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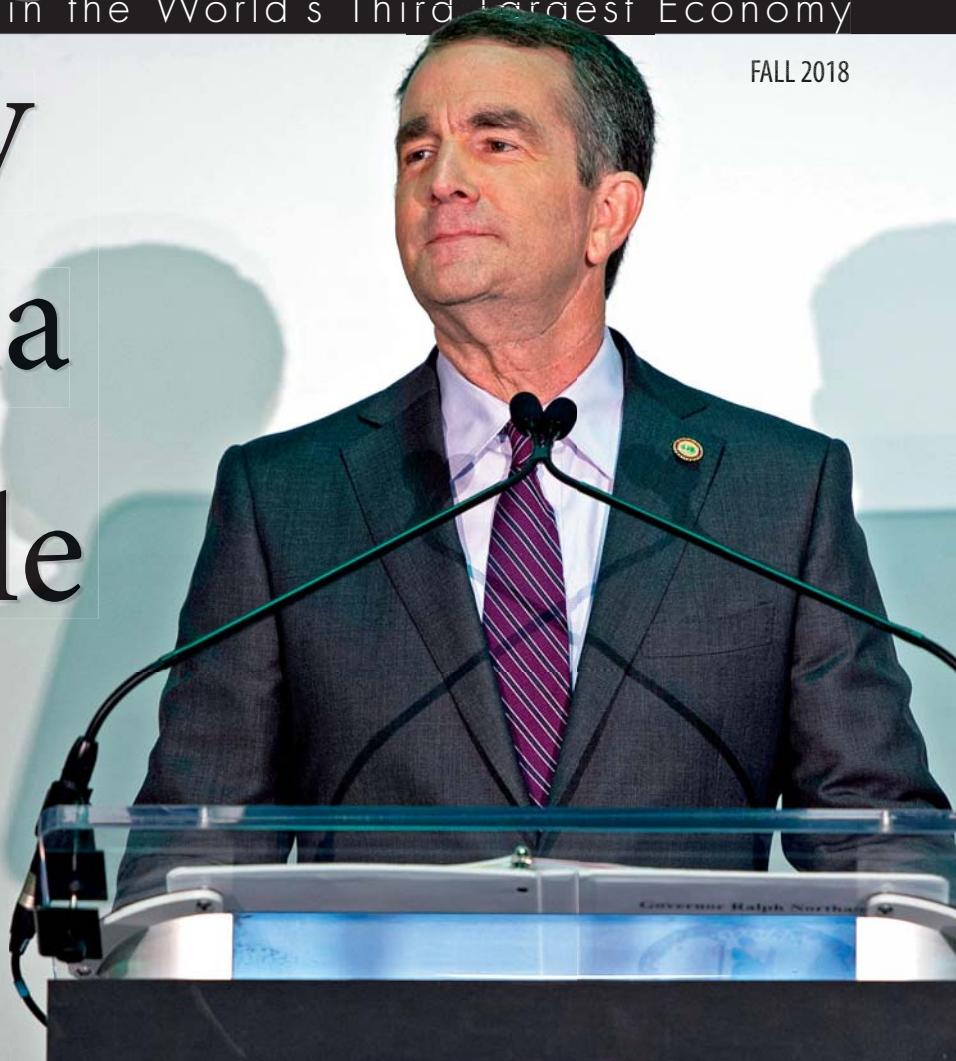
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Economic Development in the World's Third Largest Economy

FALL 2018

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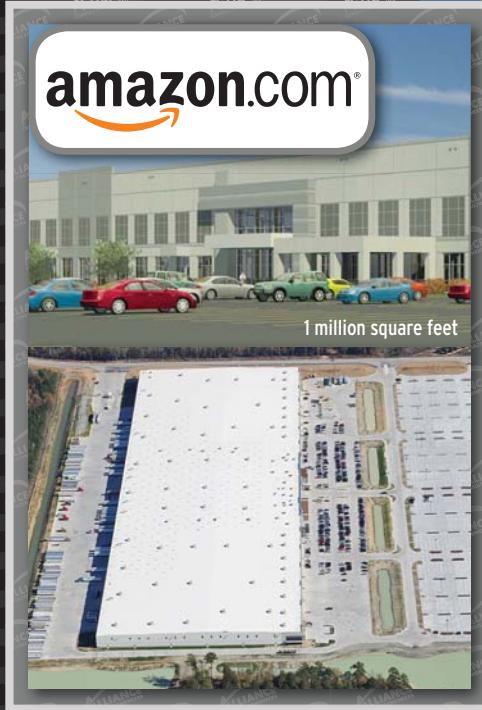
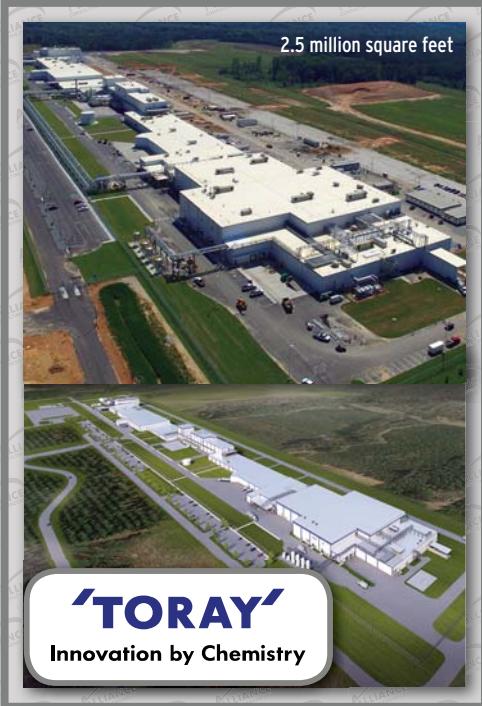
Economic Development in the World's Third Largest Economy

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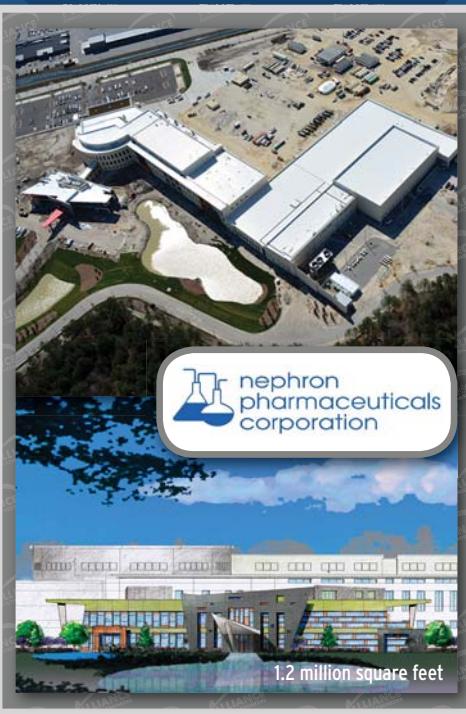
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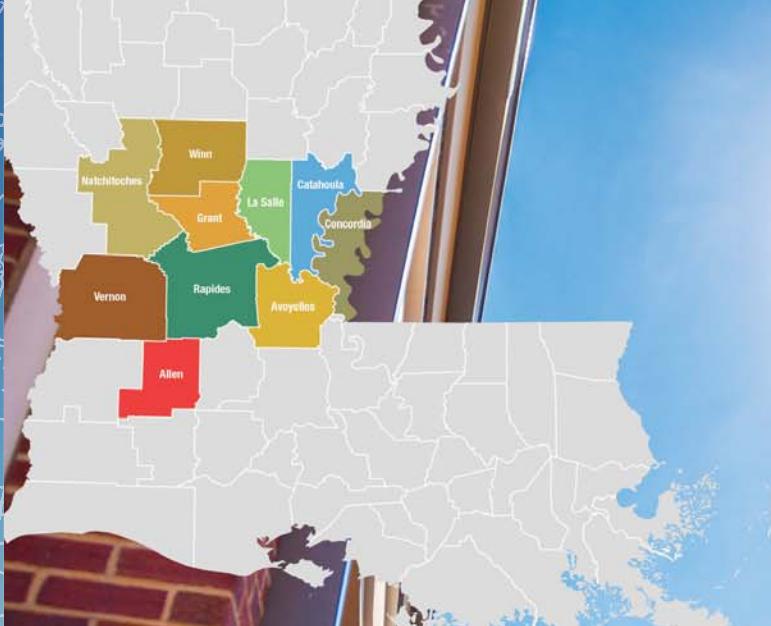
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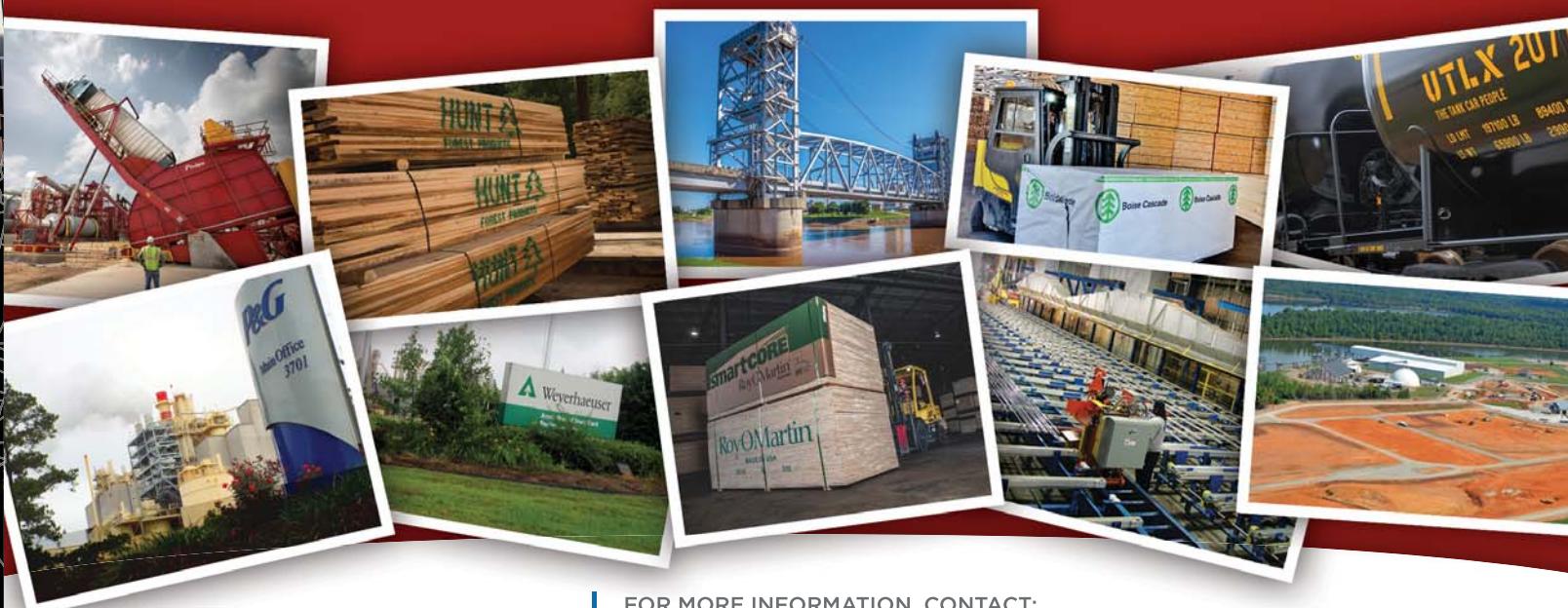


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Alexandria, LA 71301
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FALL 2018

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ON THE COVER: Virginia Gov. Ralph Northam announced on November 13th that Amazon will invest \$2.5 billion in Arlington County, Va., creating 25,000 jobs.

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SOUTHBOUND

By Michael Randle, EDITOR

Move your HQ to the South... everyone else is

CITING HOUSING COSTS FOR THEIR EMPLOYEES, operational costs for the company itself and a lack of labor, companies are high-tailing it to the South from California, the Northeast and the Midwest. It's nothing new, it's been going on for decades, but never as prevalent as today.

And we're not talking about opening operation centers and other satellite facilities in the region. Many of these companies are moving their whole kit and caboodle — their global or North American headquarters — to the American South. South Florida, Northern Virginia, Atlanta, Nashville, Austin, Raleigh and Charlotte are where most of them are relocating their headquarters. But the most successful headquarter relocation market is in Texas, especially Dallas-Fort Worth and the many cities that make up that market such as Irving-Las Colinas, Plano, Richardson, Frisco and McKinney.

Here are some of the headquarter relocations to the South announced just in the fall 2018 quarter. . .some are relocations from within the South: McKesson (San Francisco to Las Colinas, Texas); Norfolk Southern (Virginia to Atlanta); Honeywell (New Jersey to Charlotte); RoundPoint Mortgage (Charlotte to Fort Mill, S.C.); Mimeo (New Jersey to Memphis); Dollar Tree (Matthews, N.C., to Chesapeake, Va.); and PGA of America (Palm Beach Gardens to Frisco, Texas). Again, those relocations were announced in just the fall 2018 quarter. And that doesn't count the new Amazon HQ2 that went to Arlington County, Va., that was also announced in the fall.

There have been so many companies that have relocated their headquarters to the South in the last three decades that it seems unfair to list just a few. But the highest profile headquarters relocation in the last few years was Toyota's move from Southern California to Plano, Texas. Toyota cited incredibly high housing costs for its employees when it announced in April 2014 that it was relocating its U.S. headquarters to Texas.

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Fall 2018



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12

TWELVE FORTUNE 1000
COMPANIES HAVE THEIR GLOBAL
HEADQUARTERS IN IRVING, TX



53

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COMPANIES HAVE AN OFFICE
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AROUND THE SOUTH

For real-time news on business, politics and economic development in the South, go to [RandleReport.com](#). For all economic development projects announced in the South, go to [SB-D.com](#). For more information on the automotive industry in the South, go to [SouthernAutoCorridor.com](#).

What's the secret to rural Southern markets' success?

By Michael Randle

For 25 years now, we have tracked economic development projects in well over 2,000 different markets in the South, from tiny hamlets to mega-markets. There are only 154 metropolitan statistical areas in the South, meaning the other 1,800 markets are either micropolitan cities or rural markets.



There are many successful small economic development cities in the South. Columbus, Miss.; Aiken, S.C.; Mississippi County, Ark.; Cullman, Ala.; and Martinsville, Va.; among others, have consistently outperformed other small and rural markets over the last 25 years in project activity. What's their secret? In every case, their economic development agencies are well funded. They advertise on a regular basis, their workforce training programs are impressive and they are constantly developing product such as industrial parks and certified sites.

Take the case of Martinsville-Henry County, Va. Since July, over 500 new jobs and over \$75 million in investments have been announced in Henry County. The Martinsville-Henry County EDC has invested years and countless dollars in a new development called Commonwealth Crossing. The 720-acre site is rail-served, and it just secured its first tenant, a Polish glass manufacturer that is investing over \$43 million and will create 212 jobs.

Workforce training in the Martinsville area is second to none. The area is served by the Patrick Henry Community College, as well as the New College Institute (*shown above*), a new facility where Martinsville-Henry County EDC has its offices.

Skilled and less-skilled immigrants are incredibly important to the U.S. economy

By Michael Randle

At the same time Baby Boomers age out of the workforce in huge numbers, the Millennial generation now owns the lowest fertility rates of any generation in American history. In fact, the U.S. population has not grown by over one percent since 2002. That is not a good combination for the U.S. economy. In short, many of the workers who are retiring are not being replaced.

So, what do we do to replace those ag-

ing out of the workforce? There is only one answer to that question. . . embrace immigration and pass comprehensive immigration reform. Recent legal immigrants are far more educated than the U.S. population. But less-skilled immigrants are equally as important.

According to the Bureau of Labor Statistics (BLS), 115 million workers in the U.S. were employed in jobs that do not require a Bachelor's degree. That's 74

percent of the entire workforce. In addition, about 24 percent of all jobs are those that do not require any educational attainment.

As for the future, it looks like more of the same, according to BLS. In 2026, 73 percent of all jobs — 123 million — will not require a Bachelor's degree and 24 percent of all jobs will not require any educational attainment.

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South dominates fastest growing economies ranking

A new ranking by *WalletHub* ranks the fastest growing local economies based on population gains, GDP and other factors. Fort Myers, Fla., took the No. 1 spot followed by Midland, Pearland, McKinney and College Station in Texas, Lehigh Acres, Fla., and Mount Pleasant, S.C. The cities making the top 10 outside the South were Bend, Ore., and Enterprise, Nev.

Do we import farm workers, or do we import food?

Southern farmers are struggling more than ever to recruit enough migrant laborers. With increased security at the border, mass deporta-

tions of the undocumented, refugee admissions at historic lows and cuts in legal immigration, those that farm fruits and vegetables are in dire need of workers. Unlike corn and soybeans, which can be farmed and harvested by machines, most fruits and vegetables must be picked by hand to keep them from bruising. More than half of America's farmworkers are undocumented immigrants. "We have a situation where we need laborers, and we don't have the labor we need," said Will Rodger of the American Farm Bureau in a story by UPI. "Without workers, it is not economically feasible to grow the food at all. We can import workers, or we can import food. It's really that simple."

