
FOR THE EXCLUSIVE USE OF ALLISONCARMEL@GMAIL.COM

From the Triangle Business Journal:

<https://www.bizjournals.com/triangle/news/2022/06/24/vinfast-chatham-workforce-housing-industrial-jobs.html>

SUBSCRIBER CONTENT:

VinFast is coming. Chatham and the Triangle are racing to be ready.

Jun 24, 2022, 8:24am EDT



TBJ photo illustration; Mehmet Demirci and Getty images

VinFast's announcement of a major manufacturing facility in Chatham County could become the state's largest ever economic development project.

John Crumpton couldn't help but chuckle.

During a recent presentation to the Lee County Board of Commissioners, Crumpton, manager of the county, said VinFast was going to use the old Marelli manufacturing facility in Sanford – which is being turned into the E. Eugene Moore Manufacturing and Biotech Solutions Center – for employee training and vehicle mockups. Local leaders envision the facility as a workforce development hub for Lee County and the surrounding region. Central Carolina Community College will operate the center.

“They have an aggressive schedule,” Crumpton said with a small laugh during his presentation to county commissioners in April. “They want to be able to start in nine to 12 months. We have put the giddy up in trying to get all this ready.”

This scene has played out across the Greater Triangle during the last several weeks. When VinFast announced in late March that it would be building a manufacturing facility at the Triangle Innovation Point megasite in Chatham County that would employ 7,500 people, one detail in particular raised eyebrows: The company plans to start production in July 2024.

That's just over two years from now to get the largest economic development project in North Carolina history up and running.

"We would like to have the SUV and bus by July 2024," VinFast Global CEO Le Thi Thu Thuy told *Triangle Business Journal* after the announcement. "So I had to beg the governor, 'Please give us the permit quickly so we can start building, because it's like two years away.'"

Local stakeholders in a variety of industries are getting ready for VinFast and the economic boom that will follow. The project has potential to vault Chatham County onto the global stage. Other large automotive OEM plants in the South like BMW in Spartanburg, South Carolina, and Mazda-Toyota (NYSE: TM) in Huntsville, Alabama, serve as examples of how VinFast will affect the Greater Triangle.

David Britt – a member of Spartanburg County Council since 1991 and part of the BMW recruitment team – was asked what Triangle leaders should be aware of when preparing for VinFast.

"The world is watching," he said.

What will happen? Look to other projects

For much of the 20th century, the economy of Spartanburg and the surrounding region was deeply dependent on the textile industry. That meant when the U.S. textile industry shrunk due to offshoring, Spartanburg was hit hard.

"When everything started going offshore in the late '80s and was pretty much gone by the '90s, Spartanburg had lost 25,000 jobs," Britt said.

With a community reeling from being tied to a dying industry, local leadership needed a way to diversify the economy and propel it into the 21st century. State and local leadership at the time courted BMW, the historic German automaker, which was looking to build a new factory on U.S. soil.

BMW (BMWYY) announced in 1992 it was building a factory in Spartanburg that would employ 2,000 people by the year 2000.

Since then, the BMW plant has become a major economic driver not just for South Carolina, but the entire South. In the 30 years since the initial announcement, BMW has invested nearly \$12 billion in the facility, which today employs over 11,000 people.

"That's just a small fraction of the impact it's actually had on Spartanburg, the Upstate and South Carolina," Britt said. "It's transformed South Carolina."

Britt pegged the number of indirect jobs created by suppliers of the BMW plant at about 2.5 to 3.5 jobs for every one BMW employee. Another noticeable effect in Spartanburg is the amount of international companies that located to the area.

Carter Smith is a veteran economic developer and the former chief economic development officer at OneSpartanburg, Inc. – an agency which promotes economic and tourism development in the area. He was also on the recruitment team that brought BMW to South Carolina.

Smith said that when BMW got to Spartanburg, the county already had a decent cluster of about 34 international companies thanks to

its once-vibrant textile industry. Today, Spartanburg has about 130 international companies from 60-70 countries, he said.

