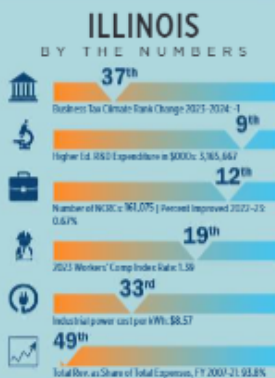


How Kankakee County Secured the Largest EV Battery Investment in Illinois to Date



Selected Top Projects by Capital Investment

COMPANY	CITY	INVESTMENT \$M
Stellantis N.V.	Belvidere	3,200
Gallatin High-Tech Co.	Manteno	2,000
Stellantis N.V.	Belvidere	1,500
Walmart	Belvidere	1,200
Warwick Carbon	Decatur	1,000

Source: Company Projects Database

by LINDSAY LOPP
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Photo courtesy of Energy Group Photography

A small town in Kankakee County, located less than an hour outside of Chicago, last fall secured the largest electric vehicle battery investment in Illinois to date. Following a competitive nationwide search, Chinese battery manufacturer Gotion in September selected a former Kmart warehouse in Manteno as the location of its latest project, a \$2 billion gigafactory. On site for the announcement, Governor JB Pritzker called the project “the most significant new manufacturing investment in Illinois in decades.”

The State of Illinois awarded Gotion an extensive package of incentives valued at \$536 million including tax benefits from REV Illinois (Reimagining Energy

and Vehicles), capital funding from Invest Illinois and further support from additional incentives.

The Manteno Village Board in December rezoned Gotion’s chosen location to heavy industrial despite some vocal local opposition. Among the regular updates the village government provides on its website was one reminder: “Once the plant is open and operating, Gotion will be paying real estate taxes up to \$2 million a year for the next 30 years — which is double what the empty property contributes now.”

Another Gotion project in Michigan has had to overcome local opposition and security concerns related to the company’s Chinese ownership. “In terms of rumored espionage, there is a

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**ECONOMIC
ALLIANCE
OF KANKAKEE COUNTY**

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www.kankakeecountyed.org

process for screening foreign companies doing business in the U.S.," the Village government explains. "The federal government reviews and can block business activity of non-U.S. companies through the Committee on Foreign Investment in the United States, also known as CFIUS. Gotion has already been operating for a number of years in Fremont, California, and Independence, Ohio. Gotion was recently given a federal green light in Michigan."

The Manteno plant will assemble batteries using components from that Michigan site. When Gotion's first U.S.-made batteries rolled off the line in Fremont in December, Gotion Senior Vice President Li Chen, who also serves as president of Gotion Americas Business, said, "Today, we have made a name for ourselves in the Americas market, and with the help of the Illinois battery factory and Michigan material factory, Gotion will work together with customers to build a localized and diversified supply chain system characterized by a full value chain."

The local government in Manteno also quelled rumors that the plant would be staffed by hundreds of Chinese workers instead of Americans. "The Gotion EV battery manufacturing plant in Manteno will create 2,600 full-time jobs, with employees being paid at least 120% of the average wage of similar job classifications in Kankakee County," the Village explained. "Around 50 of those 2,600 employees will be from China, and their sole purpose will be to conduct training on the EV battery manufacturing process." Moreover, Kankakee Community College will be a crucial training partner and thus be expanding programs "that will raise the local education level and readiness for jobs of the future."

"It's Put Us on the Development Map"

"Any successful endeavor like this is really a team effort, obviously started by the State of Illinois," Manteno Mayor Tim Nugent tells Site Selection. "We've had countless conversations with the governor's office, with the Department of Commerce and Economic Opportunity, Intersect Illinois ... I mean, they were key in making this happen."

Over the years, Nugent has worn many hats in Kankakee County, with each stage of his career having a hand in developing the region into what is today. As a local business owner himself, he learned the tricks of the trade, expanding his lumberyard into the arena of housing development,

establishing numerous subdivisions throughout the county.

After Nugent sold his company in 2005, opportunities to use his expertise pulled him out of his short-lived retirement and into the heart of Kankakee County's development efforts, first as mayor then as president and CEO of the Economic



Mayor Tim Nugent, Manteno, Illinois

Alliance of Kankakee County. To this day, he continues to deftly juggle both titles.

In January, Site Selection magazine sat down with Nugent to discuss Gotion's expansion and the future of the community he calls home.

From a business standpoint, what are the factors that make Kankakee County a good choice to place a corporate facility?

Nugent: We're in the Midwest, [so] obviously our central location. The county is less than an hour from the city of Chicago, a huge market for everything. All the different amenities that Chicago has to offer as far as transportation, air, rail, freight — no matter what, everything basically passes through Chicago. It's the only place

in this country where all five major railroads are set. So as far as corporate locations, having access to all the different modes of transportation is very important. By being in the center of the county, east, west, north, south, doesn't matter which way you go, you can cover a lot of people in a short period of time. The fact that we are just an hour outside of the city affords us the ability to offer a more economical lifestyle, a more laid-back lifestyle, yet still be able to enjoy the amenities that the city of Chicago has to offer.

