



TRIAD
COMMERCIAL
PROPERTIES

R E L A T E D N E W S A R T I C L E

TRIAD'S OUR NO. 1 PICK, DELL SAYS

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The world's largest computer maker said Thursday that the Triad is the only region it's considering for a proposed manufacturing plant.

Earlier this week, Dell Inc. made public that it was interested in North Carolina, but it didn't say where. But Thursday, company spokeswoman Cathie Hargett said, "The Triad is the place where we're looking."

The company had initially looked at sites across the country before narrowing the search to North Carolina and then the Triad, she said.

The news comes one day after Gov. Mike Easley called a special session of the legislature for Nov. 4 to consider giving the company economic incentives that could include land, tax breaks and job training funds in exchange for locating in the state. Reports have been circulating since June that the company was considering a factory in the region.

"It is an incredibly positive plug for our state that we've come this far," said state Sen. Kay Hagan, D-Guilford. "I know that many states were competing for the project."

South Carolina, Tennessee, and Canada were a few of the places that were vying for it, she said. North Carolina has lost major corporate expansions to other states, including BMW to South Carolina and Mercedes-Benz to Alabama in the 1990's. Tennessee lured Dell to Nashville in 1999, when now Gov. Phil Bredesen was mayor and a chief negotiator for the project.

Hargett said the company would not comment on the incentives package until after the legislature addresses it.

A spokeswoman for the governor would not comment on the size of the deal. In his letter to the legislature, Easley said, "We are nailing down the final pieces of the project and will have the legislation completely negotiated and drafted by the first part of next week." The letter also mentioned that most of the jobs would be created in the Triad.

Last year in a special session, lawmakers authorized \$204 million in tax breaks for R. J. Reynolds Tobacco Co. and

Philip Morris USA that the companies can claim over 13 years. RJR said it would bring 800 jobs to the state as part of its merger with Brown & Williamson. Philip Morris did not promise to expand. The state also gave pharmaceutical giant Merck & Co. a \$36.8 million package to bring a vaccine plant to Durham.

Hagan said she did not know how much money would be included, but said she was sure it would be spread over about 15 years. She also said it would include "claw backs" or the ability to take money back if the company did not add as many jobs as it promised.

"We've learned from our mistakes," she said, in reference to companies that have won money from the state and then either left or shut down before they fulfilled their job and investment promises.

Reports have said that Dell plans to invest about \$190 million in the project and hire about 2,000 people.

It would be part of a year-long series of expansions. Earlier this month, Dell announced that it would open a distribution and fulfillment center in West Chester, Ohio. In July, it announced that it would open a customer call center in Edmonton, Alberta, Canada, and one in Oklahoma. Today it plans to announce where it will build a permanent facility in Oklahoma.

The company made clear it planned to spend more this year on capital expenditures like manufacturing plants than it had last year.

It budgeted \$500 million on property, plant and equipment for the company's fiscal year ending Jan. 30, compared with \$329 million for the same period last year, according to documents filed with the Securities and Exchange Commission. It had used about half of its planned capital expenditures by July.

One local mayor said the fact that the governor is calling a special session is great news for the Triad.

Winston-Salem mayor Allen Joines also said that his city is "beginning preliminary work" to scout sites for the plant and is putting together a competitive incentives package to lure the company to its neighborhood.

Andy Burke, president of the Greensboro Economic Development Partnership, would not comment on the deal, citing confidentiality agreements.

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