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CHICAGO BUSINESS.

## Stellantis battery plant gives Pritzker momentum to land more EV deals

By John Pletz



*Credit: Bloomberg*

October 30, 2023

After mostly being on the outside looking in when it came to the auto industry's massive shift toward electric vehicles, Illinois is finally on the inside.

Gov. J.B. Pritzker has landed deals for two EV battery plants in as many months. Stellantis plans build a battery plant as well as an EV assembly facility in Belvidere that are expected to employ more than 3,000 workers. Chinese battery maker Gotion Hi-Tech plans a battery plant in Manteno with 2,600 jobs.

He isn't done. Pritzker says the state is in talks with other companies, and he hopes to land more deals, though he declined to name the prospects.

We have momentum,” Pritzker said, praising the state’s economic development team. “When you do one after another, people in the business of site selection pay attention. It’s exciting for the state.

“When I came into office, there were very few companies that were knocking on the door to say we’re interested in coming to Illinois. Every time we have closed a deal, we get more inbound traffic.”

The state ponied up more than half a billion dollars to land Gotion. It hasn’t disclosed how large an incentive package it has offered to Stellantis. But it’s expected to be larger. Pritzker declined to comment on the amount. Stellantis hasn’t commented on the announcement of the new facilities, which was made by the United Auto Workers in connection with a tentative contract agreement Saturday.

Winning two big battery projects — from an existing Illinois company and a newcomer — will help the state improve its standing among rivals that are seen as lower-cost, more company-friendly places to do business.

“Every survey has Illinois in the bottom five for business climates,” says John Boyd Jr., a principal with The Boyd Company, a site-selection consultant in Boca Raton, Fla. “But success breeds success. These announcements will translate into suppliers and others having incentive to consider locating in Illinois.”

He says Pritzker has effectively used new incentives passed by the Illinois General Assembly that are aimed at EV makers, as well as a \$400 million deal-closing fund.

“You can’t show up to the flea market with an empty wagon. You have to have something to sell,” he says.

In the case of Stellantis, Illinois lined up an option for 250 acres next to its Belvidere plant. In addition to 1,300 recently idled Stellantis workers, the area nearby that includes Rockford and extends across the Wisconsin border has a deep pool of manufacturing talent. In a stubbornly tight labor market, the availability of workers has taken on more importance.

“The real attraction is the workforce,” says Michael Hicks, director of the Center for Business & Economic Research at Ball State University in Muncie, Ind., which isn’t far from several Stellantis parts factories and where the company also has announced plans to build battery plants. “Manufacturing is about human capital. You can move things so inexpensively, the places that have people will get the economic activity.

“Once they decided they’d be able to get workers . . . which is not true everywhere . . . that’s what made this viable,” Hicks said of Belvidere. “They could have gone wherever they wanted. The underlying feature of Illinois is they have the people they need. That’s really the problem.”

With the commitment by Stellantis, coupled with the Rivian factory in Bloomington-Normal, the state now has an electric-vehicle corridor along Interstate 39.

“That’s how developers view economic development,” Boyd says. “Companies want to maximize access to talent and real estate.”



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