

'No shame in being shortlisted': How Rivian selected Georgia over Fort Worth for massive site



By Brian Womack – Staff Writer, Dallas Business Journal – December 21, 2021

For months, North Texans had awaited a decision by Rivian Automotive — the newly public electric-vehicle maker — on where it would put a \$5 billion manufacturing site. Fort Worth was in the mix, as it offered up incentives and help from government officials.

But instead, the California company (Nasdaq: RIVN) last week said it was picking a site hundreds of miles away in the state of Georgia.

“I think we had a strong proposal on the table,” said Robert Sturns, economic development director for the City of Fort Worth. “While I think Texas had a strong position in the overall process, it was still very much wide open.”

Not all the details have been released on the structure of the deal that landed the site in Georgia. And factors such as access to a workforce are important. Still, Fort Worth is well-positioned for deals after drawing other projects and companies, one expert said.

“There's no shame in being shortlisted for such a signature trophy economic development project like Rivian,” said John Boyd with corporate site selection firm The Boyd Company. “The idea that Fort Worth was shortlisted is a credit to the state's attractive business climate. It's a credit to also regional and state economic development authorities that worked on that deal.”

Sturns said all indications were “that they were very pleased with the Texas effort and they were very pleased with the proposals” and continued to “move in that vein.” The city assumed it was still in play until the announcement.

The project is large. In Georgia, the facility will be east of Atlanta, in Morgan and Walton counties and will employ more than 7,500 employees at peak production, the company said on Thursday.

The intention is to have the facility start producing sellable vehicles by 2024. It will produce the next generation of Rivian vehicles with an eventual target capacity of 400,000 annual units, according to R.J. Scaringe, CEO of Rivian, who spoke during a quarterly call with analysts.

“The site selection was the culmination of a comprehensive process in which the Rivian team evaluated a variety of sites across the country, looking for the right combination of site location and logistics, access to talent, and proximity to suppliers,” Scaringe said during the call.

Claire McDonough, CFO for Rivian, said later in the call that Georgia offered a “great deal,” while adding more is to come on further details of the agreement and how it compares to expectations.

In Georgia, Rivian had an opportunity to be a trophy employer in the EV industry, according to Boyd. In Texas, Tesla is already a huge player.

In August, while a number of states and cities were still under consideration, the Texas site had become the front-runner for Rivian, according to people familiar with the matter, a Bloomberg report said that month.

Key factors in searches like this are talent, space and economics of the deal, according to Tom Stringer, BDO’s managing director for site selection and incentives. And as the process progresses, different parts of a company examine what’s being proposed, whether it’s human resources, finance or the board.

“If you’ve done your job right, you have a couple of locations that could be very successful in delivering the project — and you’re making a very tough choice among almost equal sites,” Stringer said. “That’s the goal.”

Georgia does come with auto-related capabilities. It’s home to a Kia manufacturing site, for example, Stringer said. Sturns pointed to some of Fort Worth’s vehicle-tied operations. That includes Linear Labs, which is working on engines that employ modern technology. In addition, there is a GM plant in nearby Arlington.

Space also is available in Fort Worth. Earlier this month, MP Materials Corp. said it will build its initial rare earth metal, alloy and magnet manufacturing facility in Fort Worth. It will develop a 200,000 square foot space, according to its website.

Sturns – while noting the loss of Rivian is a “disappointment” – said there are several large projects that are out there and that he and his team “continue to talk to and work through.”

And getting consideration for the Rivian plant can only help in future.

“Fort Worth remains one of the most high-growth markets in North America,” Boyd said. “This is an era of historic mobility for people and for companies.”

Stringer said Texas is a great spot for companies on the hunt.

“You can't win them all,” Stringer said. “The state and the regions within the state are destinations on almost everyone's site search lists, whether it's a major corporate headquarters project, or whether it's a major manufacturing facility. It's constantly is constantly getting a look.”