

TRIANGLE BUSINESS JOURNAL

Another miss: Electric vehicle company passes on NC for \$46M investment



Image: Arrival

Arrival, a London-based electric vehicles company, will invest \$46 million to establish its first U.S. microfactory in South Carolina



By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal, October 16, 2020

British electric vehicle company Arrival announced plans to bring its first U.S. “microfactory” to South Carolina this week.

But the *Triangle Business Journal* has learned North Carolina – which has appeared on shortlists for multiple vehicle assembly plants in recent years – was among the places the company had initially considered.

The company's \$46 million investment in Rock Hill is expected to create 240 jobs.

It's unclear where in North Carolina the firm had considered for a location. Also, it's not known whether North Carolina offered incentives. David Rhoades, spokesman for the state's Department of Commerce, confirmed state officials were working with Arrival on negotiations.

The company was approved for job development grants by the South Carolina Coordinating Council for Economic Development, the *Charlotte Business Journal* reports. And the York County Council approved a fee-in-lieu-of tax agreement for the project under the codename "Project Jabba." The exact values of the incentives are unclear.

The 5-year-old company plans to utilize a new cell-based assembly method to produce vehicles, rather than a traditional automotive production line. According to a press release, the method will allow the company to produce any vehicle from Arrival's portfolio. The site's initial focus will be on building electric buses and, according to the company, operations are expected to start in the second quarter of 2021.

Arrival will occupy a 193,750-square-foot speculative building at Rock Hill's Legacy Park East.

As for North Carolina, it's just the latest auto assembly project to overlook the state. Earlier this year, electric vehicle maker Electrameccanica rejected North Carolina for an assembly plant. Other firms that have considered North Carolina before heading elsewhere include Volvo Cars, Mercedes-Benz, Peugeot, and Toyota.

John Boyd, a site selection expert based in New Jersey, said it's only a matter of time, however, before the right opportunity comes along. The vehicle manufacturing operations of the future are more about engineering talent, with less emphasis on real estate, he told TBJ. And that could mean opportunity for tech-savvy talent clusters in North Carolina.

"A traditional site selection driver to the automobile industry is proximity to major suppliers," Boyd said. "With electronic vehicles, that's less important, and it's more important to have proximity to the market, and you think about the high-growth Raleigh-Durham market and the high-growth Charlotte market, this in-migration of people that fit the profile of people who are buying these vehicles."