



Will Alabama's politics scuttle its chances at Toyota-Mazda?

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Former Alabama Chief Justice and U.S. Senate candidate Roy Moore leaves after he speaks at a church revival, Tuesday, Nov. 14, 2017, in Jackson, Ala. (AP Photo/Brynn Anderson)

By William Thornton

Here's the good news Alabama: Your state is reportedly one of the two finalists for the \$1.6 billion Toyota-Mazda manufacturing plant, bringing 4,000 jobs, another big manufacturing presence, and perhaps a whole new crop of auto suppliers.

The bad news is...this milestone arrives at the same moment the state is embroiled in a nasty senatorial campaign that is drawing unflattering headlines after more than a year of the same, involving Roy Moore, Robert Bentley and Mike Hubbard.

The question was enough to move one economic location consultant to say North Carolina, the other state on Toyota-Mazda's radar, has a better chance.

John Boyd, principal of the Boyd Company, a N.J.-based location consulting firm, was quoted in the Triangle Business Journal as saying the Tarheel state is potentially on more solid footing .

Boyd told AL.com that site selection, now perhaps more than ever, has a political calculus. After two years that have seen Alabama lose a speaker of the House, its Supreme Court chief justice and its governor, the ongoing senate campaign is not arriving at the best time.

"Politics matter today," he said, "more than ever. Companies are sophisticated enough that they can walk and chew gum at the same time. North Carolina had it at the time with (the bathroom bill). Indiana had it with its religious freedom bill. These kinds of X factors can have an influence, all things being equal. Economic development is difficult enough. In a perfect world, a Roy Moore variable would not exist."

But the bigger political quotient, Boyd said, may be clout. Alabama is already home to a Toyota engine plant in Huntsville that produces one-third of all the company's American-made engines. North Carolina has no auto plant, while Alabama already has three. What does that mean?

If Toyota-Mazda makes it home in North Carolina, that's 13 additional members of the state's congressional delegation rooting for its interests.

"Toyota-Mazda is eventually going to be producing electric vehicles," he said. "There's going to be a lot of legislation that's going to affect electric vehicle production. They're going to need as many friends in D.C. as they can get."

However, Alabama's political problems may not have as big an effect as some fear. Samuel Addy is the associate dean for economic development outreach at the University of Alabama's Culverhouse College of Commerce. He says there are many other factors that go into finding a home for a manufacturing plant, and politics is only part of the equation.

"We've weathered storms before," Addy said. "If you recall, there was the controversy over the state's immigration bill. We had to say to those companies interested that 'you are welcome here.'"

What does Alabama have in its favor? Boyd said in spite of the political turmoil, Gov. Kay Ivey has made a quick reputation for herself in putting together a string of important economic development victories. He also said the state has the right team in the hunt.

"Alabama, overall, has one of the best economic development organizations in the country," he said. "You're in good hands in terms of professional leadership."

Alabama's Department of Commerce has not made a statement on the Toyota-Mazda report, citing its policy of not commenting on economic development projects.

Boyd said the state's reputation as a pro-business state is steady, its workforce development program among the best in the nation, and it possesses a favorable tax structure. Alabama's workforce is 10 percent unionized, he said, but North Carolina's is 3 percent.

Addy said Alabama also has a reputation as an auto producing state, with more than 1 million vehicles rolling out for the past two consecutive years. But there's still room to grow, he said. Issues such as workforce eligibility and an aging bank of workers are also issues in other states.

"If you look at the size of Alabama, I don't think we've matured yet," he said. "There's still room to mature. Success breeds success. That's in our favor. Some people wrongly look at the low unemployment rate, but that's a bad measure to look at. Everybody can step up. There's still opportunity there."

Boyd said the late stages of site selection usually come down to the real estate. Incentive negotiations are wrapping up. The company meets with state leaders, and relationships are established. Megasites are picked over for any lingering issues.

Observers have pointed out that helicopters were recently spotted over one of North Carolina's potential plant sites. But Boyd said that's not necessarily sign of a cinch for that state.

"Alabama is a known entity to senior Toyota executives," he said. "They can get in and out with ease. They have to be more discreet in a state with no operations."

In the end, though, Addy said, the company knows what it wants, while the states don't have all the information. In the late stages of site selection, anything can happen.

Just like in a political campaign.