

STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



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CATAWBA COUNTY, NORTH CAROLINA

Transitioning the County Economy into the 21st Century



Catawba County, N.C. is helping the county economy become a premiere data center hub. Catawba's slogan, "Keeping the Spirit Alive since 1842," embodies the county's resilience in face of the long term decline of the main industries in the county, furniture and textiles manufacturing. The county pursues actively industry diversification, successfully landing major employers in distribution, back office support centers and other industries. The county is emerging as a data center hub and attracting large firms such as Apple to create job opportunities for its residents.

The Catawba Economic Development Corporation (EDC) conducts most of the economic development efforts in Catawba County. Initially, the county Industrial Development Commission conducted economic development activities for the county. In 1993, this agency merged with the Hickory Office of Business Development — a municipal economic development agency — to form the EDC. Originally funded entirely by Catawba County, the EDC now receives approximately 52 percent of its operational funding from the county while the local municipalities supply the remainder of the budget. The EDC has five staff members in addition to a nine-member Board of Directors, five appointed by Catawba County and the rest by the municipalities. The staff members and the board of directors work to advance the EDC's mission to facilitate economic diversification in Catawba County by attracting new businesses and industries and helping existing businesses grow to foster job creation.

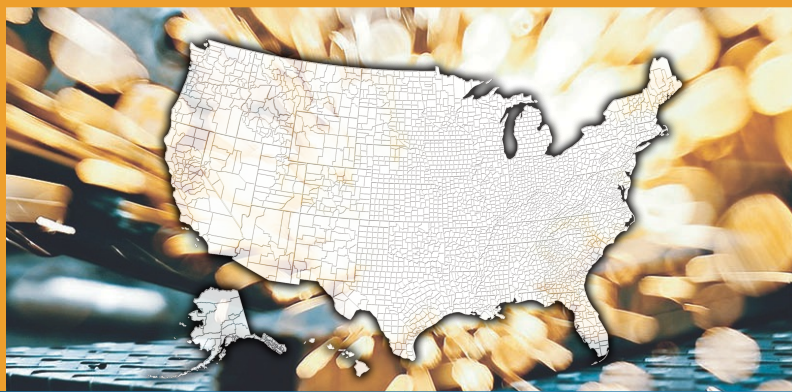
The Apple Data Center

One of the Catawba County EDC's most successful programs is the promotion of Catawba County as a premiere data center hub. In 2009, EDC registered its first major success with the location of an Apple, Inc. 500,000 square-foot data center in Maiden, a city within Catawba County. This data center hosts iCloud and iTunes services. One of the primary reasons Apple selected the Maiden industrial site was the readiness of the site. The Apple data center project represents the largest investment by a private firm in North Carolina history.

- Population, 2013: 154,810
- County Board Size: 5
- County Manager

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The county contributed in several ways to this project. Before Apple selected the site, the county and four municipalities planned to finalize the development of utilities, roads and signage at the data center campus (as it originally was envisioned) before a buyer was secured. Catawba County and its municipalities planned to accomplish this project through a jointly funded multijurisdictional agreement. With these plans in place, Apple purchased the entire park and began operations within a very short time-frame. Apple received \$7.3 million for a ten year period in tax incentives from Catawba County and the Town of Maiden. Other prospective data center firms are eligible for a sales tax exemption from North Carolina if they meet certain requirements, including a minimum investment of \$150 million to \$225 million in improvements to property or capital equipment.

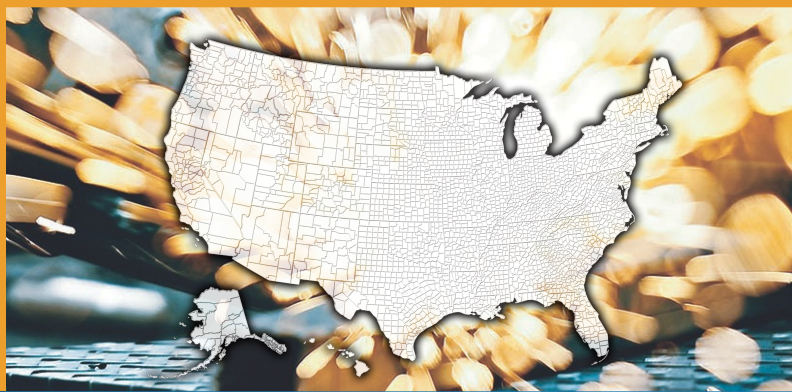
Since the original purchase in 2009, Apple has expanded its operations in Catawba County. The company built an additional data center in 2012, of 21,030 square feet and invested in building a green energy system to power the data centers, through two 100-acre solar farms and a 10 megawatt fuel cell installation that uses biogas. Earlier in 2014, the company announced adding another data center, similar in size with the 2012 one. As of February 2014, Apple has invested more than \$1.7 billion in the Maiden data center and the green energy system.

Marketing the Data Center Hub

The Catawba County EDC pursues a series of marketing strategies to enhance the county's brand and appeal as a data center hub. The corporation hosts a website, www.datacentersites.com, which provides data center site selection information, including maps and brochures, to prospective firms on locations and facilities within the county. Additionally, the EDC hosts an annual Data Center Information Exchange event for site selection industry consultants who assist firms with the site selection process. Catawba is one of several counties including Alexander, Burke, Caldwell and Iredell that actively market the "NC Data Center Corridor", a regional data center network including major firms like Google, Facebook, AT&T, Bed Bath & Beyond and Disney. This regional branding effort reflects the highly collaborative environment in which Catawba and its surrounding counties work together to develop the local industry.

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Innovate Catawba

Catawba County developed Innovate Catawba, which is an economic development strategic plan to advance the data centers hub brand. Adopted in 2013, the strategic plan is based upon a commissioned economic study from the Southern Growth Policies Board, a think tank that researches economic development efforts. The study found that more public-private solutions and collaboration between local governments will be necessary to continue building data center facilities in advance of securing a buyer, a strategy that helps secure a quick turn-around for prospective firms. As a result, “Innovate Catawba” plans to catalyze job growth by building facilities and sites that could be used to attract new business. This plan will enable the County to remain competitive as a data center location.

Catawba County reinvigorated its county economy by becoming a location for a growing data centers industry. “Innovate Catawba” will serve as an important strategic roadmap for the county as it continues to invest in its facilities and build partnerships. These investments are diversifying the county economy and securing a more resilient county for the future.



Bridge construction at the ncDataCampus, the new multi jurisdictional park being developed for data centers in Conover, a city in Catawba County, N.C.