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Mercedes-Benz to invest \$100M in Atlanta headquarters

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[Urvaksh Karkaria](#)

Staff Writer- Atlanta Business Chronicle

[Email](#) | [Twitter](#) | [Google+](#) | [LinkedIn](#)

Mercedes-Benz USA will relocate its headquarters to Atlanta this summer — a move that will create about 1,000 jobs and cement the Southeast as the auto industry's center of gravity.

For the city, which has been on a growth sprint, landing the German luxury automaker is the largest economic development coup since **United Parcel Service Inc.** (NYSE: **UPS**) relocated to the area in 1991.

On Dec. 16, Atlanta Business Chronicle [first reported](#) **Mercedes-Benz USA's** (MBUSA) plans to relocate its headquarters from Montvale, N.J., to Atlanta. Georgia competed with Texas, North Carolina and Florida for the project.

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Mercedes will invest about \$100 million in a more than 200,000-square-foot build-to-suit headquarters. The company is eyeing four sites in the Central Perimeter and Alpharetta, Ga.

The Southeast has become an emerging threat to the Midwest's domination as an auto industry hub, as Nissan, **Toyota**, Kia and **Volkswagen** put plants in low cost, union-free Southern states. Now, the corporate offices are following.

Earlier this year, Toyota Motor Corp. said it will relocate its U.S. headquarters from Torrance, Calif., to Plano, Texas. **Nissan Motor Co.** in 2005 moved its North American headquarters from Gardena, Calif., to the Nashville, Tenn., area.

Mercedes move to Atlanta is likely to have a domino effect in northern New Jersey, home to **BMW** and Volvo U.S. headquarters.

"The next conversation will be at BMW," site consultant [John Boyd](#) said. "The clock is now ticking."

Beyond the demographics — the Southeast has younger, growing populations — and the market realities — auto manufacturing especially for the imports have coalesced in the union free South, is the issue of soaring taxes in the Northeast hubs.

"The property and personal income tax in Bergen County is a major major prohibitive business climate factor," Boyd said. The personal income tax in New Jersey is 10 percent, compared with Atlanta's 6 percent.

Metro Atlanta is also an attractive site for corporate headquarters, with a globally connected airport, a deep pool of knowledge workers and a low cost of doing business.

Atlanta won out because of its lower cost and the ability to retain and recruit talent to, Boyd said, adding **Hartsfield-Jackson Atlanta International Airport**. has more direct flights to Germany than any other airport in the United States.

Southern states, including Georgia, have also been aggressive with tax incentives as a way to draw corporate expansions and relocations.

Atlanta is a top East Coast sales market for Mercedes. The automaker also uses the Port of Brunswick near Savannah to ship its vehicles from. Mercedes builds C-class and SUVs in Vance, Ala.

Next year, **Porsche Cars North America Inc.** will open a \$100 million headquarters at Aerotropolis, a 130-acre mixed-use development near Hartsfield-Jackson Atlanta International Airport.

Porsche will move from its Sandy Springs, Ga., headquarters to a 26-acre campus that will include a 150,000-square-foot office tower and a test track.

The Atlanta pick could also be about branding as Mercedes competes with Audi and BMW for millennial buyers with lower-priced models.

Boyd compares the Mercedes move to Cadillacs relocation from tired Detroit to trendy Soho in Manhattan .

Atlanta, unlike Montvale, is associated with a young and hip image that Mercedes wants to cultivate, Boyd noted.

There's a marketshare battle for younger Millennials," Boyd said. "Atlanta has the image of a newer fresher city than Montvale."

Urvaksh Karkaria covers Technology.