that the arrival of data centers serves to advertise the resources, technical expertise and the willingness of local governments to bring business to the area.

But aside from the economic benefits to the community, there is an intangible impact on the community that cannot be quantified.

“When a school child goes to Maiden Elementary and everyday they drive past Apple's East Coast operations facility, then internally they think, ‘That's the biggest tech company in the world and they are located in Maiden, North Carolina, then maybe I do have a chance to stay in Maiden,’” Killian said.

It can counter the perception of a dying community that is struggling, he said. As for whether more data center projects will be pursued in the future?

“Absolutely,” he said.



“And we are in the center point of that Data Center Corridor.”

*Alex Barinka, a sophomore from Dallas, Texas, is a multimedia journalist for the Reese Felts Digital News Project.*

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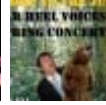
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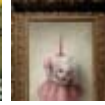
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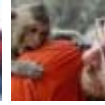
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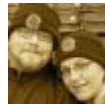
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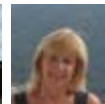
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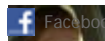
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- Chapel Hill, NC
- 27599-3365
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