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Is Mercedes planning to leave New Jersey?

By Meg Fry, December 16, 2014 at 2:25 PM



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Mercedes-Benz U.S.A. — whose headquarters currently occupies about 141,000 square feet on about 37 acres in Montvale — may be considering relocating to the Southeast.

Speculation as to where and when MBUSA might vacate New Jersey has slowly churned due to the company's increased investments and operations at certain facilities including its Brunswick, Georgia, Savannah, Georgia, and Jacksonville, Florida, locations.

The Record newspaper reported Tuesday that a company source said an announcement on a move may come in January, at a company reception.

But John Boyd, principal of The Boyd Company in Princeton — a prominent corporate site selection firm — believes New Jersey's

re-evaluation of its Grow N.J. Assistance Program may help to convince the German luxury automaker to stay put.

“This is the buzz right now — it’s not a done deal. But there are a lot of behind-the-scenes negotiations going on,” Boyd said.

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“New Jersey’s incentives — which have been very successful in recent years — have been put to the test as to whether they can maintain Mercedes-Benz’s headquarters here or not. This comes at a time when New Jersey and Gov. Chris Christie have reformulated the state’s incentives package to make it more compelling for companies to stay in New Jersey despite its higher operating costs.”

The Economic Development Agency, however, has confirmed that MBUSA has not yet submitted an application.

“Some companies do not choose to go through the very public vetting process — especially overseas-based corporations that don’t wish to go through the public opening of their books and making commitments to certain job creation goals,” Boyd said.

“I’m sure New Jersey is doing everything it can behind-the-scenes to present its case and retain this very high-profile corporate player.”

As competing automakers such as Nissan, Toyota, Kia and Volkswagen have built lower-cost plants in Southern states, the historic migration of the U.S. auto industry from the Midwest to the Southeast has become more apparent.

And Boyd says that sources in Atlanta have indicated the city is on the “short list” for Mercedes-Benz’s supposed move.

“Atlanta has done very well in attracting industry with its pro-business governor and high-profile mayor,” Boyd said.

“Also, one of the trump cards Atlanta brings to the table is its international airport — the busiest

airport in the U.S., with superior connections to overseas markets.”

Spokesman Rob Moran said that MBUSA has not made any announcement on the subject.

“As a matter of policy, the company does not comment on rumor or speculation,” Moran said.

Montvale officials had not been informed of any plans by MBUSA to leave, according to The Record.

“I will have to reserve comment, as I have not been notified by anyone at Mercedes about a move, not that they have any obligation to do so,” Mayor Roger Fyfe told the newspaper. “I will be meeting with some representatives from Mercedes as I do from time to time, and I’m sure that will be among the topics discussed.”

Currently employing more than 500 in New Jersey, MBUSA is responsible for the distribution and marketing of Mercedes-Benz, smart, and Sprinter products in the United States.

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