



Anatomy of an Economic Development Deal: Microsoft

Involving Catawba County, City of Conover, City of Hickory, Town of Maiden, Catawba County Property Development Corporation

Project Dogwood, Project Agate, Project Pine, Project Star, Project Yoga

First Project Contact by Broker April 13, 2021

Project Announced November 9, 2022

Catawba County Targeted Data Center Initiative— EDC Recommendation to Commissioners October 16, 2006



1. Perform In-depth **Labor Analysis** to prove availability, cost of workers and to use as a sales tool
2. **Recommend M-J site(s)** for consideration; evaluate feasibility using an experienced 3rd Party
3. **Gain Site Control** and determine Improvements
4. **Explore Level of Partner Collaboration**
 - a) Utilities, Charlotte Regional Partnership, Multi-jurisdictions
 - b) Funding Assistance (federal, state)
5. Pre-package City(ies), County, State and Utility **Incentives**, Marketing Packages, and PR
6. Predetermined **Training** Plan using CVCC, Higher Ed. Center, and UNC Center for Engineering Technologies

Data Center Initiative Action Steps

- Partner with Duke Power
- Pre-establish Sites
- Pre-establish Incentives
- Market aggressively to national consultants and developers, including NC's Data Center Corridor concept
- Host local Events (Data Center Information Exchange) using momentum from Google's announcement in Lenoir (January 2007), then Apple (July 2009), then Facebook (11/3/2010)
- Create a Multi-jurisdictional Approach to develop replacement properties within target sector



The Apple-Google Data Center Corridor

August 4th, 2009 : Rich Miller

Google and Apple may be having their tensions at the boardroom level, as seen in this week's news that Google CEO Eric Schmidt will resign as a director of Apple. **But the two technology giants are aligned in another area: the merits of western North Carolina as a haven for massive Internet data centers.**

Apple's planned **\$1 billion data center** in Maiden, North Carolina is just 25 miles from a huge Google data center complex in **Lenoir**. The proximity is not an accident, as the Google project in Caldwell County prompted economic development officials in nearby towns to begin pursuing data center development. That included Catawba County, where economic development director Scott Millar began a concerted effort to attract data centers, a process that culminated in Apple's decision to build in Maiden. Millar believes the presence of the technology sector's two marquee names will attract additional projects, establishing the region as a major data center destination.

"I think that from an investment standpoint, now every CIO in the country is forced to look at the merits of the Apple/Google Corridor," said Millar. "We're not going to quit here."

In late 2006 Google began scouting sites in North Carolina. This led to Google's **January 2007** announcement that it would invest \$600 million in a major data center in Lenoir, a small town previously known for its furniture industry.

The arrival of the huge Google project up the road gave Millar a new focus for his economic development efforts. "We started thinking about developing potential sites for data centers, and realized we had some infrastructure-rich sites," he said.

Building Relationships

Millar joined the 7x24 Exchange and other data center industry groups, and began building relationships with site location companies that specialized in data centers. He also got to know the local officials familiar with the Lenoir project to boost interest in a **data center corridor spanning the two counties**.

"We've been working together with officials from Caldwell County to market this idea for several years," said Millar. "Duke Energy serves both sites, and is competitive with its pricing," which is typically between 4 and 5 cents a kilowatt hour for industrial customers.

"One of the things that's driving the competitiveness of our area is the power capacity built for manufacturers in the past 50 years," said Millar. "Having that capacity and those redundancies has helped the region. We've got other sites and other buildings ready to go as well."

All Content on Data Center Knowledge
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For more information, contact Scott Millar, Catawba County Economic Development Corporation, (828) 267-1564 or Harry Whalen, Caldwell County Economic Development Commission, (828) 728-0768, or www.datacentersites.com

“Microsoft next up for a data center in Charlotte region?”

February 2010, Charlotte Business Journal - [Ken Elkins](#) Senior staff writer

“Following Apple and Google, tech giant is scouting the Charlotte region...”

