



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Sonny Perdue
GOVERNOR

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Fact Sheet: Kia to Build Assembly Plant, Invest \$1.2 Billion in Georgia
New Facility to Employ More than 2,800 and Suppliers will employ an additional 2,600

General information

- Kia Motors Corp. will build an auto assembly plant in the city of West Point, in Troup County.
- The plant will make a \$1.2 billion investment in the state.
- The plant will be built on a 2,200-acre site at the intersection of I-85 and Webb Road. Half of the site will be used for the plant, while the other half will be retained for future expansion. The total amount of land needed for the project, including road and other infrastructure improvements, is approximately 3,300 acres.
- The assembly plant will produce two vehicles (to be determined by the company) and will include an engine plant, paint shop, training center, welcome center and third-party contractors.
- The company will employ approximately 2,893 people with average salaries of \$50,000 per year, plus a significant benefits package.
- In addition to the Kia facility, five supplier companies will locate nearby in Georgia to satisfy Kia's "just-in-time" inventory strategy. These suppliers will employ an estimated 2,600 workers.
- Kia is owned by Korea-based Hyundai Motor Company. The parent company has an assembly plant in Montgomery, Ala., which will likely share many suppliers with the West Point Kia plant.

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- The plant represents Kia's first manufacturing operation in the United States.
- The company anticipates the plant will produce 300,000 vehicles per year.
- A groundbreaking will be held at the site on April 25, 2006; the plant is expected to begin testing operations by May 2008 and reach production by 2009.
- The state effort was led by Governor Sonny Perdue and the staff of the Georgia Department of Economic Development. Local organizations involved include the Development Authority of LaGrange, the LaGrange-Troup County Chamber of Commerce, the West Point Development Authority, the cities of LaGrange and West Point, and Troup County.

State Incentives

- The state will purchase the site for the plant for approximately \$35.7 million and will conduct site preparation work, including grading, at a cost of \$24.8 million.
- The state Department of Transportation will provide road improvements, including creating a new interchange and access road, at a cost of \$30 million. Much of the roadwork is anticipated to come from federal interstate highway funds.
- A rail spur will be connected to the site at a cost of \$6.05 million.
- The state will build and staff a 70,000-square-foot training center on the Kia site that will provide custom training for the company and serve as a community training center. The construction, furnishings, and equipment of the center are expected to cost \$20.2 million. Maintenance and operations expenses of the center over a five year period are expected to cost the state \$5.5 million. The Quick Start program of the Department of Adult and Technical Education (DTAE) will develop a training curriculum and provide training courses for employees of the plant at an estimated cost of \$5.7 million. The \$5.7 million cost to the state for the training program has a market value to the company of approximately \$14.5 million.
- At 2,893 jobs created, the company will receive \$75.9 million in job tax credits against its tax liability created over five years. At the contractual minimum of 2,500 jobs, the company will receive \$65.6 million in job tax credits against its tax liability over five years.
- Company estimates indicate approximately \$13.9 million in sales tax exemptions will be available on its capital expenditures (purchase of manufacturing equipment, replacement parts, material handling equipment and other qualified purchases).

- A local community organization that will be determined at a future date will apply for and administer a \$40.5 million grant that will cover specialized training equipment, “train-the-trainer” programs and other hard assets not covered in any other incentive category.
- With the estimated 2,893 jobs created, the total state incentive package is worth \$258.25 million (\$89,550/job). The total package lowers to \$248.05 million if the contractual minimum of 2,500 jobs are created.

Community incentives

- The city of West Point and Troup County negotiated a local incentive package with the company that provides \$130 million in property tax abatements over 15 years.
- The locals and utility providers have also agreed to provide about \$21 million in infrastructure improvements (water, sewer, gas, power, etc.).

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