

ATLANTA BUSINESS CHRONICLE

'Global powerhouse': Georgia lured Visa expansion with \$20M in tax breaks



Visa is investing \$31.9 million into its Atlanta office.



By Erin Schilling, Technology Reporter/Atlanta Inno, Atlanta Business Chronicle - January 13, 2022

Visa Inc. received \$20.3 million in tax breaks to open its 1,000-person office in Atlanta, documents from the Georgia Department of Economic Development reveal.

Atlanta competed with Dublin, Ireland, and Toronto for the Visa unit, according to the documents. That shortlist shows Atlanta has become a "major global tech and banking services powerhouse," said John Boyd Jr., principal of site selection firm The Boyd Co.

Visa will build-out a \$31.9 million office at 1200 Peachtree Street, former headquarters of Norfolk Southern. Within three years, it could grow to 1,000 high-paying employees.

Visa (NYSE: V), which announced the office in September, chose Atlanta because of its reputation as a financial technology hub, the proximity to clients, diverse talent pool and network of historically Black colleges and universities, according to a Visa spokesperson.

Visa is one of a handful of tech corporations to expand into Atlanta over the past year. Those companies, which are concentrating offices in Midtown, are bringing thousands of new jobs and must compete to recruit top talent.

Tax incentives often "play the role of tiebreaker" for company expansions, Boyd said. For example, Canada has cost advantages because of the national healthcare system and its exchange rate, so tax incentives are a way for Georgia to compete by lowering a company's operating costs.

Visa received a \$2.5 million grant to offset furniture and equipment costs. Georgia officials felt that without the grant, Visa "may have decided to locate the project ... at a site in competing locations," according to the documents.

A breakdown of Visa's tax savings:

- \$2.5 million REBA grant
- \$422,240 in University System of Georgia out-of-state tuition waivers
- \$16.2 million quality jobs and jobs tax credits over five years
- \$1.2 million property tax abatement over 10 years
- Research and development tax credit available depending on Visa's expenditures

The grant for furniture and equipment costs was available to Visa under the state's Regional Economic Business Assistance incentive program which is used to "close the deal" with companies looking at Georgia expansions. For comparison, Georgia offered Microsoft a \$6 million REBA grant for its 1,500-person office in Atlantic Yards because of its investments into the University System of Georgia training programs.

Visa's expansion was a big catch. Economic development officials sought the company "for years as a key player missing from our ecosystem," according to the documents.

The Visa office promises jobs with an average wage of \$113,021, according to the documents. The average wage for Fulton County is \$85,332.

Visa qualified for Georgia's jobs tax credits, a program that companies are eligible for if they meet the requirements. About \$16 million of the state tax breaks comes from those credits, according to the documents. Visa plans to have 310 employees by the end of 2022 as it ramps up operations. The roles are in merchant and acquirer processing, data product development,

network processing, corporate information technology, digital and developer platform, cybersecurity and client services.

Visa is a world leader in digital payments, specifically cross-country transactions, and brought in \$24.1 billion in net revenue in 2021, according to its earnings report.

The new Atlanta office adds another massive corporation to the city's thriving fintech sector. Nicknamed "Transaction Alley," up to 70% of all global transactions pass through companies headquartered in Atlanta. The city is known for producing high-growth fintech startups and giants including:

- Kabbage, which was bought by American Express
- Greenlight Financial Technology, which is valued at more than \$2.3 billion.
- Global Payments (NYSE: GPN)
- Fiserv Inc. (Nasdaq: FISV)

Visa is partnering with the Georgia FinTech Academy to bolster training for diverse fintech experts and will collaborate with the state's Advanced Technology Development Center incubator at the Georgia Institute of Technology. Visa CEO Alfred F. Kelly Jr. said on an earnings call that fintech companies were core to the company's consumer payments growth, and he mentioned investing in contactless payments, mobile wallets and cryptocurrency.

The Atlanta office will be Visa's "most state-of-the-art office to date," Elizabeth Rector, Visa co-site lead for the Atlanta office, said in a statement.

The emphasis on design comes during a transitional era for the office, which now serves as a major recruitment tool for tech talent, Atlanta real estate professionals say. The COVID-19 pandemic prompted companies to rethink their real estate, favoring collaborative spaces, amenities and technology to accommodate hybrid schedules.