



Georgia's Successful Partnership with Kia Serves as Model for Efficiency and Job Growth

ECONOMIC DEVELOPMENT EXPERIENCE

When automobile manufacturer Kia Motors was searching for a site for its first U.S. assembly plant, the company had many competitive bids from states throughout the southeast. While every state offered a mix of tax incentives, including budgets for workforce training, infrastructure improvements and other enticements, Georgia saw the opportunity to create a partnership.

The strong relationship between Georgia and Kia was developed due to the state's presence in South Korea, where the Georgia Department of Economic Development has operated an office for more than 25 years. From the moment Kia began discussions with Georgia, it was clear that the state saw it as much more than a large project.

"What really set Georgia apart from other states was the willingness to understand our industry and what would move the needle for us," explained Randy Jackson, Chief Administrative Officer, Kia Motors Manufacturing Georgia. "Taking a long term view in regards to workforce availability, site location and logistics would allow the relationship to blossom into a mutually beneficial, long-term partnership."

At every stage of the process, Georgia went the extra mile for Kia. For instance, since no single plot of land existed that would meet all of Kia's requirements, Georgia took the extraordinary step of acquiring and combining multiple parcels, totaling more than 2,200 acres. In an unprecedented move, the state then leased the land to Kia for a small sum.

Company:

Kia Motors
Manufacturing Georgia

Facility Type:

- Automotive Manufacturing

Number of Jobs Added:

- 3,000+

What Georgia Offers Kia:

- Customized training at no cost through Georgia's best-in-the-nation Quick Start training program
- Mega Job Tax Credit ranging from \$3-\$5,000/job/year
- Department of Transportation construction totaling \$80.7 Million
- No sales tax on production equipment
- No sales tax on energy use and production
- Construction of railroad spurs and staging sites
- Initial support with advertising, marketing and public relations
- Dedicated local and international economic development team



CHOOSING THE RIGHT SITE

Several factors played into the decision to build the Kia plant in Georgia, the heart of the booming Southeastern Automotive Corridor.

The Kia plant in West Point, Georgia is just 70 miles from Hartsfield-Jackson Atlanta International Airport. This kind of global access was key for executives and company leadership who would be traveling back and forth from the company's headquarters in South Korea.

Access to Georgia's deepwater ports in Savannah, the largest single-terminal container facility in North America, and Brunswick, one of the fastest growing auto and heavy machinery ports in North America, offered unparalleled logistical advantages.

The plant's location along I-85 is convenient to major interstates and railways, and is close in proximity to a vast network of existing suppliers, which were sure to grow in number after Kia planted its roots. Georgia also delivered on key infrastructure improvements, including constructing new interstate exits, and building railroad spurs and staging sites. According to Jackson, the visibility of the plant from the interstate factored into the decision. "The plant itself is practically free, year-round advertising."

SPECIALIZED WORKFORCE TRAINING

While all the other factors established Georgia as a primary contender, the real game-changer was Quick Start, Georgia's innovative workforce training and development program.

"Quick Start was a big draw for us. While other states typically provide a workforce training budget and cut a check, Georgia's approach established the state as a true long-term partner in workforce development and training," added Jackson.

The need to staff a full-scale manufacturing facility from the ground up in a short period of time created a challenging opportunity, but Georgia proved to be up to the task. The first step was to develop a customized Quick Start program for Kia, with input from the company's subject matter experts. This included everything from the creation of proprietary training materials to the development of KiaJobsInGeorgia.com, which was created in partnership with the Georgia Department of Labor. The website was an industry-first, online application for sourcing talent, which reaped dividends immediately for Kia.

Georgia constructed and staffed a 70,000-square-foot training center on Kia's campus, housing robotics, welding and electronics labs, classrooms, and equipment for training on state-of-the-art programmable logic controllers.

Georgia also helped to jumpstart marketing, advertising and public relations efforts for Kia as part of the partnership.

GEORGIA'S AUTOMOTIVE INDUSTRY BY THE NUMBERS

\$3.5 BILLION
EXPORTED BY
GEORGIA COMPANIES

\$2.8 BILLION
IN GROSS STATE
PRODUCT

**OVER 250
FACILITIES**
EMPLOYING ALMOST
18,000



RESULTS

As a result of its partnership with Georgia, and notably the Quick Start program, Kia was able to train its workforce faster and launch the brand new facility at 70 percent efficiency, significantly outpacing typical rates, which hover between 40 and 50 percent at launch. As a result of this productivity, Kia became the first automotive manufacturer to launch a three-shift model.

The Kia plant is running so efficiently, it has won several major awards. In June 2015, J.D. Power and Associates recognized the brand as the second-highest scoring nameplate industry-wide in its 2015 Initial Quality Study, improving more than 20 points over its previous best-ever performance in 2014.

As part of its agreement with Georgia, the automaker promised to create 1,800 full-time jobs over the course of 16 years. Kia has doubled that number in a quarter of the time, having created more than 3,000 jobs in just four years. When taking into account the automaker’s supply-side partners (more than 40 currently), the impact is even bigger in terms of job creation.

Kia’s decision to base its new factory in West Point, Georgia has revitalized the entire region, economically and otherwise. Kia has been very active in communities throughout Troup County, committing millions of dollars for grants to local schools and other organizations.

“We couldn’t do it without relationships,” noted E. Jane Caraway, Director, Georgia Department of Economic Development. “Partnering with West Point and other communities really made it possible to offer Kia a viable solution that would generate success for them. It’s a real family.”

Kia has since renewed its contract with Georgia Quick Start numerous times, creating an ongoing and evolving training program that gives the company a strong competitive edge. The current agreement with Quick Start runs through December 2019.

