

TOP DEALS OF 2009

From *Site Selection* magazine, May 2010

SHARE THIS ON SOCIAL MEDIA

[Share](#)[Tweet](#)[Share](#)[G+ Share](#)

New Purpose

**Driven by the needs of a changing global economy,
these corporate projects rise above the rest.**

by ADAM BRUNS

Our Top Deals are determined by level of private-sector capital investment, degree of high-value jobs, creativity in negotiations and incentives, regional economic impact, competition for the project and



On April 5, 2010, the first steel column was placed (left) for Boeing's 1.2-million-sq.-ft. (92,903-sq.-m.) Charleston 787 Final Assembly and Delivery facility.

Photo courtesy of Boeing Co.

speed to market. But most of all, they're determined by the companies themselves, which have continued to plunk down major capital around the globe despite the difficult financing environment.

Trends among the Top Deals, and among 2009 deals in general:

- Repatriation of jobs to the United States by U.S. companies and a parallel pattern of foothold establishment in the U.S. by foreign firms (with China leading the pack);
- Out-of-the-box repurposing of many of the empty boxes populating the industrial landscape;
- An assist from economic recovery funds;
- A recognition that some of the many "emerging markets" of the world may finally have arrived;
- The continued importance of conveyance as an industrial sector.

Enterprise reporting by Site Selection on many of the projects below is available for viewing at SiteSelection.com. Here are the winners, presented in alphabetical order.

North America

Boeing Co. North Charleston, S.C. \$870 million 4,000 jobs

When we reported prior to Boeing's Oct. 28 project announcement on Boeing's filing for building permits next to the Vought facility it had recently acquired in North Charleston, and on the September vote by workers at Boeing's existing North Charleston plant to decertify the International Association of Machinists union, a Boeing spokesperson told us, "The two events are not connected." Be that as it may, the Oct. 28 choice of South Carolina for a second 787 assembly site certainly was based on better connecting parts of the 787 supply chain.

"This decision allows us to continue building on the synergies we have established in South Carolina with Boeing Charleston and Global Aeronautica," said Jim Albaugh, president and CEO of Boeing Commercial Airplane, adding that the move will strengthen the company's competitiveness and sustainability and help it grow for the long term.

Production is due to begin in July 2011. To date, 90 percent of the Boeing direct-contracted dollars for the project have been with South-Carolina-based companies.

Carbon Motors Connersville, Ind. \$350 million 1,550 jobs

Connersville beat out finalist sites outside Atlanta and in the Greenville-Spartanburg, S.C., metro area for the plant from Carbon Motors, which also received proposals from North Carolina and Michigan, and which considered some 400 factors in its decision-making process. Company leaders kept the public abreast of the entire process via blog. That's the same medium the company used to get out the word about its Carbon E7 vehicle, a 300-horsepower, fspecially outfitted car that has been tested (and pre-ordered) by law enforcement first responders across the nation.

Since the announcement, the city has taken possession of the shuttered 1.8-million-sq.-ft. (167,220-sq.-m.) Visteon site that will be home to the plant, and elected officials and company officials alike have praised Carbon's powertrain partnership with BMW, announced in March. But as of press time, the company was still

awaiting review of its \$310-million loan application with the U.S. Dept. of Energy.

Fisker Automotive
Wilmington, Del.
\$193 million 2,500 jobs

The first of an amazing trio of redevelopment projects in Delaware in the past year, California-based plug-in hybrid car company Fisker's announcement that it would redevelop a just-closed GM plant came on Oct. 27.

Alan Levin, director of the Delaware Economic Development Office, told us the entire process took exactly two months and two days, and involved stiff competition from sites in California, Michigan, Ohio and Louisiana. Central to Fisker's strategy is a \$528-million DOE loan, approved in September 2009. Central to its success in Delaware were an early and best offer of a grant, loan and tax abatement from the state involving some \$23 million in funds; and the leadership of Gov. Jack Markell. The governor also was closely involved with the November 2009 purchase of a former Chrysler plant in Newark by the University of Delaware, and the April 2010 purchase of the Valero Refinery in Delaware City by PBF Energy.

