

Continental Tire to build \$500M plant near Sumter

JIM DAVENPORT - Associated Press - Associated Press

Continental Tire said on Thursday that it will build a \$500 million plant in Sumter County and bring 1,600 jobs to the area after sealing the deal with a desperate round of door-knocking to convince property owners to sell land for the plant.

The company had confirmed the poorly kept secret less than an hour before the formal announcement at the Sumter Opera House, a century-old building where tires bookended a stage and the German tire maker's logo filled a screen. Louisiana and North Carolina had also been vying for the jobs.

"Man, this is a World Series, bottom-of-the-ninth, grand-slam win," said Sumter County Council chairman Eugene Baten.

The first phase of the project will be completed by 2017 and the second by 2021, with 8 million tires for passenger cars and light trucks coming out of the plant yearly. Continental Tire, a unit of Continental AG, also said it will spend \$4 million expanding its headquarters operations in northern Lancaster County, adding 80 jobs.

"We look forward to welcoming 1,700 new employees into the Continental family," said Nikolai Setzer, a Continental executive board member.

Continental has been looking for a place to expand most of this year to meet growing demand for replacement tires, Setzer said. Discussions with South Carolina began eight months ago. Setzer said the new plant moves it closer to customers, suppliers and port facilities.

"We have such a strong demand for our tires that it makes it necessary for us to increase our U.S operations base here independent from external factors," Setzer said.

New jobs are badly needed in South Carolina. In August, the state's 11.1 percent unemployment rate tied for the nation's fourth highest with Washington, D.C. It's become a central issue for Gov. Nikki Haley, a Republican who took office in January.

"It is a great day in South Carolina," Haley said. "This is proof positive that we have so much to feel good about."

State Commerce Secretary Bobby Hitt said South Carolina put about \$31 million into closing the Continental deal. That cash will be used to buy and prepare the site.

Continental Tire to build \$500M plant near Sumter

Published on Chem.Info (<http://www.chem.info>)

Haley said the \$31 million is a good bargain for a \$500 million project. "There were no checks handed over. This was all to make sure that they had a good piece of property to be able to build this plant," she said.

Hitt brushed aside criticism about the state's incentive money. "I will tell you that my view is government has to be an enabler and if you don't set the table, nobody comes," Hitt said.

Continental's plans mark the second tire plant announcement in South Carolina in the past month. On Sept. 21, Bridgestone Americas Inc. announced it would spend \$1 billion building a new plant and expanding an existing facility in Aiken County, creating 850 jobs. Hitt said the state cash for that deal is roughly the same as for Continental.

The tire makers' deals follow a 2009 announcement by Boeing that it was building a new \$750 million assembly plant for its 787 jets in North Charleston, bringing 3,800 jobs.

The Continental deal came with some drama, too.

Continental needed 250 acres for the plant, and the county lined up a parcel that size. But when Continental's site consultant showed the people working on the deal how the plant was shaped, it turned out the plant wouldn't fit on the plot they had pieced together. The site consultant gave local officials 48 hours to find more land.

But property owners wouldn't call back, said Greg Thompson, chairman of Sumter Economic Development.

So Baten "started going door-to-door, meeting with them, sitting in their living room and convincing them that they're standing in the way of progressing Sumter," Thompson said. The land was pieced together in about 30 hours and South Carolina remained in the bidding.

Source URL (retrieved on 01/27/2015 - 4:38pm):

<http://www.chem.info/news/2011/10/continental-tire-build-500m-plant-near-sumter>