“On marketing trips to discuss South Carolina and Spartanburg, Spartanburg was more recognizable than the state of South Carolina when talking with these companies – particularly in Western Europe,” Smith said. “That’s the significance of this large company building here.”

Spartanburg serves as a blueprint for the way things may unfold in Chatham County decades from today. For a better understanding of the immediate impact VinFast will have on the Greater Triangle, look to Huntsville, Alabama.

The Mazda-Toyota Manufacturing plant in Huntsville – that North Carolina narrowly missed out on – broke ground in November 2018 and began pumping out vehicles last fall.

The factory already employs about 2,500 people today and is projected to reach 6,600 employees within the next few years, said Shane Davis, director of urban and economic development for the City of Huntsville. Even in the short amount of time the plant has been operational, the impact it’s made across northern Alabama and southern Tennessee has been palpable.

“The impact has been larger than Huntsville. Our workforce for the Huntsville metro area consists of 14 surrounding counties. We have a huge workforce region that we supply jobs for,” Davis said. “North Carolina’s impact will be far reaching outside the Raleigh-Durham area.”



Davis also said workforce development will be especially important in the future so VinFast can expand in Chatham County, if they choose to do so.

“The decision to locate, much like VinFast has done, says you have the workforce,” Davis said. “The key focus, and it’s something we really focus on, is not do we have the workforce today, but do we have the workforce tomorrow? You can get off to a good start

because, at that point in time, the workforce is there – but can you keep it replenished?”

Besides workforce, another component of whether VinFast will succeed is available inventory for its suppliers that will locate to the area. Like other growth hotspots around the country, there is woefully little industrial inventory available in the Triangle.

Davis said 3,200 supplier jobs have already followed the Mazda-Toyota plant to the Huntsville region. He said the city already had an industrial corridor master-planned near the Mazda-Toyota site and worked with property owners to get more industrial inventory on the market quickly.

“We’ve seen a huge influx of warehouse investment,” Davis said. “In the last 24 months, we’ve put 4 million square feet of warehouse space on the ground. We’ve got another 2 million square feet somewhere in the stage of dirt moving or walls getting tilted.”

Even though Huntsville has millions of square feet coming online, more is still needed. And it’s not just automotive suppliers looking for space.

“As fast as it gets a CO, someone’s backfilling it with a lease. So, we’re still behind,” Davis said. “The one surprising thing is you think about the suppliers that are making the parts to supply the OEM, but the demand for warehouse space just for the trucking and logistics part was surprising.”

Lack of local inventory

The Triangle doesn’t have enough land zoned for industrial use to accommodate the onslaught in demand the region is about to see from suppliers and logistics companies, said Kirk Bradley, president and CEO of local development firm Lee-Moore Capital Co.

“We do not have enough,” he said. “I can’t say, ‘We’ve got X, and we need Y,’ because I don’t have that level of detail. I just know that there is a significant amount of need coming and not enough land either zoned or ready to be developed into a park.”

The project will have a dramatic effect in counties that surround Chatham – and Bradley points to Harnett County, in particular. The county has become a hotbed for residential development lately thanks to rising home prices in Wake and Durham counties.

Many new developments have been unveiled in Harnett County recently, including Capeton, a project from Raleigh-based Greenfield Communities that’s slated to have 2,250 homes at full buildout. The company is also working on another Harnett County development called Serenity which is slated to include 1,200 homes.

Elsewhere in the county, Dallas-based Reeder Land Development is planning nearly 1,000 homes along U.S. Highway 401 and Los Angeles-based KB Home (NYSE: KBH) is planning several communities in Harnett County.



But despite the growing appetite for home communities in Harnett, industry hasn't followed. Bradley expects that to change.

"VinFast will be a game-changer for Harnett County," Bradley said. "Harnett should be superbly positioned for growth. They've always been just far enough away from everything where they haven't quite captured it as much as Chatham and Lee have. Now, with the center of gravity moving closer to them, I think you'll see Harnett do really well."

