Hewlett Packard opens Rio Rancho center

SUSAN MONTOYA BRYAN - Associated Press Writer - Associated Press

Hewlett-Packard Co. opened a customer service and technical support center here Wednesday, making good on a commitment to provide 1,300 jobs that pay at least $40,000, in exchange for more than $20 million in incentives.

Gov. Bill Richardson and Mark Hurd, HP president and chief executive officer, led a ribbon-cutting ceremony in front of the three-story, 218,000-square-foot building as politicians, business leaders and employees of the computer firm waited in the cold.

The governor told the crowd the opening was good news, given that New Mexico and the rest of the nation are grappling with economic uncertainty and high unemployment.

"You pick up the paper and watch television — job losses, wars, a decline in the economy," Richardson said. "Look what we're doing here, we're creating jobs, we're bringing in technology."

However, the expected economic boost of having HP in New Mexico came with a price. New Mexico invested millions of dollars in the form of tax incentives, job training and capital outlay funds to attract the Fortune 500 company to the state.

In return, HP promised to employ more than 1,300 high-wage workers by the end of 2012. It already has hired about 600 workers, a third of whom will arrive for work at the new center on Friday. The other 400 are expected to start by the end of the month.

New Mexico Economic Development Secretary Fred Mondragon said if it weren't for companies like HP and Fidelity Human Resources Services Company, job prospects would be limited.

"I think our numbers would be a lot worse but we haven't quite dodged the bullet," he said. "We've got 7.9 percent unemployment but compared to 10.2 percent we're doing much better than the rest of the country. It certainly has helped."

Aside from the tax incentives, Mondragon said the state approved $6 million in capital outlay funds for the HP project and another $6 million has been promised. It also has provided $8 million in job-training incentives.

Some critics have said the state, which is facing a $650 million budget shortfall, cannot afford to be so generous when trying to attract companies. Richardson and others argued that incentives are what drive economic development and result in jobs.

Richardson noted that 80 percent of the people hired by HP so far are New

Mexicans.

"The message here is that as we approach this very difficult budget session in January we can't kill the tax incentives that have allowed us to grow so much as a state and to bring the HPs," Richardson said.

HP consolidated its U.S. operations over the past two years, resulting in the center in Rio Rancho and facilities in Alpharetta, Ga., and Conway, Ark.

The Rio Rancho center will focus on technical and corporate sales, as well as service. It also will be home to one of only two laboratories in the world where HP can diagnose and troubleshoot its products, said senior HP executive John Hood. The other lab is in India.

Source URL (retrieved on *12/22/2013 - 7:44am*):
http://www.ecnmag.com/news/2009/12/hewlett-packard-opens-rio-rancho-center