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Inmar Considers Winston-Salem Expansion

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WINSTON-SALEM, N.C. (WGHP)

Inmar Inc.'s request for up to \$2.8 million in local incentives could prove a litmus test for how much elected officials are willing to pay to keep a thriving new-economy company.

The company said Thursday it is considering a \$62 million corporate infrastructure expansion in Winston-Salem that would create 212 high-paying jobs and retain 761 jobs.

Inmar is asking for the second largest incentive package for a local company in the 22 years of the economic-incentive era. The largest was the \$5 million provided to Wachovia Corp. to assist with the construction of the Wachovia Center in 1994.

Larger packages have been provided to companies moving into the area from elsewhere, such as Caterpillar Inc., which is eligible for \$28.5 million in local incentives.

John H. Boyd, a principal in The Boyd Co. Inc., a site-location consulting company in New Jersey, said how elected officials respond to the Inmar request could shape the community's future economy.

"Inmar is the type of company that would be coveted by any community, especially given its track record in the Triad," Boyd said. "It is in the sweet spot in the high-growth logistics sectors it is involved with."

Founded in 1980 as a coupon company, Inmar has grown substantially into a technology company, connecting its customers through its consulting services, software services and various operations.

David Mounts, its chief executive, said in an article in the Winston-Salem Journal on Sunday that the company "had our highest sales booking (ever) last year. We have a very strong pipeline of new sales. The potential is 2012 could be better than 2011, if we execute."

Mounts could not be reached for comment about the expansion plans.

According to a legal filing by the county, Inmar said it would commit to buying at least \$24.5 million in new

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equipment and spending at least \$37.5 million on other capital investments. The average wage for the new jobs would be \$72,783.

It is considering sites outside the state for the expansion.

"Inmar's site assessment for its Winston-Salem headquarters is ongoing," said Sharon Joyner-Payne, the company's vice president of communications. "We continue to evaluate location alternatives in an effort to optimize our ability to support our growing business operations.

"We anticipate an announcement of our assessment in the near future."

The company wants up to \$1.75 million in performance-based incentives from the Winston-Salem City Council and up to \$1.05 million from the Forsyth County Board of Commissioners.

A hearing on the county incentives will be held at 6 p.m. Feb. 13. A city hearing has not been set. The county incentives would be provided over seven years, while the city incentives would be over 10 years.

Mayor Allen Joines said Inmar is a strategically important company to the community. "We are obviously anxious about potential loss of jobs to other Inmar locations," he said.

Gayle Anderson, president and chief executive of the Winston-Salem Chamber of Commerce, said the state is considering an incentive offer.

Typically, to qualify for state incentives as an existing North Carolina business, a company must be considering moving its headquarters out of state. A grant from the One North Carolina Fund typically requires a local match, whereas the Job Development Investment Grant involves a larger, more complicated incentive deal.

"They are very serious about considering out-of-state locations," Anderson said. "We can't comment on where they may be.

"This project hits the mark for all the things you would look for with an expanding local business. It is a corporate headquarters expansion, with new high-paying, high-tech jobs, for a successful global company with Winston-Salem roots. It has a business plan that gives it the potential for substantial growth in the short and long term."

Inmar wants to expand its headquarters by moving it to an undisclosed building where it would operate on a lease of at least 10 years. It is currently based at 2601 Pilgrim Ct. Inmar, which has 4,500 employees in North America, recently started running out of headquarters space. The company said it struggled to recently add 120 local employees, citing a lack of enough qualified candidates in information technology, accounting, customer service and operations.

Three weeks ago, the company moved 100 of those employees to a new site at 3334 Healy Drive. By the end of February, 200 people will be at the Healy site.

Boyd said the Inmar package will determine how sensitive elected officials are to the needs of growing local businesses.

"Some of the loudest critics of the use of public funds for economic development are those companies currently operating in a community, paying taxes, following local ordinances, employing its citizens and contributing to any number of local civic causes," Boyd said.

"It's no secret that most jobs are generated from within a community, not from new companies moving in. The former is pedestrian and necessary, yet all the while, the latter garners more of the headlines and hoopla."

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