The Charlotte region’s growing prominence as a data center hub has drawn the interest of [Microsoft Corp.](#); The technology giant is considering sites here and in Virginia for a new East Coast data center, according to sources familiar with the search.

- Microsoft is looking for a site for a 500,000-square-foot facility that would employ about 100 workers. One source says representatives of Redmond, Wash.-based Microsoft have visited a Catawba County building that is being marketed as a data center site.
- “There are structural reasons why data centers tend to cluster,” says Scott Millar, president of the [Catawba County Economic Development Corp.](#) “The advantages that brought Apple and Google and other entities to this area remain.”
- Millar declines to discuss Microsoft’s interest in the area.”

Kevin Timmons, GM of Microsoft Datacenter Services, announced the project to land in Boydton, Virginia in August 2010.

Apple Overview: Committed \$1B in 2009, \$4B+ to date

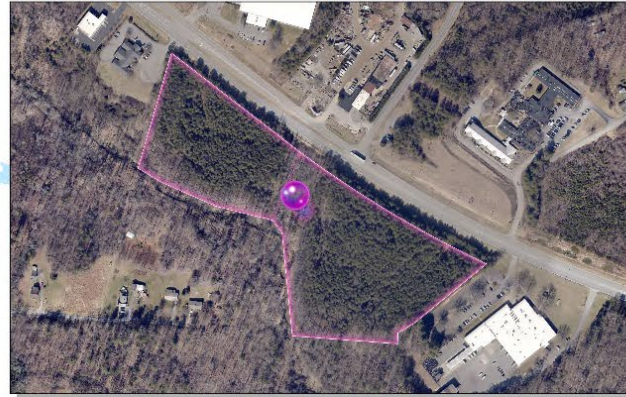
Where does Siri live? What water does Siri drink?

Enormously successful, the data center targeting has resulted in the location of Apple's largest data center in the world (Maiden), Bed Bath & Beyond's data center (Claremont) and the development of the NCDataCampus multi-jurisdictional park.

Maiden Tax Rate 2009	\$0.040/\$100 valuation
Maiden Tax Rate since	\$0.038/\$100 valuation

There's a new City Hall, Police Station, Fire Station on Startown Road, Community Center, have acquired land for a main Fire Station.

