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Quintiles will add 1K jobs, building

BY RAY GRONBERG, The Herald-Sun
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DURHAM -- A Durham pharmaceutical-testing company will add 1,000 jobs and a new building to its operation here after landing a business-incentive package from the state and Durham County that could be worth up to \$25.4 million.

Quintiles Transnational Corp. officials announced the decision Wednesday in news conferences in Raleigh and Durham. The company's chairman and chief executive officer, former UNC professor Dennis Gillings, said the incentive offer wasn't as rich as those offered by other states but sufficed to keep the firm in Durham.

"The North Carolina incentive was strong enough to make it favorable to stay put," Gillings said, adding that the firm looked at other sites because only about 7 percent of its international work force is based here.

Wednesday's announcement heralded a likely doubling of the privately-held company's headquarters work force. The new jobs will mostly be in clinical monitoring, project management and general management, Gillings said.

Quintiles is a home-grown company that specializes in running clinical trials of new drugs under contract to pharmaceutical companies. Its headquarters is on Creekstone Drive in southeastern Durham County, just outside RTP.

The firm collects about \$2 billion in revenue annually and employs about 16,000 people worldwide, Gillings said. It has offices in more than 50 countries.

State and county officials have each pledged \$2 million in direct incentives to the company.

Quintiles also will receive up to \$21.4 million in additional state tax grants if the promised jobs materialize and last for at least 12 years.

The \$21.4 million is equivalent to 75 percent of the estimated state income-tax withholding that would be created by the 1,000 new jobs.

The county government's incentive money -- a payment elected officials approved last month as the company was still weighing its choices -- will underwrite work-force training and other unspecified startup costs, County Commissioners Chairwoman Ellen Reckhow said.

A \$400,000 slice of the county's pledge is conditional on the firm giving 400 of the new jobs to residents of Durham County. The \$1,000-a-job payment tied to that will underwrite worker training.

Quintiles and Durham Tech officials are supposed to collaborate on a training program based at the community college that would ensure that interested county residents could qualify for employment with the company, Reckhow said.

"We evaluate each economic development opportunity on a case-by-case basis," Reckhow said, explaining why the commissioners were willing to offer the money. "We felt very good about this one. This company enhances our pharmaceutical and biotech cluster ... so we will become more attractive to new pharmaceutical companies or small startups because of the resources Quintiles can provide. The quality of the jobs is also excellent."

The state's \$2 million direct grant is coming from its One North Carolina Fund, and the tax-withholding subsidy from its Job Development Investment Grant program. The two programs combined subsidized a variety of corporate relocations and expansions announced this year to the tune of \$150 million.

Gillings wouldn't comment Wednesday on the other cities the company considered in its yearlong search for an expansion site, but the firm is known to have considered two possibilities in the Kansas City area, both Kansas and Missouri.

The Quintiles chairman offered no apology about accepting the incentives offered by the state and the county.

"They're critical," Gillings said of incentive packages in general. "When one wants to expand, it's a competitive world and we find that states find these jobs attractive."

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