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Illinois loses Toyota/Mazda factory



Greg Hinz on Politics - October 18, 2017



Photo by Bloomberg

Illinois is out of the running for a **prized 4,000-job assembly plant** that Japanese automakers Toyota and Mazda are planning to open in the United States.

The apparent reasons: lack of shovel-ready sites and the state's failure to adopt a right-to-work law.

Mark Peterson, president and CEO of Intersect Illinois, the state's privately run economic development corporation, said in an interview and email that while no formal announcement has been made, his sources tell him Illinois is not among the three or four finalists for the \$1.3 billion facility.

"While we showed very well, particularly in the areas of workforce, and our proposal was very well received, in the end the site readiness of some other locations took us out of the consideration set going forward," Peterson said.

There also is strong reason to believe that Illinois' strong pro-union stance—neighboring states now have right-to-work laws allowing workers not to join a union or pay union dues—was a determining factor, too, Peterson added.

"Recently, we have seen very public searches taking place for HQ and manufacturing facilities," Peterson said. "The challenges with these is that although they are public in their media exposure, they are still very protected and confidential when communicating exactly what factors weigh in on final decisions. That said, many national site consultants charged with making recommendations for corporate relocations and expansions will not even consider a state that is not a right-to-work state. In this case, the three states I am told are still in the running are all right-to-work states."

All three are believed to be in the Southeast, where most big new auto plants have been located in recent decades.

After the Toyota/Mazda experience, Illinois will boost its efforts to ensure potential development sites are shovel ready "and we believe we will now be in play for other large-scale manufacturing facilities in the very near future."

Toyota and Mazda are believed to have particularly looked in the Rochelle area south of Rockford.

Winning the plant **could have been a boon for Gov. Bruce Rauner** as he seeks a new term, but could provide some ammunition for him in continuing debates in Springfield over labor law.

Update —The first reaction is in, a statement from Illinois Manufacturers' Association chief Greg Baise. "When will Illinois lawmakers wake up and realize that their actions have real life consequences? For years, the IMA has pointed out that the state continues bleeding manufacturing jobs and losing opportunities for new plant expansions because of the high cost of doing business in Illinois while other states are gaining tens of thousands of jobs," he says.

"The sad fact is that the General Assembly allowed the primary incentive program (Edge) to expire during the time that the state's bid was submitted. Illinois has many advantages including location, workforce, colleges and universities, infrastructure, and clean water but self-inflicted wounds are damaging our state's economy."

And a little more reaction, this time from New Jersey site-selection consultant John Boyd:

"I sense the Toyota-Mazda site selection process may provide a new impetus for Illinois law makers to explore right to work. The national momentum towards right to work is undeniable. Neighboring Indiana made the move several years ago and this year Kentucky enacted a right to work law. High cost Illinois, criticized in recent years in the national business press about its difficult business climate, high taxes and pension crisis, would be wise to enact a Right to Work Law and help change the narrative . . . The timing could not be better. Re-shoring is happening. Projects are out there."

Let's see if the unions weigh in.