

## S.C., Georgia reported atop Volvo's list for new car plant

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An article in The Atlanta Journal-Constitution Monday said Volvo Cars is down to South Carolina and another unnamed state for its planned \$500 million factory.

Reuters reported the short list Friday, citing unnamed individuals.

The second state, people with knowledge of the situation have told The Atlanta Journal-Constitution, is Georgia. The two states, they have said, have been the top contenders for weeks.

Auto factories are among the most coveted economic development projects for states because of the jobs they create and the potential for thousands more at suppliers — as witnessed by growth around Kia Motors' plant in West Point, Ga., which opened in 2009.

As such, they generally fetch lucrative incentive packages often involving land, infrastructure, tax credits and grants. And companies tend to pit states against one another in high-stakes bidding wars.

A spokeswoman for the Georgia Department of Economic Development said her agency had no comment. A message left for a Volvo spokesman was not immediately returned, though a spokesman told Reuters a decision was expected "in the next few weeks."

Volvo representatives were said to be part of Georgia's annual Red Carpet Tour, an economic development road show that involves the Masters golf tournament.

The AJC first reported in early March that Georgia was on Volvo's shortlist, and that at the time Georgia was also pursuing a Jaguar Land Rover plant. But the Jaguar Land Rover factory appears to be off the table, at least for now.

Volvo is based in Sweden but was acquired by Chinese automaker Zhejiang Geely Holding of China in 2010. It previously was owned by Ford.

Reuters reported that South Carolina officials have filed for a permit for an unnamed company to build a factory in Berkeley County, north of the city of Charleston, for a project that would eventually employ up to 4,000 within 10 years.

Volvo is said to be examining numerous Georgia sites. Its search initially included land along the coast near the Savannah and Brunswick ports and at least one site in the outskirts of metro Atlanta, but coastal Georgia appears to be the singular focus.

Georgia lawmakers struck a deal on the budget recently that includes funding for a manufacturing training center near Savannah. That center could be used to train auto workers.

The location decision will likely involve an analysis of which state offers better access for parts and equipment. Georgia's Brunswick port 70 miles south of Savannah is an auto import hub.

Modern auto plants tend to be in exurban areas because land is inexpensive, but they will be close enough to population centers to attract a talented workforce, New Jersey-based site consultant John Boyd told the AJC last month. Kia has been successful at its sprawling west Georgia factory, and I-16 between Savannah and Macon has developed into an industrial corridor, said Boyd, who is not involved in the Volvo project.

The midyear state budget approved by Gov. Nathan Deal included \$40 million for the state's "deal-closing funds," nearly double the previous year's spending plan.

Deal has also aggressively pushed legislation that would allow state agencies to buy vehicles made in Georgia without going through the competitive bid process. It's seen not only as a boon to Kia, but also any other carmaker considering Georgia.

Separately, the governor has pushed a plan to limit the independence of the little-known state Soil and Water Conservation Commission. It comes as the commission rewrites regulations to keep runoff from construction and manufacturing sites from polluting streams and rivers. Deal said "contradictory" environmental guidelines could lead to litigation and threaten major deals.