

Microsoft to invest at least \$1 billion in North Carolina county

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Microsoft is investing at least \$1 billion in Catawba County by building four data centers there, local officials announced Wednesday.

The data centers will be in Conover, Hickory and Maiden, and the <u>project</u> will create at least 50 jobs, according to officials. Microsoft will



develop the sites over the next 10 years.

County and municipal leaders met Wednesday afternoon to discuss taxpayer incentives for the project.

"Today's announcement is just the start of our mutual partnership and Microsoft's long-term commitment to the <u>local community</u>," said Paul Englis, Microsoft Director of Community Engagement.

Local and county officials also embraced the deal, with county commissioners chair Randy Isenhower saying in a statement, "We will continue to work closely together as this project comes to fruition."

Officials from the Catawba County EDC, the county's board of commissioners, as well as leaders from Hickory, Conover and Maiden held a joint public hearing to consider incentives for the deal on Wednesday.

Leaders approved incentive grants amounting to 50% real property tax value and 85% personal property tax value, awarded over 10 years.

That means that over that period, <u>local governments</u> will essentially pay back that proportion of Microsoft's <u>property taxes</u>, said Scott Millar, president of the Catawba County Economic Development Corp. Real property tax covers charges paid on the buildings and real estate of the new centers, while personal property tax will be paid on equipment like the computers and servers inside.

There's no official tally of the combined dollar amount of those incentives, Millar said.

The incentives will be awarded only after Microsoft proves it met performance requirements of the deal. The terms for the grants included:



- A guaranteed \$1 billion minimum investment in Catawba County.
- A guaranteed \$332 million investment in each municipality.
- And an additional \$33 million invested in Hickory for a second site, all over 10 years.

The meeting for the project was held in Hickory, about an hour north of Charlotte. Microsoft is based in Washington state, and has an office in Charlotte, among many other places.

Microsoft's data centers will take up a combined 687 acres in Catawba County, including:

- In Conover, 219 acres north of Highway 16. This site includes the multi-jurisdictional NCDataCampus, which has long been targeted as a location for multiple tech facilities.
- In Maiden, 292 acres north of West Maiden Road and west of Zeb Haynes Road.
- About 160 acres in Hickory, west of U.S. 321.
- And a second 16-acre site in Hickory on Tate Boulevard.

The EDC has been working to land the project for the better part of two years, Millar said. Between the county and municipalities, the project went under several code names, including Project Dogwood, Yoga, Agate, and Pine and Star.

Wednesday's announcement built on the county's 14-year effort to build and attract data centers, Millar added. A decade ago, Bed Bath & Beyond built one such center in Claremont, worth \$36.8 million.

And in 2021, tech giant Apple invested hundreds of millions of dollars in its <u>data center</u> in Maiden, part of a larger \$1 billion commitment in the state that included a new campus in the Triangle. The company moved to



expand that data center this summer, according to the Hickory Daily Record.

Those <u>data centers</u> are typically "server after server after server," Millar explained. Picture the boiler room of a ship, he said, except the centers store and ship data all over the world.

These kinds of projects don't often add many jobs in the area, he added. The county already has a pretty low unemployment rate, Millar said, and the primary economic perk for the region will be tax benefits.

"We're typically not chasing entities that have a high number of employees," he said.

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