

Assembly plants are a top, but elusive, prize

Metro area has several sites ideal for luring automakers

By Damon Cline | *Business Editor*

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When it comes to new industry for a town, nothing beats an auto plant.

It's the slam-dunk, the hole-in-one, the royal flush and the grand slam all rolled into one.

"The automaker is the big kahuna - there's no doubt about that," said Mike Randle, the publisher of *Southern Business & Development* magazine, which tracks economic development in the Southeast.

An auto-assembly plant creates hundreds - often thousands - of high-paying jobs and billions of dollars in corporate investment, and it usually brings along a large number of companies to keep it supplied with parts and components.

Many car factories have popped up in the South in the past 25 years, but none close enough to employ residents of the Augusta-Aiken area.

Economic-development officials are working to change that.

In Richmond County, business recruiters this year altered their marketing strategy for the county's largest industrial park in the hopes of putting it on the auto industry's radar screen.

Officials in rural counties such as Jefferson and Warren are piecing together so-called megasites to lure the lucrative manufacturers. Meanwhile, economic developers in Aiken County continue marketing what is considered the region's best site for an auto plant.

Mr. Randle, whose Birmingham, Ala.-based publication has tracked economic development in the Southeast for two decades, says the Augusta-Aiken area is more in the game than it used to be.

"You're more ready than you were five years ago," he said. "And you're a hell of a lot more ready than you were 10 years ago."

THE AREA'S CLOSEST BRUSH with the auto industry so far was last year's revelation that Aiken County was among a handful of sites considered for Kia Motor Corp.'s first U.S. assembly plant.

Before that was Ford Motor Co.'s failed plan to relocate its suburban Atlanta assembly plant to Morgan County, 80 miles west of Augusta, in 2003.

Auto-plant projects are as rare as they are coveted. Just six have been built in the South in the past 14 years. The \$1.2 billion Kia facility that will be built near West Point, Ga., will be No. 7.

"A Kia just does not come along every three months," said Walter Sprouse, the executive director of the Development Authority of Richmond County.

Still, he and other area economic-development officials want to make sure they're ready in case an automaker comes calling.

Right now, no one in the area appears more ready to wheel and deal than Fred Humes.

The director of the Aiken-Edgefield Economic Development Partnership is sitting on the metro area's most marketable industrial site, Sage Mill Industrial Park, which the agency began developing in the mid-1990s.

The 1,100-acre site off Interstate 20 is one of only a dozen large tracts in the Southeast with utility service, a fire station and access to an interstate and a railroad.

"Infrastructure-wise, we are very well-positioned," Mr. Humes said.

The park, which is already home to auto industry companies such as tire-maker Bridgestone/Firestone and bearings manufacturer SKF (which is closing its facility in July), has 450 acres of developable property remaining. That acreage swells above 2,000 when it's combined with the adjacent 1,600-acre PruTimber site tract owned by Aiken businessman Weldon Wyatt, who has said he would make the land available to county officials in order to land a project.

Sage Mill was reportedly considered by DaimlerChrysler as a site for its Dodge Sprinter van plant, a project once slated for Georgia's megasite property outside Savannah. The Sprinter project was eventually scaled down, and the company selected a site in North Charleston, S.C.

Sage Mill, which has long been listed on *Southern Business & Development's* list of top industrial sites in the Southeast, was also widely identified by the automotive press as one of a half-dozen areas in the Southeast studied by Kia. The South Korean automaker ultimately chose the 2,200-acre west Georgia site to be closer to companies that supply parent company Hyundai's assembly plant in Montgomery, Ala.

The Kia facility is expected to employ as many as 2,800 when it opens in 2008. About 2,600 additional workers are expected to be hired by five major Kia suppliers relocating to the area.

Mr. Humes will neither confirm nor deny whether DaimlerChrysler, Kia or any other automakers have scouted the property, citing client confidentiality. He acknowledged, however, that about 30 to 35 percent of the prospective companies that contact him each year are in the automotive industry.

With Sage Mill just 11 miles east of the Georgia line, a major auto-assembly plant there would create jobs for residents on both sides of the Savannah River, the same as would happen if an auto company were to choose a site on the Georgia side.