At both the GM and Valero plants, Markell convinced the exiting companies to leave equipment and other facility infrastructure intact in order to increase the chances of a sale or redevelopment.

Hybrid Kinetic Motors
Bay Minette, Ala.
\$3.43 billion 5,000 jobs

Hong Kong-based ownership. Chinese leadership with decades of U.S. OEM experience. A very public split with another Hong Kong-based partner, who is starting his own car company in Mississippi. Italian design partners, German powertrain and advisory partners and a manufacturing connection to multiple plants in China. A unique three-in-one natural gas/electric/gasoline engine plan, matched with an equally distinct marketing plan. And a fundraising strategy that seeks to exploit the full value of the U.S. Citizenship and Immigrations Services' Immigrant Investor Pilot Program, known as EB-5.

Skeptics have abounded since this project was announced, but since then, new and influential passengers have slowly jumped on the bandwagon. For the full story, turn to p. 436 of this issue.

IBM
Dubuque, Iowa
\$93 million 1,300 jobs

Out of the hundreds of communities IBM surveyed for this technology services delivery center, said Mike Blouin, president of Greater Dubuque Development Corp., the six finalists included Greenville, S.C.; Morgantown, W.Va.; Bloomington, Ind.; Columbia, Mo.; and Laramie, Wyo. — "five university towns and us." An incentives package worth between \$52 million and \$55 million (and including a 20-year TIF from the city) didn't hurt. Nor did some fancy and timely negotiating with some other Dubuque companies on the move, in order to free up the Dubuque Building for IBM's consideration. But the biggest pull was the higher education network surrounding the "non-university" town.

"There are 30 colleges and universities within 90 minutes of the IBM location in Dubuque, producing about 2,000 IT grads a year," Joe Dzaluk, vice president of global infrastructure and resource management, IBM Global Technology Services, told Site Selection.

IBM plans on paying salaries totaling \$80 million over the initial 10-year lease.

Medtronic
San Antonio, Texas
\$23 million 1,400 jobs

The Texas Enterprise Fund ponied up \$6 million toward the home of Medtronic's new Diabetes Therapy Management and Education Center, and local jurisdictions supplied \$8 million more in various incentives. The city beat out fellow finalists Kansas City, Mo., and Austin, Texas.

"The final decision to choose San Antonio resulted from an evaluation of more than 930 locations across all 50 states," the company said. "Medtronic assessed several criteria including employee quality of life, availability of skilled labor, local costs and business environment." But seven months previous to the announcement, it was on the verge of cutting San Antonio from its rather long short list of 21 communities.

That's when the San Antonio Economic Development Foundation rallied the 14 colleges and universities in the area, as well as bioscience and medical institutions, to convince Medtronic they had the right stuff. And there was a big assist from four-term San Antonio Mayor and former Clinton cabinet secretary Henry Cisneros.

NCR Corp.
Duluth and Columbus, Ga.
2,120 jobs

In April 2010, NCR, Georgia and Gwinnett County celebrated the growth already occurring at NCR's new 409,000-sq.-ft. (37,996-sq.-m.) corporate headquarters campus in the Atlanta suburb of Duluth, where the company's retail line of business was already based.

The big HQ move to Atlanta ("Project Go"), announced in June, followed analysis of 48 states. It was paralleled by a site selection process for a new ATM manufacturing facility ("Project Flyer"), which landed in Columbus after looking at 15 states initially. "It just happened that both landed in Georgia, but it was two separate processes," Peter Dorsman, senior vice president of global operations for NCR Corp., told Site Selection, citing the state's pro-business and right-to-work environment.

