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Will politics help lure car plant?

By Paul B. Johnson - ENTERPRISE STAFF WRITER - Nov 24, 2017



Residents of Randolph County turn out earlier this month for a public information session on the Greensboro-Randolph Megaproject, which is in northeastern Randolph County near Liberty.

RANDOLPH COUNTY — The big-time development duel for the joint Toyota-Mazda car plant involves familiar elements: An adequate site with infrastructure. Economic incentives. A trained

workforce. But national economic consultant John Boyd said the area's megasite and the state of North Carolina enjoy an advantage that some observers might not consider — politics.

For the past three decades, the Tarheel State has lost out as nearby Southern states such as South Carolina, Alabama and Tennessee have landed mammoth automobile factories and their thousands of jobs.

With the Toyota-Mazda factory, company executives appear to have narrowed their possible sites, said Boyd, president of the Boyd Co. based in Princeton, New Jersey. Credible reports indicate that Alabama and North Carolina are the two finalist states for the plant, he said. Earlier this year, the car companies were considering 11 states.

The Greensboro-Randolph Megasite remains a primary location for the plant if Toyota-Mazda picks North Carolina, Boyd told The High Point Enterprise. The factory could employ 4,000 workers.

The Greensboro-Randolph Megasite is off of U.S. 421 and less than 10 miles from the highway interchange with Interstate 85. The site is in northeastern Randolph County near the town of Liberty.

Toyota already has a major production facility in Huntsville, Alabama, which at first glance would tend to give an advantage to the state over North Carolina. But Boyd said Toyota-Mazda executives may want to diversify where they own and operate plants for political considerations.

"You shouldn't underestimate the role that politics has in site selection today," Boyd told The Enterprise.

If Toyota-Mazda opens the plant in North Carolina, it would give the car companies a foothold in a state with 13 representatives in the U.S. House and two U.S. senators who would become advocates for the company in the political arena, Boyd said.

"They already have the support of the Alabama delegation through the facility in Huntsville. This is an opportunity not only to tap into the skill sets of workers in North Carolina, but also to increase its clout in Washington, D.C.," Boyd said.

Auto industry analysts expect that Toyota and Mazda eventually will want to merge into one company, he said. By picking North Carolina, it would give Toyota and Mazda more influence if the companies decide to merge and have to contend with antitrust and other business issues related to the federal government, Boyd said.

A local economist said political considerations won't serve as a primary factor in the decision-making over a Toyota-Mazda site. But if the car companies do take the political landscape into account, it could help North Carolina, said Mike McCully, associate professor of economics at High Point University.

“One of the concerns of the auto industry is will they be able to maintain free trade with their auto plants and suppliers in other countries,” McCully told The Enterprise. “So the more states that an industry is represented in, the more lobbying influence it has on Congress.”

Boyd told The Enterprise that he believes Toyota-Mazda executives “are getting close” to making a decision, which could come in a matter of weeks. Toyota-Mazda aims to invest \$1.6 billion in the plant, which would begin production early next decade.