



Gore to expand to Phoenix

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W. L. Gore & Associates will embark on an ambitious expansion in Phoenix that will add 150 jobs this year with a long-term plan to create up to 800 positions at a new campus for the company's fast-growing medical-device division.

The Newark, Del.-based company will launch its Phoenix expansion at a leased facility at 19th Avenue and Happy Valley Road while it searches for a large chunk of land in north Phoenix to build a campus that could include up to five buildings.

Phoenix officials on Thursday said Gore's expansion is welcome news for the region's economy and the timing couldn't be more fortunate, just one day after US Airways tapped Pittsburgh over Phoenix for a 600-employee flight operations center.

International Genomics Consortium Chairman Richard Mallery said Gore's decision is an important achievement for the region's bioscience push.

"This is like getting Motorola here for semiconductors," said Mallery, referring to Motorola's impact on the growth of the chip-manufacturing business. "This validates the decision for the public and private sectors of this state to put a top priority for the biosciences and biomedical care."

The reason for the Phoenix expansion: The privately held company best known for consumer products such as Gore-Tex fabrics has a booming medical-device business with growth spilling out of its core Flagstaff operations.

Gore's medical-device business, which makes stents, catheters and other devices to keep hearts pumping and lungs breathing, has doubled in size over the past five to seven years. The majority of those jobs have landed in Flagstaff, where the company employs 1,600 and plans to add another 100 jobs.

While Gore's Flagstaff operations will remain its largest Arizona base, the company's Phoenix campus will provide a relief valve of sorts that will allow the company to recruit more engineers, scientists and other workers and to easily ship products worldwide.

"The big issue for us is to try to stay close to our Flagstaff operations," said John Sininger, Gore's medical-products division leader overseeing its medical-device manufacturing. "We think this really expands our operations and helps us recruit more people."

Sininger said Gore is focusing its search for new land that will provide easy access to highways to Flagstaff. Other influencing factors to locate in Phoenix rather than other Arizona cities include easy access to Sky Harbor International Airport and Deer Valley Airport and the city's push to bolster its research and bioscience economy.

Phoenix Mayor Phil Gordon emphasized that Gore's expansion shows that Arizona's and Phoenix's bioscience initiative

to fund research and attract high-wage jobs is paying dividends.

"Some people have questioned why the city and the state invest in education, science and medicine," Gordon said. "I say, 'How can we not?' Not only are we training a workforce for today's world, but we are actually building an economy based on the most significant measure of success: education."

Sininger said it is too early to tell what the company will make at its Phoenix operation, other than to say it likely will be cardiovascular-related devices.

It will take six to nine months to initially hire 100 to 150 workers and build out and equip the warehouse building. Meanwhile, the company will continue its search for a large piece of land, perhaps 25 acres or more.

Sininger said the company will add jobs in Phoenix as its medical-products division grows. Based on his conversations with Gore and the city's economic-development officials, Gordon said he expects Gore could create up to 1,000 jobs in Phoenix.

Gore officials were careful to ease concerns of Flagstaff officials, too, announcing plans to add 100 jobs at a 133,000-square-foot Kendrick Peak manufacturing plant that will launch operations in April. Gore also has submitted plans to build a 40,000-square-foot building in Flagstaff.

Because of Gore, Flagstaff already ranks among the nation's leaders in concentration of medical-device employment, an industry that economic-development officials covet because the jobs typically pay high wages for skilled and technical workers.

"We believe in the abundance mentality. We can grow in Flagstaff, and Phoenix can grow too," said Stephanie McKinney, president and chief executive officer of the Greater Flagstaff Economic Council. "We're thrilled Gore continues to expand in Flagstaff and makes more commitments to stay in the state of Arizona."

Medical-device employment is one of the pillars of Arizona's bioscience push identified by the Bioscience Roadmap written by Ohio-based Battelle and funded by the Flinn Foundation.

Walt Plosila, a Battelle Technology Partnership Practice vice president who monitors Arizona's bioscience effort, said Gore's expansion could help Arizona attract other medical-device employers. The Valley's largest such employer is Medtronic in Tempe.

"It is good news they are expanding in Phoenix and not somewhere else in the country," Plosila said. "It suggests they find Arizona a conducive place to grow and develop a medical-device company."

Plosila expects Arizona and other states will attempt to recruit such companies from California, where high taxes, housing and other costs have made it difficult for employers to recruit out-of-state workers.

"The one hot prospect everybody is drooling over is how to go after the California medical-device business," Plosila said. "Those firms are getting more and more frustrated with the cost of doing business."

For now, Arizona leaders say they will be content with nurturing one of the state's longest-running employers. Gore has been a fixture in Flagstaff for more than three decades, establishing operations there after founder Bill Gore fell in love with the mountain town during a hiking trip.

Phoenix economic-development officials want Gore to grow rapidly in Phoenix, too, perhaps through the offer of training grants and tax credits.

While the company and city officials declined to identify potential sites, Gore would be eligible for a state tax credit up to

\$3,000 per employee paid over three years if it locates within a site designated as an enterprise zone. Another potential incentive could be city-administered program that reimburses companies that enroll workers in specialized training, according to Paul Katsenes, the city's deputy development director.

So far, Gore has asked for no incentives.

The company regularly racks up accolades for corporate citizenry. For a decade, *Fortune* magazine has ranked the company as one of the 100 best companies to work for.

"This provides quality, high-paying jobs for the residents and the community," said Phoenix City Councilwoman Peggy Neely, whose district will be home to Gore's facility. "The company values some of the things that are important to us, like quality of life."