



## Why no incentives for BB&T's Greensboro expansion?

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The good news that BB&T plans to add 1,700 jobs in the Triad over the next five years and take over the abandoned former American Express call center building in Greensboro came with an additional blessing for local government coffers — no incentives were asked for or offered.

Given the frequency with which taxpayers are asked to cough up funds for many fewer jobs than BB&T Corporation is planning, there's little doubt the company could have gotten something in return for its planned job creation.

If it had received incentives, they would have come with the obligation to actually meet the hiring target or forgo the payment. But as it is, the only real promise BB&T has made is to pay the rent on a 390,000-square-foot building near the Piedmont Triad International Airport for the next seven years.

You can also be sure that if BB&T (NYSE: BBT) had asked for government assistance to secure its expansion, lots of people would have noted the irony. BB&T's senior executives are staunch free-marketeers and its foundation has donated millions of dollars to colleges around the country to promote the study of Ayn Rand and her Objectivist philosophy of extremely limited government. Former CEO and Chairman John Allison is a high-profile advocate of Rand's teachings and is currently president of the libertarian Cato Institute.

BB&T was simply living by its principles in not seeking incentives for growth it was planning anyway, Chief Operating Officer Chris Henson tells me. "It's part of our belief system and it drives our behavior. We're healthy enough to go it alone, so we don't believe it's the right thing to do to ask for something like that," he says.

It should be noted that BB&T doesn't have a blanket policy against ever seeking incentives. For example, it negotiated a deal with the city of Richmond, Va., in 2009 for a \$500,000 economic development grant to keep a brokerage office and other operations in that city.

According to the Richmond Times-Dispatch, that deal languished for several years even after BB&T signed a new 15-year lease to stay in Richmond's downtown. The incentives package was still on the table, though, and causing conflict among city leaders. So in March of this year the bank said it was no longer interested in the money.

“As the grant was never a driving force for BB&T’s decision to remain in downtown Richmond, we sincerely withdraw our interest in the offer,” Henson said in a statement, according to the newspaper.

Hensen tells me that while the bank doesn't have a hard-and-fast rule on the subject, spinning the incentives wheel "just goes against the grain of our culture."