PROJECT DOGWOOD



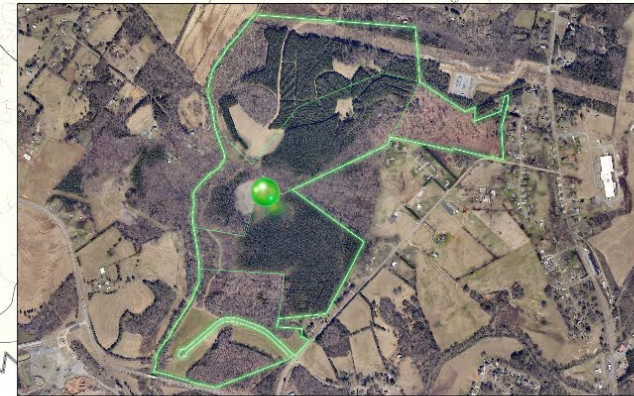
Project PINE
16 Acres



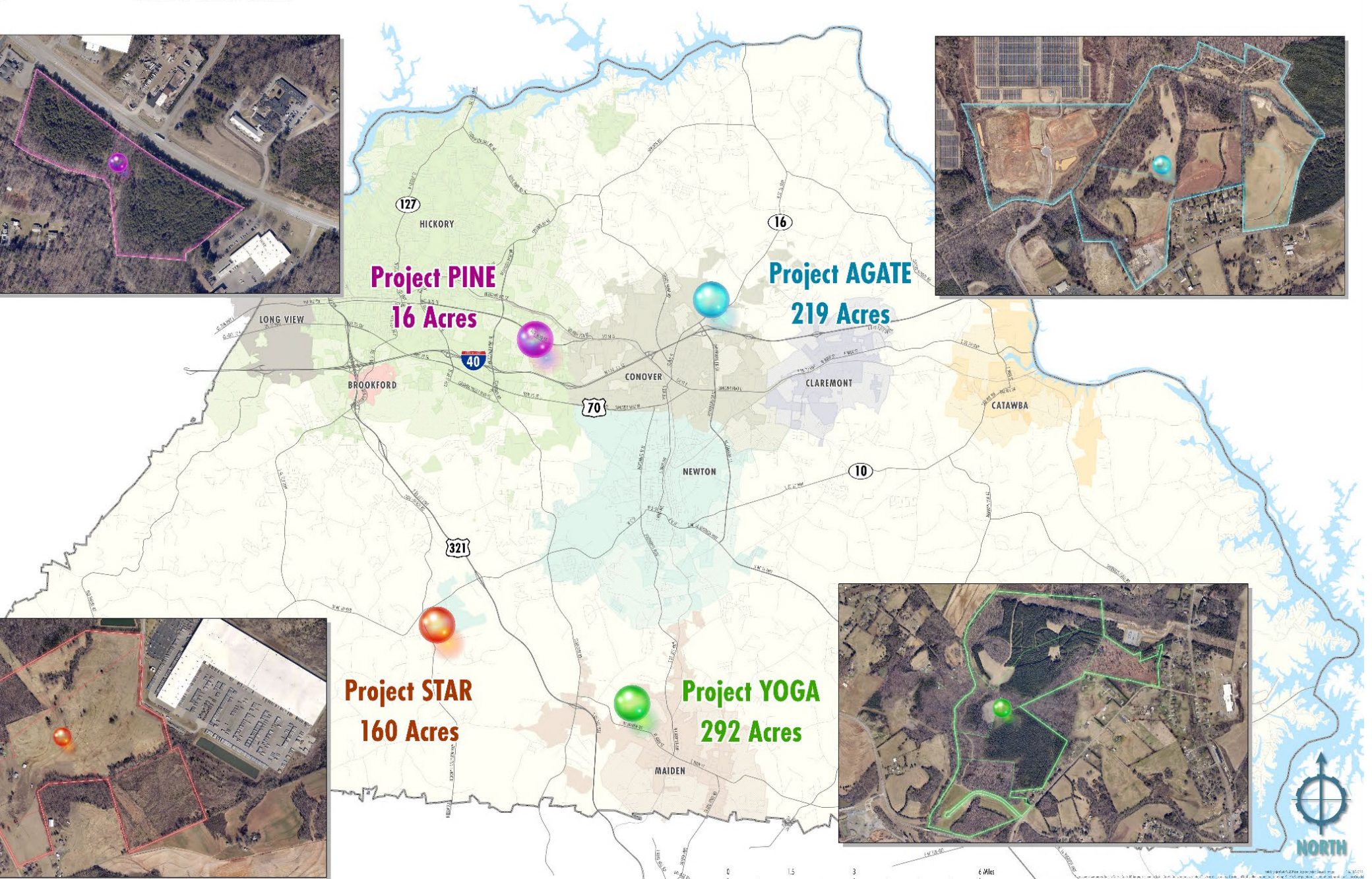
Project AGATE
219 Acres



Project STAR
160 Acres



Project YOGA
292 Acres



Economic Development Agreements

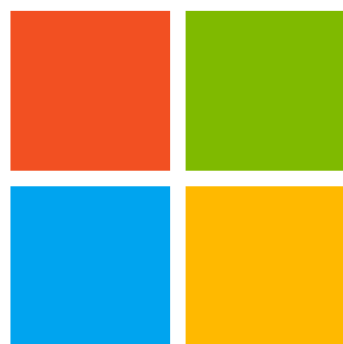
(1 County and 3 individual Municipal Agreements)

