

# TRIANGLE BUSINESS JOURNAL

## Google considered – but passed on – NC for latest expansion



*Google's hub on Franklin Street in Chapel Hill, where work on Android is conducted.*

By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal , February 21, 2019

North Carolina was “aware” of Google’s site selection plans – plans that, as it turned out, would not involve the Tar Heel State this time around.

That’s according to an N.C. Department of Commerce spokesman, confirming that economic development recruiters in the state had tried to lure at least some of Google’s \$13 billion in

investments, projects that included high-tech office operations and data centers in multiple locations across the country.

Records show Google then went on to consider – and reject – North Carolina before announcing major expansions in 14 other states.

But the Triangle, which houses Google's Chapel Hill office on Franklin Street, did not appear to be on its short list at all.

Dwight Bassett, economic development officer of the town of Chapel Hill, says his team did not participate in the state's recruitment efforts this time.

And records back up the assertion that the company didn't even consider Chapel Hill for a chunk of that investment.

A public records request filed with Commerce yielded just two heavily redacted pages with a scant reference to Google, referred to as “Project Fawn.”

“They were looking at the Alcoa site in Badin but decided to move forward on two other Alcoa sites not in NC,” business recruitment manager Nate Groover with the Economic Development Partnership of North Carolina wrote Feb. 15 to Commerce colleagues.

Google did not immediately respond to a request to comment for this story.

John Boyd, a site selection expert with New Jersey-based The Boyd Company, says Google's neglect this time around is not likely to be a slight on the state, but rather an attempt to gain a foothold in places such as Nevada, Ohio and Nebraska. The company already has a “sizable” presence in North Carolina, he says.

“This is about incurring the favor of federal lawmakers by spreading their influence to new states,” he theorizes.

In a blog post last week, Google CEO Sundar Pichai touted the decision to expand.

“These new investments will give us the capacity to hire tens of thousands of employees, and enable the creation of more than 10,000 new construction jobs in Nebraska, Nevada, Ohio, Texas, Oklahoma, South Carolina and Virginia,” Pichai noted.

Google already has a history of making investments in North Carolina. More than a decade ago, for example, it acquired a Chapel Hill company called Skia. Today, that initial operation has grown to more than 40 employees.

And Google also took a chance on Caldwell County for a major data center operation. An Oxford Economic analysis last year showed the data center in Caldwell County is responsible for 1,024

jobs, including 250 direct employees. The firm has invested \$1.2 billion into the data center over the years according to that report.

Deborah Murray, economic development director of Caldwell County, did not immediately return a call to comment for this story.

Google's influence in the state extends past its headcount, as the company has also started rolling out Google Fiber in places such as Raleigh and Morrisville.

While North Carolina wasn't picked for the latest expansion, some of the state's chief competitors in the South won major investments. Expansions in Virginia and Georgia will double Google's presence in those two states, according to the company. A new office and data center in Texas is part of the plan. And a data center in South Carolina is among those expanding.

While North Carolina has had some high-profile rejections in recent months – Apple and Amazon being among the most talked about – it's also had its share of successes. On Monday, gene therapy firm AveXis announced its pick of Durham for a 200-job expansion. Other recent wins include locally-built startup Pendo, which recently announced an expansion worth nearly 600 jobs in downtown Raleigh, and Advance Auto Parts, which is moving its headquarters to the City of Oaks.