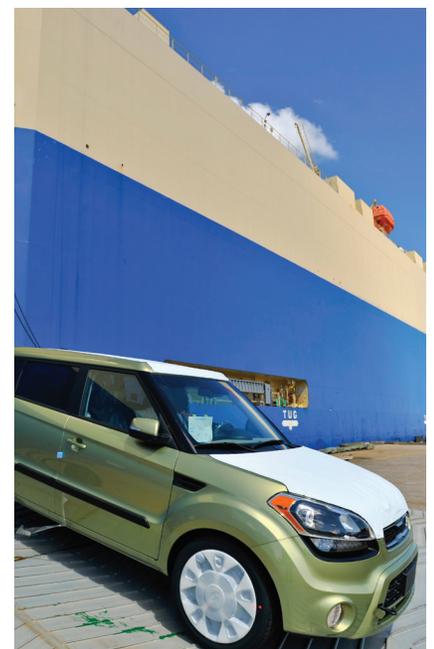
“Every state has a workforce training program, but Georgia’s Quick Start program goes beyond simply providing monetary resources. Georgia has been a true long-term partner in developing a qualified and efficient workforce for Kia.”

- Randy Jackson, Chief Administrative Officer
Kia Motors Manufacturing Georgia

AUTOMOTIVE LEADERS IN GEORGIA

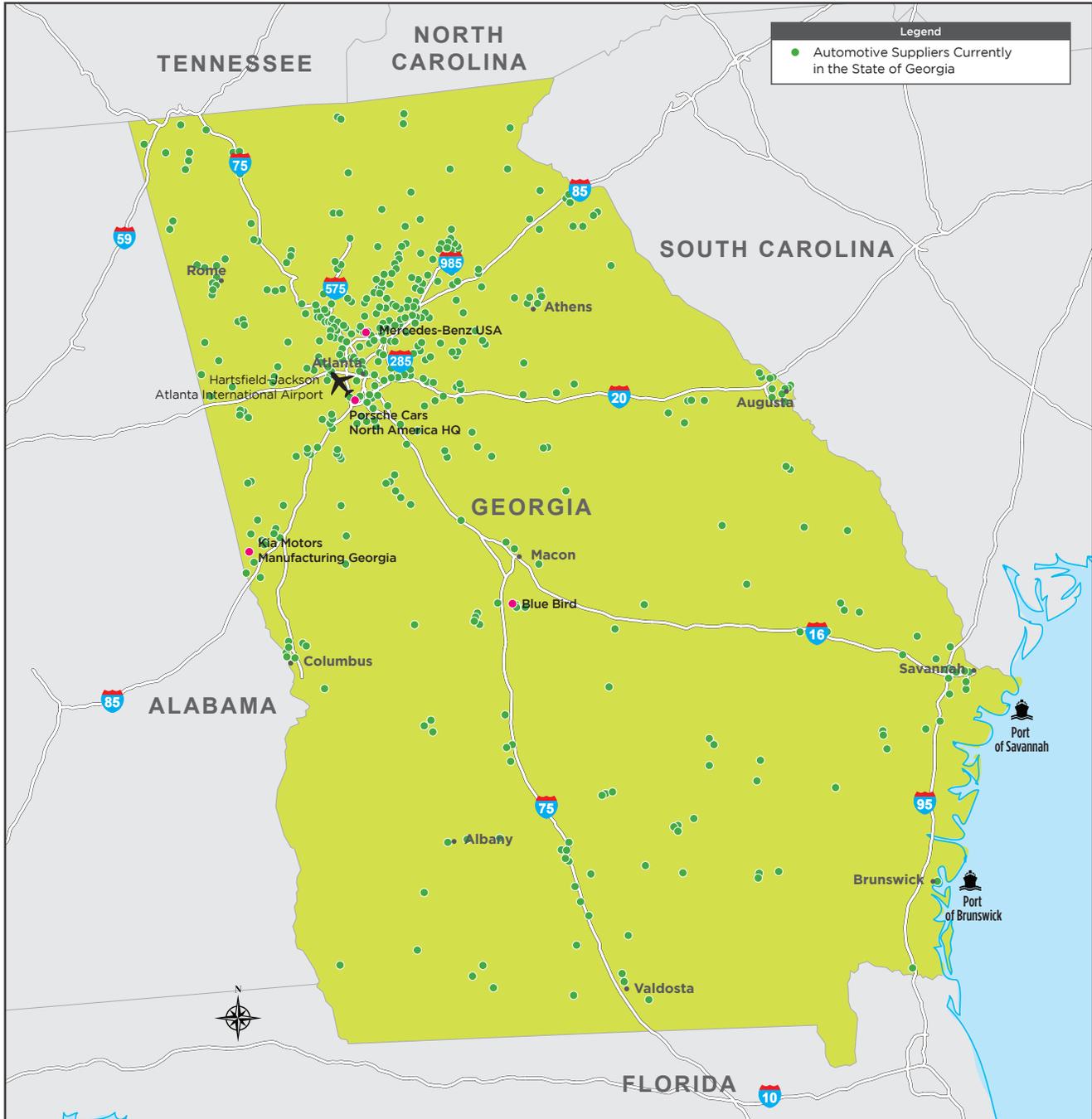
- BBS
- Blue Bird
- General Motors
- Genuine Parts
- Hella
- Honda
- Kia Motors
- Mercedes-Benz, USA
- Panoz
- Pirelli Tire
- Porsche
- Toyo
- Toyota

orange = North American Headquarters
green = Headquarters



GEORGIA'S AUTOMOTIVE SUPPLIERS

The Georgia Department of Economic Development's Advanced Manufacturing team helps the world's leading automotive companies and suppliers with everything from site selection to workforce training and logistics. To take advantage of our expertise and connections, contact us at Georgia.org.



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