TBJ Panel: *Chatham's growth exposes east-west disparity, lack of affordable housing*

One facet of the VinFast project that will mitigate the need for industrial space is the company will have a supplier park next to its manufacturing facility. The setup will replicate the company's existing manufacturing facility in Vietnam that also has a supplier park, Thuy said.

Michael Smith, president of the Chatham Economic Development Corp., said roughly a third of the 2,000 acres VinFast is taking in Triangle Innovation Point, formerly known as the Moncure Megasite, will be dedicated for the supplier park.

He said regional planning will be crucial, and points to a part of the Chatham County Comprehensive Plan that should help the Triangle get ready for VinFast. Nestled in the 159-page plan adopted in November 2017 are several actions items that were meant to be undertaken within one to five years.

One of the action items says, "after the occupancy of the first major tenant within the Moncure megasite, prepare a small area plan for the Moncure Area. The type and scale of the tenant will help define the housing, commercial, and service needs as well as the demand for infrastructure capacity."

Smith said the process of hiring a consultant to help with the small area plan has begun.

"It's going to deal with multiple municipalities and counties in the region," he said of the small area plan. "We're not going to do this in a vacuum. It has to be a part of a regional strategy. We've got to have regional leaders in the room to work with us."

Surrounding counties are already starting to see the impact. Chris Johnson, economic development director for Johnston County, said since VinFast announced it's coming to North Carolina, he's been getting requests for information "every week" from companies looking for 150,000 to 200,000 square feet of space.

"Even though there are wins outside of Johnston County, there's still that ripple effect of opportunities that are here in Johnston County," Johnson said.

Housing gets hotter

From a housing perspective, the Triangle residential market was already red hot. Adding thousands of direct and indirect jobs will only exacerbate the housing crunch the area has seen since the pandemic began.

A few miles from Triangle Innovation Point sits Chatham Park, one of the largest master-planned communities on the East Coast. At buildout, the development is slated to include 22,000 homes and 22 million square feet of commercial space and transform Pittsboro, a town of about 4,200, into the next high-growth suburb of the Triangle along the likes of Cary, Apex and Holly Springs.

Tim Smith is co-founder of Cary-based Preston Development, the developer behind Chatham Park. He said Chatham Park's timeline has been accelerated thanks to VinFast's announcement.

"We were looking at a 30-40-year project," Smith said. "Now, we'll be probably looking at a 20-year project."

Smith said they started selling homes in Chatham Park two years ago, and today the park has 100 homes that are sold and occupied. He said Chatham Park will have 550 lots finished by the end of the year.

Smith said another need – this one more immediate – is temporary housing for the construction workers that will build the factory, whether that be more hotels or apartment complexes.

Mosaic, which is intended to be the commercial front door to Chatham Park, broke ground on a 120-room Hampton Inn & Suites in April. Smith said more investments like that are needed in the area surrounding Triangle Innovation Point.

“We’re projecting there are going to be about 3,000 workers there for the next three or four years building this place,” Smith said. “Where will those workers stay? They need temporary housing.”

Like how BMW fundamentally transformed Upstate South Carolina and how Mazda-Toyota is reshaping Huntsville, the ripple effects of VinFast in Chatham County will be felt for generations to come across the Triangle.

Bradley said most economic development projects are like “throwing rocks in the pond and you see ripples.”

For VinFast, the scale of the project is unprecedented in North Carolina.

“VinFast is throwing a cinder block in a pond,” Bradley said. “It’s going to be a big splash with a lot of spillover effects across the entire region.”






Evan Hoopfer

Staff Writer - *Triangle Business Journal*

[Back to Top](#) ▲

TRIANGLE **BUSINESS JOURNAL**

[User Agreement](#) | [Privacy Policy](#) | [Ad Choices](#) |  [Your Privacy Choices](#)

© 2023 American City Business Journals. All rights reserved. Use of and/or registration on any portion of this site constitutes acceptance of our [User Agreement](#) (updated April 18, 2023) and [Privacy Policy](#) (updated January 24, 2023). The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of American City Business Journals.