- Modeled after other technology-oriented agreements
- Performance-based Grants with clawbacks defined, payable only after Receipt of Yearly Taxes and Company Certification of Expenditures. Net revenues are always in a positive position for all participating local governments
- All EDAs have a Ten Year Term, may be extended two 5 year terms
 - 50% Grants based on Assessed Value of Real Property Improvements
 - 85% Grants based on Assessed Value of Personal Property Improvements

Economic Development Agreements

Company expected to work with Cities and County to identify activities that will benefit from Company's sponsorship and unique resources

- Example: Company has already agreed to donate 5300' of ROW for extension of Lyle Creek Greenway from current terminus through property.
- Company is committing to actively pursue other partnerships and community engagement opportunities in municipalities and Catawba County.



Microsoft

What's Next? What would you do?

Catawba Site Master



CORNING

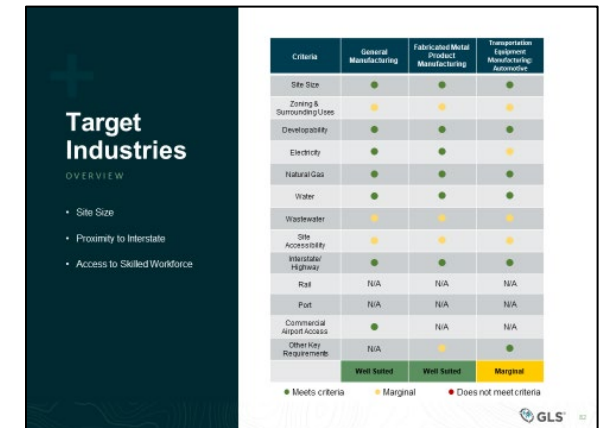
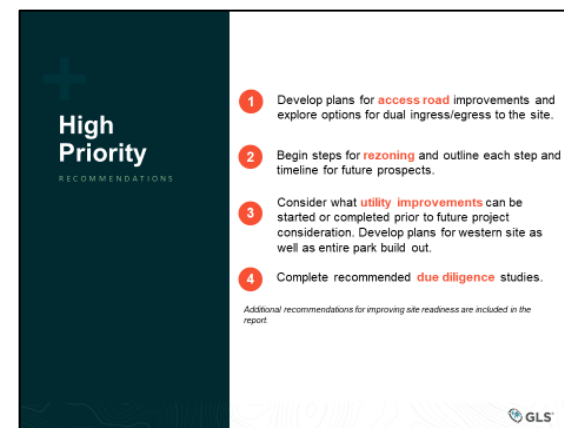
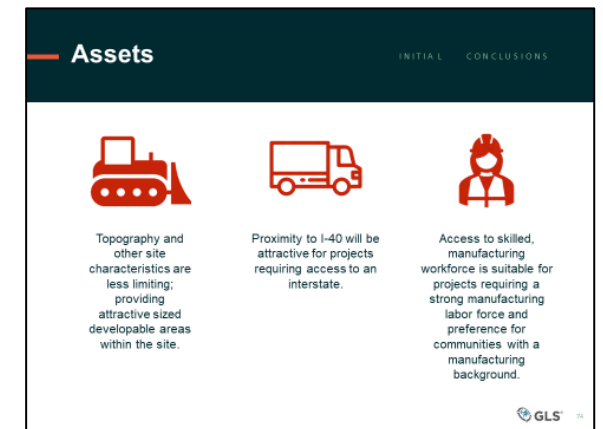
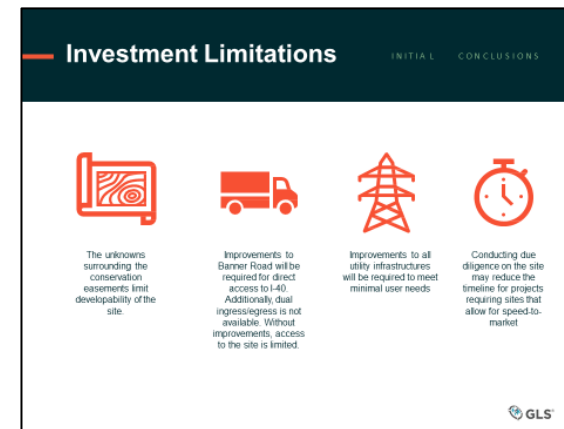
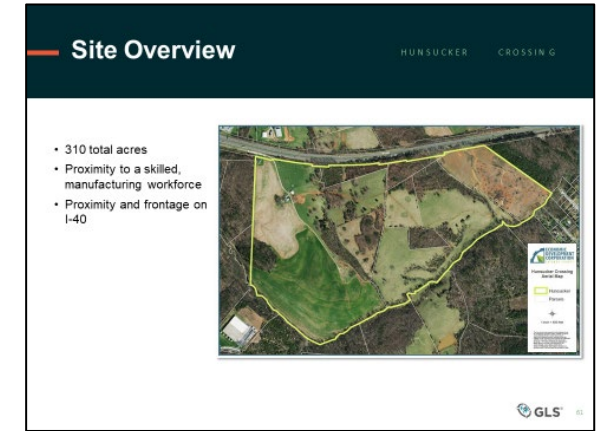