Both projects followed closely behind the location of the company's global center of excellence in Peachtree City, south of Atlanta. All locations will benefit from proximity to Atlanta's Hartsfield-Jackson International Airport, an important site selection factor.

Nissan North America
Smyrna, Tenn.
\$2.5 billion 1,300 jobs

Nissan's investment in producing lithium-ion batteries and the LEAF electric vehicle by 2012 will coordinate with its plans to also produce the car in Oppama, Japan (2010), and Sunderland, U.K. (2013).

A \$1.4-billion loan from DOE, announced in August 2009, officially closed in January 2010. Nissan will use the funds to retool the plant for the two projects, which will produce 200,000 battery packs and 150,000 electric vehicles annually. In October 2009, Carlos Tavares, Nissan Motor Co.'s chairman for the Americas, hinted that more capacity expansion could be necessary, as the company looks to not only serve all of the Americas from Smyrna, but to develop other electric-vehicle models.

According to Nissan's filing with the Rutherford County Industrial Development Board, the project should create 500 construction jobs over two years and 150-250 support jobs. The project will ultimately create an additional 8,000 jobs in the local service and supplier sectors, bringing the total as high as 10,000 new jobs in Tennessee.

Tianjin Pipe Co.
Corpus Christi, Texas
\$1 billion 600 jobs

At the time of this announcement in early 2009, it was the largest investment in new manufacturing that a Chinese company has ever made in United States, from China's largest maker of steel pipes. "The decision came down to the site's strategic geographic location, convenient access for incoming raw materials and outgoing products, the availability of power and other utilities, and human resources," said TPCO Vice President Zhang Wenfeng. A big assist to the recruiting team came from the State Museum of Asian Cultures, located in Corpus Christi, which provided priceless counsel on business etiquette, as well as a timely bit of corrected language interpreting.

The thorough site search took more than two years. Corpus Christi Regional Economic Development Corp. officials first learned they were part of the search in mid-2007, when they were among 32 communities. The four finalists also included the Houston-area city of Baytown; Osceola, Ark.; and New Orleans. Along the way, TPCO visited the site eight times, while the Corpus Christi team made two trips to China.

**Xtreme Power/
Clairvoyant Energy**
Wixom, Mich.
\$1.3 billion 3,250 jobs

Ford Motor Company's idled 320-acre (130-hectare) Wixom Assembly Plant will be redeveloped into one of the nation's largest renewable energy manufacturing parks, after Ford agreed to sell the 52-year-old plant to Xtreme Power of Austin, Texas, and Clairvoyant Energy of Santa Barbara, Calif., which along with Oerlikon Solar will manufacture energy storage systems and high-efficiency solar panels at the site that once produced the Thunderbird and the Lincoln Continental.

The project was nine months in the making. The companies will utilize approximately half of the square footage to manufacture their products, and will seek additional green-energy manufacturing and support companies to lease the remaining space. Manufacturing at the site is slated to begin in late 2011.

In addition to a pending DOE grant, state and local incentives were important, including refundable battery and photovoltaic tax credits, Michigan Economic Growth Authority employment tax credits, Renaissance Zone tax incentives and brownfield tax credits. The Michigan Economic Growth Authority (MEGA) approved

tax breaks totaling \$137.2 million for the planned redevelopment.

"We had many options for this land, but we believe this project, which revitalizes a closed auto plant and the local community, has the greatest potential to bring green jobs and economic development to the region," said Phil Horlock, chairman and CEO of Ford Land.

International

Airbus
Tunis, Tunisia
\$78 million 1,500 jobs

The Aerolia aircraft component plant, to be built in the Mghira district, is the first direct investment by Airbus outside the euro zone. In January 2009 press reports, Fabrice Bregier, general director of EADS unit Airbus, noted, "What's interesting in Tunisia is the know-how in manufacturing, its efforts in education and its qualified technicians and engineers."