Restrictive visa policies create loss of foreign students at universities nationwide

For decades and over many administrations, the U.S. has been the No. 1 destination for the world's most talented foreign students. And most of those international students are exactly what the U.S. is lacking; almost 70 percent of them pursue degrees in science, technology, engineering or mathematics (STEM). But according to *Forbes*, "Fewer of the world's best and brightest are choosing to study at U.S. universities," mainly because other countries have become more welcoming destinations. In fact, the number of international student visas has dropped by 40 percent in

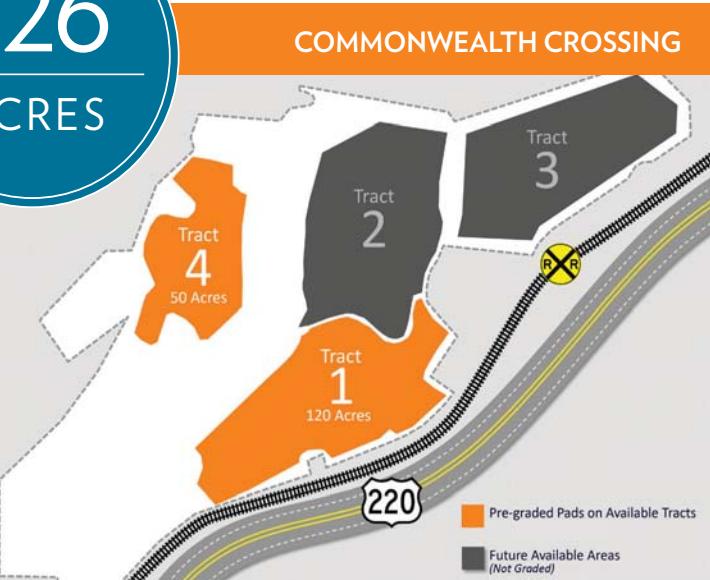
2017 in the U.S. compared with 2015. All the while, Canada has seen international student enrollment at its universities increase by 20 percent in those two years, and Australia has seen an increase of 13 percent.

U.S. steel and aluminum tariffs are backfiring

According to a report by *Business Forward*, prices in the U.S. for hot- and cold-rolled steel have risen by 13.5 percent and 8.9 percent respectively since President Trump announced plans for steel and aluminum tariffs in February. As a result, U.S. manufacturers that use the metals in their manufacturing processes are paying 15.8 percent more for steel. While the tariffs have created jobs for steelmakers in the U.S.,



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First Solar is gearing up to install a solar farm in Alabama to power Facebook's new data center in Huntsville, Ala.



Courtesy of First Solar Inc.

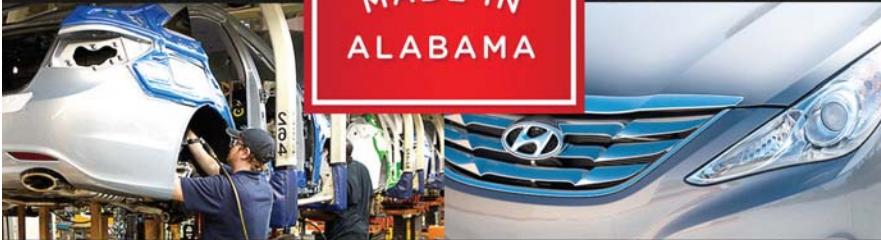


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Montgomery is a whole lot more than the sum of its parts.



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manufacturers using steel are cutting jobs. According to *Business Forward*, companies that buy steel in the U.S. employ more than 46 times more workers than companies that produce steel. The Tax Foundation has estimated that the tariffs and higher metal costs will cause GDP to fall by \$148 billion, and lost jobs could increase by over 450,000 for manufacturers that use steel in their processes.

Facebook to invest \$1 billion in Virginia data center

Facebook will bring more than \$1 billion of new investment to Virginia. The social media giant is directly investing \$750 million to establish a 970,000-square-foot data center in the White Oak Technology Park in Henrico County. In addition, due to a new renewable energy tariff designed by Dominion Energy Virginia and Facebook, hundreds of millions of additional dollars will be invested in the construction of multiple solar facilities in the Commonwealth to service Facebook's Henrico Data Center with 100 percent renewable energy.

Deloitte says millions of manufacturing jobs will go unfilled
A study published in the fall quarter from Deloitte showed that millions of manufacturing jobs in the U.S. will go unfilled over the next 10 years. Deloitte projects that a total of 4.6 million jobs will be available in the manufacturing sector by 2028, however, 2.4 million jobs will go unfilled.

Study estimates Amazon's Virginia HQ2 deal will have an economic impact of over \$14 billion

In the fall quarter, Seattle-based Amazon picked Arlington County, Va., for

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AROUND THE SOUTH



one of its two HQ2s, creating 25,000 jobs in Northern Virginia. Richmond-based Chmura Economics & Analytics published a report that estimates that the project will create \$14.2 billion in economic activity and 59,308 jobs in the state, more than doubling the direct jobs in the deal.

Virginia officials executed the Amazon MOU on Monday, Nov. 13; they got the call an hour later
According to the *Washington Business Journal*, Virginia Economic Development Partnership CEO Stephen Moret was still negotiating with Amazon officials on the morning of November 13.

VEDP executed the memorandum of understanding at 1:00 PM on Monday the 13th, and then Commerce and Trade answered the call from Holly Sullivan, the chief site searcher for Amazon, and was told that one of the two sites for HQ2 would be Crystal City, Va. The \$2.5 billion deal will create 25,000 jobs in Northern Virginia.

Study names Charlotte top tech town

CompTIA's top tech city ranking — based on job opportunities and cost of living — came out in the fall quarter. Charlotte ranked No. 1, followed by Raleigh and Austin. San Jose came in fourth, followed by San Francisco. Dal-

Micron has built a strong base of expertise at its Manassas, Va., plant. The expansion by the company, which makes automotive and industrial-grade semiconductor memory products, is one of the largest manufacturing investments in Virginia history.

las-Fort Worth (sixth), Atlanta (ninth) and Huntsville made the top 10 from the South. The D.C./Northern Virginia area where Amazon will locate one of its two new headquarters finished 11th in the study.

Atlanta, Dallas-Fort Worth and Washington, D.C., are top three markets for relocation

In a report done by Updater, an app for people who are moving, the top three markets for relocating Americans are Washington, D.C.; Dallas-Fort Worth and Atlanta. New York City came in fourth and Los Angeles came in fifth as the top destinations.

Micron breaks ground on \$3 billion Virginia expansion

Micron Technology has broken ground on its \$3 billion expansion in Manassas, Va. The expansion represents one of the largest manufacturing investments in the history of Virginia. The semiconductor maker expects to hire 1,100 in the deal.

Proposed LNG terminal in Southwest Louisiana gets closer to launch
Houston-based Tellurian has taken another step toward starting construction of its \$15 billion Driftwood LNG terminal south of Lake Charles, La. Tellurian has entered a MOU with Vitol, a British energy company, to supply 1.5 million metric

tons per year of liquefied gas from its proposed terminal.

Lake Charles, La., tops national ranking for job growth

Over the last five years, the Lake Charles, La., metro has seen the nation's highest job growth at 28.3 percent, according to the Bureau of Labor Statistics. Lake Charles has created a net gain of 24,482 jobs in those five years. The 28.3 percent gain in jobs is almost four times the national rate of 7.2 percent over the past five years.

Houston led nation in job creation in the last year

The nine-county Houston MSA created 117,800 jobs from October 2017 to October 2018. That's up 3.9 percent, and the largest job growth of any market in the U.S.

North Texas sets record number of deals in 2017

A survey done by the *Dallas Business Journal*, which came out in the fall quarter, showed North Texas economic development agencies recorded 189 projects in calendar year 2017. In terms of investment totals, the Allen Economic Development Corp. assisted in \$1.23 billion in project values. Garland, Texas also saw \$1.23 billion in investment in 2017. Arlington came in third with \$455 million, followed by Plano (\$350 million) and the city of Dallas (\$315 million).



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AROUND THE SOUTH



A Liberian-flagged tanker named the Maria Energy left Cheniere Energy's recently completed Port of Corpus Christi facility with the first shipment of liquefied natural gas. The shipment marked the first LNG export from Texas.

Texas unemployment falls to historic low

In October, the unemployment rate in Texas fell to 3.7 percent, a record low for the state, or since governments began measuring data in 1976. In October, 32,300 jobs were created in Texas.

First shipment of LNG out of Texas in December

Texas is now an exporter of liquefied natural gas. In December, a tanker named the Maria Energy departed Cheniere Energy's Port of Corpus Christi facility with the first shipment of LNG from the state of Texas. Cheniere has been exporting LNG from its first multi-billion dollar facility that it built on the Sabine

Pass in Southwest Louisiana in June of 2017. Cheniere is investing up to \$13 billion to develop its Corpus Christi LNG terminal.

Aerospace industry continues to grow in Kentucky

Aerospace is Kentucky's largest export product by value, and that value is increasing. In 2015, the value of all aerospace exports in Kentucky stood at \$8.7 billion. In 2016, that rose to \$10.8 billion, and the next year it hit \$11.7 billion, nearly triple the total of the next largest export sector, which is automotive. This year, aerospace exports in Kentucky have grown by 5.9 percent, meaning they are on pace to top \$12 billion.

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Lockheed Martin flying high in Orlando and Fort Worth

Lockheed Martin has been awarded a nearly \$400 million contract to produce hundreds of air-to-surface missiles for the U.S. Air Force. The work, expected to be completed by October 31, 2021, will be done at the defense giant's facility in Orlando, Fla. When Lockheed's Marillyn Hewson met with then president-elect Donald Trump in January 2017 about reducing the costs of the F-35 fighter jet, she made an announcement that would significantly impact the North Texas manufacturing environment. "We are going to increase our jobs in Fort Worth by 1,800 jobs," Hewson said. (The Fort Worth plant was already the largest manufacturing plant in DFW with an employee count of 13,400 at the time.) Twenty-two months later, Lockheed Martin has exceeded that figure. In fact, the aerospace and defense manufacturer now employs 16,400 people at its massive Fort Worth facility.

Boeing's \$9.2 billion win means hundreds of jobs for Texas and Missouri

A \$9.2 billion military jet contract won by Boeing in October will mean hundreds of jobs at an aviation manufacturing facility in Red Oak, Texas, that will be a major supplier for the project. Triumph Group will supply the wing, vertical and horizontal tail structures and other components for the next generation T-X aircraft. Triumph previously estimated Boeing's receipt of the contract would translate to 950 direct and indirect jobs, but the *Dallas Morning News* reports officials based that figure on a much larger deal. Chicago-based Boeing, which partnered with Sweden-based Saab to win the work to replace the Air Force's aging Northrop T-38 Talon fleet, had said last year that the new aircraft would be assembled in St. Louis if it won the competition.

Blue Origin to officially build rocket engines for ULA

In October, Jeff Bezos' Blue Origin received word that United Launch

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President Franklin D. Roosevelt signed the TVA

Act in 1933, which established the Tennessee Valley Authority. The agency recently declared a new record for projects — business additions or expansions valued at more than \$11 billion in the fiscal year ending Sept. 30, 2018.



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Alliance will contract with the company to build rocket engines. Blue Origin announced last year it would build the BE-4 rocket engine manufacturing facility in Huntsville, pending the contract with ULA. ULA assembles the Atlas V and Delta IV rockets at its facility in Decatur, Ala.

TVA to build largest solar farms in Tennessee and Alabama

The Tennessee Valley Authority has contracted with two of the nation's biggest solar power developers to construct the largest solar installations ever built in Tennessee and Alabama to power Facebook's new \$750 million data center in Huntsville, Ala., with 100 percent renewable energy. First Solar will erect a 227-megawatt solar farm in Colbert County, Ala., and NextEra Energy Resources will build a 150-megawatt solar farm in Lincoln County, Tenn. As a condition of locating in Alabama, Facebook wanted all of its electricity generated from renewable sources.

Record-setting year for TVA

In the birthplace of the Tennessee Valley Authority where President Roosevelt declared the New Deal agency "a remarkable success" 85 years ago, TVA leaders recently heralded the agency's continued economic development during a record-setting year for new projects in 2018. TVA's economic development department worked on business additions or expansions valued at more than \$11 billion in the fiscal year ending Sept. 30, up by more than a third from the previous investment peak in 2014.

Struggling coal towns awarded \$26 million

The Appalachian Regional Commission is spreading \$26.5 million in awards to nine states to assist struggling coal communities. The commission said in a news release that the money is projected

Lindsey Janies Photography

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AROUND THE SOUTH

to create or retain more than 5,400 jobs and leverage more than \$193 million in private investments in those areas. West Virginia is set to receive about \$7.6 million of the grant awards, while Kentucky will receive nearly \$3 million and Tennessee about \$1.5 million.

Site work begins at Northeast Tennessee aerospace park

Site preparation on the new Tri-Cities Airport's Aerospace Park began in September. The 160-acre Aerospace Park is adjacent to the airport in Blountville, and being marketed regionally to aerospace companies by city officials in nearby Bristol, Kingsport and Johnson City.

All four owners of Plant Vogtle nuclear expansion agree to continue with build-out

Following days of discussion and despite the never-ending increase in the price tag, all four owners of Plant Vogtle agreed to continue the build-out of units 3 and 4 of the multi-billion nuclear power plant in Waynesboro, Ga. Georgia Power, Oglethorpe Power, MEAG Power and Dalton Utilities own the plant.

Study shows four of the five most affordable



The project to expand the two-unit Plant Vogtle nuclear power station in Georgia with two new reactors has suffered debilitating delays and mounting costs. Original estimates for Vogtle reactors 1 and 2 were under \$1 billion each, but final costs skyrocketed to nearly \$9 billion.

retirement markets are in the South

A study done by GOBankingRates found that cost of living is lowest in the U.S. in Birmingham, Ala., for retirees. Average annual cost of living expenses for a retiree in Birmingham are \$33,219. The other four cities making the top five were Detroit; Jackson, Miss.; Memphis and Augusta, Ga.

Lexington, Ky., is the most affordable city for early retirement

A study by SmartAsset.com that accounted for a city's tax rates, crime rates and medical facilities, showed that Lexington, Ky., is the most affordable city in the U.S. for early retirement. Lexington beat out Boise, Idaho; Madison, Wisc.; and Plano, Texas. Those cities made up the top five most affordable according to SmartAsset.com.

Which city in your Southern state is seeing the highest job growth?

Ladders analyzed job growth in every U.S. state and came up with the cities that have seen the highest percentage of employment increase from 2013 to 2018. Here are the results in all 15 Southern states:

State	Market	% Change
AL	Daphne-Fairhope-Foley	13.9
AR	Fayetteville-Springdale-Rogers	20.0
FL	Cape Coral-Fort Myers	17.8
GA	Gainesville	20.9
KY	Bowling Green	9.6
LA	Lake Charles	28.3
MS	Hattiesburg	11.8
MO	Kansas City	7.9
NC	Charlotte-Concord-Gastonia	17.9
OK	Oklahoma City	7.1
SC	Charleston-North Charleston	12.7
TN	Nashville-Murfreesboro-Franklin	17.7
TX	Austin-Round Rock	18.4
VA	Charlottesville	11.3
WV	Morgantown	6.6

Source: Ladders

Port of Gulfport restoration and expansion completed

Hurricane Katrina just about wiped out the Port of Gulfport in Gulfport, Miss. But in late November, Mississippi officials cut the ribbon on the completion of the \$570 million expansion and restoration of the port.

Port of Savannah's 10-year plan doubles container capacity

The Port of Savannah's 10-year plan calls for nearly doubling its containerized cargo capacity. Executive director Griff Lynch in his annual State of the Port address said that the \$2.5 billion plan will add a new rail yard that will double the

port's capacity to move cargo by rail. The investment also includes new equipment, berth improvements and additional roads.

Joint venture purchases Louisiana's Avondale Shipyard site

The 254-acre Avondale Shipyard near New Orleans is being purchased by Virginia-based T. Parker Host and Illinois-based Hilco Redevelopment Partners. The new entity will be called Avondale Marine. The companies will redevelop the port, and the site could create up to 2,000 jobs. Avondale was once one of the largest private employers in Louisiana with about 26,000 workers. ★



The impetus for the Port of Gulfport's restoration and expansion project, which was recently completed, was the destruction caused by Hurricane Katrina. But the ultimate vision is modernization and increased ability to handle larger capacities of cargo.

