

Georgia sets \$1.5B in aid for electric vehicle maker Rivian

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Gov. Brian Kemp walks past a Rivian electric truck after announcing that electric truck maker Rivian Automotive will build a \$5 billion battery and assembly plant east of Atlanta projected to employ 7,500 workers, Thursday, Dec. 16, 2021, in Atlanta. The state announced on Monday, May, 2, 2022, that it and local governments had agreed to offer Rivian \$1.5 billion of incentives to build a 7,500-job, \$5 billion electric vehicle plant. Credit: AP Photo/John Bazemore, File

The state of Georgia and local governments will give Rivian Automotive \$1.5 billion of incentives to build a 7,500-job, \$5 billion electric vehicle plant east of Atlanta, [according to documents the company and state signed Monday](#).

Georgia Economic Development Commissioner Pat Wilson said the size of the package reflects the size of the largest single industrial announcement in Georgia history, including a pledge that the company will reach the full investment and job targets by the end of 2028, with jobs paying an average of \$56,000 a year, plus benefits. The state also hopes Rivian will anchor an entire electric vehicle industry.

"It's absolutely appropriate because they're creating more jobs," Wilson said.

It is, by far, the largest incentive package Georgia has ever offered to a company, It's also the largest incentive package any American state has ever given to an auto plant said Greg LeRoy, executive director Good Jobs First, a group skeptical of subsidies to private companies.

"This is very significant," LeRoy said. "It's the biggest auto assembly subsidy package in US history."

Rivian, based in Irvine, California, is a startup manufacturer of electric trucks and commercial delivery vans, challenging both established automakers like Ford and General Motors and electric vehicle leader Tesla. The company is already producing vehicles in Normal, Illinois. Rivian hopes to break ground as early as this summer and begin production in 2024, [sprinting toward producing 400,000 vehicles a year in Georgia](#) as electric vehicle makers try to gain [market share](#).

"The long-term economic partnership promises to deliver value to Rivian, the people of Georgia and their kids' kids' kids," the company

said in a statement

The plant has been [beset by fierce local opposition from residents](#) who say development on the 2,000-acre (800-hectare) site will spoil their rural quality of life. The site, between Social Circle and Rutledge, is about 45 miles (70 kilometers) east of downtown Atlanta.



The East Atlanta Mega Site in Social Circle, Ga., is shown Thursday, Dec. 16, 2021. The state announced on Monday, May 2, 2022, that it and local governments had agreed to offer Rivian \$1.5 billion of incentives to build a 7,500-job, \$5 billion electric vehicle plant. Credit: AP Photo/John Bazemore, File

The state took over planning and zoning for the project after opponents overwhelmed Morgan County officials. Residents have voiced concerns about possible well-water contamination, light pollution and the disruption of wildlife and farmland. [Wilson said a site plan](#) and other documents released Monday show Rivian responding to those concerns, shifting the plant away from wetlands and agreeing to limit light pollution.

Opposition has become entangled in politics. Former U.S. Sen. David Perdue, who is challenging Kemp in the May 24 Republican primary, lines up with opponents.

Perdue has emphasized the role of "liberal billionaire George Soros." Although Soros bought \$2 billion worth of shares about the same time Rivian chose Georgia, he owns only 2% of Rivian. There's no evidence Soros influenced the plant location.

"Think about how many [small businesses](#) in Georgia could be helped for this kind of money, instead of padding George Soros' pockets," Perdue said Monday. "Kemp gave away the farm to a woke corporation for something the locals don't even want, and hardworking Georgians are left footing the bill."

Kemp, during a debate Sunday, reiterated his backing for Rivian.

"I support 7,500 great-paying jobs going to rural Georgia, to an automobile manufacturing facility," Kemp said. "I'm going to always be for that."

Local governments have agreed to \$700 million in property tax breaks, although Rivian plans to make more than \$300 million in payments in lieu of taxes over 25 years beginning in 2023.

The state would spend \$200 million to buy the site, grade it, build road improvements including a new Interstate 20 interchange and extend utilities. Georgia would spend \$62.5 million to build a dedicated training center and a projected \$27 million on providing job training.



Republican gubernatorial candidate for Georgia, former U.S. Sen. David Perdue steps off stage after speaking at a rally to oppose a proposed Rivian electric vehicle assembly plant Tuesday, March 1, 2022, in Rutledge, Ga. The state announced on Monday, May, 2, 2022, that it and local governments had agreed to offer Rivian \$1.5 billion of incentives to build a 7,500-job, \$5 billion electric vehicle plant. Credit: AP Photo/John Bazemore, File

Other major benefits include a \$200 million income tax credit, at \$5,250

per job over five years. If Rivian didn't owe that much state corporate income tax, Georgia would give personal income taxes collected from workers instead. Georgia also estimates sales tax exemptions will save Rivian \$175 million on machinery and \$105 million on construction materials.

Kia got more than \$450 million in incentives for its plant in West Point, southwest of Atlanta. Georgia has promised SK Innovation \$300 million in incentives for a \$2.6 billion, 2,600-worker battery plant northeast of Atlanta.

Wilson said the state has strong protections to claw its money back if Rivian falls below 80% of promised investment or employment.

The state touts a \$420 million annual payroll, as well as an [analysis showing there will be 8,000 more jobs created elsewhere in the state](#) with a total impact of more than \$7 billion. But LeRoy said incentives will cost \$200,000 per job, and state and [local governments](#) will never collect enough increased taxes to cover that.

"The state can never break even," LeRoy said. "There's no way that the average worker in this place is going to pay \$200,000 more in state and local taxes."

Rivian currently plans two models for consumers: the R1T pickup with a base price of \$67,500 and the R1S SUV, with a base price of \$70,000.

Amazon, which owns 18% of Rivian, has ordered 100,000 delivery vans, launching the company into commercial vehicles.

Rivian is flush with cash following a \$11.9 billion stock offering Nov. 10, allowing it to finance the new plant. [But shares have fallen 70% since then](#) as investors worry about production delays.

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