

Reports say VW looking at N.C.

Nash County site seen as possibility

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North Carolina has a losing track record in attracting automakers. Now Volkswagen AG could extend the state's streak or break it.

VW is considering North Carolina and several other Southern states for a manufacturing plant, and a decision is expected soon, according to several published reports.

The Carolinas and Georgia are leading candidates, according to Automotive News, an industry trade journal. One site being considered is off Interstate 95 about eight miles north of Rocky Mount near the town of Whitakers, the publication reported.

VW is considering only sites of 1,000 acres or more and needs to move quickly to get the plant open by 2011, Automotive News reported.

VW spokeswoman Jill Bratina confirmed the Wolfsburg, Germany-based manufacturer is considering another North American plant. The company already has a manufacturing facility in Mexico.

But she said no decision had been made on whether to build a plant -- or where.

"I can say the company is still in the evaluation process," Bratina said. "No decision has been made for any location."

A U.S. plant would produce 200,000 vehicles a year and employ between 2,000 and 2,500 people, Business Week reported.

Winning an auto plant would be a major coup for North Carolina. State officials have tried for years to attract one, but with no luck. In the early 1990s, BMW and Mercedes chose other states.

In 1997, Audi, which is now owned by VW, considered a site in Alamance County. And last year, Toyota considered North Carolina for a new plant, but chose a site in Mississippi.

Rocky Mount Mayor David Combs said he had no knowledge of VW's plans but said a plant would be a big boost to the region's economy. Rocky Mount's 5.9 percent jobless

rate in November was the highest of any metro area in the state, which had a 4.6 percent unemployment rate.

"It would be a big deal for any community to have an automotive plant and get all the ancillary businesses starting to locate there, too," Combs said. "It would have huge impact on the area."

VW is moving its North American headquarters to Herndon, Va., from Detroit. The Rocky Mount site is about four hours south of Herndon and would give VW easy interstate access to German auto suppliers servicing BMW's Spartanburg, S.C., factory, about five hours away.

Automotive News reported that two North Carolina sites are being considered, along with land near Anderson, S.C., about 45 minutes west of BMW's plant.

VW officials, including Stefan Jacoby, head of VW's U.S. operations, told reporters Sunday at the Detroit auto show that the company is close to making a decision.

Jacoby said a new plant could be built in Mexico, Canada or the U.S., but it would be somewhere with no more than a six-hour time difference from the company's German headquarters, The Associated Press reported. That would put it somewhere in the Eastern time zone.

VW reported record global sales for 2007 with its eight brands selling nearly 6.2 million vehicles. But forecasts show sales growth that would require additional capacity, Jacoby said. The company projects it will sell 800,000 vehicles in the U.S. by 2018, up from 330,000 last year.

The company, which previously operated an assembly plant in Westmoreland, Pa., from 1978 to 1988, is considering a U.S. plant in part because the weak dollar makes it attractive to re-establish production in the United States. With the euro near record highs against the dollar, it is more difficult for European-built cars to compete with those produced in this country.

"And we want to be closer and more responsive in this market," Bratina said Wednesday.

The site near Rocky Mount is part of the 1,668-acre Mid-Atlantic Industrial Park being marketed by the Carolinas Gateway Partnership as a certified industrial site. John Gessaman, president of the regional economic development organization, declined to discuss the possibility of VW building there.

But Bonnie Howard, a real estate broker with First Wilson Properties, confirmed that a 1,022-acre tract, which is part of the industrial park, is under contract. She declined to name the buyer, sales price or closing date but said the contract was signed in December and the property had been listed for \$10 million.

Dale Bone, who owns the tract, could not be reached. But Bone told Automotive News someone approached his real estate agent two months ago about the land.

"All I know is I'm selling it to a bunch of Germans," Bone said. The deal is set to close Jan. 28, he told Automotive News.

<http://www.newsobserver.com/business/story/886091.html>