A collage of images illustrating industrial development. On the left, a yellow bulldozer is shown working on a dirt construction site. In the center, there is an aerial photograph of a large industrial complex with several large buildings, parking lots, and green areas. Above the complex, a map of the state of Tennessee is displayed with a specific region highlighted in red, indicating a focus on that area. The overall theme is the growth and infrastructure of industrial sites in the Southeast.

See How The Valley Works for You

Building a solid foundation for your business in the Southeast starts by connecting with TVA. Together, we can work to find the perfect site, lay the framework and reap the benefits of this industry-focused region. Get started by contacting us at www.tvasites.com, emailing econdev@tva.com or calling us at 615-232-6225.

THE VALLEY
WORKS

TVA

SNAPSHOTS FROM THE ROAD

*In the fall quarter,
SB&D visited South Carolina
and Texas.*



1



2



3



4



5



6



7



8

Owner and publisher of SB&D Michael Randle spoke in the fall quarter in Wichita Falls, Texas.

1: Pictured are Randy Catlin, Stacy Hopkins, Jeremy Dorzab, Paul Rodriguez, Susan Brooks, Amber Gee, Jake Andrajack and Casey Wolfe. **2:** Leo Lane, Mike Randle, Mayor Stephen Santellana, Chamber CEO, Henry Florsheim and Scott Poenitzsch.

3: Randle and Chamber Board President Ripley Tate. **4:** Gonzalo Robles, Mike Randle and Mayor Stephen Santellana.

5: Henry Florsheim, Mike Randle and Judge Woody Gossom.

6: Chamber Research Analyst Adrene Wike and Chamber Administrative Assistant Sarah Harpole.

7: Mike Randle, Chamber CEO Henry Florsheim. Bat made by XYLO. **8:** Mike Randle, Rep. James Frank, Texas State Representative, District 69.



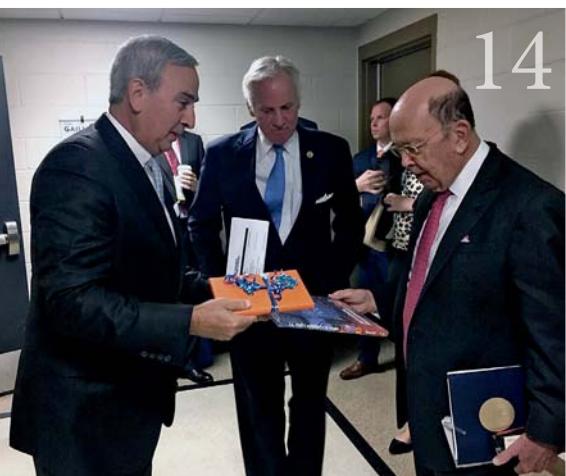
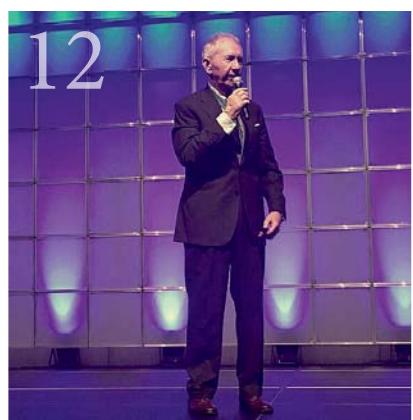
Publisher Michael Randle also spoke at the 45th annual South Carolina International Trade Conference.

9: Pictured are South Carolina Gov. Henry McMaster, U.S. Sec. of Commerce Wilbur Ross, Randle and South Carolina Ports Authority CEO Jim Newsome. **10:** Brian Morgan, SunTrust Bank, provides a global economic outlook. **11:** Lars Jensen of SealIntelligence Consulting presents the outlook for global container shipping.

12: Major General James E. Livingston, USMC Medal of Honor Recipient, gave the keynote speech during the 45th Annual South Carolina International Trade Conference. **13:** Jim Newsome, SC Ports, thanks the audience for attending the panel on chassis pooling in the South Atlantic.

Panelists included Jim Newsome, SC Ports, Donna Lemm, IMC Companies, Dick Craig-NACPC, Keith Johnson, H&J Trucking.

14: Jim Newsome, Gov. Henry McMaster and U.S. Sec. of Commerce Wilbur Ross backstage. **15:** Sec. Ross, Gov. McMaster and Jim Newsome. ☀



RELOCATIONS & EXPANSIONS

For real-time news on business, politics and economic development in the South, go to RandleReport.com. For all economic development projects announced in the South, go to SB-D.com. For information on automotive in the South, go to SouthernAutoCorridor.com.

ALABAMA

Airbus begins another assembly line at Mobile complex

Airbus has begun construction to expand its Mobile, Ala., operations to accommodate A320 aircraft and A220 production. A new A220 aircraft assembly building will be located adjacent to Airbus' A320 family production lines. The A220 program was formed by a partnership between France-based Airbus and Canada-based Bombardier. The expansion will create hundreds of jobs.

Shaw Industries investing \$250 million in Alabama carpet plant

Dalton, Ga.-based Shaw Industries announced in December that it will invest \$250 million in its Andalusia, Ala., carpet plant. The investment includes tech-

nology upgrades and new equipment.

New saw mill for Alabama

Great Southern Wood is spending \$40 million to convert an existing facility into a sawmill in Abbeville, Ala. The project will create 100 jobs.

Westervelt to build new lumber mill in Alabama

Tuscaloosa-based Westervelt announced it will build a new lumber mill in Thomasville, Ala. The new mill, which will house 125 workers, will be capable of producing 250 million board feet of lumber each year.

ARKANSAS

Pinnacle Foods expands Arkansas facilities

Pinnacle Foods, a packaged foods company, opened its 164,000-square-foot warehouse, which is connected to

its manufacturing building on the southern side of Fayetteville, Ark. Fayetteville is the company's frozen meal hub, producing products such as EVOL and Hungry Man as well as Swanson pot pies.

Gun maker expands Arkansas facility

A high-end gun manufacturer has announced an expansion of its three-year-old northwest Arkansas manufacturing facility, investing more than \$750,000 in a new building and equipment. Nighthawk Custom, a manufacturer of custom firearms and other tactical weapons, is expanding its \$1.25 million Berryville facility after receiving \$125,000 in state grants for equipment.

FLORIDA

Harris Corp. investing \$125 million in R&D in Florida

The Melbourne-based Har-

ris Corp. plans to invest more than \$125 million in its research and development facilities in Florida. Harris' Florida-based R&D includes electronic warfare, robotics, avionics and small satellites.

Bombardier to open Florida facility with 300 employees

Aerospace giant Bombardier will open a new facility at Miami-Opa Locka Airport that will eventually host 300 jobs. The company announced it would build a 300,000-square-foot facility for a service center and mobile response team, which responds to the needs of jet operators around the world.

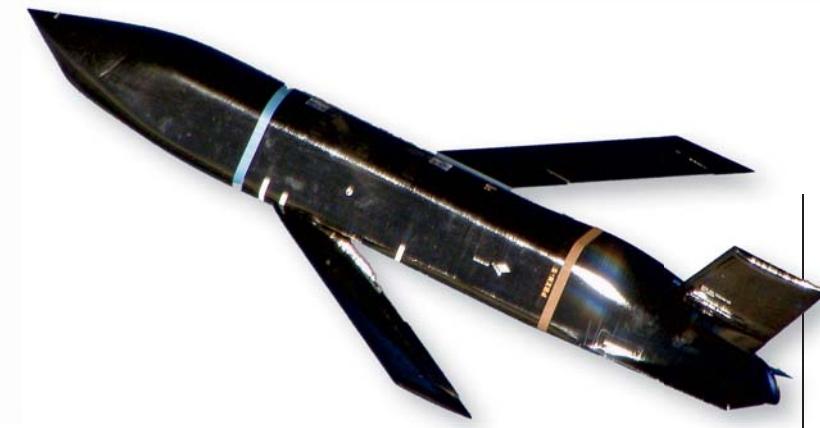
Siemens and Chromalloy open Florida manufacturing facility

Siemens and Chromalloy Gas Turbine Corporation celebrated the grand opening of their new joint venture, Ad-

FBI relocating 1,350 jobs to Huntsville, Ala.

In the fall quarter, the FBI announced a major expansion of its operations at the Redstone Arsenal in Huntsville. The agency, which has a significant presence in Huntsville, is moving 1,350 jobs from the Washington, D.C., area. Huntsville Mayor Tommy Battle said that the FBI expansion in Huntsville could mean as many as 5,000 jobs. Shown here, students help Miami Police Department Detective Robert Rodriguez don a bomb suit before investigating a simulated threat at the FBI's Hazardous Devices School located at Redstone Arsenal, which plays a key role in training and certifying all of the nation's public safety bomb technicians.





vanced Airfoil Components, in Hillsborough County, Fla. The 210,000-square-foot casting facility represents a capital investment of \$139 million and will create 350 jobs in the Tampa Bay area.

Eastern Shipbuilding bringing thousands of jobs to the panhandle

Eastern Shipbuilding announced recently the approval to build its first U.S. Coast Guard cutter and begin work on the second cutter in Bay County, Fla. Construction will begin early next year and will take about three years to complete the first vessel.

Publix to grow headcount by 700 in Lakeland

Publix is planning a major expansion of its Lakeland headquarters, meaning 700 new corporate jobs. Publix is approved to receive a qualified target industry refund through the state's Depart-

ment of Economic Opportunity if it adds 700 jobs and invests \$25 million in capital improvements.

GEORGIA

It's official: Norfolk Southern relocating HQ to Atlanta

In December, officials at Norfolk Southern formally announced that it plans to relocate its headquarters from Virginia to Atlanta. The railroad is Atlanta's 21st Fortune 500 headquarters. Norfolk Southern will purchase land on West Peachtree Street and Ponce de Leon Avenue to develop a \$575 million office campus. The company plans to create or relocate 850 jobs as part of the move. Norfolk Southern already employs 2,000 employees in Atlanta.

Wayfair to hire 1,000 in Savannah

Online retailer Wayfair is

Lockheed Martin to add 750 jobs in Orlando, Fla.

In November, Lockheed Martin's Orlando unit won two major defense contracts — one for 50 long-range anti-ship missiles (shown here) and another for the next generation F-35 fighter jet. The project will create 750 jobs.

opening a 1.1 million-square-foot warehouse in Chatham County, Ga. The \$45 million project will create 1,000 jobs.

BlackRock to open 1,000-job tech hub in Atlanta

New York-based investment firm, BlackRock, has announced plans to open a new innovation center in Atlanta, where it expects to locate about 1,000 jobs over the next several years. The company manages more than \$6.4 trillion worth of assets for clients around the world.

Atlanta company investing \$350 million in Georgia paper mill

Atlanta-based Graphic Packaging announced in the fall it will invest \$350 million at its 60-year-old paper mill in Augusta, Ga. The company makes bleached paperboard at the plant that houses 750 workers.

Salesforce.com's 600-job expansion in Atlanta

Salesforce.com's expansion is projected to double its current Atlanta workforce. According to documents from Invest Atlanta (the city's economic development arm), the expansion will create 600 jobs with an average annual wage of \$90,000, and involve a private investment of \$283.5 million. The San Francisco-based software provider evaluated other states before deciding to expand at the 34-story Buckhead office tower formerly known as Atlanta Plaza.

Floor & Decor will create 500 new jobs in Cobb County, Ga.

Floor & Decor, a specialty retailer of hard surface flooring and related accessories, will create 500 jobs over five years in the expansion and relocation of its headquar-

Racetrack plans \$100 million expansion in Hot Springs, Ark.

Less than two weeks after voters approved casino gambling in Arkansas, Oaklawn Racing and Gaming in Hot Springs announced a \$100 million expansion that will include a 200-room hotel, a 14,000-square-foot event center and 28,000 square feet of new gaming space. The project did not receive any state or local incentives.



RELOCATIONS & EXPANSIONS

ters in Atlanta. New jobs will include administrative and customer service positions.

KENTUCKY

Heaven Hill investing \$65 million in Bardstown

Heaven Hill Distilleries is investing \$65 million to renovate and expand its Bourbon Heritage Center, a visitors facility in Bardstown. The company will also expand its bourbon capacity in Bardstown.

Diageo to build \$130 million distillery in Kentucky

Diageo, one of the largest alcoholic beverage companies in the world, announced in the fall it will build a new \$130 million distillery in Lebanon, Ky. The project will create 30 jobs.

New harness racing track to open in Kentucky

A partnership between Churchill Downs and Keene-

land Association will build a \$150 million harness racing track in Oak Grove, Ky., near the Tennessee border. The project is expected to create 400 jobs.

GE Appliances plans \$200 million investment and 400 jobs in Louisville

GE Appliances, a Haier company, announced it will create 400 new jobs with a \$200 million investment in its laundry and dishwasher production facilities in Louisville.

Chinese company bringing jobs to Kentucky

A Chinese company says it will buy a shuttered western Kentucky paper mill and reopen it by the end of this year. Global Win Wickliffe will purchase the former Verso Corp. mill in Ballard County. The company plans to invest \$150 million and hire 500 people to produce pulp and brown paper packaging.

McCreary County (one of the nation's poorest) to get 350 jobs

The U.S. Army has selected Fibrotex USA, in partnership with Outdoor Ventures Corporation, to produce next-generation state-of-the-art camouflage netting for the military during the next 10 years in Stearns, Ky.

LOUISIANA

GE expanding wind energy at Michoud site in New Orleans

Denmark-based LM Wind Power, a subsidiary of GE, is bringing a wind turbine testing center to the NASA Michoud complex in New Orleans. The expansion includes hiring 100 people and converting an existing building on the campus that was most recently used as a movie sound stage.

Manufacturer to land in Louisiana

VEGA Americas, a manufacturer of materials for other manufacturers, is building a new plant in Ascension Parish. The German company will invest over \$22 million and create 120 jobs in the deal.

Company hiring 120 in rural Louisiana

Catamaran Solutions will open an industrial fabrication center in Minden, La. The project will create 120 jobs. The company plans to provide construction and

maintenance services to industrial clients across North and South America.

Lake Charles celebrates Chennault's rehab

Louisiana's governor was on hand to celebrate the completion of \$18 million in major infrastructure improvements — runway, runway lighting and taxiway rehab projects — at Chennault International Airport.

MISSISSIPPI

Furniture manufacturer is opening new facility in Mississippi

Sutter Street Manufacturing, a subsidiary of Williams-Sonoma, is opening a new facility to make upholstered furniture in Baldwyn, Miss. The project will create 350 jobs.

DMC Power to create 125 jobs in Mississippi

California-based DMC Power, a manufacturer of connection systems for distribution and transmission of electric power, is expanding its facilities in Olive Branch, Miss. The company is investing \$8 million and adding 125 jobs.

Ajinomoto Foods expands Mississippi operations

Ajinomoto Foods North America is expanding its existing operations in Oakland, Miss. The company plans to invest \$22 million



Sister Schubert expands in Hart County, Ky.

Sister Schubert's, a major producer of frozen dinner rolls, has announced a \$50 million phase I expansion of its manufacturing operation in Hart County expected to create 72 full-time jobs.



Ingalls' \$5 billion contract means jobs for Pascagoula, Miss.

Ingalls Shipbuilding in Pascagoula will build six destroyers over the next five years for the U.S. Navy under a contract valued at more than \$5 billion. Ingalls has also been awarded a \$48.5 million contract modification for repairs, restoration and modernization of the USS Fitzgerald. The Navy ship was brought to Pascagoula to be repaired after a collision with a container ship off the coast of Japan. The Pascagoula shipyard, which is the biggest employer in Mississippi, will produce six Arleigh Burke-class DDG-51 Flight III destroyers, Navy Secretary Richard Spencer told members of the Mississippi congressional delegation.

and add 76 to its existing workforce of 400 to manufacture specialty frozen foods.

B&B Electric breaks ground on HQ; 300 jobs to Madison County

B&B Electrical and Utility Contractors is breaking ground on its new headquarters in Canton, investing \$6.5 million. The family-owned company has been in continuous operation since 1982.

Sephora opens distribution hub in Olive Branch

The beauty retailer Sephora officially opened a new 720,000-square-foot distribution facility in Olive Branch. The project is expected to provide an estimated 400 jobs in DeSoto County. Sephora currently employs more than 220 workers at its facility.

MISSOURI

Joplin plant expansion underway

A ball bearing manufacturer that has been in Joplin nearly 50 years will invest \$56 million in a plant expansion. Schaeffler Group USA has already started to bring in some of the new equipment it plans to install at its plant.

Quaker Window Products expands in Missouri

Quaker Window Products plans to expand its current operations to a new location in Eldon, Mo. The company will invest as much as \$65 million during the next six to 10 years as the new campus is expanded. This phased plan is also expected to create 300 new full-time jobs for the region.

Alorica plans to expand in Missouri

Alorica's Joplin call center has announced plans to nearly double its local work-

force. The company hopes to begin hiring 625 full-time, customer-service employees.

