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Incentives help win race for Porsche

By [Rachel Tobin](#)
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Porsche's decision to put a \$100 million North American headquarters complex next to Atlanta's airport came with state and local incentives worth about \$14.5 million.

In exchange, Porsche promises to bring an additional 100 jobs to Georgia over five years, adding to the 200 jobs that will relocate from its current offices in Sandy Springs. Ultimately about 400 people could work at the new headquarters, Porsche said. The total incentive package -- not unusual in corporate recruitment efforts -- amounts to about \$36,250 per job.

The carmaker on Thursday formally announced plans for a sprawling complex -- to include a "Porsche Experience Center" complete with test track -- on the site of the old Ford plant just off the eastern edge of Hartsfield-Jackson's runways.

Porsche executives said the Ford site had big physical advantages: ample land, easy access and high visibility to both air travelers and drivers along I-75. Porsche looked at some 70 sites nationally, including Fort MacPherson and the former General Motors plant in Doraville.

"We had very, very aggressive and attractive offers from other states," Detlev Von Platen, CEO of Porsche Cars North America, said at a Capitol news conference. "I made some calls yesterday to some governors to say that Georgia won the race."

Work on the facility will start later this year, with completion set for 2013. Porsche expects about 20,000 people a year to visit the site for test drives, instruction and other promotions.

The incentive package includes \$1.75 million in job tax credits from Georgia, \$800,000 in infrastructure improvements from the Department of Transportation, and discretionary money from the Regional Economic Business Assistance Program, or REBA, said Alison Tyrer, a spokeswoman for the Georgia Department of Economic Development. The REBA grant, with a city of Atlanta match, is expected to be about \$1 million.

The package also includes city of Atlanta incentives. The Ford site is in an urban enterprise zone, and related tax abatements could net Porsche an estimated \$11 million over the next 10 years, said Amanda Shailendra of the Atlanta Development Authority.

Georgia, like other states, routinely offers incentives to woo business. Earlier this week, metal company Novelis said it will open a research center in Kennesaw, netting a potential \$1.9 million in state job tax credits. The total package to lure NCR from Ohio topped \$100 million.

Other examples include \$10.7 million in total incentives for Dendreon Corp. to manufacture cancer-killing vaccines in Union City, employing 550, and close to \$14 million for a new manufacturing plant in Statesboro for Great Dane Trailers employing 400.

The ADA began working on the deal in September when it was notified that the Ford site was on the German auto manufacturer's short list, Shailendra said.

The city knew competition would be stiff, she said. "Knowing that the company had recently announced a merger with Volkswagen, we worked under the assumption that they could move the entire (US headquarters) to Virginia (where Volkswagen USA is headquartered)," Shailendra said.

Porsche moved its North American offices to Sandy Springs in 1998 from Reno, Nev. It plans to bring business units in other states to the expanded headquarters.

The Porsche facility will occupy about 26 acres of the 130-acre Ford plant site, with about 19 acres dedicated to the test track, where customers can test models in scenarios such as an ice hill.

The deal is a coup for Jacoby Development, which bought the dormant Ford plant in 2008. Jacoby helped build Atlantic Station on the site of a former steel mill, but redeveloping the Ford plant came in the middle of the recession and has been more difficult. Original plans called for offices, airport parking and hotels. Porsche is the first company to sign on.

Scott Condra, senior vice president of development for Jacoby, said Porsche's presence will attract other corporate users.

Atlanta Mayor Kasin Reed said he likes what Porsche will say to air passengers about Atlanta.

"They will see the Porsche sign and associate excellence with the city of Atlanta," he said.

Gov. Nathan Deal said the state has about 300 auto-related companies that employ about 20,000 people. "Detroit is just a little bit jealous," he said.

Though Porsche won't be in Hapeville's city's limits, Mayor Alan Hallman said he "was walking on air" about the new white-collar workforce near his city's eateries and stores.

Part of the DOT funds will go to rename Henry Ford II Avenue to One Porsche Drive.

Porsche sells about 25,000 cars a year in the United States, its biggest market, said Steve Janisse, a Porsche spokesman. Prices range from \$48,000 to \$245,000, but average around \$90,000. All cars are made in Germany, and there are no plans to change that, Porsche said.

Staff reporter Leon Stafford contributed to this report

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