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Rivian taps brakes on plan to build \$5B EV plant in rural Georgia

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Gov. Brian Kemp steps out of a Rivian truck at December 2021 press event announcing the the electric vehicle maker will build a factory in Georgia. Jill Nolin/Georgia Recorder (file photo)

The electric vehicle start-up Rivian announced Thursday that it will delay construction on its Georgia plant and instead begin production on new models at its existing plant in Illinois.

Rivian Founder and CEO RJ Scaringe broke the news during a live unveiling of a new midsize SUV, called the R2, that was originally planned for production at a site in rural east Georgia. Scaringe also rolled out a new midsize crossover, the R3 and R3X.

The Georgia site was first announced with great fanfare in late 2021. The \$5 billion project was hailed as one of the biggest economic development projects in Georgia history and a sign of Georgia's growing role in the electric vehicle industry.

The project was originally set to break ground in early 2022 but has been slowed by legal challenges to the incentives offered to the California-based company and supply chain and other manufacturing woes.

Scaringe said during the live reveal of the new models Thursday that the Georgia plant “remains really important to us.” He said the facility is “core to the scaling across all these vehicles” being launched.

But he said the decision to start production in Illinois was made to quickly bring the new models to market, one of which was also notable for its lower \$45,000 starting price tag. That move is expected to save the company more than \$2 billion.

A company spokesman did not respond to questions about when an updated timeline for construction in Georgia would be released.

“Our Georgia plant remains an extremely important part of our strategy to scale production of R2 and R3, but the timing for its launch is expected to be later to focus our teams on the capital efficient launch of R2 in Normal, IL,” a Rivian spokesman said in a statement Thursday afternoon.

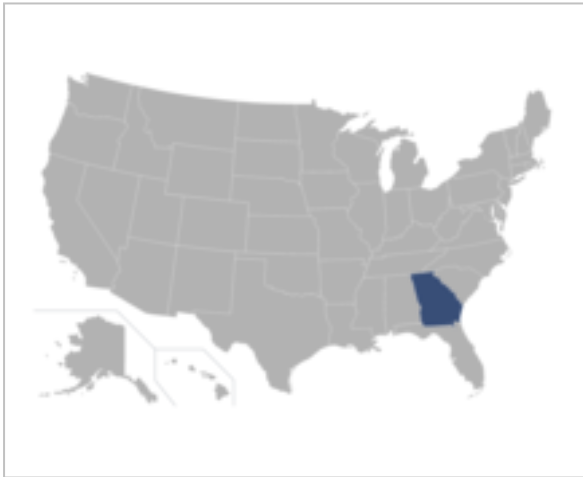
In a statement, the state and local economic development authorities emphasized the silver lining in Thursday’s announcement. The governor’s office deferred comment to the state Department of Economic Development.

“Rivian has restated its commitment to Georgia, and the State and JDA are in steady communication with Rivian regarding its manufacturing plans at Stanton Springs North,” read a joint statement from Georgia Department of Economic Development and Joint Development Authority of Jasper, Morgan, Newton, and Walton counties.

The state offered Rivian a \$1.5 billion incentive package. Under the project’s economic development agreement, Rivian must meet 80% of its commitment to spend \$5 billion and create 7,500 jobs by the end of 2030 through 2049.

Instead of property tax payments, the company pays the local development authority what is called a PILOT payment. Rivian has made \$3 million in these payments so far, with the most recent check cut this month. The company would also receive job tax credits in the long term as it beefs up its payroll.

While the change in plans was greeted with frustration by some in Georgia, the company’s rollout of new models was pleasing to Wall Street. Shares of Rivian Automotive jumped 13% Thursday.



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