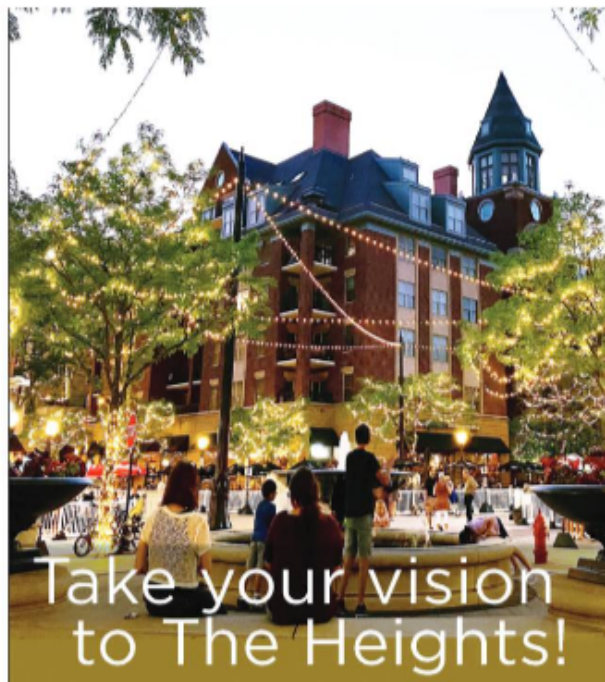
Which industries are growing at the fastest rate right now in your area?

Nugent: We've got a number of different major industries. Food processing is a prevalent industry. We have a large steel industry. Nucor Steel is located here. They have spun off and caused a lot of smaller subsidiaries and other companies to locate here. We have a large pharmaceutical company called CSL Behring, an Australia-based pharmaceutical facility that has been in our area for 70 years, but in the last five years, they've made some multibillion-dollar expansions in our area. They are the largest manufacturing employer that we have in the county. They employ about 1,500 people.

We are number three in the nation for small metropolitan areas for manufacturing. Whether it be in pharmaceutical manufacturing, food processing and manufacturing or plastics and chemicals, we have a lot of manufacturing in our area for the amount of population that we have.

In September 2023, Gotion announced it was investing \$2 billion to locate an electric vehicle battery gigafactory in Manteno. How did that project come to be?

Nugent: We got involved in that back in December of 2022. Intersect Illinois, which is the state's private organization that does site selection for companies, and the Illinois Department of



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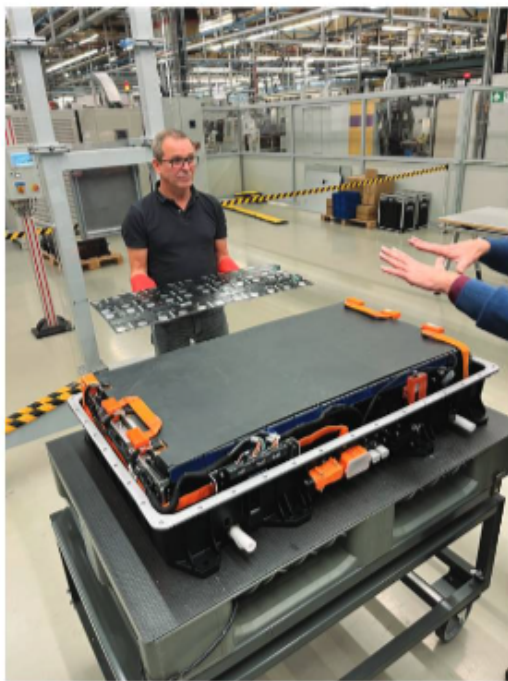


Photo above and rendering on p. 228 courtesy of Gotion Inc.

Commerce and Economic Opportunity, which is the state-run economic development agency, reached out to a number of economic development agencies throughout the state, saying that they had a company that was a battery manufacturer that was looking for potential new sites in the United States and that it was a foreign company.

They gave the specifics out of what this company was looking for, and asked all the statewide economic development organizations to submit potential sites that they might have that would meet the criteria that this company had established. So we submitted buildings that we had that met their criteria, which eventually turned out to be where they ended up.

This project is expected to create over 2,600 jobs. How does Kankakee County plan to support the jobs that are created?

Nugent: That was one of the company's concerns since we are a rural area. The population of the county is around 110,000 people. They were concerned about whether or not we would be able to have enough volume of employees to staff that facility, but because of our

proximity to Chicago and all the suburbs in Chicago within a 45- to 30-minute driving range of Manteno, their workforce [labor pool] is over two-and-a-half-million people. That gave them the assurance that the volume of people for their employee base was going to be supported in this area.

Do you expect securing a project of this magnitude to incite further development in the county?