SAGE MILL IS WELL-SUITED for large auto plant or a cluster of auto suppliers, but Mr. Humes said it would be shortsighted for him to put all of his efforts into attracting auto-related companies.

"You want to balance the industries you work with; a lot of people are just going after that big bang," he said. "Would an automotive-assembly plant be good to have? Yeah, it would be great to have, but that's not my single focus. Twenty years from now, if the automotive industry goes south, that's not going to be good for our citizens."

Right now, the industry is "going South" in a good way. The auto industry has been migrating from heavily unionized cities in the Rust Belt region in favor of Southern states with lower production costs.

Driving the trend are Asian and European automakers, which account for the vast majority of the region's assembly plants. As they continue to erode the market share of domestic automakers, they will need additional plants to meet the demand.

"You're going to see a continual push toward investing in the South," said Melissa Anderson, a spokeswoman for the American International Automobile Dealers Association, a trade group representing foreign automakers in the U.S. "In the long term, that is where we see expansion."

The foreign automakers' investments have provided many areas in the Southeast with stable, high-paying jobs. The average auto worker earns \$69,500 a year, according to a 2003 report by the Center for Automotive Research.

ATTRACTING THOSE high-paying jobs to the Georgia side of the Augusta-Aiken area could prove easier now that Richmond County officials have begun marketing the county's Augusta Corporate Park as a megasite.

The 1,700-acre tract near the Burke County line, which was named a top site in *Southern Business & Development's* most recent issue, has sat undeveloped since it was donated to the county's development authority by Kimberly-Clark Corp. in 1993.

Situated on Georgia Highway 56, the property has full utility service and is rail-accessible, but it has been largely overlooked by the auto industry.

Bert Brantley, the spokesman for the Georgia Department of Economic Development, which is the source of nearly all major industrial projects in the state, said he could not recall the last automotive-related prospect that gave serious consideration to locating in the Augusta area.

That's mainly because the industry has shown the most interest in the state's prime industrial site, the Pooler megasite near Savannah. The 1,600-acre site, rejected by DaimlerChrysler as the location of its Sprinter van plant, sits at the intersection of two major interstates and has all infrastructure in place.

"It's definitely the best the state has to offer if a company has a need to use the ports," he said. "If you take the port out of it, it becomes a really good site."

To bring more attention to its site, the Development Authority of Richmond County in January decided to focus on pitching Augusta Corporate Park as a whole, instead of individual parcels.

"Most people saw (the site) as a place where you could get 200 acres or 400 acres," he said. "It was never really seen as a place where you could get 1,500 acres. Now they know they have a choice."

Marketing the park as a megasite also helps minimize the property's only apparent drawback - its 18-mile distance from I-20.

"The larger the project, the farther off the interstate they don't mind being," he said.

PAST THE URBAN EXPANSE of Richmond County, officials in rural Jefferson and Warren counties are trying to turn timberland into two industrial sites that could be marketed to the auto industry.

The first, a 600-acre site being assembled by Jefferson County economic-development officials along U.S. Highway 1, was originally conceived after county officials were contacted by a forestry-products company seeking a site for a new facility.

"We don't have a tremendous amount of labor, but we do have a tremendous amount of timber," said Tom Jordan, the executive director of Jefferson County Development Authority.

The timber project never materialized, but the county keeps an option on the property in the event a major industry seeks a spot in Jefferson County, which would be in a good location after highway expansion projects such as the Fall Line Freeway and Savannah River Parkway create four-lane transportation routes from Augusta to Savannah and Columbus.

"There is an old adage that real estate is all about location, location, location," said Andy Crosson, the director of the CSRA Regional Development Center, which coordinates

economic development activities in the 17-county area. "I frequently tell people that the key to successful economic development is transportation, transportation, transportation."

Access to transportation is something that Warren County's 2,000-acre industrial site off I-20 near Camak has in spades. The problem lies in funding improvements to the property, which is being proposed as a multicounty industrial park.

"Looking at the counties involved, they're the poorest counties in the state," said Warren County Commission Chairman John Graham.

