

Why North Carolina has an edge over Alabama in fight for Toyota-Mazda

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Toyota

North Carolina and Alabama are again facing off for one of the nation's most sought-after projects. This time, it's the Toyota-Mazda vehicle assembly plant.

The two states have been competitors for mega-projects before, with mixed results. More than 20 years ago, Mercedes-Benz passed up a 600-acre site in Mebane in favor of Tuscaloosa, Alabama. A decade ago, both states were on the short list for a Spirit Aerosystems' airplane parts assembly operation that wound up in Kinston.

John Boyd, a site selection consultant with the Boyd Group – which is not affiliated with the Toyota-Mazda site search, predicts North Carolina has the lead.

“You look at the advantages – the larger congressional delegation, the lack of a current auto plant ... it all tips the scales, in my judgment, toward North Carolina,” he says, noting that more representation could give Toyota more voices in Washington, D.C.

Boyd also points to the states' top officials. Gov. Roy Cooper has had “an early string of successes,” citing the state’s economic development wins with Credit Suisse and Infosys. But in Alabama, Gov. Robert Bentley resigned over a scandal and his lieutenant governor, Kay Ivey, replaced him in April.

Toyota is also sensitive to union pressures, he says. North Carolina, which has 3 percent union membership – well below Alabama’s 10 percent – gets another advantage in that category.

“And in Alabama, the presence of Boeing and Airbus have inflated wage pressures a bit,” he says.

While megasites such as those in Chatham and Edgecombe counties have what Toyota is looking for, reports of scouting helicopters lead Boyd to believe the pick will be the Greensboro-Randolph Megasite near Liberty if North Carolina is selected, he says.

“It’s especially attractive given its low-cost profile, and it’s actually expanding by several hundred acres,” he notes. But he says it would be “irresponsible” to eliminate the state’s other shovel-ready megasites from consideration.

Alabama is also home to a number of megasites and auto manufacturing plants, including Mercedes, Honda and Hyundai – each of which has expanded multiple times.

While North Carolina doesn't have a consumer-focused automobile assembler, it does host assembly operations. Greensboro is home to the headquarters of Volvo Trucks North America, a maker of heavy trucks and engines, and its sister company, Mack Trucks.

Both states have plants that make parts used in consumer vehicles. Toyota is expected to make its decision in early 2018. In an email, Alabama Secretary of Commerce Greg Canfield declined to comment on why his state might win the project over North Carolina.

North Carolina Commerce Secretary Tony Copeland has said repeatedly that companies like Toyota make its decisions based on the workforce – which North Carolina can offer.