American Outdoor Brands facility nearly complete in Columbia

American Outdoor Brands, formerly Smith and Wesson Holding Corp., which manufactures and distributes firearms and outdoor equipment, will open a 632,000-square-foot distribution facility in December. The center will create 154 jobs in the first three years and 328 jobs long term.

NORTH CAROLINA

Honeywell relocates HQ to Charlotte

Honeywell is relocating its headquarters from Morris Plains, N.J., to Charlotte, N.C. The announcement means about 500 jobs will be created in Charlotte. The company is also relocating its Safety and Productivity Solutions division from South Carolina to Charlotte. About 100 positions will relocate in that move.

LendingTree is expanding its Charlotte area HQ

LendingTree, an online loan marketplace, is expanding its headquarters in the Charlotte metro. The financial services company will add 436 jobs.

Tech company to hire 600 in downtown Raleigh

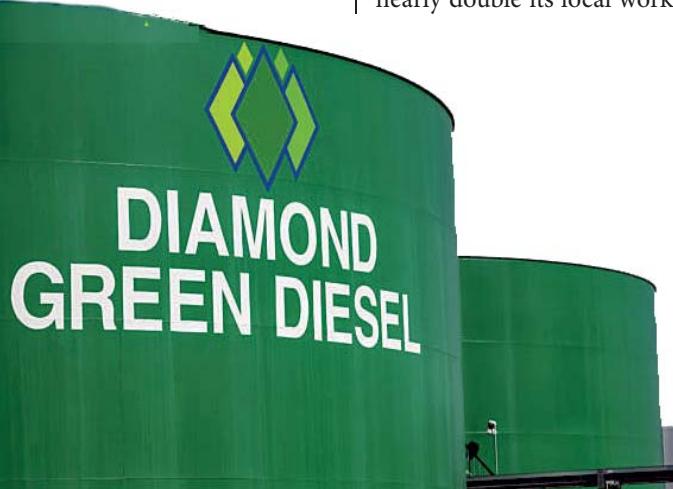
Homegrown tech firm Pendo, which currently employs 171 people in downtown Raleigh, N.C., will hire 590 more. The company will invest \$34 million in the deal.

Publix to build \$300 million distribution center

Publix Super Markets will create up to 1,000 jobs by 2025 and invest up to \$300 million in a new refrigerated distribution center in Greensboro. The facility will be completed by the end of 2022 and is part of a multi-phase project.

Medical manufacturer moving HQ to Forsyth County

Gant Medical, a manufac-



Billion-dollar joint venture expands diesel facility in Norco, La.

Darling Ingredients will invest \$1.1 billion to expand the Diamond Green Diesel facility in Norco. The expansion will increase the facility's production capacity of renewable diesel by an additional 400 million gallons to a total nameplate annual capacity of 675 million gallons.

RELOCATIONS & EXPANSIONS

turer of medical products, is moving its North American headquarters to Forsyth County and bringing more than 100 jobs. Robert Long, vice president of economic development with the chamber, said, "We have similarly situated companies nearby, so there is a talent pool of qualified candidates for key positions that will ensure this product's success."

Egger begins construction on \$700 million North Carolina Triad facility

Austria-based EGGER, a wood-based materials supplier for the furniture, construction and flooring industries, has broken ground on its \$700 million Davidson County facility where it will potentially create 770 jobs over 15 years.

New factory bringing 384 jobs to Roxboro

POLYWOOD, a manufacturer of outdoor furniture made from recycled plas-

tics, will create 384 jobs over the next five years in Person County, N.C. The company will invest \$35 million in a new facility there.

OKLAHOMA

Defense contractor to add 130 jobs in OKC
Booz Allen Hamilton, an international technology consulting company, is set to add 130 new jobs at its downtown Oklahoma City operation and at Tinker Air Force Base. The company already employs 90 people there.

Rural Sourcing to bring 150 tech jobs to Oklahoma City

Rural Sourcing, a provider of IT outsourcing services, will open its fifth development center in Oklahoma City. The center will create 150 software development jobs, and means a \$7 million investment in the first year.

Whirlpool announces \$55 million expansion in Tulsa

Whirlpool is planning a \$55

million expansion in Tulsa that will add 150 manufacturing jobs. A new distribution center will be built adjacent to the appliance company's existing plant in Cherokee Industrial Park.

Meat snack plant means jobs for Marshall County, Okla.

Stryve Biltong will bring more than 100 jobs to the area in a building that once housed a peanut processing facility. "Biltong" is a process of air-drying meat that originated in South Africa. The product is similar to jerky, but has more protein, less sugar and lower fat. Stryve plans to source some of its meat from local farmers and tribes, as well as hire up to 150 employees.

SOUTH CAROLINA

Ritedose opens new facility at Midlands Technical College

The Ritedose Corp. has opened a 150,000-square-foot facility on the campus of Midlands Technical College in West Columbia, S.C. The facility is the anchor tenant on MTC's Enterprise Campus, a 130-acre industrial park that offers office and industrial space ranging from five to 40 acres. Companies will be able to train and hire MTC students who have developed technical skills tailored to their organi-

zations. The new operations mark the first expansion for Ritedose, a blow-fill-seal manufacturer headquartered in Columbia that specializes in the production of inhalation products, eye drops, ear drops and oral liquids.

Chinese memory foam manufacturer to bring 250 jobs to South Carolina

Healthcare U.S. Co., a Chinese mattress manufacturer, is locating a plant at the former Mack Truck and Guardian building in Winnsboro, S.C. The \$45 million project will create 250 jobs.

Metal fabricator to locate new South Carolina plant

W International, a manufacturer of large, complex welded metal fabrications, is locating a new \$35 million plant in Berkeley County, S.C. The deal will create 600 jobs.

RoundPoint HQ to create 1,100 jobs in South Carolina

RoundPoint Mortgage Servicing Corp. is bringing an estimated 1,100 jobs to South Carolina with the construction of a new headquarters building in Fort Mill. The company broke ground recently on the planned headquarters building, projected to cost \$34 million.

Massive \$200 million

Flu vaccine maker to expand North Carolina plant

Seqirus, a maker of cell-based flu vaccines, is adding dose capacity at its plant in Holly Springs, N.C. The company is investing \$140 million into the facility and adding 120 jobs.



Swiss Krono expansion in South Carolina

More than \$45 million in tax credits will go toward funding a 250,000-square-foot, \$200 million expansion of Swiss Krono's plant in Barnwell, S.C. Swiss Krono is one of the world's leading producers of engineered wood.

Forty new jobs heading to Aiken County

Green Energy Biofuel is putting up a new recycling facility in Aiken County. The alternative fuels company, which refines and recycles used cooking oil and other food products, will locate the new facility in Warrenton.

Columbia to get 750 jobs

As a result of its decision to cease operations at its plant in Macon, Ga., by the end of the year and in Lexington, Ky., by the end of 2019, Ingersoll Rand, an HVAC manufacturer, will hire 750 new employees for its facility in Columbia.

TENNESSEE

Amazon picks Nashville for Tennessee's largest jobs announcement in history

Amazon's announcement in November that it would bring a new operations hub to Nashville wasn't the HQ2 that landed in Virginia and New York. But at 5,000 jobs, it's the largest single deal ever announced in Tennessee. The \$230 million project will be located in Nashville Yards, a new commercial site under construction between Church Street and Broadway near Interstate 40. Amazon will receive an incentive package that will total \$102 million.

Amazon hiring 1,500 in Memphis

Amazon is planning to hire more than 1,500 employees. Of those, about 800 are being hired at a new receiving center. The other 700 will be hired to work at Amazon's sortation center in Southeast Memphis.

Portobello picks Tennessee for first U.S. facility

Brazil-based Portobello, a ceramic tile manufacturer, is investing \$150 million to establish its U.S. headquarters and manufacturing plant in Baxter, Tenn. Portobello is Brazil's largest manufacturer and will create 220 jobs in the deal.

Agriculture technology startup to create 700 jobs in downtown Memphis

Indigo Ag, a startup that uses plant microbes and digital technology to promote crop health and productivity, is investing \$6.6 million in downtown Memphis. The deal will create 700 new jobs.

Mars Candy investing \$142 million in Tennessee facility

Wrigley Mars is investing \$142 million in its facility Bradley County, Tenn., to make M&M's newest product, Hazelnut Spread. The company, which has operated the plant in Cleveland for 40 years, will add 75 workers.

Ernst & Young to invest \$22 million, create 600 jobs in Nashville

Global professional services firm Ernst & Young is investing \$22.7 million in Nashville with the creation of a new technology hub. The investment is expected to create more than

600 jobs over the next five years, including 200 technology and 400 tax delivery professionals.

Mimeo relocating headquarters from New Jersey to Memphis

Mimeo, a leading on-demand digital printer that can deliver documents overnight, is relocating its headquarters to Memphis. The company already has a distribution center there that houses about 400 workers. The new headquarters will create about 300 new jobs.

FreightWaves will create 260 jobs in Tennessee expansion

FreightWaves will invest \$3.9 million to expand its operations in Chattanooga. The transportation and logistics data and content provider will create 260 new jobs in Hamilton County.

TEXAS

Amazon to build new regional air hub at Fort Worth's Alliance Airport

Amazon is on the move again. It will build a regional air hub at the Alliance Airport in Fort Worth. FedEx also operates a hub at Alliance. The Amazon project is expected to create hundreds of jobs.

Samsung expands its Austin operations again

Samsung Austin Semiconductor will expand again in the Texas city. The company is investing \$291 million and retaining 500 jobs.

McKesson to relocate HQ to Las Colinas, Texas

McKesson, a provider of healthcare supply chain management solutions, is relocating its global headquar-

ters from San Francisco to Las Colinas. McKesson joins several companies that have relocated their headquarters from California, including Toyota, Kubota Tractor and Charles Schwab Corp.

PGA of America is relocating its headquarters to Frisco, Texas

The PGA of America is relocating its headquarters from Palm Beach Gardens, Fla., to Frisco, Texas. The \$500 million deal includes a 100,000-square-foot headquarters and two 18-hole championship courses, along with a new resort. Also, multiple PGA of America-hosted championships will be played at the new courses.

Okin BPS bringing 1,400 new jobs to San Antonio

San Antonio will be the new U.S. headquarters for a Czech Republic-based company that provides business processing services, bringing more than 1,400 jobs to the city and a \$23 million investment. More than half the positions at the new Okin BPS headquarters will pay over \$50,000 a year.

Tech company coming to San Marcos, Texas

A new technology company will bring 542 full-time jobs to San Marcos as part of a \$110 million incentive agreement with the City Council. Katerra, an advanced technology-driven company providing services including architecture, engineering, and construction management, will establish an automated building component manufacturing and distribution facility in San Marcos.

CONTINUED

RELOCATIONS & EXPANSIONS

Apple will build new \$1 billion campus in Austin creating 5,000 jobs

Apple announced it will build a new campus on a 133-acre site in North Austin. The company is investing \$1 billion in the facility and will hire 5,000 initially. The campus is being built to accommodate as many as 15,000 workers. Apple already has a campus in Austin about one mile away from the site of the new campus where over 6,000 workers are housed.



Mary Kay bringing 700 jobs to Lewisville, Texas

May Kay's new \$125 million manufacturing and R&D facility in Lewisville will put all of the company's North Texas operations under one roof, and allow the beauty industry leader to add jobs. About 500 employees will move from the company's long-time facility on Regal Row in Dallas. More will be shifted from company headquarters in Addison.

Dallas area lands two more Amazon hubs

It looks like the digital retailing giant has targeted the Dallas-Fort Worth area for one of its largest concentrations of distribution facilities in the nation. Amazon is expanding its warehousing operations with two huge fulfillment centers — one in West Dallas and another in southern Dallas County.

The Dallas City Council recently voted to give the Seattle-based Internet retailer about \$2 million in incentives to build a \$100 million distribution center in West Dallas that is expected to create 1,500 new jobs.

VIRGINIA

Facebook to invest \$1 billion in Virginia data center

Facebook will bring more than \$1 billion of investment to Virginia. The social media giant is directly investing \$750 million to establish a 970,000-square-foot data center in the White Oak Technology Park in Henrico County. In addition, due to a new renewable energy tariff designed by Dominion Energy Virginia and Facebook, hundreds of millions of dollars will be invested in the construction of multiple solar facilities in the Com-

monwealth to service Facebook's Henrico Data Center with 100 percent renewable energy.

KPMG to create 500 jobs with move to Tysons, Va.

KPMG plans to create more than 500 new jobs as part of its move to Boro Tower in Tysons. The audit, tax and advisory firm will invest more than \$30 million in its new space in Fairfax County.

Monogram Foods investing \$30 million in Virginia expansion

Memphis-based Monogram Food Solutions will invest \$30 million to expand its manufacturing operation in Henry County, Va. Monogram considered six other states for the project, which will create 300 new jobs. Monogram Foods manufactures branded meat snacks and pet treats for brands that include Bass Pro Shops, Johnsonville and Butterball.

IT contractor 1901 Group

to create over 800 jobs in Virginia

The 1901 Group is expanding its Enterprise IT Operations Center in Montgomery County, Va., by 580 jobs. It is also expanding its corporate offices in Fairfax County with a 225-job expansion.

Dollar Tree moving 700 workers to Virginia HQ

Dollar Tree, which bought Family Dollar three years ago, is moving 700 employees from the Family Dollar headquarters in Matthews, N.C., to its new headquarters that is under construction in Chesapeake, Va.

WEST VIRGINIA

Leidos expanding in West Virginia

Leidos, a Fortune 500 company information technology firm, is consolidating two locations in Morgantown, W.Va. The company is expected to add 110 jobs to the current workforce of 140. ☈

Amazon picks Northern Virginia and New York City for HQ2s

In the fall quarter, the largest single project by job generation in the South's history landed in Arlington County, Va., in the D.C. metro. It was half of Amazon's HQ2 project. The other location is in the neighborhood of Queens in New York City. In a statement, CEO Jeff Bezos said, "These two locations will allow us to attract world-class talent that will help us to continue inventing for customers for years to come." Both locations will see 25,000 jobs created and \$2.5 billion in investment in the deals.



SOUTHERNAUTO CORRIDOR.COM

For real-time news on business, politics and economic development in the South, go to RandleReport.com.
For all economic development projects announced in the South, go to SB-D.com. For more information on the automotive industry in the South, go to SouthernAutoCorridor.com.



BMW ponders a new engine plant in North America

BMW is considering building a second plant in the U.S. The German automaker is studying whether to build an engine plant to support its largest plant worldwide, which is located in Spartanburg County, S.C. The company is also about to open a plant in Mexico. Currently, BMW imports its engines from Europe to its U.S. plant. BMW officials have been discussing the new plant for several years.



ALABAMA

Mazda Toyota Manufacturing breaks ground on North Alabama plant

On November 16, 2018, Mazda Toyota Manufacturing USA broke ground on its \$1.6 billion, 4,000-employee plant in Huntsville, Ala., and Limestone County. Fittingly, an automotive assembly line robot turned the first shovel of dirt. The plant will feature two lines, with one assembling the Toyota Corolla model and another building a new Mazda crossover SUV.

Mercedes breaks ground on Alabama battery plant

At a groundbreaking ceremony, Mercedes-Benz officials formally marked the start of construction on a 2 million-square-foot plant in Bibb County, Ala., that will supply battery packs for the automaker's Alabama-made electric vehicles. The battery plant is a key component in a \$1 billion Mercedes expansion announced in September 2017. The plan calls for Mercedes to begin producing electric SUVs at its assembly complex in Vance, about seven miles away, at the beginning of the next decade.

CONTINUED

Hyundai considers significant upgrade of its plant in Montgomery

Hyundai CEO Wonhee Lee told *Automotive News* in the fall quarter that the Korean automaker may soon make a significant investment in its plant in Montgomery, Ala. The company is considering adding two more lines to the plant, one for an SUV and one for a new pickup truck. Hyundai assembles two sedans and one SUV there.

Hwashin investing \$26 million in Alabama expansion

Auto supplier Hwashin America Corp. will expand its Greenville, Ala., manufacturing operation with a \$26 million investment in new equipment and 50 new jobs. The company, which produces body components for Hyundai's Alabama auto assembly plant, has been in expansion mode since arriving in Butler County in 2003.

Eissmann Group Automotive expands Alabama plant

A Germany-based firm that specializes in car interiors, trim components, shifter modules and other parts, Eissmann Group Automotive has completed a \$14.5 million expansion at its as-

sembly plant in Pell City, Ala. The project is adding 200 workers to the company's St. Clair County workforce.

GEORGIA

Korean battery maker to locate plant in Georgia that will house 2,000

SK Innovation, a lithium-ion batteries manufacturer, is investing \$1.67 billion in a new project in Jackson County, Ga. The batteries are used in hybrid electric vehicles. The project will create 2,000 jobs.

Toyo Tire expands plant

Japan-based Toyo Tire is investing \$138 million in its tire plant in Bartow County, Ga. The company will also add 150 jobs to increase workers housed at the plant to 2,100. The expansion will add capacity to produce over 13 million passenger car tires per year.