First deliveries from the 50-acre (20-hectare) site are expected in 2010. The project is part of a global restructuring plan projected to save the company \$1.4 billion. Press reports cited Christian Cornille, Aerolia's president, praising the high degree of competence of Tunisian engineers, proximity to Europe, the logistic advantage of a nearby harbor and the full support of the Tunisian government as factors in the location decision.

Bosch Solar Energy
Arnstadt, Germany
\$719 million 1,700 jobs

Arnstadt will be the new home of integrated solar cell production for Bosch. "This gives us the opportunity to integrate operations and concentrate all crystalline activities in one location," said Holger von Hebel, CEO of Bosch Solar Energy, former ersol Solar Energy, in November 2009.

The relocation from Erfurt is expected to be completed by the end of 2012. But spinoff is occurring already. In February 2010, Linde Nippon Sanso (LNS), a Linde Group company, announced an extension of its collaboration with Bosch Solar at the new Arnstadt site.

Taking into account Bosch's project and Masdar's new thin-film plant, the overall capacity of the Erfurt solar cluster currently stands at more than 300 MW and is projected to reach at least 700 MW by 2012, rivaling Germany's Thalheim solar valley.

Cubic Integrated Group
Chongqing, China
\$400 million 25,000 jobs

The Malaysia-based business group announced in August 2009 an investment agreement with Wanzhou Industrial Park Administration Commission, Chongqing, China, to build its first overseas global "Integrated Manufacturing Hub," initially focused on making a wide range of household appliances.

Cubic doesn't just want to build factories, but "build a community that integrates work, education, and lifestyle in one metropolis," said Datuk Goh Seng Chong, executive chairman of Cubic Integrated Group. "We see China as both a growth market and a market for lower-cost labor and resources, and we plan to integrate these operationally to enjoy higher profits. Additionally, the Chinese Government at both the National and Municipal (Chongqing) level has given us very attractive investment schemes such as corporate tax rebates, incentives from the Three Gorges Dam Area Industrialization programs and also, from the Wanzhou Industrial Park Administration."

Cubic is seeing assistance from MATRADE (in facilitating financing sources) and the Malaysian government, which as part of its Third Industrial Master Plan is encouraging cross-border investment by Malaysian firms.

Despite the losses that came with a 2008 earthquake, Chongqing has surged in welcoming foreign investment from such firms as BASF, has seen explosive passenger growth at Jiangbei Airport, and in April 2010 was chosen to be China's first inland tariff-free zone.

Fresh Electric
Kutaisi Free Zone, Republic of Georgia
\$1.2 billion 2,500 jobs

Egypt-based Fresh Electric intends to create a 67-acre (27-hectare) free industrial zone in Georgia's second largest town of Kutaisi, for the production of textile, ceramics and home appliances. The company is gaining a customs advantage over its manufacturing campus in Egypt.

"There has not been such investment in the country before," said Georgia Minister for the Economy Lasha Zhvania. The company's long-term plans are even bigger, however, with another \$2 billion to be invested, and potential employment of more than 12,500 people. At press time, the manufacturing infrastructure for the operation was arriving in the new industrial zone.

General Motors
Gravataí, Rio Grande do Sul, Brazil
\$725 million 1,000 jobs

At a ceremony attended by Brazilian president Luiz Inacio Lula da Silva, General Motors Brazil announced on July 15 that it plans to invest US\$2 billion to launch a new family of vehicles and expand its Gravataí plant in the state of Rio Grande do Sul. About half of the funds will come from state-run banks, according to press reports. The project will launch a new line of small cars for Brazil and emerging markets. Production at Gravataí is projected to expand from 230,000 vehicles to 380,000 vehicles, for domestic sales, export to other Mercosur countries, and potential export to such markets as South Africa.

The overall investment is the largest made by GM in Brazil since it came there in 1925.

Hybrid Kinetic Motors
Tianjin, Shenyang, Anhui
and Ningbo, China
\$2.8 billion

The subsidiary of Far East Golden Resources Group will invest \$1.47 billion of the total in the Liaoning capital of Shenyang to produce 1 million hybrid vehicle power systems annually.