His county, along with Taliaferro, Hancock, Glascock, Wilkes, Lincoln and McDuffie counties, is trying to turn the property into the East Central Georgia Industrial Site in the hopes of attracting an industry large enough to create jobs in each of the investor counties.

With limited funding, the multicounty partnership has been unable to extend water and sewer service to the property.

"Without having someone committed to building something there, the problem is going to be getting the funding," Mr. Graham said.

Though not every sector in the Augusta-Aiken area has a neatly packaged industrial site ready for an auto-assembly plant, the area is not necessarily at a disadvantage.

Mr. Randle points out that many auto plants in the South were built on fairly unsophisticated real estate, including the newest one.

"Kia spends \$2 million on its site-selection study, and where does it end up? In a cow field," he said. "To anoint one site over another is not really something you can do."

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GOIN' SOUTH

Automakers, particularly foreign companies, have opened many assembly plants in the Southeast during the past two decades. So far, none has been close enough to employ residents of the Augusta-Aiken area:

KENTUCKY

City: Georgetown

Company: Toyota

Opened: 1988

Vehicles produced: Avalon, Camry, Solara

Employment: 6,900

TENNESSEE

- **CITY:** Smyrna

Company: Nissan

Opened: 1983

Vehicles: Altima, Maxima, Frontier, Pathfinder, Xterra

Employment: 9,300

- **CITY:** Spring Hill Company: Saturn

Opened: 1985

Vehicles: Ion, Vue, Aura, Outlook, Sky

Employment: 5,700

LOUISIANA

- **CITY:** Shreveport

Company: General Motors

Opened: 1981

Vehicles produced: Chevrolet Colorado, GMC Canyon, Hummer H3, Isuzu i-280 and i-350

Employment: 3,200

Mississippi

- **CITY:** Canton

Company: Nissan

Opened: 2003

Vehicle: Altima, Armada, Quest, Titan, Infiniti QX56

Employment: 5,500

Alabama

- **CITY:** Vance

Company: DaimlerChrysler

Opened: 1996

Vehicle: Mercedes-Benz M-Class and Grand Sports Tourer

Employment: 4,000

- **CITY:** Montgomery

Company: Hyundai

Opened: 2005

Vehicles: Sonata, Santa Fe

Employment: 2,000

- **CITY:** Lincoln

Company: Honda

Opened: 2001

Vehicles: Odyssey, Pilot

Employment: 4,300

Georgia

- **CITY:** West Point

Company: Kia

Opened: Scheduled to open in 2008

Vehicles: Undetermined

Employment: Expected to be 2,800

- **CITY:** Hapeville, Ga.

Company: Ford Opened: 1947, will close in 2008

Vehicles: Ford Taurus, Mercury Sable

Employment: 2,000

- **CITY:** Doraville

Company: General Motors

Opened: 1947, will close in 2008

Vehicles: Buick Terraza, Pontiac Montana SV6, Chevrolet Uplander and Saturn Relay

Employment: 3,100

South Carolina

- **CITY:** Spartanburg

Company: BMW

Opened: 1994

Vehicles: X5, Z4

Employment: 4,600

- **CITY:** North Charleston Company: DaimlerChrysler

Opened: Scheduled to open in late 2006

Vehicles: Dodge Sprinter

Employment: Expected to be 200-300

Sources: Auto companies, American International Automobile Dealers Association

Auto impact

The Augusta-Aiken area has no auto-assembly plants, but it is home to several auto-part manufacturers, including:

Company	Location	Product
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HP Pelzer Automotive Systems	Thomson	Felt-based acoustical insulation
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Purification Cellutions LLC	Waynesboro, Ga.	Carbon honeycomb emission filters
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Wheland Automotive Industries	Warrenton, Ga.	Brake castings and parts
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Rieter Automotive Aiken Sound absorbers and heat shields

Bridgestone-Firestone Aiken Car and truck tires

Aiken Precision Technologies Aiken Wiring and seat belt components

Newman Technology Aiken Auto exhaust and suspension systems

SC Metal Products Aiken Stamped metal parts

Fleetguard Inc. Waynesboro Exhaust products and systems

SKF Inc. Aiken Wheel bearing hubs

Shinsho American Corp. Aiken Processed steel rods

Source: Area economic development agencies

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