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Rivian To Build \$5B EV Assembly Plant In Georgia

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A budding rival of Tesla's is launching the largest economic development project in Georgia's history with a \$5B electric vehicle assembly plant an hour east of Downtown Atlanta.



The Rivian manufacturing facility in Illinois.

Gov. Brian Kemp announced Thursday afternoon that Rivian Automotive would build an assembly plant for its all-electric SUVs and pickup trucks on nearly 2,000 acres at the East Atlanta megasite northeast of Atlanta in Morgan and Walton counties.

Rivian plans to hire 7,500 people, a number that could grow to 10,000 employees over several years, at the "carbon-conscious campus." California-based Rivian chose Georgia after an extensive national search of sites for its plant, including Michigan, Arizona and Fort Worth, Texas, which offered the company nearly \$450M in incentives.

“I believe that this announcement is a pivotal moment for our state,” Kemp said in a press conference outside the Georgia State Capitol. “We've all been preparing for a company and a project like Rivian for a very long time ... The day is just a start of a generational partnership that will benefit not just this great company, but this great state.”

Once fully operational, state officials said Rivian will be able to produce up to 400,000 vehicles a year. The incentives are still being hashed out by the state and local authorities, including the Joint Development Authority of Jasper, Morgan, Newton and Walton counties, according to a state website.

Rivian, which counts Amazon and Ford Motor Co. among its major shareholders, already operates a factory in Illinois and recently went public. It announced its earnings Thursday after markets closed, matching analyst expectations but with a net loss north of \$1B.

The company had projected that it would produce 1,200 R1T pickups and 25 R1S SUVs by the end of the year, but it disclosed in its earnings statement that it would finish well short of those goals. Its share price fell in after-hours trading, CNBC reports.

“Nearly all of these vehicles were delivered to Rivian employees, and we expect to ramp deliveries to third-party customers as we increase our production rate,” Rivian said in its initial filing with the Securities and Exchange Commission.

Rivian is under contract with Amazon to build 100,000 electric vans by 2030 and claims it has more than 55,000 preorders for its pickup truck and SUV, according to the filing.

John Boyd, the principal of The Boyd Co., a corporate site selection consultant, said Rivian's choice of Georgia is a turning point for the state in the race to become the center of the burgeoning electric vehicle industry, especially given Amazon's backing.

“Amazon has a long and mutually rewarding relationship with Georgia. I'm sure that those relationships have helped,” Boyd said. “This is a major win. The Southeast is quickly becoming the center of gravity for EV production.”

Over the past five years, 78 automotive-related companies have located or expanded operations in Georgia, according to the state, including manufacturers that have expanded their portfolio to include parts for EVs, including South Korean battery-maker SK Innovation, which is building a \$2.6B factory in Commerce. In August, Kemp launched an electric mobility group tasked with luring more electric vehicle businesses to the state.

As part of the Rivian deal, Georgia agreed to build and operate a Georgia Quick State manufacturing training center on the campus to help with the company's labor needs, as well as develop curricula with the Technical College System of Georgia to ensure a long-term talent pipeline, according to a press release.

Boyd said it makes sense that Rivian and other carmakers are flocking to the Southeast and Sun Belt markets; their projects are typically capital-intensive and rely on pro-business governments and tax incentives to cover costs. Georgia being a right-to-work state is attractive to manufacturers attempting to avoid union workforces.

Boyd also said Georgia's technology base and talent pool are alluring for EV companies, which need more highly skilled workers than traditional automakers.

“They need access to a different skill set of manufacturers and suppliers, particularly with design and IT,” he said.

Construction on the facility is scheduled to begin this summer, with production slated to start in 2024. The campus will include space for research and development as well as assembly.