Auto supplier to create 100 jobs in Troup County

SEWON America, a supplier to the automotive industry, will create 100 jobs and invest \$160 million in expanding its North American headquarters and manufacturing plant in LaGrange. New jobs will include positions in supervision, production and warehouse operations.

KENTUCKY

Ford eliminates shift in Louisville; those 500 workers will move to truck plant

Ford Motor Co. is eliminating the "C shift" (nights and weekends) at its Louisville Assembly Plant where it assembles the Escape model. The company will move those 500 workers to the Kentucky Truck Plant, which is also located in Louisville. The truck plant makes the Expedition and Lincoln Navigator models, as well as the F-Series Super Duty pickups.

Auto parts supplier to add 250 Kentucky jobs

Metalsa announced plans to expand its plant in Elizabethtown, Ky. Metalsa, based in Mexico, is a supplier to automotive manufacturers, and its Elizabethtown facility is one of the largest operations throughout the company.

MISSISSIPPI

Continental Tire is hiring in Mississippi

Continental Tire has begun hiring and training its first employees in advance of its \$1.45 billion plant in Clinton making commercial truck, bus and transport vehicle tires by late 2019. The company is hiring about 30 shop-

floor operators through the end of the year, with plans to hire a total of 2,500 people by 2028.

Auto supplier expands in Lee County

Auto Parts Manufacturing Mississippi (APMM) is increasing production in Lee County, investing \$100 million and creating 50 jobs. A Tier 1 automotive supplier located in Guntown, APMM produces stamped auto parts, body weld parts and plastic parts. The expansion accommodates increased production for the 2019 Toyota Corolla.

NORTH CAROLINA

Sonic Automotive to bring 500 jobs

Sonic Automotive, a Fortune 500 company, will locate an \$11 million customer contact center in Gaston County, N.C. The project will create 500 jobs.

Advance Auto Parts relocating HQ to Raleigh

Advance Auto Parts announced in November it is relocating its headquarters from Roanoke, Va., to Raleigh, N.C. The company, which cited Raleigh's tech-savvy workforce, is expected to hire 600 in the move.

Alabama Gov. Kay Ivey (center) joins Mercedes officials Jason Hoff (left) and Markus Schäfer in turning a shovel at a groundbreaking ceremony for the automaker's 2 million-square-foot battery plant in Bibb County, Ala. The plant will supply battery packs for Alabama-made electric vehicles at Mercedes' plant in Vance, Ala.





Ford Motor Co. is eliminating the "C shift" (nights and weekends) at its Louisville Assembly Plant where it assembles the Escape model. The company will move 500 workers from there to the Kentucky Truck Plant, which is also located in Louisville.

North Carolina approves incentives for tire maker's \$200 million project

Bridgestone could get up to another \$30 million from taxpayers if it keeps 2,000 jobs and invests at least \$150 million in improvements within a six-year period at its eastern North Carolina factory. A state panel approved grants of up to \$3 million a year for 10 years to Bridgestone Americas, which is updating its Wilson tire plant.

SOUTH CAROLINA

Exports of South Carolina-made BMWs keep dropping

Exports of BMWs made in South Carolina continue to drop as tariffs put a bite into the German automaker. As a result, BMW officials plan to move more production of the company's SUVs to its plant in China. It already makes the X3 there and might move production of the X5 model to its China plant. In October, BMW sent 13,702 vehicles to foreign markets through the Port of Charleston. That's a 16 percent drop from the same month a year ago, and the fourth consecutive monthly decline of exported vehicles. BMW officials have publicly stated that the U.S.-China trade war will cost the company \$344 million this year.

India-based auto supplier expanding in South Carolina

Sundaram-Clayton Limited,

a manufacturer of aluminum casting products for Mercedes-Benz Vans near Charleston, S.C., is expanding its campus in Ridgeville, S.C. The company will invest \$40 million and hire 100 in the deal.

Volvo is reducing employment at new South Carolina plant due to tariffs

Volvo global CEO Hakan Samuelsson told *USA Today* in late November that the company is reducing hiring at its new \$1.1 billion assembly plant in Berkeley County, S.C., due to President Trump's trade war with China. Volvo chose South Carolina in 2015 for its first U.S. plant, and the facility opened for full production of the S60 sedan in the summer. In retaliation for tariffs from Trump, China hiked U.S. vehicle import tariffs from 25 percent to 40 percent. Volvo planned to export a large number of South Carolina-made Volvos to China. The company also planned to hire 1,500 by the end of this year and up to 4,000 when the Chinese-owned Swedish brand started another line for an SUV. The CEO did not say how many jobs will be reduced at the plant.

German auto supplier opens plant

Germany-based DRAXL-MAIER has opened the \$42 million expansion of its plant

in Duncan, S.C. The project is creating 460 jobs.

Czech auto parts maker locating new operations

KV Final, a maker of metal parts for the automotive industry, will open a new plant in Spartanburg County, S.C. The company is investing \$2.5 million in the facility that will house 50 workers.

Swedish auto supplier picks South Carolina for first U.S. plant

Gnotec Group is investing \$5.9 million to locate a plant in Orangeburg County, S.C. The deal will create 78 jobs specializing in the engineering and manufacturing of metal components for automotive and commercial vehicles.

TENNESSEE

Smyrna's Nissan plant approved for \$158 million in upgrades

Nissan's Smyrna factory will continue to hire for a workforce of 8,400 and to make improvements to the plant. The automaker obtained authorization in November from the Rutherford County Industrial Development Board for two bonds totaling \$158.1 million. The money will be used for upgrades including new machinery and equipment.

Volkswagen could add 1,000 jobs in Tennessee

VW officials say they plan to

add a third shift to the automaker's Tennessee plant, a move that could add more than 1,000 workers. The new hires will help produce the five-seat Atlas SUV next year. Hiring is expected to continue in 2019.

Bridgestone announces \$40 million Tennessee expansion

On November 16, tire manufacturer Bridgestone announced a \$40 million expansion of its Tennessee truck and bus tire facility. Bridgestone plans to add 32,000 square feet of manufacturing space and invest in new equipment at the plant in Morrison, Tenn.

Truform Manufacturing expands in Dickson, Tenn.

Truform Manufacturing, an automotive and appliance supplier, will invest approximately \$14 million to expand its operations in Dickson. The company plans to create nearly 90 jobs over the next five years.

Fuel Total Systems chooses Mount Pleasant, Tenn., for manufacturing plant

Fuel Total Systems (FTS), a manufacturer of automotive plastic fuel tank systems, will locate its new manufacturing facility in Mount Pleasant. The manufacturer will create 150 new jobs and invest approximately \$60.9 million in Maury County. FTS is based in Japan and also has operations in Kentucky. ♦



Is the
Clock
Winding
Down?

BY MICHAEL RANDLE

Did the economy peak in 2014 and 2015 in this 10-year recovery?

The South's economy, the third largest economy in the world, has been humming along quite nicely since 2010 when 594 projects were announced meeting or exceeding SB&D 100 thresholds. The SB&D 100 is a ranking published each spring quarter identifying and totaling all economic development projects announced in the 15-state American South during the previous calendar year that meet or exceed 200 jobs and/or \$30 million in investment.

CONTINUED



Congratulations are certainly in order.

Total Projects SB&D 100

2007-2017

Year	Mfg.	Non-Mfg.	Total
2017	384	296	680
2016	353	342	695
2015	424	306	730
2014	375	293	668
2013	410	185	597
2012	363	160	523
2011	350	189	539
2010	335	259	594
2009	227	140	367
2008	291	138	429
2007	301	209	510

Total number of projects from 2007 to 2017 of 200 jobs or more in the American South.

Source: SB&D



Tennessee Gov. Bill Haslam, Amazon's Holly Sullivan, Nashville Mayor David Briley and Tennessee Economic Development Commissioner Bob Rolfe gathered for a news conference on Nov. 13, 2018, to announce that Amazon will locate a new operations hub in Nashville. The project — 5,000 jobs and a \$230 million investment — is the largest single deal ever announced in Tennessee.

Large project activity in the South in the fall 2018 quarter was the best in history. We saw a 25,000-job project (Amazon in Northern Virginia), two 5,000-job projects (Apple in Austin and Amazon in Nashville) and every one of the top 10 deals announced in the fall quarter were 1,000 jobs or more, a feat only accomplished in about 15 quarters in the last 25 years. (You can see the top 10 deals for the fall 2018 quarter announced in the South on page 72 of this issue.)

Yet, while we celebrate the best quarter of deals in the South's history, we have to factor in that summer and fall 2018 quarters were two of the worst deal-making quarters in the last 25 years in the South's automotive sector, one key indicator on how the economy is faring. The South is home to 15 foreign-owned assembly plants with another (Mazda Toyota) being built in Huntsville, Ala. Foreign-owned assembly plants and well over 1,000 foreign-owned parts suppliers represent a huge chunk of the South's economy.

One indicator that is being overlooked regarding the economy is the fact that foreign direct investment in the U.S. dropped to \$259 billion in 2017 according to the U.S. Bureau of Economic Analysis. That is a 41 percent drop from the historic high of \$439 billion in calendar year 2015. In a typical year, the 15-state American South captures about half of all FDI in the U.S. Foreign deal activity has slowed dramatically since 2015.

Why measure an economy by economic development project activity? Project activity, we believe, is the best way to assess an economy, accelerated or lethargic. In struggling economies, project activity slows. In a fast moving economy, project activity picks up, especially on the front end of an economic expansion. Then, as the expansion matures, it hits a sweet spot, the peak of the cycle. We believe the sweet spot of this expansion occurred in 2014 and 2015 and we have the data that supports that claim.

CONTINUED



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With the return of soldiers from World War II began the Baby Boomer generation — those people born worldwide between 1946 and 1964.

There are about 76 million Boomers in the U.S., representing about 29 percent of the population.

The first Boomers reached the standard retirement age of 65 in 2011, and they are heading into retirement in droves (about 10,000 a day).

At the same time, there are some economic development indicators that show that this economic expansion may not have peaked yet, but they are fewer in number compared to those indicators that show that this economic cycle peaked three or four years ago.

President Trump's first year in office (2017) saw 680 projects meet or exceed our thresholds in the annual SB&D 100. Historically, it was an exceptional year, yet 2017 was down from the all-time high of 730 big deals in 2015 and 695 in 2016.

Job generation has also slowed from its peak in 2014 with an average of 250,000 jobs created in the U.S. per month that year. In fact, it started to slow down in 2015 when the average monthly job gains in the U.S. dropped slightly to 226,000. The average monthly job gains in 2017 were 182,000, but they have risen so far this year with an average of 193,000 jobs per month created, according to the Bureau of Labor Statistics.

The key factor in job generation slowing the past couple of years is that we are at full employment, and there are no doubts about that. The U.S. is sporting the lowest unemployment rate since the late 1960s. Throw in a baby bust, and there are just not many folks left to hire. The country's population hasn't grown by over 1 percent in 16 years... a time when the Baby Boomer generation — the largest generation in U.S. history — is aging out of the workforce by millions each year.

CONTINUED

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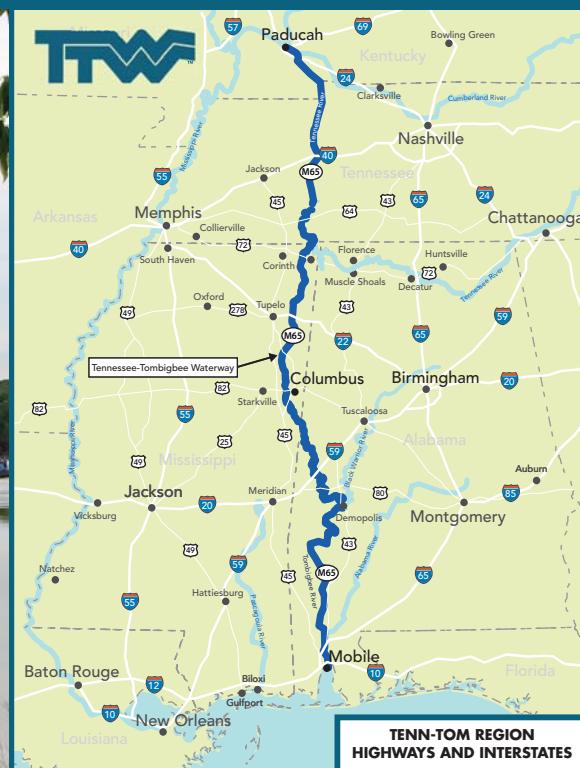
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U.S. Average Monthly Job Gains by Year

Year	Jobs
2018	193,000
2017	182,000
2016	195,000
2015	226,000
2014	250,000
2013	191,000
2012	179,000
2011	174,000
2010	88,000

Source: Bureau of Labor Statistics

In other words, the lowest fertility rate in the history of the country occurring now means workers aging out cannot be replaced in coming years. For decades after World War II, the U.S. could count on an average of 200,000 people turning working age (16) each month. This 16-year baby bust has brought that figure down to an average of 70,000 people turning working age each month the last three years. The biggest challenge this country is facing now, and for many years to come, is that too few people are being born and too many people are aging out of the workforce.

There are currently about 7 million unfilled jobs in the U.S., with no more than 1.6 million people taking those available jobs each year. So, job generation is going to slow in coming years because we are at full employment and a variety of other reasons, such as cutting visas and legal immigration, a lack of comprehensive immigration laws, and the lowest birthrate in the nation's history.

Some economists believe we are currently beyond full employment. What is keeping the job-generating mill running are the 3 million people per month who are job-hopping. Since April, the U.S. has averaged 3 million people quitting their jobs for better jobs per month. And we have also averaged over 1.5 million layoffs per month during the last six months. If a slowdown is looming, which many economists believe, then there will be fewer workers job-hopping and obviously more layoffs.

Don't get me wrong, we are not complaining about the current economy. We are still in the second longest economic expansion in this nation's history, and the lon-



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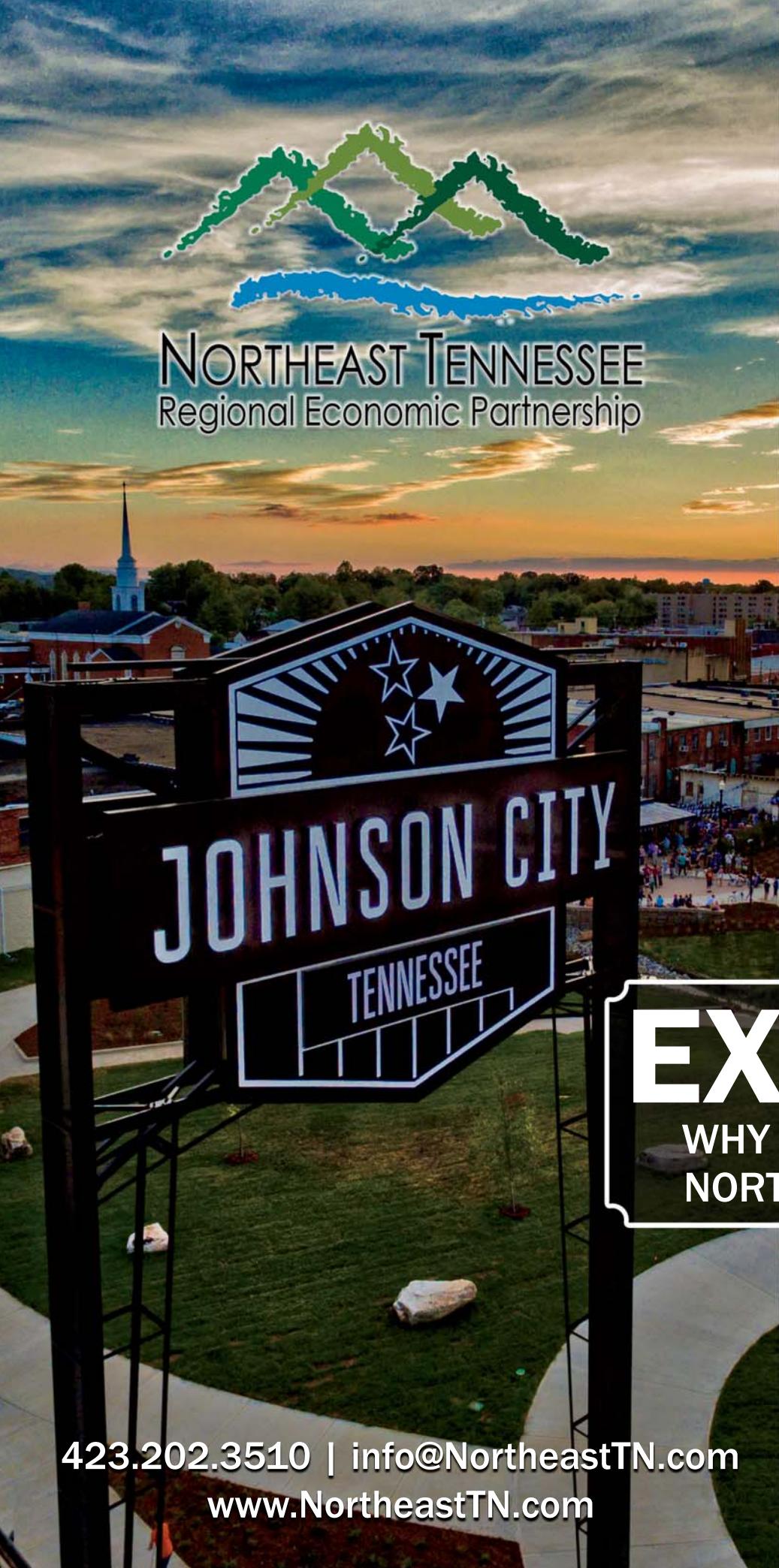
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TOP PHOTO: In 2015, former Tennessee Gov. Bill Haslam and Sinomax Group officials announced the company would locate new manufacturing operations in La Vergne, Tenn. Sinomax, a Chinese foam products manufacturer, invested \$28 million and hired 350 workers in a new plant there. Chinese investment in the U.S. dropped from \$46 billion in 2016 (all-time high) to \$29 billion last year. Because of trade tensions, Chinese investment in the South has slowed to a trickle in 2018.