The investments are part of HK Motors' global plan that includes its major assembly plant in Alabama (see p. 436). In an exclusive interview with Site Selection, HK Motors President Chuantao Wang says the economies of scale across the two countries are key to his company's large-volume, high-tech business plan, with China contributing less expensive components and doing all castings, and the U.S. operations doing the machining and assembly.

"China is a fast growing automotive market," he says, citing a prediction of 16 million vehicles in the country by this year. "These two growing markets are very important to us. The market in these two countries tremendously minimizes our risk, because this is a new company, and we cannot afford failure. Fortunately we have resources and experience in China too. That's our strength over other OEMs."

Novartis
Shanghai and Changshu, China
\$1.25 billion 1,000-plus jobs

Novartis announced in November its five-year investment plan for China, including an expansion of the Novartis Institute of BioMedical Research in Shanghai, which will be the largest pharmaceutical R&D institute in China and the third-largest for Novartis worldwide, after sites in Cambridge, Mass., and Basel, Switzerland.

"We are confident that our expanded investment in R&D will result in innovative therapies for patients in China and other countries nurtured by the growing scientific excellence in China," said Dr. Daniel Vasella, chairman and CEO of Novartis.

Novartis will invest \$250 million in a new global technical center in Changshu, Jiangsu Province, near Suzhou, focused on technical R&D and manufacturing activities of APIs (active pharmaceutical ingredients).

The Chinese government is working to expand access to affordable, basic medical services to all citizens by 2020, and recently announced that it will spend approximately US\$124 billion over the next three years to further build the nation's healthcare system.

SB LiMotive
Ulsan, South Korea
\$407 million 1,000 jobs

The JV between Samsung SDI and Bosch will produce batteries for electric and hybrid vehicles at a new plant in South Gyeongsang Province.

"The joint venture is targeting a 30 percent share in the global auto battery market by 2015," Kim Soon-taek, CEO of Samsung SDI, said in September 2009. "SDI will additionally invest in Ulsan to produce small-sized secondary batteries for smaller portable electronics products and large-sized storages in a bid to strengthen energy-related product portfolios.

The first auto batteries coming from the new site will supply BMW's new Megacity vehicle (see p. 308).

Siemens
Istanbul, Turkey
\$134 million 2,000 jobs

In April 2009 Siemens opened this new plant in the Gebze industrial zone, for the production of medium- and low-voltage products.

"The new facility is one of our most advanced and most efficient factories. It has also been nominated for Turkey's first LEED Gold green building certificate," said Peter Löscher, president and CEO of Siemens. "If there is a silver lining in the current global economic crisis, it's that we've all become more keenly aware of the importance of both environmental and economic sustainability. Our Gebze plant is visible proof that ecology and economy can be successfully combined."

Siemens has been active in Turkey for some 150 years, ever since the decision by the Ottoman Empire to bring the telegraph system into the country in the mid-1800s. From Turkey, Siemens exports circuit breakers to five countries, while automation products are exported to three continents.

Vale
Maraba, Brazil
\$3.3 billion 3,500 jobs
and Sohar, Oman
\$1.4 billion 600 jobs

Agreements were signed in September 2009 for a \$200-million family of projects at the Port of Sohar to accommodate a new pier that will be used by Vale, which is investing in a pelletizing plant for the production of iron ore pellets, in its first iron ore investment outside Brazil. Sohar will be the distribution point for iron ore exports to the Middle East, India and Africa.

"Its strategic location outside the Strait of Hormuz fits well with Vale's growth plans in the Middle East, offering several logistics advantages for the supply of direct reduction pellets to the Middle Eastern, North African and Indian steel markets," said Vale. "Another advantage is the fact that Oman is a country with an excellent business environment. Even in times of the financial crisis, Sohar and Oman is furthering its development."

