

N.C. Woos Magna International Into Adding 330 Jobs

Emery P. Dalesio, AP Business Writer

RALEIGH, N.C. (AP) — With companies hiring few workers in the prolonged recession, economic developers are trying to create jobs by offering tax breaks and other incentives they might not have a few years ago.

Gov. Beverly Perdue's administration said Monday it had offered a division of Canadian auto-parts giant Magna International \$1.1 million in state breaks to expand three North Carolina factories and add nearly 330 jobs.

State officials agreed to offer the incentives as long as the company pays average wages of at least \$30,017 plus health care and other benefits at the plants in Rowan, Catawba and Caldwell counties. That wage is below the local average of \$35,048 in Rowan County and \$32,500 in Catawba, according to the state Commerce Department. Caldwell County's average wage is \$28,340.

All three counties have unemployment rates higher than the statewide average. Caldwell County's jobless rate was 14.5 percent in April, the most recent period available. Catawba County's unemployment rate was 12.8 percent and Rowan County's 11.9 percent.

Last month, state officials promised \$127,000 under a different incentive program to a textile company that plans to pay workers about \$2 above the minimum wage on average. Advanced Textile Solutions could collect the grant if it creates 127 jobs in Caldwell County paying an average of \$19,000 per year.

State job-hunters have generally dangled help from taxpayers to sway corporate decisions if the wages were above average, though that isn't required by policy or state law. But these days, the options are fewer, Deputy Commerce Secretary Dale Carroll said.

"The level of competition today, it's safe to say, is more intense than it has ever been," he said.

The jobs are nothing to sneer at for people who need them, said Robert Van Geons, executive director of RowanWorks, the county's economic development agency. The county has lost about 5,000 jobs since 2006, and last fall county officials approved a \$160,000 grant paid out over five years to tempt Magna into their expansion, Van Geons said.

"At \$30,000 an average job, I think that's something many, many, many people would be happy to have," he said. "That's a very competitive wage, and they're not going to have any problem finding hundreds and hundreds of applications for that."

N.C. Woos Magna International Into Adding 330 Jobs

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Magna Composites LLC now employs about 360 workers at its plants near Salisbury, Lenoir and Newton.

The company is a division of Magna International, which operates 240 manufacturing plants in 25 countries. The company last year was set to buy German car maker Opel from General Motors before the U.S. company pulled the plug on the deal.

Magna spokesman Scott Worden said the three plants produce a type of reinforced plastic parts for automobile exteriors.

To get the type of break the company received, a Job Development Investment Grant, it must vow that it would not have followed through with its expansion plans without the grant.

A committee that decided Monday to approve the grant looked at a cost-benefit analysis and decided Magna's expansion plans were among the most beneficial to the economy of the communities and the state overall.

The grant represents a portion of the individual income taxes paid by newly hired workers, and a company only gets the money after the jobs have been created, verified by tax authorities and approved by an oversight committee.

That committee found on Monday that Danish insulin delivery manufacturer Novo Nordisk would not receive grant payments after falling short of its job-creation targets at its Clayton plant in 2008 and 2009.

Source URL (retrieved on 01/30/2015 - 5:26pm):

<http://www.impomag.com/news/2010/06/nc-woos-magna-international-adding-330-jobs>