Nugent: We've already been contacted by a number of different companies that are potential suppliers to Gotion, that want to be, you know, not necessarily next door but within a close proximity. So, we've had some conversations with a few companies already because of the announcement. It helped to put our area on the map in the electric vehicle industry. The governor of the state of Illinois is pushing really hard to expand the EV market in Illinois and it's working. There have been several different announcements and several different companies throughout the state in that industry that have made investments, Gotion being the biggest so far, which puts us in the lead right now for the number of employees that will

be in our area working in that industry. So it's put us on the development map. We've had calls from companies that might not have considered our area in the past because they thought that maybe we were too far out of the city or it wasn't the ideal location. Now that a major international company has chosen us, they're starting to revisit us as a potential site.

Have there been any infrastructure projects announced recently?

Nugent: There have been a number of different highway investments in the state of Illinois in upgrading and widening Interstate overpasses. What used to be two-lane, 50-year-old bridges are being converted into four-lane bridges, brand new for the future. Around the area where Gotion is going to be developing, the state had already committed to about \$50 million worth of highway upgrades even before the announcement. So those are even more reasons why Gotion chose our area, [because] that was already in the works long before they came. The state and the county and local municipalities are continually investing in infrastructure

upgrades. And as the need arises, they will continue to do so.

Which other sectors do you expect to experience growth over the next few years?

Nugent: We suspect that because of the influx of new potential employers, we'll see some additional hotels that will be developed and other amenities that go along with the number of people that they're going to bring in. Anytime you generate more people, you've got to have all the other industries that go along with that as far as retail outlets and restaurants, gas stations and charging stations and those types of things. The more people you have, the more amenities that they want and that get created.

What kind of support does your community offer entrepreneurs and small businesses?

Nugent: We're always supporting new businesses, new entrepreneurs. There have been a number of new businesses that have started, especially since COVID. A lot of people went off and were out of the workforce for a while and we see a lot of them coming back into

the workforce, opening up coffee shops, breweries venturing off in areas that maybe they wouldn't go to if COVID hadn't happened.

Here at the Economic Alliance, we get a number of calls from people looking for business advice and looking for potential areas that they could apply for grants and incentives to open up businesses. I think the more corporate employees that we get coming here, the need for more entrepreneurs and more smaller businesses is going to increase. I see more coffee shops, bakeries, more bars, restaurants, those type of things taking place because of our expansion — not just by Gotion, but our entire manufacturing base has been growing steadily over the last few years. And as that grows, it automatically generates the need for other things to be in the area.

How would you describe the Economic Alliance's approach to development and attracting business?

Hugen: We're a countywide organization. So, while every municipality does things on their own, we represent the



whole county. It doesn't matter where a company might be looking or where they're going to go, if they call our office we'll help put them in touch with the right people that they need to talk to whether it be in a municipality, whether it be in unincorporated areas, whether it be with the utility companies, we'll work with them in any way that we can in order to make Kankakee County an attractive place and an easy place to do business.

One of the things that I've heard from

companies is that in some places they go the resources are kind of helter skelter, where they have to contact a number of different agencies to get the answer that they are looking for. While we might not have the answer here, we can put them in touch with the people who can. It doesn't matter where they're looking in the county, we cover the entire county.

We're not pushing for one municipality over another. We figure any companies that come into our county benefit no matter where they locate. ▼



A Hoosier's 25-year trek in semiconductor manufacturing brings him back home to Indiana.

by RON STARNER
ron.starner@siteselection.com

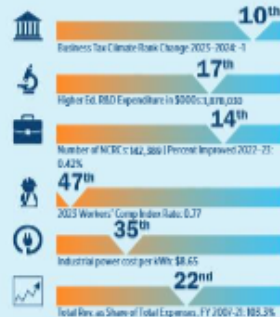
Bordering of new HLANeed
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Critical elements of America's semiconductor supply chain continue to grow rapidly in the Midwest as states compete for billions of dollars in federal CHIPS and Science Act funds. At least one state in the region seeks to capitalize on an often-overlooked aspect of this market: the high-tech packaging required by the world's most advanced microelectronic chips.

Recent project announcements in multiple cities suggest that Indiana is going all in on this sector and the

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BY THE NUMBERS



Selected Top Projects by Capital Investment

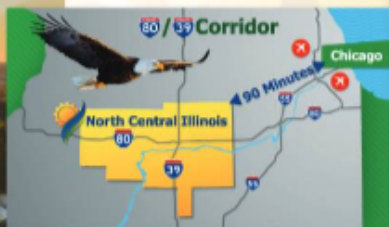
COMPANY	CITY	INVESTMENT \$M
Samsung Sd / Vlllntin N X	Kokomo	1,200
/ Sharples Energy	New Carlisle	3,000
General Motors / Samsung SdI	Terre Haute	1,500
Entek Manufacturing	Jeffersonville	800
Canadian Solar	Fort Wayne	632
General Motors / Samsung SdI		

Source: Company Projects Database

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