

Toyota Will Build Battery Plant In Randolph County

By Administrator

Tuesday, 07 December 2021 13:22 -

Toyota will build its first North American battery manufacturing plant for a new generation of vehicles in North Carolina, creating at least 1,750 jobs, Governor Roy Cooper announced today. Toyota will invest \$1.29 billion at the Greensboro-Randolph Megasite, strengthening North Carolina's position as a leader in the nation's growing, clean energy economy. "It's tremendous that Toyota has selected North Carolina for such an important part of its electric vehicle future, creating good paying jobs and moving us toward a healthier environment," Governor Cooper said. "It's clear the world is beginning to embrace a clean energy future and today's decision puts North Carolina front and center."

Toyota Motor North America, Inc. is the headquarters for all Toyota's operations in North America, including research and development, vehicle design, manufacturing, sales, and marketing. The company sells and distributes a wide variety of Toyota and Lexus branded vehicles, including a growing line of electrified vehicles of hybrids, plug-in hybrids, fuel cells and battery electric vehicles. Currently, electrified vehicles account for nearly 25 percent of its sales volume, and the company estimates that number will increase to 70 percent by 2030. The new plant in Randolph County will initially produce batteries for Toyota's hybrid electric vehicles, and intends to produce batteries for battery electric vehicles long term.

"The future of mobility is electrification and the Greensboro-Randolph Megasite is the ideal location to make that future a reality," said Ted Ogawa, CEO of Toyota Motor North America. "North Carolina offers the right conditions for this investment, including the infrastructure, high-quality education system, access to a diverse and skilled workforce, and a welcoming environment for doing business. Today marks the beginning of a mutually beneficial partnership with the Tar Heel state as we embark on our journey to achieve carbon neutrality and provide mobility for all."

Toyota's project in North Carolina will be led by a new venture between Toyota and Toyota Tsusho Corporation, the trading arm of the Toyota Group. The new venture company will be known as Toyota Battery Manufacturing, North Carolina (TBMNC), based in Randolph County at the Greensboro-Randolph Megasite.

The North Carolina Department of Commerce coordinated the state's recruitment of Toyota's new battery plant, which involved an extensive network of state, regional, and local organizations.

"Toyota's commitment to establish its North America clean energy efforts in North Carolina

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shows that preparation pays off enormously,” said Commerce Secretary Machelle Baker Sanders. “The hard work of preparing any site for business development involves not just moving dirt and laying infrastructure but investing in education, workforce development, and the collaborative networks that pull resources together. I’m proud of the people and organizations that have worked closely together over many years to make today’s announcement possible.”

The TBMNC project will be facilitated, in part, by a Transitional Job Development Investment Grant (JDIG) approved by the state’s Economic Investment Committee earlier today, the first JDIG of this classification ever awarded. The North Carolina General Assembly introduced the Transitional project classification to the JDIG program in November of this year, joining the state’s existing special classes of High-Yield and Transformative economic development projects.

Toyota’s project is estimated to grow the state’s economy by at least \$9.5 billion over 20 years, the time period when the grant’s first phase could be active. Using a formula that takes into account the new tax revenues generated by the 1,750 new jobs required in the grant’s first phase, the JDIG agreement authorizes the potential reimbursement to the company of up to \$79.1 million. This potential payment would be spread over 20 years.

Should Toyota increase the number of jobs and capital investment committed to the project to 3,875 jobs and \$3 billion of investment within 36 months of today’s award, the company will trigger phase 2 of the Transitional JDIG and could then receive up to an estimated \$315 million over the life of the grant, which could expand to run for as many as 39 years. The state’s economy would grow by a total of nearly \$35 billion, due to the increased scale of the project.

The potential phase 2 payment to the company is only an estimate at this point, since the ultimate amount will be calculated based both on when the increased investment and job creation targets are met, as well as the final reported number and type of jobs that are ultimately created for the project.

Like all grants from the JDIG program, any state payments only occur following performance verification each year by the departments of Commerce and Revenue that the company has met its incremental job creation and investment targets.

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Toyota's JDIG agreement also calls for moving as much as \$7.5 million into the state's Industrial Development Fund – Utility Account under the first phase of the grant. The Utility Account helps rural communities anywhere in the state finance necessary infrastructure upgrades to attract future business. Additional funding for the Utility Account would occur if the grant enters its second phase.

The state approved additional support to help with final site preparations at the Greensboro-Randolph Megasite in the recently passed state budget (North Carolina Senate Bill 105). For the project's first phase, \$135 million has been appropriated to the Department of Commerce, which will be used by the North Carolina Department of Transportation for road, highway interchange, and other site improvements in Randolph County and at the megasite. Should the company exercise its option to trigger phase 2 of the Transitional JDIG, then an additional \$185 million in site development funds would become available.

Salaries for the new jobs at the battery plant will vary by position, but taken together will average \$62,234, increasing the regional payroll by more than \$100 million every year. Randolph County's overall average annual wage is currently \$37,865.

"I welcome Toyota to North Carolina," said Senator Phil Berger, President Pro Tempore of the North Carolina Senate. "We've worked hard to transform North Carolina into a jobs-friendly state with low taxes, reasonable regulations, and a world-class education system. As a result, companies big and small are creating jobs here, continuing a decade of growth."

"I am proud of the hard work the General Assembly has done to ensure North Carolina is a state ripe for new business and innovation," said North Carolina Speaker of the House Tim Moore. "North Carolina consistently ranks as the nation's top state business climate. We have a balanced budget, have invested in a strong workforce, and we've maintained a AAA credit rating. As North Carolina continues to grow, Toyota's investment is a sign that we are doing the right things to attract people and businesses to our thriving state."

The North Carolina Department of Commerce and the Economic Development Partnership of North Carolina were joined by an extensive group of partners to support the Toyota project, including:

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The North Carolina General Assembly

North Carolina Community College System

The North Carolina Departments of Transportation, Environmental Quality, and Military and Veterans Affairs

North Carolina Railroad Company

North Carolina Zoo

North Carolina State University

North Carolina A&T State University

North Carolina Japan Center

Duke Energy

Piedmont Natural Gas

Norfolk Southern Corporation

Golden LEAF Foundation

Randolph County

Guilford County

City of Greensboro

Greensboro-Randolph Megasite Foundation

Guilford Technical Community College

Randolph Community College

Guilford Works

Piedmont Triad International Airport

Greensboro Chamber of Commerce

Randolph County Economic Development Corporation

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