

ATLANTA BUSINESS CHRONICLE

Report: Google considering Atlanta for up to 5,000-job 'operations center'



Buckhead Skyline

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Google Inc. is said to be eyeing Atlanta for an "operations center" that could create up to 5,000 jobs.

Atlanta, apparently, has stiff competition from some usual suspects, including Chicago, Boston and Dallas.

Mountain View, Calif.-based Google (Nasdaq: GOOG) is in "advanced discussions with Chicago officials...about opening an operations center that could

include administrative, research, support and other personnel for Google," Crain's Chicago noted, citing anonymous sources.

"They're looking for something big and off of the West Coast," the business publication said, identifying Boston, Dallas and Atlanta as other markets Google was in negotiations with for the expansion. The operations center could house 1,000-to-5,000 people.

Google "has no details to share regarding an Atlanta office expansion at this time," a spokesperson said late Tuesday. A Georgia Department of Economic Development spokeswoman declined comment.

Google's interest in Atlanta comes as the city is in a cutthroat competition to land Amazon's \$5 billion "HQ2". That project would create a 8 million square-foot campus that would, over more than a decade, bring up to 50,000 jobs. Apple Inc. (Nasdaq: AAPL), meanwhile, is planning a new tech support campus outside of California.

Many West Coast-based technology firms expand operations outside their “base of operations” to find both available talent and lower operating costs, noted J Mac Holladay, an economic development consultant.

“In most cases, the firms have gone to locations , (such as) Austin, where they have smaller operations that have been successful,” said Holladay, who is CEO of Market Street Services. “That was the case in the recent Apple expansion in Austin.”

As they scale, even the tech King Kongs find themselves pressured by the pricey West Coast.

“The Bay Area has a confiscatory cost-structure,” site selection consultant John Boyd Jr. said. “It’s prohibitively expensive, not just from a business cost, but a housing cost perspective.”

Google is said to seek talent from Big Ten schools and others who don’t necessarily want to move to expensive West Coast cities, Crains reported.

Atlanta’s low-cost, yet skilled tech talent has made the region into a Bangalore of sorts, attracting a slew of corporate tech support, back-office and innovation centers.

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 IT hubs in the city.

Real estate services firm CBRE Inc. ranked Atlanta fifth in tech talent among 50 of the largest cities in the U.S. and Canada. Atlanta was bested by San Francisco, Seattle, New York and Washington, D.C., according to CBRE’s (NYSE: CBRE) 2017 Tech Talent Scoring report, which measured each market’s depth, vitality and attractiveness to companies seeking tech talent and to tech workers seeking employment.

While tech talent in Atlanta accounted for just 5 percent of total jobs in the city, tech talent grew nearly 15 percent from 2011 to 2016, the report noted. Millennials — the demographic coveted by the tech industry — accounts for about 20 percent of Atlanta’s population.

Georgia Tech is undoubtedly the engine powering Atlanta’s tech industry — generating research and talent that feeds the startup ecosystem and established tech. The school’s computer science program is ranked No. 5 in the world, according to the Times Higher Education World University Rankings.

Atlanta’s labor market size and its growing IT industry suggest the region can support the scale of operation Google is planning, Boyd said.

“These companies don’t want to be pioneers,” he said. “The idea that there is a precedent success story in Atlanta is a big plus.”

Google has a sales and marketing office in Midtown and a 2 million square-foot data center in Lithia Springs. In 2012, Google wound down its Atlanta engineering operation following the departure of key engineers.



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