BOTTOM PHOTO: Japan-based NTT Data was 2017's biggest jobs deal — 6,377 jobs in Plano, Texas. The data company is the first new tenant in the \$400 million redevelopment of the decades-old JC Penney campus there.

gest consecutive monthly job gain period ever. Yet, we are seeing the economy — based on total projects meeting or exceeding 200 jobs or more in the South — gradually slow. Not only that, as shown by the chart on page 42, monthly job gains have slowed in the U.S. since they peaked in 2014. The totals are certainly not alarming. However, in both sectors — project activity and job creation — it looks like the outstanding years of 2014 and 2015 have come and gone. Have the South's and the U.S. economies peaked in this cycle?

That begs another question about the nation's economy. Have the stock markets peaked in this economic cycle? They sure have been volatile, and overall the markets had their worst year in 2017 since 2008. In a quote from *The New York Times* in a story titled "The Stock Market's Dangers Are Easier to See Now," published November 30, 2018, economist James W. Paulsen, chief investment strategist of the Leuthold Group, said, "It gets somewhat easy, with a little experience, to recognize when you're in the ballpark of a recession. That is where we are now, and that alone is quite a bit of information."

Some indicators that show the economy is slowing

Southern Business & Development has learned over the years that one business sector in particular is a good indicator of whether the economy is growing or slowing based on its annual project totals announced each year in the 15-state American South. That sector is financial services.

Over the last 25 years, whenever the business climate is favorable, financial services thrive with lots of action in announced projects, particularly in the early portion of an expansion. We saw that in 2014 and 2015 when the financial technology (fintech) industry went nutty-nut in the South with tens of thousands of jobs announced, particularly in Atlanta, Dallas-Fort Worth and Charlotte. That fintech breakout has slowed to a trickle today.

Yet, even when the economy is perceived to be favorable (like now), financial services can fool you with a drop in projects. That is the inflection point when we believe — and financial services officials do, too — that the economy is curving in a different direction.

Financial services deals blossomed in calen-

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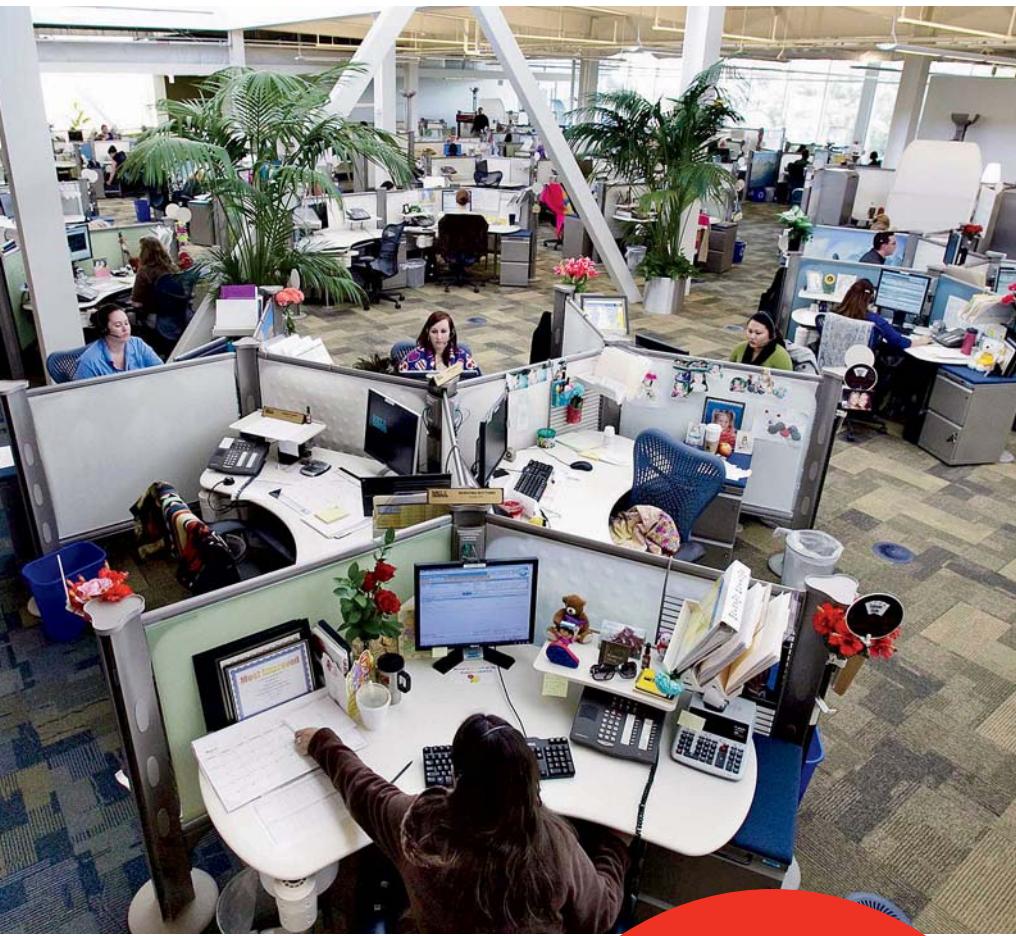
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Pensacola, Fla., landed one of 2015's top-job announcements — Navy Federal (shown above) with 5,000 new jobs. It tied Plano's Liberty Mutual deal, also a financial services company.

Financial Services Projects Announced in the South 2006 to 2017

Year	Projects
2017	38
2016	47
2015	69
2014	42
2013	31
2012	19
2011	9
2010	27
2009	18
2008	9
2007	13
2006	14

Source: SB&D

dar year 2015 with 69 projects of 200 jobs or more in the South. That was the all-time record since 1992 when SB&D began counting projects announced in the South. Financial services have averaged 42 large projects each year over the past 25 years. In the recession year of 2009 and even in the recovery year of 2011, there were only nine financial services deals meeting or exceeding our thresholds in the South, and only 19 in 2012 as the nation's economy continued to recover.

The financial services industry, once slammed, takes several years to recover. So it's clear to us that a rise or fall in financial services projects in the South go hand-in-hand with a rising or falling economy. You can easily determine that by looking at financial services deals in the years prior to the recession of 2008 in the chart on this page. When we saw financial services projects drop from 41 in 2005 to 14 in 2006, we knew something was up. It was called a housing crisis, and the financial services industry was up to its neck in bad loans. Note in the chart, from 2015 to 2017, financial services deals in the South have dropped by 31 big deals.

Since the record total of 69 deals in the South in 2015, we have seen 47 big financial services deals in 2016 and only 38 last year. In studying the chart, while financial services deals are close to half of what they were in 2015, they are well above what occurred prior to and during the recession. Yet, the drop in deals in financials in the South is concerning.

So far this year, there is no question financial services deals are going to be down again. You can always tell how the economy is going and where it is going by following financial services deal activity. As they decrease year by year, the economy's fitness, or lack thereof, can easily be measured.

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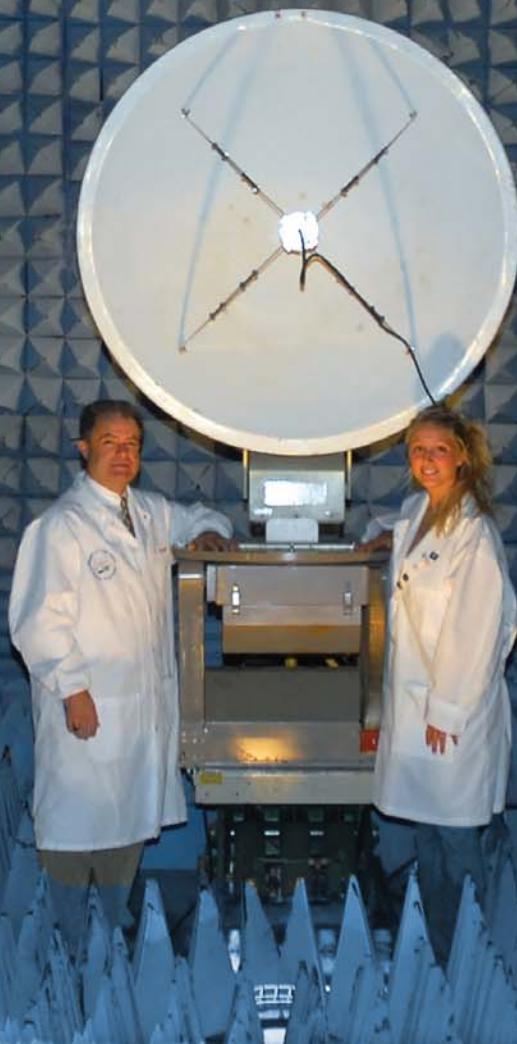
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In 2015, Volvo officials announced a facility that would mean 2,500 jobs and a \$500 million investment in South Carolina. The decision would reflect the availability and cost of skilled workers and logistics, including the export of finished cars. Volvo chose the S60 sedan as the first model to build at the plant.

Automotive Projects Announced in the South

2012 to 2017

Year	Projects
2017	72
2016	85
2015	111
2014	81
2013	83
2012	81

Total number of automotive projects announced from 2012 to 2017 of 200 jobs or more in the American South.

Source: SB&D

In addition to financial services, the automotive industry is a prime indicator of the economy

When lots of money is “on the street,” financial services deals rise. When lots of money is on the street, the automotive industry follows financial services with project totals that set records. In 2015, when we believe this economic recovery peaked, there were 111 automotive projects announced meeting or exceeding our thresholds. The 111 automotive projects in 2015 are an all-time high in the South. But that total dropped to 72 last year in the Southern Automotive Corridor (go to SouthernAutoCorridor.com), the worst total since 2009. Last year was only the second time in 25 years that the automotive industry wasn’t the No. 1 sector in large projects in the South. So when project activity in automotive starts to slow, it’s a sure sign the overall economy is slowing as well.

The automotive industry’s vehicle sales in the U.S. are an important indicator of consumer spending and consumer confidence. While vehicle sales are down slightly from the first of the year, much of 2017 sales dropped a fair amount, but recovered at the end of the year. Once again, vehicle sales peaked post-recession in — you guessed it — 2015.

Sure, Mazda and Toyota are building their new joint plant in Huntsville, Ala., but remember, Toyota was building its plant near Tupelo, Miss., right before the recession in 2008. The Japanese automaker delayed the opening of that plant until late in 2011 as a result.

And while we do have a new assembly plant being built in the Southern Auto Corridor — the first since Volvo and Mercedes-Benz Vans announced new facilities in South Carolina in 2015 — there are fewer assembly plants being expanded in 2018. We saw 18 automotive assembly plants in the South expand in 2014 and 2015. So, did the automotive industry — the South’s largest industry, by far — peak in 2015 as well?

The fact that in the fall quarter, GM announced it would close five plants in





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"Without data, our work, as community and economic developers, is meaningless. Market Street Services was able to do what's often impossible to do - marry our community's data with community anecdotal feedback. This process helped us develop a plan, but more importantly, it set the stage for community buy-in as we began to act"



- Allen C. Smith, President & CEO
Spartanburg Area Chamber of Commerce



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Bottom photo by Ken Toney

Building Materials Projects Announced in the South

2012 to 2017

Year	Projects
2017	13
2016	26
2015	21
2014	35
2013	29
2012	15

Total number of building material projects announced from 2012 to 2017 of 200 jobs or more in the American South. Source: SB&D

Engineered Floors announced in 2013 its plans to build a new facility in Whitfield/Murray counties in Georgia, bringing with it 2,000 jobs and \$450 million in investment.

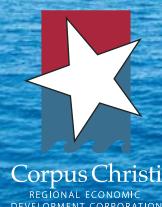


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the U.S. and Canada and slash 15 percent of its salaried workforce is certainly a sign that the automotive industry is slowing as a whole. No automaker closes five plants simultaneously unless it is expecting slower sales in the near future. In 2015, when we believe this economic cycle peaked, there wasn't a single automotive industry plant closure. In fact, most assembly plants in the South ran three shifts in 2015. That is no longer the case.

Housing and the building materials industry

"The U.S. housing market is running out of steam, but its slowdown looks nothing like the historic collapse that took down the whole economy in 2007," wrote Daniel Acker in a story published in October by *The Wall Street Journal* and Bloomberg titled, "Housing Market Positioned for a Gentler Slowdown Than in 2007." If true, this is certainly good news, considering the housing market was so strong in 2014 and 2015. "Less strong" is much more palatable than the housing sector taking down an entire economy like it did in 2005 in some states, and in 2007 and 2008 in all states.

But you cannot ignore the fact that home sales have slowed this year as mortgage rates rise. Mortgage rates a full point higher than rates from last year are undoubtedly slowing purchases. In addition, the sweeping new tax law passed last December reduced home ownership tax deductions. The difference in the housing crisis of 2007 and the slowing of the real estate markets today centers on the fact that housing starts have not fully recovered from the last recession.

In my opinion, you can get a better picture of the housing market by looking at project activity in the building materials sector, which is slowing in performance in the South. In 2014, there were 35 large building materials projects meeting or exceeding our thresholds for a listing on the SB&D 100 that year. In 2017, that dropped to 13. So, the housing industry is slowing based on project activity from the building materials industry. And clearly, it peaked in 2014.

Petrochemicals is another sector that has slowed

There are no bigger-ticket projects in the South than petrochemical or LNG projects. Most are multi-billion dollar deals, and an LNG export terminal can set a company back nearly \$20 billion. The vast majority of these deals in the South — and in the entire country — are located in Louisiana and Texas. The fracking frenzy has made these projects even less expensive to build since U.S.-mined natural gas is abundant and cheap to energize large petrochemical manufacturing plants.

There are now two large LNG export terminals operating in the South, one in Corpus Christi, Texas, and one in Southwest Louisiana on the Sabine Pass. As you can see in the chart on page 52, petrochemical projects meeting or exceeding our thresholds peaked in 2015. In fact, last year the 27 petrochemical deals announced in the South were 43 deals off the pace set in 2015.

I don't believe the drop in deals is the result of less demand for petrochemicals. I think the drop in deals is a labor issue, as new projects wait until another project is completed before they begin building and hiring. There are only so many welders in Texas and Louisiana, and some of the massive projects need thousands of construction workers, which are in short supply everywhere. I think the money is there for these oil, gas and chemical projects, but I don't think the labor is. So the projects are announced and wait on labor availability. But it's a certainty that large projects in the petrochemical industry are slowing rapidly.

CONTINUED

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Petrochemical Projects Announced in the South 2012 to 2017

Year	Projects
2017	27
2016	41
2015	70
2014	47
2013	37
2012	51

Total number of petrochemical projects announced from 2012 to 2017 of 200 jobs or more in the American South.

Source: SB&D

Yet, there are some sectors that are still thriving

While it is clear that project activity is slowing in the growth sectors of financial services, automotive, building materials and petrochemicals, that is not the case in some other sectors. While fintech has slowed dramatically, other tech sectors are booming. In fact, the day that I am writing this, Apple announced a new \$1 billion campus in Austin that will house at least 5,000 engineers, R&D personnel and sales staff. Also in the fall, Amazon announced one of its HQ2s will be built in Arlington County, Va., which will create 25,000 mostly tech jobs. And there's more. Retailer Lowe's is hiring 2,000 software engineers in North Carolina in a reboot of the entire company's tech department. Furthermore, Micron Technologies broke ground on a \$3 billion, 1,100-job expansion of its semiconductor plant in Manassas, Va., in the fall 2018 quarter.

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So there are no recessionary indicators coming from the tech sector in the South. However, if you recall, that was also the case in the go-go 1990s just prior to the tech industry meltdown in 2000 and 2001. The economic expansion that we have seen the last 10 years is very similar to the economic expansion of the 1990s.

