



## From Triangle to Triad: Expected Wolfspeed chip plant adds to new 'economic corridor' in NC

September 9, 2022 Rick Smith

**RALEIGH** – A new “economic corridor” focused on “new-generation manufacturing” is emerging across the middle of North Carolina as Durham-based Wolfspeed is expected to announce today a new semiconductor plant in Chatham County.

The deal – which could run into the billions of dollars and create 1,800 new jobs if not more – adds to a substantial economic development winning streak for the state.

Wolfspeed is likely to be added to VinFast (electric vehicles), Toyota (batteries for electric vehicles) and Boom Supersonic (jet liners). Those plants in turn are expected to spark additional jobs through companies that work with each of the large firms to provide services, supply chain and other needs.

All the action over the past year leads economist Dr. Michael Walden of N.C. State to brand the developments as a “rebirth” for the state’s manufacturing sector which over the years has evolved significantly from tobacco, textiles and furniture.

“The selection by Wolfspeed of Chatham County for a semiconductor plant is another piece for an emerging economic corridor of new-generation manufacturing spanning from the Triangle to the Triad,” Walden tells WRAL TechWire.

“Firms in the corridor will be able to tap into trained workers from both the Triangle and the Triad. The firms are forming a critical mass level that will attract similar ventures to access the specialized labor that will be developed.”

### Workforce is crucial

John Boyd, Jr., a nationally known site selection company whose firm The Boyd Company has done much business in North Carolina, notes that workforce availability is a key reason why Wolfspeed selected Chatham County for the chip plant.

“North Carolina’s workforce training program through its stellar community college system is the gold standard in the economic development field and is a key asset for the further attraction of major players in the tech, EV [electric vehicle] and pharma sectors,” he says in an

exclusive interview. “These industries demand a highly skilled workforce and North Carolina has workforce training and continuing education infrastructure to deliver on the human capital side of the equation.”

Boyd also notes the state is a top site for growth (CNBC recently recognized North Carolina as No. 1 for business) for several reasons beyond labor and training:

- Lower costs
- Lower taxes
- Tax incentives
- Environment
- Natural resources

Wolfspeed is expected to agree to contract terms with North Carolina that are likely to be formally announced Friday morning at a meeting of the state’s Economic Investment Committee. Those are expected to range from a state income tax rebate for new jobs created, local incentives from Chatham County, and funding set aside by the N.C. General Assembly designed to land so-called “mega site” deals such as VinFast and Toyota.

The state has said it would allocate the “sum of one hundred twelve million five hundred thousand dollars” to secure a commitment from a company with “a qualifying project in Chatham County.”

As WRAL TechWire reported in June such a project would be one that would receive a Job Development Investment Grant, JDIG, from the state’s Economic Investment Committee that would tie a minimum job creation target of 1,800 eligible positions and an investment of at least \$4.8 billion in private funds.

### **Despite setbacks growth continues**

North Carolina has suffered setbacks as well on the economic development with the cancellations of some planned jobs expansions, including a \$1 billion complex in Charlotte. But the North Carolina Department of Commerce says the outlook remains promising for more jobs.

“The business fundamentals that earn North Carolina its reputation as the best place to do business in the United States remain unchanged, and the strength of our business development pipeline reflects this fact,” NC Commerce spokesperson David Rhoades told WRAL TechWire recently. “While it’s disappointing when a company changes plans, economic conditions are always dynamic and affect different companies in different ways. For many years our programs have been built to operate successfully in this type of environment. North Carolina’s future is bright and the Department of Commerce will continue to work to bring world class jobs to the state.”

It's also easy to overlook the continuing expansion of the state's booming life science sectors with big headlines going to the manufacturing projects. But recent announcements means more pharmaceutical jobs – especially in Johnston, Wilson and Pitt Counties – not just in the Triangle. In fact, drug giant Novo Nordisk is committed to jobs and expansion over the next decade in a new deal with Johnston County.

### **Rural counties benefit**

The Triangle to Triad corridor means that rural counties such as Chatham outside of Wake, Durham, Forsyth and Guilford County will share in the economic benefits of the new manufacturing, Walden points out.

For example, Toyota's new plant is being built in Randolph County, and a new expansion recently announced means hundreds more jobs. (Boom Supersonic is the exception, having decided to build its factory at the Piedmont Triad International Airport.)

Plus, Walden says, these plants won't necessarily add significant demand for housing in the big metro counties.

"[W]hat should not be overlooked is what this corridor could do for workers in rural counties both north and south of the corridor," he explains. "Rural based workers could remain living in their area but have a reasonable commute to access jobs in the corridor. Such a mix of rural living with corridor working would avoid pressures on housing prices in the metro areas of the Triangle and Triad."

Housing costs are already rising in Chatham, however, where median prices already are among the highest in the region. The addition of a Wolfspeed plant and an expected 4,500 workers at the VinFast plant already has county officials scrambling to support the growth.

But despite the growing pains that may be inflicted in this corridor Walden points out the long-term benefits to the state and its people is significant.

"The manufacturing companies in the corridor represent a rebirth in this sector of the North Carolina economy as it continues its transition from manufacturing based on textiles, tobacco, and furniture to 21st century manufacturing, thereby providing middle-income jobs for thousands of North Carolinians," he says.