

Hyundai Happening

The impact of the \$1 billion Hyundai plant in Alabama is already being felt in the Montgomery area and throughout the state

BY ANDY ELLIS

Hyundai Motor Co.'s first U.S. assembly and manufacturing plant located on more than 1,700 acres in Hope Hull just south of Montgomery is steering its way toward completion and is on track for the first vehicles to roll off the line in 2005.

The impact of the \$1 billion plant, which is expected to employ more than 2,000 workers and produce 300,000 vehicles a year when it reaches full capacity in 2007, is already being felt in the Montgomery area and throughout the state. To date, the number of workers employed by Hyundai Motor Manufacturing Alabama (HMMA) has reached close to 450 and that number will climb to 1,000 "team members" by the close of 2004, according to HMMA Director of Communications Bill Lang. The company also has demonstrated its commitment to its new partner, the state of Alabama, by striving to fill the plant's 1,600 production and maintenance positions exclusively with Alabama workers.

"The city of Montgomery and the state of Alabama have made a tremendous commitment to bring Hyundai to this area, and we are dedicated to being good neighbors and returning that same level of commitment," Lang says, noting that 29 of the 40 construction firms working on the plant are from Alabama. "From the beginning, we have encouraged the use of Alabama companies and workers to the maximum extent possible. I believe that this philosophy has played



Above: The Hyundai Family Support Office is helping to acquaint Korean families with Alabama (pictured on a tour of the Birmingham Museum of Art).

a large part in us being on target to complete construction despite the wet weather the area has experienced over the past several months."

With a driving force primarily consisting of Alabama workers and firms, the two million-square-foot Hyundai plant stands at 85 percent completion, according to Lang. The company is gearing up to begin trial production of the first Hyundai vehicle to roll off its U.S. manufacturing line — the Sonata Sedan — in a matter of months.

"Construction should be completed in May, and we will start trial production of the next-generation Sonata, which will debut at the Paris Auto Show," Lang says. "Commercial production of the Sonata will begin in March 2005, and then in 2006, we will begin production on the next-generation Santa Fe, Hyundai's new sports utility vehicle."

While the use of the Alabama work force has been stressed in the construction phase, the company's commitment doesn't end there. In order to meet its goal of drawing all 1,600 production and maintenance employees from the state's work force, Lang says the company has relied heavily on the training provided through Alabama Industrial Development Training (AIDT). Nearly 11,000 Alabamians from all 67 counties

have applied for the production and maintenance jobs. In 2003, 496 Alabama residents completed the AIDT training specifically for the HMMA plant. An additional 960 are expected to complete the eight-week training this year. Lang says more than 2,700 potential workers will have been trained by the time the 18 different sessions end.

"Hyundai is a Korean automaker, but this plant will be run by Alabamians and it will be something of which the state can be proud," Lang says.

Hyundai's plant is bearing a plentiful harvest for Alabama. Currently, 26 tier-one and numerous lower-level suppliers for the plant have announced plans to locate in 15 Alabama counties, meaning some 6,000 jobs are expected as a result of Hyundai's suppliers locating nearby. These suppliers also are expected to invest nearly \$475 million in capital investments, bringing the total initial investment to nearly \$1.5 billion.

Ellen McNair of the Montgomery Area Chamber of Commerce says the figures could add up to an annual retail impact of nearly \$100 million. According to McNair, the average salary of a Hyundai worker will be in the neighborhood of \$49,400, putting HMMA's total annual payroll at close to \$279 million. Couple that with the close to \$180 million in Hyundai's "indirect annual payroll" and McNair says HMMA's economic impact on the state is clearly evident.

McNair says the Montgomery community has been involved in several activities designed to roll

out the red carpet for its new neighbor. One of the early commitments made by the city of Montgomery was the establishment of the Hyundai Family Support Office. The office is staffed by Jeanne Charbonneau, who began work in July 2002, and Karen Ehrhard, who started work in 2003.

"Our purpose is to provide support to the Korean families that are relocating to Montgomery in direct connection with the construction of the Hyundai manufacturing plant," says Charbonneau. "We are truthfully part of the incentive package included in the extensive project agreement negotiated by the state, county, city and representatives of Hyundai. There is a very small paragraph that requires the city/county to provide someone to assist the families with their transition to life in Alabama."

Charbonneau says she feels very fortunate to have been selected for the "wonderful" opportunity.

"The city, in my opinion, very wisely looked to the local military community and sought someone with the first-hand experience of living overseas; someone who knows what it feels like to get off the airplane and not be able to read the signs," she says. "Additionally, our family had been in Montgomery for four full years, so we felt like we knew the area and could positively assist newly arriving families."

Charbonneau and Ehrhard have assisted the new Alabama residents with a variety of tasks. "There wasn't much of a job description to be honest. What we do is a direct result of assessing needs and trying to meet them," she says. The office assists incoming families with school selection and registration, finding housing and setting up utilities, Social Security and drivers' license issues, medical appointments and referrals, as well as English as second language classes. Charbonneau and Ehrhard also help with the social aspects of the transition by arranging field trips and establishing spouses' groups.

"Basically, we do anything we can to make sure these families feel welcome in our community, to make sure they know they are not alone or on their own in a strange new country, in a strange new city," Charbonneau says. "We want them to leave Alabama with great memories and great friends."

Lang says the family supports services, along with other local efforts, have been tremendous.

"There is no doubt that we made the right decision in choosing to build in Alabama," Lang says. "So much has been done by the state and the Montgomery community to help make our

operation a success. The city of Montgomery has two people that work in our offices whose sole responsibility is to make the transition of our Korean families go very well, from registering the children for school to helping them find housing. Auburn University at Montgomery has offered numerous programs, including English as second language classes, which have been extremely helpful.

"Trenholm Tech has handled much of our training through AIDT, which has been a huge help to us. AIDT, the Alabama Development Office, the Economic Development Partnership of Alabama and everyone at the state and local level have been extremely helpful. There is just a great excitement right now and the support Hyundai has received from the Montgomery area and the state of Alabama has been tremendous."

Likewise, becoming an active part of the community has been important to

more for Montgomery and the state of Alabama. For now, we are excited about the opportunities that lie ahead and we are looking forward to growing together with the community and the state."

Lang believes the excitement shown by the community, as well as by Hyundai, is understandable. The company, which broke onto the American market in 1986 with its offering of the subcompact Excel, sold 400,221 vehicles in the U.S. in 2003, representing a 6.69 percent increase over the previous year. Coupled with its sister company Kia's 237,000 vehicles sold in the U.S. last year, the Hyundai Automotive Group is currently the world's seventh-largest automaker.

Lang says the new plant will help to put the company in the driver's seat in its effort to crack the global top five by 2010.

"The Hope Hull location is certainly a key player in our ability to meet our goal of reaching the top five in the global

Below: Construction is almost complete at Hyundai Motor Manufacturing Alabama near Montgomery.



Hyundai officials, Lang says, noting that HMMA President Y.S. Kim serves on the board of the Montgomery Area Chamber of Commerce.

"Our experience with the Montgomery area and the state of Alabama has already been very positive," Lang says. "We have been concentrating on completing construction of our facility and preparing to produce the highest-quality vehicles for the American public. Once we get past this initial phase of our development, we will be able to do even

automotive market," he says. "There is great excitement when you have a growing and successful company like Hyundai becoming a part of the community. Today, on land that was once literally pasture land, we are growing two million square feet of state-of-the-art automotive excellence. It certainly is a big deal for the area and is huge for Hyundai's efforts to provide quality, safe vehicles for consumers." ■