The port's partner in development is the Port of Rotterdam. Meanwhile, Oman Shipping Co. has signed on with a Chinese shipbuilder to build four of the world's largest iron ore carriers for transporting iron ore from Brazil to the Port of Sohar. Those ships will be hired out by Vale via a long-term charter.

Completing the global picture, in Maraba, Para, Brazil, Vale will build a new steel mill along its Carajas iron ore railroad, near the Tocantins River, using a new waterway along that river to connect to the Vila do Conde ocean port at the mouth of the Amazon River. The mill will annually produce 2 million metric tons of steel plate and half a million tons of rolled steel.

The project will also benefit from new rail connections linking Maraba to other parts of Brazil.


 **Story in Pictures**



On April 5, 2010, the first steel column was placed (left) for Boeing's 1.2-million-sq.-ft. (92,903-sq.-m.) Charleston 787 Final Assembly and Delivery facility.

Photo courtesy of Boeing Co.





Start the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS ?

Name

Be the first to comment.

ALSO ON SITE SELECTION

Authoring - Real Solutions for Closing the Skills Gap | Site Selection Magazine

1 comment • a year ago

Peg Shelton — Enjoyed reading this article. It is great to see the state and regional efforts in closing the skills gap and ...

Authoring - Wisconsin: Interview with Gov Scott Walker: Governor Walker: ...

1 comment • 2 years ago

Paul Trotter — We now have a \$1.8 billion deficit.

Authoring - Rexburg Idaho: The Millennial Hot Spot of Idaho | Site ...

1 comment • 9 months ago

Colonial House — BYU Idaho women’s housing provides for shared apartments with spacious rooms and amenities ...

Authoring - Indiana: Activating Potential || Site Selection Online

1 comment • 2 years ago

Jim Walker — Great article Patty. I sure hope the 16 Tech project is a success. The NW side of downtown has so much ...

Related Articles

2017 GLOBAL BEST TO INVEST: Top Deals 2017 (May 11, 2017)

MALAYSIA: Every Step of the Way (Jun 16, 2016)

MEXICO ADVANTAGE: Strong Link (Jun 16, 2016)

ISRAEL: It Could Only Be Israel (Jun 9, 2016)

NORTH AMERICAN AUTOMOTIVE: Shifting Gears (Jun 2, 2016)

KING ABDULLAH UNIVERSITY OF SCIENCE AND TECHNOLOGY: Beacon of Knowledge (Jun 2, 2016)

BEST TO INVEST: Top Deals 2016 (May 12, 2016)

ADVANCED MANUFACTURING: Sians of Proaress (Feb 18, 2016)

Subscribe to Site Selection

[SIGN ME UP](#)

Most Popular Articles

TEXAS: The Governor's On the Phone (Sep 21, 2017)

UNITED KINGDOM: However Brexit Shakes Out, the UK's Tech Sector Is Ready to Take Charge (Sep 21, 2017)

RURAL ADVANTAGE: New Analysis Reveals Top Rural Counties for Workforce Certificates (Sep 14, 2017)

ISRAEL: Real Brains. Real Work (Jan 26, 2017)

DEPARTMENTS: North American Reports (Sep 21, 2017)

CANADA'S BEST LOCATIONS: Ontario Leads a Nation Ripe for Growth (Sep 5, 2017)

TOP UTILITIES: Decision Enhancers (Sep 5, 2017)

UPPER MIDWEST: Bagging the Big One (Sep 7, 2017)



Site Selection online is a worldwide service of [Conway, Inc.](#) ©1983-2017, all rights reserved.
Data is from many sources and not warranted to be accurate or current.
For contact information visit our [staff page](#) or send general information queries to [Cathie Wendt](#).
Send direct technical inquiries or comments to webmaster@conway.com. View our [Privacy Policy](#).

[HOME](#) | [SITE SELECTION MAGAZINE ARCHIVES](#) | [SUBSCRIBE](#)

