IBM putting 800-job tech center in Baton Rouge

JANET McCONNAUGHEY - Associated Press - Associated Press

IBM expects to employ 800 people within four years at a service center to be built in Baton Rouge, Gov. Bobby Jindal and IBM Senior Vice President Colleen Arnold said. The center will develop and maintain software for U.S. clients.

The office building is expected to be finished in spring 2015. During construction, IBM, of Armonk, N.Y., will lease space at the Essen Centre office complex in Baton Rouge, officials said Wednesday.

The project involves about $74 million in public money over 12 years, including $30.5 million for an office building and $14 million over 10 years to increase the needed number of computer science graduates at Louisiana State University and other colleges and universities in the state.

"This historic partnership will help drive major economic activity and extraordinary professional and student achievement," Jindal said "Indeed, this investment is a big win for LSU, Baton Rouge and our entire state because it means we can make sure our students can find good-paying jobs here at home."

Although New Orleans has been working to position itself as a state leader in tech and biotech companies, Michael Hecht, president and CEO of Greater New Orleans Inc., was upbeat.

"As we continue to build a critical mass of technology companies, IBM's announcement is a win for all of southeast Louisiana," he said an emailed statement.

IBM wasn't asked to put in capital, said Stephen Moret, secretary of Louisiana Economic Development. "Their primary commitment is to create professional jobs, not capital investment," he wrote in an email. "Any capital investment they make will be incidental to the primary economic benefit: 800 professional jobs.

"We rarely require capital investment commitments from companies that focus on software development. Certainly they will purchase hundreds of computers, servers, telecommunications equipment, etc., but that really isn't material in the big picture of this project."

Louisiana Economic Development is offering $29.5 million over 12 years, including $1.5 million from the city and parish of East Baton Rouge, for workforce costs and facility operation.

State, federal and city money will put up the office building, to be developed by the Baton Rouge Area Foundation's Commercial Properties Realty Trust on the site where The Advocate newspaper's offices and printing plant once stood. About $14.8

million is coming from the state, $3 million from the city-parish government and $12.7 million from federal Community Development Block Grant money.

The Wilbur Marvin Foundation, also affiliated with the Baton Rouge Area Foundation, plans to use private money to develop an 11-story residential building with 95 apartments and nine town homes. The Wilbur Marvin Foundation will own that building.

At least 65 percent of the education money, or $9.1 million, will expand Louisiana State University's computer science division. Any other recipients will be decided in consultation with IBM during the coming weeks, Moret said.

"The whole higher-education piece of this project happened because we wanted to reassure IBM that we could produce enough computer science graduates to meet their needs," he wrote. He said IBM was generally pleased with the quality of computer science programs in colleges and universities statewide, but all of those programs together produce only about 400 graduates a year.

"Those relatively low graduation numbers have been an impediment in our efforts to cultivate a larger software development industry in Louisiana," Moret wrote.

LSU plans to double its computer science faculty and triple the number of computer science graduates in five years, which would put its computer science program among the top 15 nationally in the annual number of bachelor's degrees, the governor's office said. The program is part of LSU's College of Engineering, which will create a statewide consortium with high schools, community and technical colleges, and other universities, to promote interest in computer science and enhance student recruitment.

IBM will work closely with local professors at LSU to create coursework focused on technology, math and software development, and equip students to meet the growing demand for business services including advanced analytics, process innovation and application development, according to the statement.

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