



Seeding and Growing Automotive Plants



Moderator:

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Driving the Next 20 Years: Creating the New Automotive Industry in the South
Southern Growth Policies Board

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U.S. Auto Industry: Past

- U.S. auto industry is almost 100 years old
- Birthplace in Detroit, Big 3 ruled the industry for decades
- Some isolated manufacturing in the South
- Changed in 1970s – oil crises demanded smaller cars
- Import restrictions demanded foreign car makers – Mercedes-Benz, Honda, Nissan, Toyota – domestic plants



U.S. Auto Industry: Past

- Looked in U.S. for regions with:
 - Little existing auto manufacturing
 - Trainable, inexpensive labor force
 - Low cost of doing business
- South looking to replace declining textile, agriculture and furniture industries
- First new domestic: Nissan broke ground in Smyrna, TN in 1983
- Began the influx of foreign automakers in the South

Southern Auto Industry: Present

- Growth from first foreign plant was exponential
- Manufacture of vehicles in south, by new domestics, increased 450% since Smyrna plant began production in 1986
- Example: Alabama had no auto production in 1995; by 2007 produced 800,000-plus vehicles annually



Southern Auto Industry: Present

- Why?
 - State incentives, dedicated economic development efforts
 - Example: Alabama spent close to a billion dollars in incentives for four auto manufacturers in past two decades
 - Same manufacturers spent 16 times that amount in salaries alone
 - Worker training grants
 - Inexpensive land
 - Easy access to multi-modal transportation systems

Southern Auto Industry: Future

- The Southern auto industry brought new approaches to auto manufacturing that changed the industry
- Confident it will drive future growth through innovations in alternative technologies
- Panel today will discuss that – panelists are representative of the present and future of the Southern auto industry
- I represent a company with a long history in the industry and a stake in its future growth



IBI Group: Overview

- IBI Group is an international architecture / engineering consulting firm
 - Approximately 50 North American offices; 30-plus locations abroad
 - Southern offices include Raleigh, Atlanta, Arlington and six Florida locations
 - Focuses on four areas of practice: Urban Land, Facilities, Transportation and Systems Technologies
- Affiliates include Giffels, with offices in Southfield, MI and Toronto
 - Specialized industrial engineering design
- Southfield office established in 1920s; part of engineering team that launched Henry Ford's first assembly line
 - Has worked for all major automotive OEMs in North America and many suppliers, too



Designed significant number of plants in operation in the South today, including:

- Honda Assembly Plants 1&2 in Lincoln, AL
- Hyundai Headquarters and Manufacturing Facility in Montgomery, AL
- Honda Transmission Plant in Tallapoosa, GA
- Toyota Engine Plant in Huntsville, AL
- AWNC Automatic Transmission Plant in Durham, NC



Seeding and Growing Automotive Plants – Panelists

- Will draw on that history to moderate panel of industry leaders:
 - **Simon Cobb**, *Chief Operating Officer, North Carolina Center for Automotive Research, Inc.*
 - **Will H. Collins, Jr.**, *Vice President, AW North Carolina*
 - **Scott Williams**, *Vice President of Business Development, Coulomb Technologies*

