

BEHIND THE HEADLINES

NCR

explains move to Atlanta

Relocation to Midtown near Georgia Tech is part of a race for talent.

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NCR plans to build a \$260 million Midtown Atlanta headquarters — an investment the city hopes will provide a continuing economic boost through the company's new presence in town.

The 130-year-old company, based since 2009 in Gwinnett County, is emphasizing software and services instead of the hardware it's long made, such as ATMs. The new location will plant NCR's flag closer to metro Atlanta's top universities, which executives hope will help them attract skilled programming, engineering and business talent and boost the company's image as a tech

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player.

"In 2009 we decided to make Georgia our home and it was a great decision," Marija Zivanovic-Smith, NCR's head of government relations, told the Atlanta City Council finance committee on Wednesday, a day after the company disclosed its plans.

"This week's announcement is a vote of confidence in Atlanta and another vote of confidence in the state of Georgia," she said.

NCR Chief Executive Bill Nutt has made no secret that he covets programming and engineering talent produced by Georgia Tech, and the company hopes the Midtown move will help capture more Tech grads as well as those from nearby schools such as Georgia State and Emory.

In April, an NCR executive told a state panel working on an education and workforce development initiative that NCR needs more software developers, and is at war with the likes of Google and Facebook for talent.

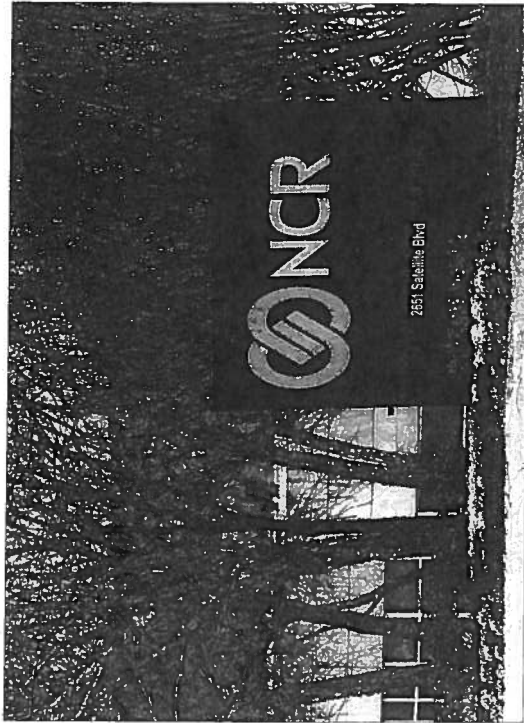
NCR joins firms such as fellow technology company Worldpay in announcing an in-town shift, adding momentum to a trend of businesses looking to locate in urban areas and near transit links to appeal to younger workers.

"Given the global shortage of certain IT and technology positions, it makes all the sense in the world to me that NCR would move almost onto Georgia Tech's campus," said Ken Ashley, an executive director at real estate services firm Cushman & Wakefield.

The 3,600 workers, who will shift to a new complex at Tech Square near Georgia Tech by 2017 or 2018, are expected to be a shot of economic mojo for Midtown.

Meanwhile, Gwinnett will focus on saving as much of the financial technology company as it can.

NCR was lured to Duluth from Ohio a little less than six years ago, thanks in part to a state and local incentive package valued at \$109 million. That move came with a promise of more than 2,000 jobs, including manufacturing positions elsewhere



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NCR Chief Executive Bill Nutt made no secret that he covets the programming and engineering talent being developed at Georgia Tech and other nearby schools. BOB ANDRES / BANDRES@AJC.COM

NCR AT A GLANCE

- NCR was founded in 1984 as the National Cash Register Co. and made the first mechanical registers.
- The company evolved into a financial technology giant, assisting the banking, retail and travel industries as well as governments.
- It announced its move to Georgia in 2009, spurring its hometown of Dayton, Ohio.
- The company reported more than \$6.1 billion in revenue in 2013, and \$4.8 billion through the first nine months of 2014. The company has more than 29,000 employees worldwide.

in the state. NCR did not build a new headquarters campus as part of that move.

As part of its latest relocation plan, NCR also plans a second campus in the northern suburbs to open around the time of its new headquarters. It's not clear where it will go, but Gwinnett officials say they hope to win the project.

"We'd love to keep some part of NCR," said Gwinnett County Commission Chairman Charlotte Nash, who didn't learn of NCR's move until informed Tuesday by a reporter. "We would've loved to keep the entire operation. We don't like to lose any business."

Leo Wiener, chairman of the Gwinnett Place Community Improvement District, where NCR is now located, said the company is an important employer in an area struggling to redevelop. Its workers shop and eat local.

a private enterprise with money from the company's nonprofit fundraising arm.

In a statement Wednesday, Georgia Tech President G.P. "Bud" Peterson did not address AIC questions about whether the school or its foundation will help pay for NCR's move.

He said support of economic development is "part of our mission as a public research university," and Tech is "proud to help anchor the growing innovation ecosystem in Midtown Atlanta."

A spokesman for NCR said it is too soon to say which operations will move to Midtown or the planned suburban campus. He declined to comment when asked whether the move will generate new jobs.

A person with direct knowledge of the situation said NCR will keep significant operations at its planned north metro campus. The company is still evaluating locations.

The company wants good access to transit connections and freeways to make the location convenient for existing workers, the person said.

Traditionally a hardware company, NCR makes ATMs and self-checkout kiosks, but has been buying companies like Alpharetta's Radiant Systems in an attempt to change its business. The company sees software — and the services it can sell to upgrade offerings and maintain relationships with customers — as the future.

The transition has been bumpy. NCR's stock price has fallen by more than a third, to \$26.75 a share, from a late 2013 peak of \$41.56. Profit fell 35 percent in the first nine months of 2014, and an activist investor recently joined the board.

NCR in July said it plans to eliminate 1,800 full-time jobs, though 900 could be added back within a year or two.

"Their growth has basically ground to a halt," said Gill Luria, an analyst for Wedbush Securities. He said the company will need to explain the move to big investors who are already frustrated.

"For them to go out and expend a lot of capital on something that won't necessarily generate a return is very surprising," he said.

Staff writer Katie Leslie contributed to this article.

move."

In a statement, she said the incentives "over the long term will positively impact the city."

Klementich told Atlanta City Council's finance committee the move could have an annual economic impact on the city of \$1.2 billion, including direct and indirect spending.

In March, The Atlanta Journal-Constitution first reported NCR was looking at building a major operations center in Midtown. About a month later, the newspaper reported that documents showed Georgia Tech's foundation to spend as much as \$30 million to buy land for a new corporate campus near the school.

It is not clear if a formal request was ever made, but Georgia Tech officials at the time expressed concern about assisting

ly, and the community does not need more empty office space.

Wiener said Gwinnett can absorb the hit long term, but added: "There's no way to sugarcoat it. It hurts."

NCR will get a new round of incentives to move into town, though the total amount and structure isn't clear.

The city of Atlanta is offering a \$3.2 million grant to be paid out of its reserve fund to induce the move. That, however, could be just a small part of a local incentives package that could include property tax breaks through a complicated bond and lease-purchase arrangement.

Eloisa Klementich, a top executive at the city's economic development arm, invest Atlanta, said the agency and the city are working "to solidify financial incentives in support of"