



Millions pledged for Dole Food jobs, some paying \$7 an hour

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RALEIGH, N.C. (AP) - Some of the jobs will pay a little over \$7 an hour. Most won't pay much more than \$12.

But in Gaston County, a community devastated by the loss of about 15,000 textile jobs in the past decade, that's enough of a paycheck for officials to promise nearly \$22 million in public money to Dole Food Co., which asked for the incentives before committing to build a plant and start hiring.

At least one other county in the state passed on the deal, and the competition for Dole Food's \$54 million bagged salad processing plant was apparently limited to just two other states. But North Carolina and Gaston County piled up the incentives for California-based Dole Food - a sign of just far the community west of Charlotte is willing to go to add jobs in the wake of the widespread decline of the state's textile industry.

"We've lost a phenomenal amount of people," said Donny Hicks, the economic development director in Gaston County, which had an unemployment rate of 6.1 percent in June, compared to a state average of 5.3 percent.

In Bessemer City, where Dole Food plans to build the plant, Hicks said "there's nothing left" of the core employment base in the town of about 5,300 people.

And so, when Dole Food came calling, both state and local officials were ready to use an array of business incentives available in North Carolina to bring the world's largest producer and marketer of fruits and vegetables to Gaston County.

Local officials requisitioned a state jet to fly six people to Salinas, Calif., to make a special presentation to Dole Food's fresh vegetables division, according to state documents. The deal they and others struck could be worth \$21.7 million to Dole Food, should the company meet the requirements

needed to collect all the promised incentives. (The total is a fraction of the incentives offered to Dell Inc., which could receive up to \$307 million in incentives for building a manufacturing plant in Forsyth County employing 1,700 workers.)

According to state documents, the incentives offered to Dole Food include:

- \$9.3 million in state tax credits for job creation, worker training and new machinery. Dole Food estimates it may only be able to take advantage of about a third of that amount. Many companies qualify for far more of the tax credits than they can use.
- \$8.6 million in Gaston County property tax breaks, a figure Hicks calls conservative.
- \$2.65 million of donated land.
- \$750,000 in highway work to ease truck access to the plant.
- \$500,000 in cash, granted once Dole Food reaches a set of certain milestones.

In exchange, Dole Food will build a plant that's expected to employ 350 in its first year and 525 after three years. But 300 of those 350 jobs are expected to pay between \$15,000 and \$25,000 a year - or \$7.21 to \$12.02 an hour for a 40-hour work week - plus medical and dental benefits. The plant's top five salaried positions would pay more than \$75,000 a year, according to state documents.

The average of all wages will be about \$450 a week, or \$11.25 an hour, Gov. Mike Easley's office said. And almost all the job growth expected as the plant expands will come at the lowest pay levels, Dole Food said in a document filed with the state.

The low wages, and a demand for free land, turned off some. Rowan County, for example, weighed the costs and asked for more details that never came, said Randy Harrell, executive director of the Salisbury-Rowan Economic Development Commission.

In the end, the tax breaks and other incentives offered to Dole Food for a Gaston County site were probably more than Rowan would have offered, he said. The county's unemployment rate was 5.7 percent in June.

“It’s very difficult to compare Gaston County to Rowan County. We’ve lost a lot of manufacturing jobs, but nowhere near Gaston County,” Harrell said. “Every county’s different. Gaston County made the decision based on need.”

But Gaston County’s decision was about more than jobs, officials there said. They expect to reduce Medicaid costs as residents return to work. And as a large water and sewer customer, Dole Food will replace income lost by the closing of several textile mills in the county.

Even so, state officials also noticed the low wages, documents show. The state Commerce Department’s lead developer on the Dole Food project, Phil Sheridan, wrote in a May 12 e-mail to officials in Gaston, Davidson and Rutherford counties - which were all in the running for the plant - that the jobs would provide good supplementary income.

“The company understands the low wage issue. It believes the work will be attractive for a second wage earner who wants flexibility,” Phil Sheridan said.

The same day, an official at the state Employment Security Commission office in Gastonia estimated in a letter to local economic developers that there would be more than 800 potential job seekers in Gaston County for material-handler positions paying \$7 an hour.

“This is the first opportunity the county has had to create this number of jobs for the existing skill levels of many of these workers,” Gaston officials said in explaining their need for a state grant.

Outside of North Carolina, Dole Food looked at sites in Nashville, Tenn., and St. Louis, said Eric Schwartz, president of Dole Fresh Vegetables. The company was offered about \$8.5 million, including \$1.7 million in cash, to build in Tennessee, North Carolina economic developers said. Tennessee and Missouri officials declined to describe their offer to Dole Food, as did Schwartz and Frank Spano, a site location consultant with Ohio-based The Austin Co., which was working for Dole Food.

Officials in North Carolina hope the deal with Dole Food for the plant in Gaston County is just the start of the investments made in the state by the company’s billionaire owner, David Murdock. The company is considering whether to also build a frozen fruit processing plant, Schwartz said.

Discussions for a site, and potential economic incentives, can get under way with the salad plant site wrapped up, he said.

Last year, Murdock bought the old Pillowtex Corp. textile plant in downtown Kannapolis. He once owned a predecessor company of Pillowtex, which cut 4,800 jobs - the largest mass layoff in state history - when it went out of business more than two years ago.

Murdock has approached officials at four North Carolina universities to help create a biotechnology research center at the site, according to a memo sent Friday to University of North Carolina's Board of Governors from system President Molly Broad.

Schwartz said the incentives that convinced Dole Food to build the salad plant in Gaston County were part of a larger jigsaw puzzle Dole Food considered, seeking the best benefit for all of Murdock's enterprises.

"In the end, it all comes down to the economics of being there. The total economic package of what we got is what brought us there," Schwartz said.

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