These 5 projects alone have absorbed over 2300 prime development acres in Catawba County in recent years.

DUKE ENERGY SITE READINESS Catawba County, NC

HUNSUCKER
CROSSING
September 14, 2021

- Site Analysis
- Site Concept Plan
- Site Overview
- Investment Limitations
- Assets
- Industry Evaluation
- Site Summary



Catawba Site Master

Comprehensive Site Atlas

In-depth Site Development Analysis

Site Concepting

Industry Suitability

Utility Prioritization

Catawba Site Master

Property X

- xxx total acres
- Access to I-40
- All utilities in place



Catawba Site Master	Property X Site Initial Preparedness	
Appraisal	Yes, but needs renewal	🟡
Land Control	County-owned	🟢
Environmental Phase 1	Yes, but needs renewal	🟡
Geotech		🔴
ALTA Survey		🔴
Wetlands Delineation		🔴
Archaeological & Endangered Species		🔴
Graded		
Water to Site		🟢
Sewer to Site		🟢
Natural Gas		
Electrical Service	Up to 4 MW existing	🟢
Sales Materials/Presentation Docs (%)		

Catawba Site Master

Project X Site Concepts
Industrial or Mixed Office/Commercial



Catawba Site Master		Property X Site End User Industry Analysis (by 3 rd Party)	
Industry Type	Suitability	Comments/Constraints	Comments: Increasing the Wage Case Aspirational Industry Trends Call Centers, Data Centers, EV Opps, etc. Location Quotients Future Shock within Industry Sector Workforce Census: Getting Real Housing and Growth Expectations Targeted End-User Incentive Refinement
Suburban Office Park			
Medical/Mixed Use			
Other Institutional			
Single-User Mfg. Campus			
Multi-User Manufacturing			
Commercial			
Logistics/Distribution			

Catawba Site Master		Utility Analysis by Industry Requirement (3 rd Party)
SECC Gileland Site	Distance/Upgrade Required/Cost	Comments/Constraints
Water		Overall Development Comments: Include costs needed to 80% readiness
Wastewater		
Electricity		
Natural Gas		
Telecom/Data		
Road Improvements		
Interior Roads		
Other Development		
Costs		

Edmund Hillary

Sir Edmund Hillary, 88, the unassuming beekeeper who conquered Mount Everest to win renown as one of the 20th century's greatest adventurers, died Jan. 11, 2008.

The gangling New Zealander devoted much of his life to aiding the mountain people of Nepal and took his fame in stride, preferring to be called Ed and considering himself an “ordinary person with ordinary qualities.”

Hillary's life was marked by grand achievements, discovery and excitement.