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Six companies, 700+ jobs: Virginia keeps landing punches on NC in the fight for jobs



North Carolina has been losing to its neighbor to the north in the battle for jobs.



By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal – Sept. 3, 2020

Since the pandemic began in March, at least six companies pledging more than 700 jobs combined have passed over North Carolina in favor of expansions and relocations in Virginia.

That's according to data out of the Virginia Economic Development Partnership. And among the latest is Torc Robotics, a self-driving vehicle system innovator that recently announced plans to create 350 new jobs in its hometown of Blacksburg – an \$8.5 million move.

According to Virginia Gov. Ralph Northam's office, both North Carolina and Texas were in the mix before the firm chose Blacksburg for its software development expansion.

In an email to TBJ, Torc COO Greg Reiter confirmed the company had been eyeing the Triangle.

"We considered several locations for our expansion that had a large talent pool in software and engineering," Reiter said. "One of those locations was Research Triangle, but Torc was founded in Blacksburg, Virginia, and ultimately made the decision to make this expansion right here at home."

A spokesman for the North Carolina Department of Commerce said his team was not involved in the recruitment effort for Torc, meaning the project never advanced far enough to get an incentives offer from the state.

In a prepared statement, Torc CEO Michael Fleming credited Virginia's "workforce culture and regulatory climate" with its decision to expand in Blacksburg.

"Commercializing self-driving trucks is a marathon – not a sprint, and requires a long-term commitment from companies, investors, and employees," he stated. "Virginia policy enables us to test our vehicles on public roads, which is critical to bringing this technology to market. Virginia has provided the opportunity to rapidly develop and test in unique environments and weather conditions, ranging from summer heat to winter snow." ^[L]_[SEP]

Torc has partnered with Virginia officials before. The company is a 2013 graduate of the Virginia Leaders in Export Trade program, which provides companies with assistance in meeting export goals.

And it's one of several firms to pass over the Carolinas for Virginia in recent months.

According to the Virginia Economic Development Partnership, six companies (listed below) have picked the Commonwealth after looking at North Carolina since the pandemic began. Several of the site selection searches, according to North Carolina officials, were so early that they didn't even reach state recruiters before the companies elected to go elsewhere.

John Boyd, a site selection consultant with the Boyd Company of New Jersey, said the Torc project is unique. The proximity of autonomous vehicle research at Virginia Tech and the testing capabilities of open roads in southwest Virginia gave the state a big advantage. But he said North Carolina has perks that could put it in line for the next project.

"North Carolina enjoys low operating costs," he said. "It has an effective incentive program. North Carolina has some of the most skilled economic development professionals. ... But look, this all underscores how competitive economic development really is in 2020. It really is the second war of the states."

North Carolina has had wins over Virginia, too, including tissue products manufacturer Select Products Holdings, which recently announced plans to invest \$4 million and create 73 jobs in Vance County. The project had considered Maryland, Virginia and West Virginia in addition to North Carolina.

A look at the other firms that picked Virginia over North Carolina since March, according to VEDP:

- Energix Renewable Energies: The Israeli firm picked Arlington over North Carolina and South Carolina for its 33-job, \$1.1 million U.S. subsidiary headquarters
- Acoustical Sheetmetal Company: The Virginia firm decided to expand at its Virginia Beach headquarters over North Carolina and South Carolina, a 200-job, \$15.8 million investment.
- Metalworx: The firm decided to relocate its headquarters from South Carolina to Grayson County, Virginia, a 59-job, \$7.6 million project – and North Carolina was considered.
- Drake Extrusion: The Swedish firm decided to invest \$6.9 million and pledge 30 new jobs at an additional manufacturing facility in Henry County, Virginia instead of a competing site in North Carolina.
- Braven Environmental: The firm passed over North Carolina and South Carolina, deciding to invest \$31.7 million and to create 52 jobs at a new manufacturing operation in Cumberland County, Virginia.