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## **Bizbits: Goodyear: Tire company plans to build new Ohio headquarters**

**The Associated Press**

AKRON, Ohio — Goodyear Tire & Rubber Co. said Wednesday it plans to sell its headquarters to a firm that would redevelop the site and lease a new office to the nation's biggest tire maker.

The tentative deal would keep Goodyear's corporate offices in the city where it was founded in 1898.

A redevelopment of about 350 acres near downtown will replace its current headquarters and keep thousands of jobs in the city. Ohio Gov. Ted Strickland said retaining Goodyear's home in Akron was a state priority.

Goodyear's chairman and chief executive, Robert Keegan, said, "This is a major milestone for the future of Goodyear and the Akron community." He added that the deal would ensure that Goodyear's headquarters would stay in Akron for decades to come.

Industrial Realty Group, which has a history of remaking old industrial sites across the country, will buy the Goodyear property, build the new headquarters and lease it back.

"We didn't do a lot of benchmarking on this," Keegan said. "But I would say, what you'll find over time is that this kind of arrangement will be more and more the norm. We're very choiceful allocators of capital. So our thinking is, 'Why invest capital in a headquarters building as long as I've got a long-term lease for it?'"

An estimated \$700 million of private capital will go into the project, which is linked to an array of public incentives. The redevelopment plan will also include other office buildings, an industrial park, hotels, stores and restaurants, said Stuart Lichter, president and senior managing partner of IRG, based in Downey, Calif., near Los Angeles. State and local governments will provide an additional \$200 million.

"I really think what got the ball rolling was that we created a vision for them, that this could be a beautiful neighborhood, and they'd be proud to have a corporate headquarters here," Lichter said.

Lt. Gov. Lee Fisher, Ohio's development chief, said the deal is considered tentative because state support announced Monday for the project still must be approved by the state Controlling Board.

Keegan would not specify which financial parts of the deal may still be under discussion.

The Ohio Tax Credit Authority voted Monday to award Goodyear a 15-year tax credit of up to 27 percent in return for retaining about 2,900 jobs at the company's headquarters. The tax credit, valued at \$30 million, also requires Goodyear to maintain operations at the site for 30 years.

The Development Financing Advisory Council also approved a \$20 million, low-interest loan to finance parking facilities at the new complex.

Goodyear, which had discussed moving its headquarters out of Akron, began to seriously consider the IRG plan in

April, Keegan said.

Goodyear, which has about 70,000 employees and makes tires and chemicals in 26 countries, could move into its new headquarters by 2010. It has agreed to a 20-year lease with the possibility of extending it another 50 years.

Akron Mayor Don Plusquellic estimated Akron's share of the project's cost at \$101 million and said the city is acquiring about 20 acres next to the Goodyear site for neighborhood redevelopment.

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