



Low-cost Atlanta could be a contender for Apple's new tech support campus

Jan 17, 2018



Reuters/Noah Berger

Apple Inc. (Nasdaq: AAPL), on Wednesday, announced plans for a second campus as part of a broader plan to create 20,000 jobs in the U.S.

The Cupertino, Calif.-based technology giant did not disclose where the campus would be built, or how many folks it would employ. A site-selection decision is expected to be made this year.

The new Apple campus, part of a planned \$30 billion in capital expenditure over the next five years, will initially house customer tech support employees. It could expand to include other divisions.

That positions Atlanta — the Bangalore of the U.S. — as a strong contender.

Over the past few years, several Fortune 500 companies, including General Electric Co. (NYSE: GE), Anthem Inc. (NYSE: ANTM) and Honeywell International Inc. (NYSE: HON), have located tech support and innovation centers in Atlanta. They've been drawn by the region's relatively inexpensive, but abundant skilled talent.

Atlanta's corporate and university cluster has helped recruit seasoned tech talent from around country, while nurturing the next generation of tech talent.

Given that the new campus will be a customer support center, Apple will focus on cities that have a propensity for growth in the workforce and in-migration trends, site selection consultant John Boyd Jr. said.

"Tech support centers — even for deep pocketed, "employers of choice" like Apple — do have higher rates of turnover," Boyd said. "Atlanta's growth, especially given its sheer size, should distinguish it for Apple."

Apple is likely to set off a second economic development arms race around the country.

Amazon.com Inc. (Nasdaq: AMZN), last fall, said it will open a \$5 billion second headquarters. The 8 million square-foot project would create 50,000 jobs over nearly two decades. In response, Amazon received more than 250 pitches from cities around North America.

Georgia is said to have offered a package that tops \$1 billion in economic incentives and a shortlist of nearly 10 sites, including the "Gulch" site in downtown Atlanta and the former GM plant site in Doraville.

Apple recently completed a \$5 billion "Apple Park" headquarters in Cupertino. The company on Wednesday also announced plans to invest \$350 billion into the U.S. economy by the end of 2023 as it repatriates cash from overseas.

Apple's decision to repatriate cash to the U.S. will be a signal to Corporate America and lead to a wave of capital projects in the United States.

"We see numerous other companies taking Apple's re-shoring lead now that the ink has dried on the tax reform bill," Boyd said. "It is a good time for economic development practitioners in cities like Atlanta, no doubt."



Urvaksh Karkaria

Staff Writer

Atlanta Business Chronicle