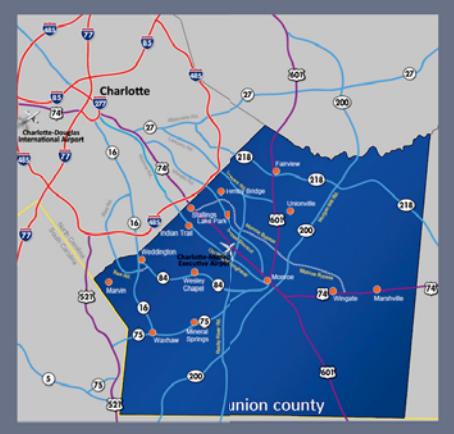
Distribution deals are booming

Another sector that shows no sign of a slowdown is distribution, where Amazon has contributed in a manner not seen before in any industry sector since MCI/WorldCom in the 1990s. In fact, in 25 years, those two companies have announced more projects in the South than any other company. Of course, you might remember how the WorldCom deal turned out. Former WorldCom CEO Bernie Ebbers is still in the big house in Louisiana as a result of that dumpster fire. He will be 87 years old



In 2014, eight of the top ten deals (by investment) were petrochemical. Cheniere Energy topped the list with its facilities in Corpus Christi, Texas, and Cameron Parish La. . . a combined investment of \$17 billion.

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Distribution Projects Announced in the South

2012 to 2017

Year	Projects
2017	74
2016	66
2015	54
2014	51
2013	26
2012	39

Total number of distribution projects announced from 2012 to 2017 of 200 jobs or more in the American South.

Source: SB&D

when he is released in 2028.

In the summer 2018 quarter, four Amazon projects announced in the South made our top 10 deals based on job generation. That is unprecedented — four of the top job generating deals in one quarter coming from one company. A fifth, UPS' 3,000-employee hub near Atlanta, made the top 10 deals in the summer as well. In addition, Amazon chose Alliance Texas Airport in Fort Worth in this fall quarter for a major regional air hub that will create hundreds, if not thousands, of jobs. In short, distribution is a deal juggernaut right now.

As you can see in the chart above, distribution has almost tripled its project activity in the South since 2013, and much of that increased activity is coming from one company — Amazon. There have only been two years in the past 25 years in the South when another sector topped automotive in projects meeting or exceeding our thresholds; call centers in 1998 and distribution last year. A steep rise in distribution projects obviously means that consumers are continuing to purchase products at a dizzying pace.

The tariffs are not helping.

When GM cited reasons for closing five North American plants this quar-

ter — four in the U.S. — officials did not directly cite the tariffs that President Trump put on aluminum and steel from foreign sources. GM officials said they were closing the plants because of “changing market conditions and customer preferences.”

Domestic and foreign automakers in the U.S. are seeing their exports, due to retaliatory tariffs by China and other countries, fall on a monthly basis. In short, the worldwide automotive supply chain has been disrupted dramatically by the tariffs on both ends, export and import. And we are seeing economies slow worldwide as a result, including in China and Japan. Japan’s economy actually retracted last quarter. In the case of the automotive industry in particular, tariffs do one thing: fewer automobiles are sold and what is sold costs more. It’s that simple.

Many of the foreign automakers that make vehicles in the Southern Auto Corridor, especially premium brands like BMW, Mercedes-Benz and Volvo, rely greatly on exports. What’s more, in most cases, China is their biggest export customer.

Vehicle sales — depending on the model — have been choppy so far this year. It seems that sales unit suc-



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One sector that shows no sign of a slowdown is distribution, where Amazon has contributed in a manner not seen before in any industry sector since MCI/WorldCom in the 1990s. In fact, in 25 years, those two companies have announced more projects in the South than any other company.

cess depends on the model, with sedans being a tough sell. Yet, SUVs are as popular as ever in the U.S. This is not good news for the new Volvo plant in Berkeley County, S.C. Volvo officials chose the S60 sedan as the first model to build at the plant, which began full production a few months ago. In a couple of years, the plant will add another line, which will be a SUV.

Because of the uncertainty of the tariffs, Volvo Cars is pivoting its production plans just months after opening its new \$1.1 billion assembly plant in South Carolina. It is also slowing hiring at the plant. The Swedish automaker, which is owned by China-based Geely Holding Group, canceled plans to export roughly half the S60 sedans it assembles in South Carolina to China.

Volvo will stop U.S. imports of its popular XC60 SUV from its factory in China. It will also reduce exports of its S90 sedan built in China. These decisions are being made as the automaker finds itself in a pickle regarding President Trump's tariffs on automobiles. President Trump imposed tariffs of 27.5 percent on Chinese auto imports and in a tit-for-tat move, China's President Xi Jinping slapped a 40 percent tariff

on American-built autos. In 2022, Volvo will assemble its XC90 SUV at its South Carolina plant and will focus on the American market for the S60s it is making there for now.

It is unclear where we stand with these tariffs, and that is exactly what has all these companies spooked. China said in the fall quarter that it is reducing tariffs on imported vehicles from the U.S. from 40 percent to 15 percent. Yet, the situation is incredibly fluid. We will see what happens, or will we? That is the problem. . .the uncertainty is freaking out the automotive industry and other industries. One day it's this, another day it's that.

The trade war is also costing Ford. In fact, few U.S. companies have been blindsided by President Trump's trade war with China and other parts of the world more than Michigan-based Ford. Ford CEO Jim Hackett said in a November story published by Bloomberg that Trump's tariffs on metal imports will cost the automaker \$1 billion in lost profit by the end of 2019. This, despite the fact that Ford was already buying most of its steel and aluminum from U.S. producers.

So why is this administration disman-

tling the global economic order that we — Republicans, Independents and Democrats — crafted over the last 75 years? Your guess is as good as mine because the president is really messing with a good thing. We are at full employment and there is nothing wrong with a trade deficit, even one that is rising in a trade war.

What we need are more free trade deals, not less. For instance, over the last decade, the Southern Automotive Corridor has lost out on about 10 auto assembly plants to Mexico. The main reason being that Mexico has free trade agreements (FTAs) with 46 countries. We had FTAs with 20 countries, but I am not sure how many we have now.

The last time we set protectionist policies was with the passing of the Tariff Act of 1930, better known as Smoot-Hawley. Even then, 1,028 economists signed a petition asking President Herbert Hoover not to sign the bill. He signed it anyway. What happened? The value of global trade dropped from \$4.9 billion in 1930 to \$1.8 billion in 1933, and the U.S. fell into an extended depression.

In December, *The Wall Street Journal* conducted a survey of economists. The survey showed that half of those polled view the trade war with Beijing as the No. 1 risk to the nation's economy in 2019. About 20 percent polled cited financial market disruptions, and about 12 percent cited a slowdown in business investment as the No. 1 risk to the economy in 2019.

The U.S. economy is about seven months away from breaking the longest economic expansion streak in the nation's history, set in the 1990s. If we continue expanding through July 2019, the new record will be achieved. However, are we at the inflection point in this expansion where we will see a slowdown in the next few months? The economic development data suggests it just might be that the economy, at least in the South, is curving in a different direction, and that possibly, the threat is self-inflicted. ☀



We continue with our series of the “Best of Economic Development in the South” with the “Best of the Aerospace Industry in the American South.” The South’s aerospace industry had the two best back-to-back years in terms of project activity ever in 2016 and 2017. This ranking will assist you in finding a location in the South for your aerospace company.

The results are based on SB&D’s knowledge of the aviation and aerospace industry in the region, data from RandleReport.com, SB-D.com and a poll of members of the Southern Economic Development Roundtable.

There are 10 categories per state in the “Best of the Aerospace Industry in the American South,” and the communities or sites chosen are the top of their classes.

We think you will enjoy reading the results of the “Best of the Aerospace Industry in the American South.” The aerospace industry is growing faster than any industry in the region. This unique forum can help guide you and your business to a profitable place in the South, the third largest economy in the world.

This is Part 3 of a three-part series that will profile five of the 15 states in the South. Profiled here is the “Best of the Aerospace Industry” in South Carolina, Tennessee, Texas, Virginia and West Virginia.

CONTINUED

aerospace



OF THE AEROSPACE INDUSTRY
IN SOUTH CAROLINA

1. South Carolina's Best Assets for the Aerospace Industry

- Shaw Air Force Base
- Joint Base Charleston
- South Carolina Technology & Aviation Center
- Fast growing labor force
- Low unionization rate
- Boeing's 787 Dreamliner plant
- University of South Carolina McNair Center for Aerospace Innovation and Research

Also receiving votes: Right to Work laws; Available sites; Business climate; Fort Jackson.

2. South Carolina's Most Important Employers in the Aerospace Industry

- Boeing
- Lockheed Martin
- GE Aviation
- GKN Aerostructures
- RBC Bearings
- Wyman Gordon
- Honeywell

Also receiving votes: BAE Systems; KEMET Electronics; Cytec Engineered Materials; Century Aluminum; UTC Aerospace; Eaton Aerospace; Parker Hannifin; Toray Composite Materials; ATI Allvac; Solvay Aerospace Materials.

3. The Best in Aerospace R&D in South Carolina

- The Ronald E. McNair Center for Aerospace Innovation
- Center for Manufacturing Innovation
- Clemson University
- University of South Carolina
- Boeing

CONTINUED

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best

OF THE AEROSPACE INDUSTRY
IN SOUTH CAROLINA

4. South Carolina's Best Colleges for Aerospace Worker Training

- University of South Carolina
- Clemson University
- Greenville Technical College
- Trident Technical College
- Horry Georgetown Technical College

5. Best Industrial Sites in South Carolina for Aerospace Manufacturing

- South Carolina Technology & Aviation Center
- BRAIP Tract 2 - Sumter, S.C.
- Camp Hall - Ridgeville, S.C.
- International Technology & Aerospace Park (ITAP) - Myrtle Beach, S.C.
- Sage Mill Industrial Park - Aiken, S.C.

6. Best Places in Southern South Carolina for Aerospace Companies

- Charleston County - Charleston, S.C.
- Beaufort County - Beaufort, S.C.
- Berkeley County - Moncks Corner, S.C.
- Dorchester County - Summerville, S.C.

Also receiving votes: Jasper County, S.C.

7. Best Places in Western South Carolina for Aerospace Companies

- Greenville County - Greenville, S.C.
- Aiken County - Aiken, S.C.
- Greenwood County - Greenwood, S.C.
- Anderson County - Anderson, S.C.
- Pickens County - Pickens, S.C.

The Boeing Dreamlifter is used exclusively for transporting Boeing 787 Dreamliner components to Boeing's assembly plants from suppliers around the world. It lands several times a week at the company's assembly plant in North Charleston.

8. Best Places in Central South Carolina for Aerospace Companies

- Richland County - Columbia, S.C.
- Lexington County - Lexington, S.C.
- Orangeburg County - Orangeburg, S.C.

9. Best Places in Eastern South Carolina for Aerospace Companies

- Charleston County - Charleston, S.C.
- Berkeley County - Moncks Corner, S.C.
- Horry County - Conway, S.C.
- Florence County - Florence, S.C.

10. Best Places in Northern South Carolina for Aerospace Companies

- Spartanburg County - Spartanburg, S.C.
- York County - York, S.C.
- Cherokee County - Gaffney, S.C.



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IN TENNESSEE

1. Tennessee's Best Assets for the Aerospace Industry

- U.S. Air Force Arnold Engineering Development Complex
- FedEx World Hub
- University of Tennessee Space Institute
- Oak Ridge National Laboratory

2. Tennessee's Most Important Employers in the Aerospace Industry

- Triumph Aerostructures
- Eaton Corp.
- Standard Aero Alliance
- Boeing
- Bell Helicopters
- GE Commercial Aviation

Also receiving votes: Cirrus Aircraft; BAE Systems Ordnance; Military Systems Group; Honeywell; Micro Craft.

3. The Best in Aerospace R&D in Tennessee

- U.S. Air Force Arnold Engineering Development Complex
- University of Tennessee Space Institute
- Oak Ridge National Laboratory

4. Tennessee's Best Colleges for Aerospace Worker Training

- U.S. Air Force Arnold Engineering Development Complex
- Middle Tennessee State University
- University of Tennessee Space Institute

5. Best Industrial Sites in Tennessee for Aerospace Manufacturing

- Aerospace Park - Tri-Cities Airport, Tenn.
- Airport Industrial Park - Madison County, Tenn.
- McKenzie Airport Industrial Park - Carroll, Weakley, Henry Counties, Tenn.
- Washington County Industrial Park - Washington County, Tenn.
- Tullahoma Airport Business Park - Coffee County, Tenn.

Arnold Air Force Base conducts an aerodynamic loads testing on a 12-percent scale model of the Lockheed Martin F-35 Joint Strike Fighter (JSF) in the center's 16-foot transonic wind tunnel.



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best

OF THE AEROSPACE INDUSTRY
IN TENNESSEE

6. Best Places in North Tennessee for Aerospace Companies

- Sullivan County - Kingsport, Tenn.
- Sumner County - Gallatin, Tenn.
- Montgomery County - Clarksville, Tenn.

7. Best Places in West Tennessee for Aerospace Companies

- Shelby County - Memphis, Tenn.
- Madison County - Jackson, Tenn.
- Dyer County - Dyersburg, Tenn.
- Obion County - Union City, Tenn.

8. Best Places in Central Tennessee for Aerospace Companies

- Coffee County - Manchester, Tenn.
- Davidson County - Nashville, Tenn.
- Williamson County - Franklin, Tenn.
- Rutherford County - Murfreesboro, Tenn.

9. Best Places in East Tennessee for Aerospace Companies

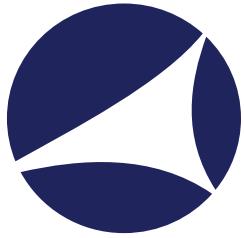
- Knox County - Knoxville, Tenn.
- Sullivan County - Kingsport, Tenn.
- Anderson County - Clinton, Tenn.
- Blount County - Maryville, Tenn.
- Washington County - Johnson City, Tenn.

10. Best Places in South Tennessee for Aerospace Companies

- Coffee County - Manchester, Tenn.
- Hamilton County - Chattanooga, Tenn.
- Giles County - Pulaski, Tenn.

A 3D printed trim-and-drill tool, developed by researchers at the Department of Energy's Oak Ridge National Laboratory, received the title of largest solid 3D printed item by Guinness World Records.





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(TOP) Flight controllers are seen at work in the space station flight control room at NASA's LBJ Space Center. (LOWER) Officials said the volume of cargo loaded and unloaded at the Port of Corpus Christi appears to be on a record-breaking pace.



1. Texas' Best Assets for the Aerospace Industry

- Robust aerospace manufacturing sector
- 15 active military bases
- NASA's Lyndon B. Johnson Space Center
- Large labor force

Also receiving votes: Right to Work laws.

2. Texas' Most Important Employers in the Aerospace Industry

- Lockheed Martin
- L-3
- American Airlines
- Southwest Airlines
- Bell Helicopter
- Boeing
- Pratt & Whitney

Also receiving votes: Raytheon; Textron; Bombardier; AMR; United Airlines; SpaceX; American Eurocopter; Rolls-Royce; General Dynamics; Gulfstream; BAE Systems; Honeywell; Airbus; Blue Origin; SAFRAN; Standard Aero; UTC Aerospace; ALCOA.



3. The Best in Aerospace R&D in Texas

- University of Texas - Austin
- Texas A&M University
- Texas A&M Corpus Christi
- The Lone Star UAS program

4. Texas' Best Colleges for Aerospace Worker Training

- Texas A&M University Department of Aerospace Engineering
- University of Texas at Austin Department of Aerospace Engineering
- Rice University Department of Mechanical Engineering
- Texas State Technical College

5. Best Industrial Sites in Texas for Aerospace Manufacturing

- Alliance Texas - Fort Worth, Texas
- Port San Antonio - San Antonio, Texas
- Midland International Air & Space Port
- Port of Corpus Christi Industrial District 1 - Corpus Christi, Texas
- Passport Park - DFW International Airport

6. Best Places in North Texas for Aerospace Companies

- Tarrant County - Fort Worth, Texas
- Wichita County - Wichita Falls, Texas
- Dallas County - Dallas, Texas
- Dallas County - Grand Prairie, Texas
- Dallas County - Garland, Texas
- Dallas and Collin County - Richardson, Texas

- Collin County - Plano, Texas
- Collin County - McKinney, Texas

7. Best Places in West Texas for Aerospace Companies

- Potter County - Amarillo, Texas
- El Paso County - El Paso, Texas
- Midland County - Midland, Texas
- Ector County - Odessa, Texas

8. Best Places in Central Texas for Aerospace Companies

- Travis County - Austin, Texas
- McLennan County - Waco, Texas
- Hays County - San Marcos, Texas

9. Best Places in East Texas for Aerospace Companies

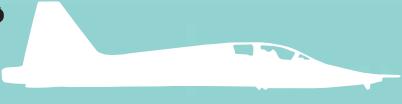
- Harris County - Houston, Texas
- Angelina County - Lufkin, Texas
- Hunt County - Greenville, Texas

10. Best Places in Southern Texas for Aerospace Companies

- Bexar County - San Antonio, Texas
- Nueces County - Corpus Christi, Texas
- Cameron County - Brownsville, Texas
- Hidalgo County - McAllen, Texas



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ARCONIC TRANSLAND



(TOP) A doctoral student in the Virginia Tech Department of Aerospace and Ocean Engineering works with two professors on a model-scale engine.

