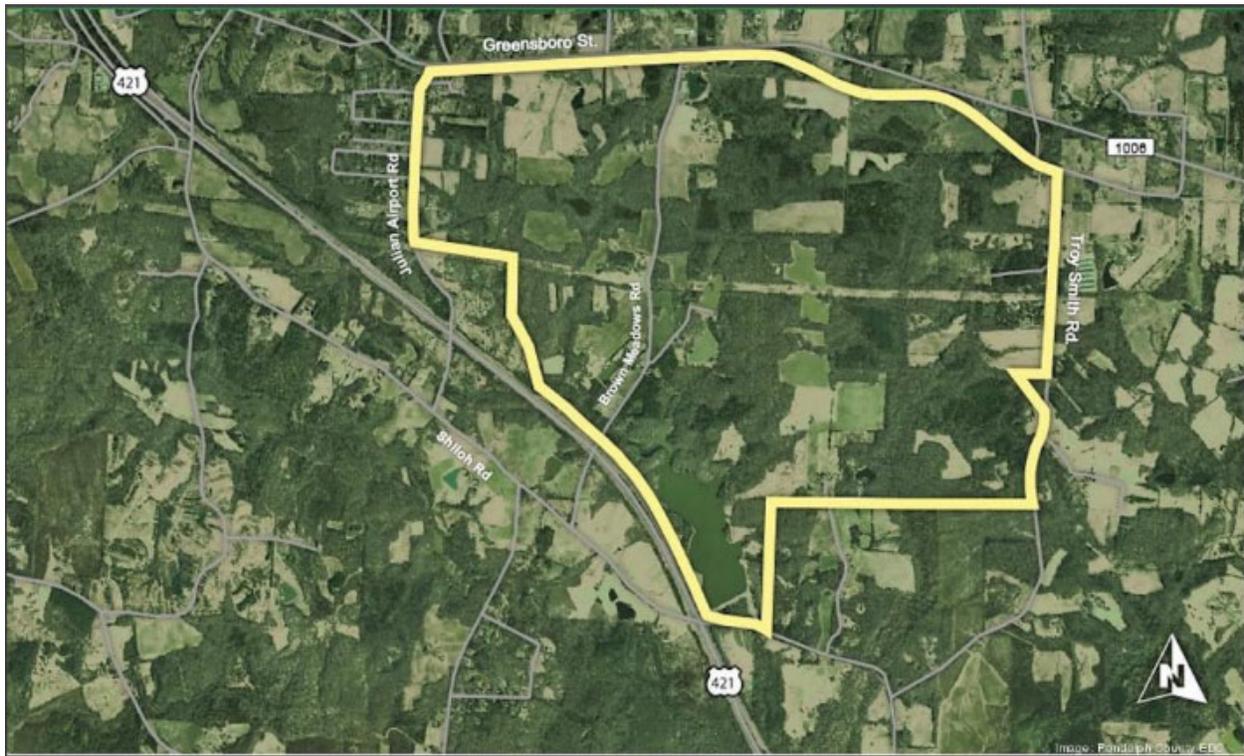


TRIANGLE BUSINESS JOURNAL

A Tesla expansion in North Carolina? It could be on the table



The Greensboro-Randolph Megasite outside Asheboro.

By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal - Jan 8, 2020

Two years after a North Carolina megasite was the runner-up for a \$1.6 billion Toyota-Mazda manufacturing facility, officials and consultants continue to market the land to major companies – including to Elon Musk-founded electric car brand Tesla.

At the North Carolina Transportation Summit in Raleigh, Mike Solomon, director of economic development for North Carolina for the Timmons Group, said he's been pursuing manufacturing interest for the Greensboro-Randolph Megasite since the state's close call with Toyota (which ended up picking Alabama in 2018).

And that includes the pursuit of Tesla, he said.

"I've been having an opportunity talk to the Tesla folks over the last six months about sites here in North Carolina," Solomon told keynote speaker, author and entrepreneur Tony Seba from the crowd.

Solomon didn't say how far along the conversations with Tesla had gone. Nor would he say whether they were limited to the Randolph County megasite.

In an email, Solomon declined elaborate on his comments Wednesday. And Tesla (Nasdaq: TSLA) didn't immediately respond to a request to comment on its conversations regarding the site.

But Solomon did say at the summit that an executive he'd been meeting with says "one of the challenges for the whole United States for electric vehicles is charging stations."

"I just wondered if as an industry you have any thoughts about how the world is going to be able to prepare for the change to electric cars for the whole country," he asked Seba.

Seba answered that, at one time, gas was delivered via horses, with the first gas station in the country being built in 1905.



John Boyd

"The chicken and egg thing is not because of the lack of charging stations, it's because of the lack of affordable, 200-mile electric vehicles, and when we have that in abundance in the market, then the market is going to build the electric charging stations," he said.

Seba called electrification of vehicles an inevitability. But for Tesla, expansion opportunities likely follow its successes – and it's unclear what that might mean for North Carolina's economic development prospects.

Tesla would be a particularly buzzy win for North Carolina, notes New Jersey site selection consultant John Boyd. Boyd, who has no direct knowledge of Tesla's discussions, says charging stations are unlikely to have anything to do with an expansion decision.

"Tesla would be a welcomed and signature employer in NC and I would expect lawmakers to invest in things like charging stations and other programs important to that dynamic company should Tesla invest there," he wrote in an email,

calling out the Greensboro-Randolph Megasite as “one of the most attractive industrial sites in the South.”

Kevin Franklin, economic development director for Randolph County, declined to comment on specific prospects for the Greensboro-Randolph Megasite, including Tesla. But he says a lot has happened since Toyota’s decision in 2018.

Since Toyota-Mazda’s rejection, Franklin said his team has made “quite a bit of headway” in improving the site’s prospects further, including securing easements and right-of-ways for water and sewer lines. Construction on at least one of those lines should start this year, he said in a phone interview.

Additional site clearing and access planning has been underway and environmental permitting applications have been submitted. And a Duke Energy powerline intersecting the site – which had been an issue for Toyota and some other prospects – would not be a barrier for Tesla.

“We’ve taken initial steps to relocate that line as needed by a client,” Franklin said. Franklin said “lots of good conversations” are happening regarding potential tenants, and that he “remains confident” in the megasite’s prospects.

“Any opportunity we have to tell that story, we are telling the story,” he said, adding that securing an automotive manufacturer continues to be the priority.

And he's not alone, as economic developers in other counties with megasites say they're actively working to reel in the next blockbuster win, too.

In Person County, for example, economic development director Sherry Wilborn says a waterline extension to the Person County Megasite is almost complete - another sweetener to a would-be manufacturing tenant.

"Another prime area of focus has been ensuring a pipeline of skilled workers," she says in an email, referencing an ongoing collaboration between the Person County Economic Development Commission, Person County Schools and Piedmont Community College.

Like Franklin, she wouldn't confirm or comment on any Tesla talks. Investors recently valued Tesla at more than \$80 billion for the first time.

That's as, less than a year ago, Tesla was up against a lot of skepticism on Wall Street after cutting its workforce and delivering fewer vehicles than expected in the first quarter of 2019. Recently, however, the conversation has changed. On Friday, Tesla hit its annual goal, announcing that it had delivered 367,500 vehicles in 2019.