IBM to open Columbia service center, add 800 jobs

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Big Blue is coming to the land of black and gold.

Global technology company IBM announced Monday that it is opening a technology service delivery center in a Columbia office park that could create as many as 800 new jobs in central Missouri.

Gov. Jay Nixon and other state and local officials joined company leaders Monday afternoon for the announcement outside City Hall before hundreds of supporters crowded onto a closed city street and office workers watching overhead from second- and third-floor windows.

Nixon called the International Business Machines Corp. center — code-named "Project Tiger" after the University of Missouri mascot during the secret negotiations leading up to the move — "a home run for mid-Missouri and the entire Show-Me State."

"There is no bigger name in the global information technology industry," he said.

The state is offering IBM more than $28 million in tax credits and other economic incentives to come to Missouri, including $4.2 million toward job training. And the City Council is expected to approve a proposal Monday night to purchase for $3.2 million the abandoned office building in east Columbia where IBM will locate its center.

In turn, IBM will pay $1 in annual rent over 15 years while paying just 50 percent of the personal property taxes on its equipment.

Company officials said they plan to work closely with the university to cultivate partnerships and groom potential new hires. IBM senior vice president Tim Shaughnessy said the service center should be open by the fall with 100 new hires and fully staffed by 2012. He could not specify how many of the estimated 800 jobs would be local hires as opposed to current IBM employees who relocate to Missouri.

"We needed a site that had the right attitude," he said. "We found that in Columbia."

The technology services delivery center will be the company's third new U.S. site in the past 18 months, and part of a global network of 80 similar sites. The other new centers are in Lansing, Mich., and Dubuque, Iowa.

The centers provide server system operations, security services and maintain and

monitor hardware and software systems, primarily for IBM clients in the United States and abroad.

The average annual wage for the new jobs is $55,000, according to Regional Economic Development Inc., the Columbia public-private agency primarily responsible for recruiting the company since talks began in January.

Mayor Bob McDavid called Monday's announcement the city's second most important collaboration between Columbia and a major employer — second only to the university's creation in 1839. Should the number of projected new jobs meet expectations, IBM would become one of the largest private employers in Boone County.

"This is the beginning of an economic revival in Columbia," he said.

IBM will add an estimated $7.3 million in city tax revenue over the next decade, with another $4.3 million toward the city public school system and $4.7 million to Boone County, according to city estimates.

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