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Citi Cards picks site for center

By Mark Binker Staff Writer Mar 2, 2004

Citi Cards announced it will locate a new call center in eastern Guilford County, ending speculation as to which of three possible local sites the credit services company would choose.

“It was great to have three different locations to choose from,” said Maria Mendler, a spokeswoman for Citi Cards, a division of the Citigroup banking conglomerate.

The new \$35 million building will be built on Millstream Road near Sedalia. It will include the 700 Citi Card workers already in Guilford County as well as about 1,000 new employees the company plans to hire, she said.

“We hope to start building in the next several weeks and probably start moving some functions in by early fall, the September to October time frame,” Mendler said.

Mendler said workers at the new location will handle both customer service and collections work for the company.

Citi Cards announced it would expand its Guilford County operation Monday after the N.C. Department of Commerce offered up to \$5.2 million in economic development incentives to lure the company. Guilford County offered the company a \$1.2 million incentives deal last month.

That money would be paid out during the next 10 years and is contingent on the company meeting benchmarks for employing certain numbers of people in particular salary ranges.

Guilford County’s Technical Review Committee, a group of engineers and other building specialists, postponed a meeting to review plans for the new building from Thursday to March 11. That group will ensure that the company’s project can fit on the proposed location and conforms to building rules.

Mendler and local economic development officials confirmed that two other locations — one in High Point’s Piedmont Centre and one on South Holden Road in Greensboro — had been considered but that Citi Cards was focused on the county site.

Local officials were enthused about the deal Thursday, saying that it marked a turnaround after 40 months of consistently bad news on the jobs and economic development fronts for the county and the Triad region.

“We may not be the financial or banking center that Charlotte is, but we’re quickly becoming the financial service center of the southeast,” said County Commissioner Mike Barber. Citi Cards will join other national companies such as American Express and Bank of America in putting what those in the industry call “back office” operations in Guilford County.

“This is the big one that we’ve been waiting for,” said Dan Lynch, senior vice president with the Greensboro Economic Development Partnership. “We haven’t had a home run like this for a real long time.”

Lynch said that the Millstream Road location was a good fit for a call center because Lucent and other technology-dependent companies in the area had attracted amenities such as redundant supplies of fiber optic communications cables and power supplies.

Early on, Lynch said, the company looked at locations that had existing buildings but quickly shifted its focus to vacant property. He said that the company wanted space for 1,700 employees that could also accommodate expansions.

“There is a phase two that has been discussed for the future if certain things happened,” Lynch said. “It’s not a certainty.”

Citi Cards inherited its current location on Albert Pick Road when it bought Sears credit card business in 2003. Earlier this year, the company announced that it would lay off about 3,400 workers at six of the centers it assumed from Sears, including locations in Atlanta; Cleveland; New Orleans; Trevoise, Pa; Tempe, Ariz; and Salem, Mass.

Guilford County was identified early as a potential location for expansion and is the first of what the company expects to be several expansion announcements, Mendler said. Kentucky officials today are expected to announce a Citi Cards expansion in Louisville. Other possible expansion sites for the company include Boise, Idaho and Dallas.

Mendler said that Citi Cards is choosing its locations based on several factors, including the availability of local workers. She said that the company wants to locate call centers in different geographic regions to ensure that if there are problems in one area, such as snow storms, workers at another location can take up the slack.

Company officials and local economic developers have acknowledged that incentive pledges from state and local governments were also a factor in deciding where to expand. However, the company passed up additional incentives offered by the cities of Greensboro and High Point to locate in the unincorporated section of Guilford County.

“As I said all along, incentives are part of the consideration, but only part of it,” said Loren Hill, president of the High Point Economic Development Partnership. “Clearly, there is a host of other things under consideration.”

Citi Cards’ announcement could also make it easier for the county to recruit other businesses, Lynch and other economic developers said.

“It gives you something to talk about when you’re out calling on prospects around the country,” he said.

The announcement could also bode well for the locations passed over by Citi Cards.

“Clearly, the economy is picking up right now,” said Larry Gildea, a senior vice president with Liberty Property Trust. His company was marketing the High Point location, which he said was one of the few prime pieces of the large Piedmont Centre corporate park left. “It’s certainly refreshing news for the local Triad economy. And I think that’s the reaction of everybody in the real estate community here.”

Staff writer Denise Becker contributed to this report.

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