(LOWER) A Boeing capsule designed to land on land is being tested at Langley's Landing and Impact Research Facility.



1. Virginia's Best Assets for the Aerospace Industry

- The Pentagon
- NASA Langley Research Center
- 500,000 working-age veterans
- Fourth-highest number of active duty members in the U.S.
- NASA Wallops Flight Facility
- Washington Dulles International Airport

Also receiving votes: 19 military installations; 11 federally funded R&D centers.

2. Virginia's Most Important Employers in the Aerospace Industry

- Aerojet Rocketdyne
- Boeing
- Rolls-Royce
- Arconic
- Dynamic Aviation Group
- Goodyear Tire and Rubber
- L-3
- Northrop Grumman
- Raytheon

Also receiving votes: Airbus; Chromalloy.



3. The Best in Aerospace R&D in Virginia

- The National Institute of Aerospace
- NASA Langley Research Center
- The Commonwealth Center for Advanced Manufacturing
- Commonwealth Center for Aerospace Propulsion Systems
- The Virginia Space Grant Consortium

• Loudoun County - Dulles, Va.

- Prince William County - Manassas, Va.
- Prince William County - Quantico, Va.
- Frederick County - Winchester, Va.

4. Virginia's Best Colleges for Aerospace Worker Training

- Virginia Tech
- Old Dominion University
- University of Virginia
- Northern Virginia Community College

7. Best Places in Western Virginia for Aerospace Companies

- Montgomery County - Blacksburg, Va.
- Radford, Va.
- Roanoke, Va.

5. Best Industrial Sites in Virginia for Aerospace Manufacturing

- Wallops Research Park - Accomac, Va.
- Commonwealth Crossing - Henry County, Va.
- Berry Hill Industrial Park - Pittsylvania County, Va.

8. Best Places in Central Virginia for Aerospace Companies

- Albemarle County - Charlottesville, Va.
- Roanoke, Va.
- Campbell County - Rustburg, Va.

6. Best Places in Northern Virginia for Aerospace Companies

- Fairfax County - Arlington, Va.
- Fairfax County - Herndon, Va.
- Fairfax County - Reston, Va.
- Fairfax County - Fairfax, Va.
- Fairfax County - Falls Church, Va.
- Fairfax County - Chantilly, Va.
- Loudoun County - Leesburg, Va.
- Loudoun County - Sterling, Va.

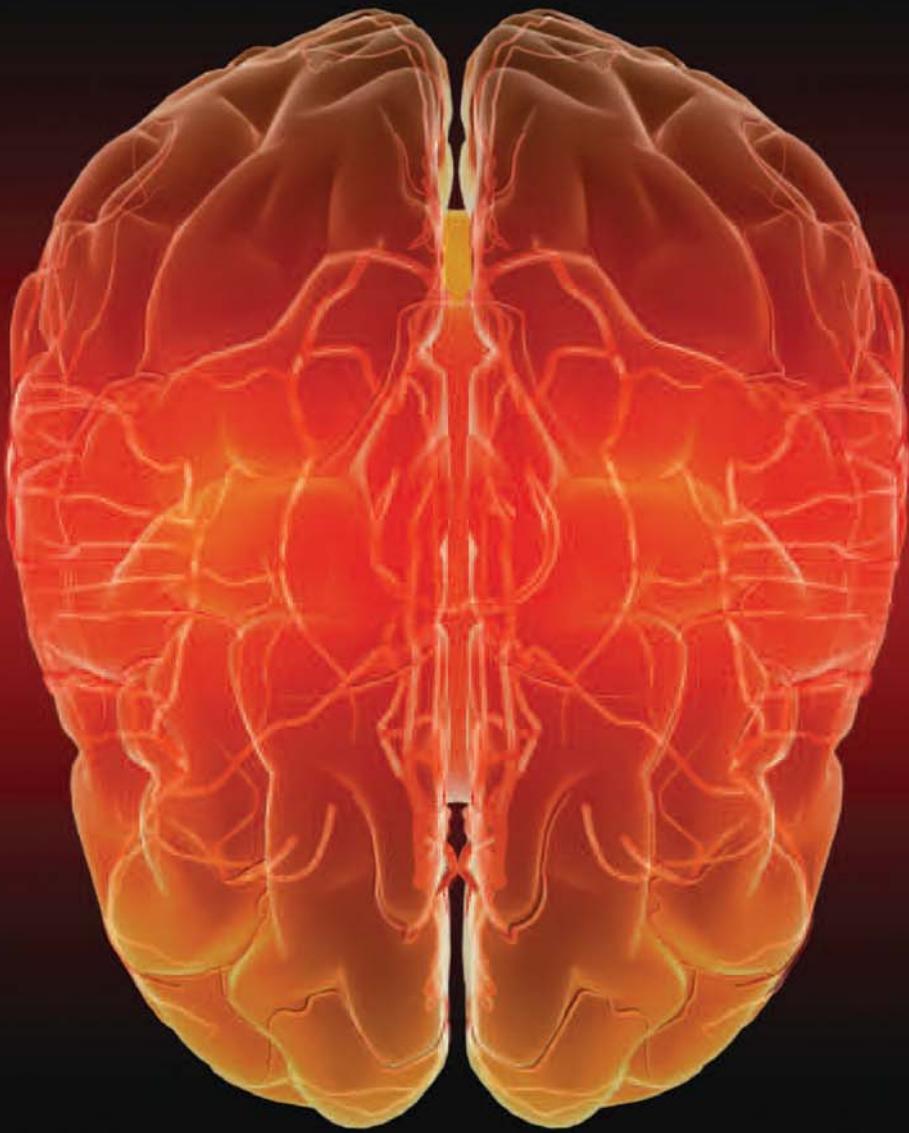
9. Best Places in Eastern Virginia for Aerospace Companies

- Virginia Beach, Va.
- Norfolk, Va.
- Prince George County - Prince George, Va.
- Hampton, Va.
- Newport News, Va.
- Accomack County - Accomac, Va.
- Chesapeake, Va.

10. Best Places in Southern Virginia for Aerospace Companies

- Henry County - Martinsville, Va.
- Pittsylvania County - Chatham, Va.
- Wythe County - Wytheville, Va.

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- West Virginia Community and Technical College System

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- Lockheed Martin
- Bombardier
- Pratt & Whitney
- UTC Aerospace Systems
- Aurora Flight Sciences WV
- FCX Systems

3. The Best in Aerospace R&D in West Virginia

- RCBI Composites Technology & Training Center
- RCBI Bridgeport Manufacturing Technology Center
- John D. Rockefeller IV Science and Technology Center
- RCBI Institute for Advanced Flexible Manufacturing

4. West Virginia's Best Colleges for Aerospace Worker Training

- West Virginia University
- The Robert C. Byrd National Aerospace Education Center
- Fairmont State University of Technology

5. Best Industrial Sites in West Virginia for Aerospace Manufacturing

- Mid-Atlantic Aerospace Complex - Bridgeport, W.Va.
- Benedum Logistics Park - Bridgeport, W.Va.

6. Best Places in Northern West Virginia for Aerospace Companies

- Harrison County - Bridgeport, W.Va.
- Ohio County - Wheeling, W.Va.
- Ohio County - Triadelphia, W.Va.

Aurora Flight Sciences, a Boeing Company, is a leader in the development and manufacturing of advanced unmanned systems and aerospace vehicles. Aurora's LightningStrike (shown here) is a vertical take-off/landing experimental plane.

7. Best Places in Western West Virginia for Aerospace Companies

- Kanawha County - Charleston, W.Va.
- Wood County - Williamstown, W.Va.

8. Best Places in Central West Virginia for Aerospace Companies

- Kanawha County - Charleston, W.Va.
- Nicholas County - Fenwick, W.Va.
- Upshur County - Buckhannon, W.Va.

9. Best Places in Eastern West Virginia for Aerospace Companies

- Mineral County - Keyser, W.Va.
- Mineral County - Rocket City, W.Va.
- Berkeley County - Martinsburg, W.Va.

10. Best Places in Southern West Virginia for Aerospace Companies

- Monroe County - Union, W.Va.
- Raleigh County - Colcord, W.Va.
- Raleigh County - Beckley, W.Va. ☀





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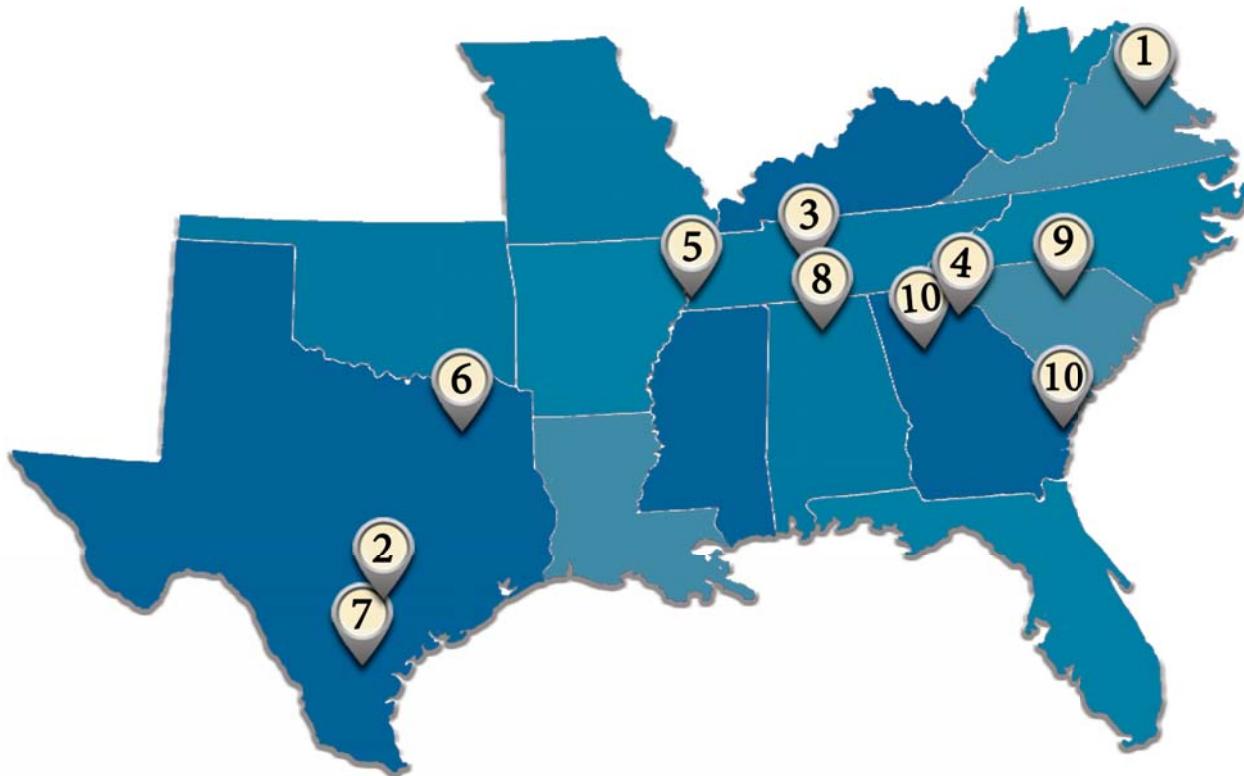
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TOP DEALS

The American South's 10 largest new or expanded manufacturing and selected non-manufacturing job announcements



ANNOUNCEMENTS MADE IN THE FALL 2018 QUARTER

Development	Jobs	Investment*	N/E/R**	Location	Description
1. Amazon	25,000	\$2,500	N	Arlington Co., Va.	Headquarters
2. Apple	5,000	\$1,000	N	Austin, Texas	Operations center
3. Amazon	5,000	\$230	N	Nashville, Tenn.	Operations center
4. SK Innovation	2,000	\$1,670	N	Jackson Co., Ga.	Batteries
5. Amazon	1,500	N/A	E	Memphis, Tenn.	Fulfillment
6. Amazon	1,500	\$100	N	Dallas, Texas	Fulfillment
7. Okin BPS	1,400	\$23	N	San Antonio, Texas	Headquarters
8. FBI	1,350	N/A	R	Huntsville, Ala.	Operations center
9. RoundPoint	1,100	\$34	R	Fort Mill, S.C.	Headquarters
10. Wayfair	1,000	\$45	N	Savannah, Ga.	Distribution
BlackRock	1,000	N/A	N	Atlanta, Ga.	Innovation center

*Investment in millions **N=New, E=Expansion, R=Relocation

Source: RandleReport.com

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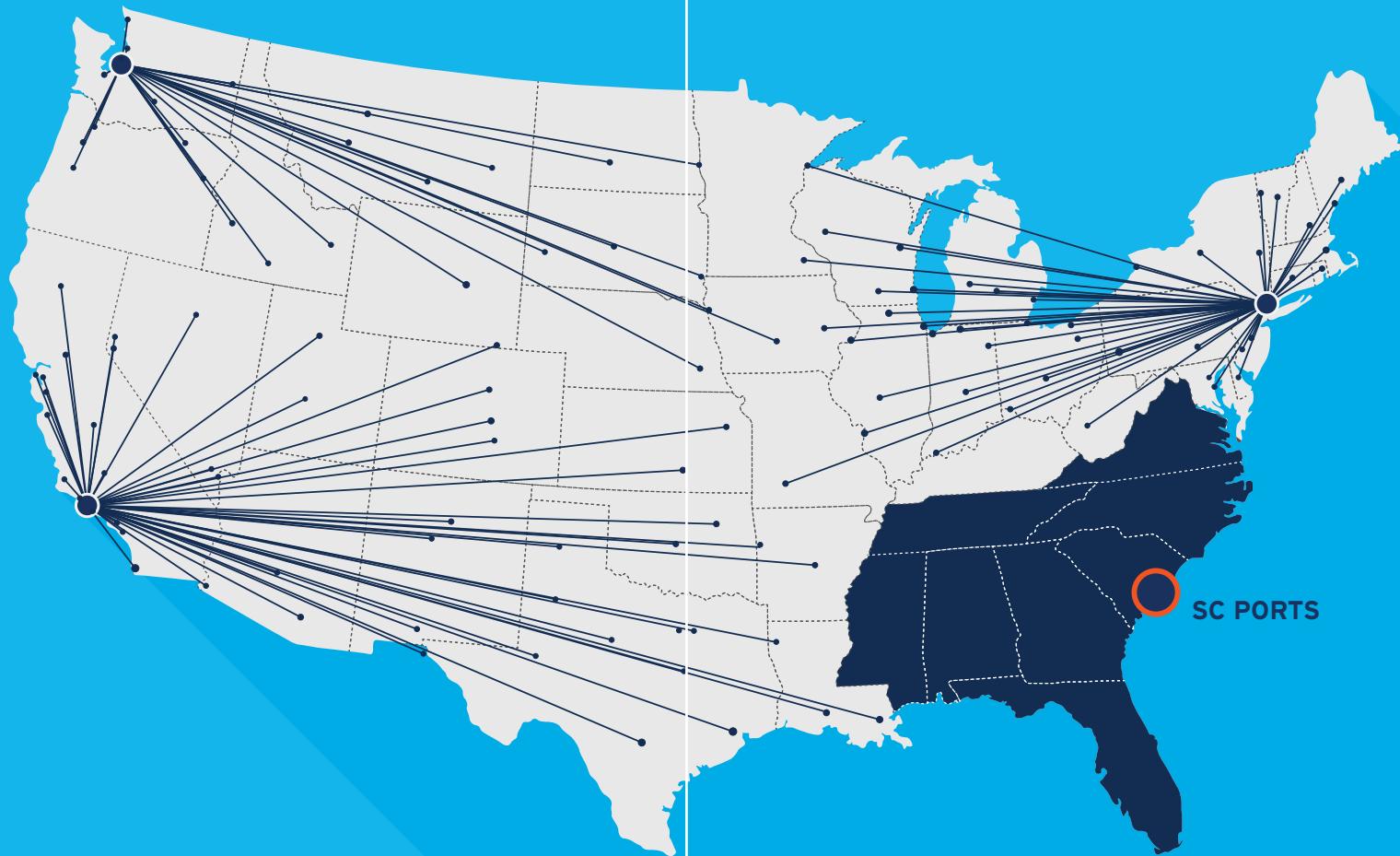
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