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British electric vehicle company Arrival to open U.S. corporate office in Charlotte



London-based Arrival makes electric buses and vans that are produced in microfactories.

By Ashley Fahey – Real Estate Editor, Charlotte Business Journal - Oct 19, 2020

A British electric vehicle company has apparently zeroed in on Charlotte for a new corporate office.

Arrival is expected to lease about 45,000 square feet at the Three30Five project on South Tryon Street in South End, according to commercial real estate sources. The office will likely serve as a North American headquarters site for the London-based company.

Three30Five, developed by Ram Realty Advisors, is at 2001 S. Tryon St., between Doggett Street and Tremont Avenue in the Wilmore neighborhood.

If finalized, Arrival would occupy all of the office space at the building, which finished construction earlier this year. A broker marketing Three30Five on behalf of Ram couldn't be immediately reached.

It wasn't initially clear how many jobs would come with the new office or whether incentives are tied to the deal. The planned office size suggests 200-plus jobs could be accommodated, although norms around square feet per employee in workspaces have been disrupted because of the Covid-19 pandemic.

Attempts to reach Arrival and city of Charlotte economic development officials by deadline Monday were unsuccessful.

David Rhoades, a spokesman for the N.C. Department of Commerce, declined to comment on the speculation about Arrival when reached Monday morning.

"While we talk to many companies about their site location strategies and the advantages of doing business in North Carolina, we don't discuss those conversations nor share any documentation until such time as the organization makes a public announcement of their site decision," Rhoades said.

Last week, Arrival said it would open a \$46 million microfactory — the first in the United States — in Rock Hill, which is expected to create 240 jobs. The state of North Carolina also pursued that operation, although details about its bid were not made available.

In York County, Arrival will occupy a 193,750-square-foot warehouse at Legacy Park East. There, Arrival will produce electric buses.

Though only five years old, Arrival has made a splash in the electric vehicle sector. The company recently raised \$118 million from funds managed by BlackRock Inc., bringing Arrival's valuation to about \$3.5 billion, according to the *Wall Street Journal*. Other Arrival backers include Hyundai Motor Co., Kia Motors Corp. and United Parcel Service Inc.

The company employs more than 1,200 globally, with offices in Germany, the Netherlands, Israel, Russia and Luxembourg.

Tom Stringer, head of BDO's site selection and business incentives practice, works on a number of electric vehicle economic development deals but isn't working with Arrival.

But, he said, the automotive industry tends to have a cluster mentality when it comes to where to locate its facilities, including proximity to a logistics supply chain.

John Boyd, a site selection consultant with The Boyd Co. out of New Jersey, said he didn't have specific knowledge about Arrival but said it wouldn't surprise him if the company was looking to establish a U.S. office. He said many companies are reshoring operations in the wake of Covid-19.

"This would fit that sort of model that we've seen play out, and any competent, diligent national site selection group for Arrival would clearly include Charlotte, given the business climate and proximity to this new manufacturing facility," Boyd said.

North Carolina has unsuccessfully competed for several electric vehicle projects this year, including for Tesla Inc. and ElectraMeccanica Vehicles Corp.

States like Tennessee and Arizona have done a good job over the years in bolstering economic development efforts by developing aggressive policies to lure automotive companies, Stringer said.

"North Carolina, I think it's safe to say, has not been a hub of automotive," he continued.

But if Arrival's North American headquarters comes to North Carolina, that could perhaps work in the state's favor in competing for future projects.

"I think it (would be) an opportunity for North Carolina to reintroduce itself to the global automotive industry," Boyd said.

Electric vehicle manufacturing isn't as reliant on supply chain as other automotive projects, he continued. The sector tends to rely more on proximity to research capabilities, such as what's found at N.C. State University in Raleigh, and IT talent.

But suppliers like Bridgestone Corp. and Caterpillar Inc. already operate in the state, which could also position North Carolina well, Boyd said.

Major automakers are increasingly getting into the electric vehicle space, which is creating an economic development pipeline.

"There'll just be an incalculable number of opportunities to land one of these projects," Boyd said.