

Area

Sagging economy puts \$63 million wind tunnel project on hold

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By **Jessie Burchette**

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Plans to build a \$63 million wind tunnel off Peach Orchard Road for the motorsports industry have been shelved.

An official with Wind Tunnel eXtreme confirmed that, due to changes in the economy and financing, the projects is on hold indefinitely.

In September 2007, the Rowan County Board of Commissioners approved an unprecedented six-year incentive deal that would have rebated \$1.6 million in taxes.

Officials with Wind Tunnel eXtreme, a newly formed company, repeatedly said that several other locations were under consideration which pushed the county to go beyond its standard five-year incentive plan.

Robert Van Geons, executive director of the Salisbury-Rowan Economic Development Commission, confirmed the status of the project after speaking with Donald Babb, one of four partners in the project.

Babb, chief executive officer of the company, told Van Geons that changes in the economy, particularly in the financial services sector, have made it very difficult to move forward with the project. He cited dramatic changes in the amount of equity required.

The partners would have apparently had to put up \$20 million or more up front.

Van Geons commended the county's effort to bring the project here.

"It's important to note that this project is not going somewhere else," Van Geons said. "Rowan County did everything it needed to do to win the facility. It's another example of the state of flux the economy is in."

Wind Tunnel eXtreme officials had planned to build a world-class facility in Toyota Racing Development's 89-acre park, Performance Technical Park.

The design and construction of the wind tunnel were hailed as the most advanced in the world, using technology from Europe. Officials said the tunnel would cater not only to NASCAR, but also to Formula 1 and other racing circuits.

The final decision to locate in Rowan was announced in a state press release from Gov. Mike Easley on Nov. 6, 2007, announcing a \$30,000 grant tied to the creation of 29 jobs.

At that time, Arnold Chamberlain, chairman of the Rowan County Board of Commissioners, hailed the decision to build here as a good day for the county, adding that he looked forward to the additional business development that would come from the project.

On Thursday, Chamberlain expressed disappointment. "It's not good news," said Chamberlain. "At the same time we understand the market dictates decisions."

Chamberlain, a NASCAR fan, wondered if the switch to the cookie-cutter Car of Tomorrow may have reduced the need for wind tunnels.

Chamberlain went on to express confidence in Toyota's plans for the Peach Orchard Road site. "I understand that Toyota has as many as five tracts available. I'm still confident that Toyota will be of great assistance in bringing more development in the racing arena."

Wind Tunnel eXtreme officials had initially projected the start of construction early this year with hiring of employees starting in July-September.

Toyota Racing Development, which was expected to be a major user of the wind tunnel, is now expected to use other facilities.

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