

Friday, February 27, 2009

# Kansas City looks to Smith Electric Vehicles plant for spark

Kansas City Business Journal  
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Pete Fullerton

Area development officials are working to give the Kansas City economy a jolt as home to one of the nation's first assembly plants for electric-powered commercial vehicles.

Bryan Hansel, CEO of **Smith Electric Vehicles U.S. Corp.**, confirmed that the company is considering a local site for production of vans and trucks — including an electric version of **Ford Motor Co.**'s new Transit Connect light-duty vehicle.

“The state of Missouri, and the Kansas City area specifically, have been vying for it very aggressively,” said Hansel, whose Overland Park home address is doubling as the company's until a corporate headquarters and plant are secured.

Sites in Mississippi, Michigan and Indiana also remain in contention, Hansel cautioned, and other states have made pitches since Ford's Feb. 9 announcement that Smith Electric Vehicles U.S. would build electric-powered Transit Connects for the North American market.

Still, local economic development leaders remain optimistic that this area's concentration of advanced-energy assets will give it the juice to power an anticipated explosion of zero-emission commercial vehicle sales.

The **Kansas City Area Development Council** created an **Advanced Energy Task Force** in December to tout and build on current local assets. They include the **Midwest**

**Research Institute**, which operates the **U.S. Department of Energy's National Renewable Energy Laboratory** in Golden, Colo.; the energy divisions of global engineering firms Black & Veatch and Burns & McDonnell; and Ford's Kansas City Assembly Plant, where hybrid versions of the Ford Escape and Mercury Mariner are made.

President Obama made reference to assets like the local Ford plant during his Feb. 24 address to Congress, noting that "new plug-in hybrids roll off our assembly lines, but they will run on batteries made in Korea."

That, however, may not be the case with vehicles assembled at the new Smith Electric Vehicles plant.

Hansel said another local energy asset, **Kokam America Inc.** in Lee's Summit, may be one of the plant's lithium-ion battery vendors. Kokam America, which uses technology licensed from South Korea-based **Kokam Co. Ltd.**, recently landed an investment worth tens of millions of dollars to equip its Lee's Summit facility to manufacture cutting-edge battery packs.

"Kokam is a world-class manufacturer," Hansel said, "and we are giving them strong consideration as a battery supplier. Most likely, we'll have more than one."

**Valence Technology**, based in Austin, Texas, is the primary battery supplier for a British plant operated by Smith's parent, **The Tanfield Group Plc.**, which has been making electric vehicles in England since 1920.

Tanfield incorporated Smith Electric Vehicles U.S. in January but plans to sell 51 percent of the company to U.S. investors, making it eligible for some of the \$2 billion in federal stimulus financing aimed at developing the nation's electric-vehicle industry.

On Feb. 6, Tanfield reported that Smith Electric Vehicles U.S. already had received "firm expressions from two states of funding support" for its new manufacturing plant.

State incentive offers will be important in attracting the facility, Hansel said. But locating within an advanced-energy industry cluster like Kansas City's also will be "critical" due to the need for skilled labor, after-market service and support, and training, he said.

"This isn't just about our company. It's about creating a center of excellence for an industry," he said.

Another factor working in Kansas City's favor, and against late-to-the-dance suitors, is Smith Electric Vehicles' timetable.

Electric-powered Transit Connects, the initial offering in Ford's sweeping North American electrification strategy, won't hit selected dealerships on this continent until 2010. But Smith Electric Vehicles U.S. plans to begin production of the Smith Newton, a medium-duty electric delivery truck, in the third quarter of this year.

A 200,000-vehicle-a-year market is anticipated for such trucks, and Smith Electric Vehicles U.S. plans to grab an initial 5 percent, or 10,000-truck, share of that market. That translates to about 100 year-one jobs, a number that is expected to at least double within three years, Hansel said.

Some of the vehicles made at the plant will require conversion of chassis that come mounted with diesel engines, Hansel said. Because of the high volume of sales anticipated, however, Ford has agreed to ship the Transit Connect chassis as "gliders," or without engines.

"Our job will be to put in the drivetrain and regenerative braking, integrate it with their dash and components, and deliver the vehicle to Ford dealers as an electric version," Hansel said.

He said the Ford gliders would be shipped from Turkey and delivered to the U.S. plant on flatbed trucks.

“This is the advanced-technology, green-job kind of thing that the new administration and everybody’s talking about,” said Pete Fullerton, executive director of the **Platte County Economic Development Council**. “It would be a great thing for this area because there are lots of people with technical skills out there looking for new employment these days.”

### **Plugging in**

Smith Electric Vehicles U.S. Corp. is considering a local plant site. The big question is: Where?

Sources said the Kansas City Area Development Council began seeking proposals for the plant, using the code names Project High-Voltage and Project Electric Car, in October.

Jim Martin, executive director of the **Shawnee Economic Development Council**, said the city was eliminated early on because it didn’t have the 100,000 square feet of available stand-alone manufacturing space required for the project’s initial phase. Other site requirements included 30-minute airport access.

Southwest Johnson County, one of the metro area’s hot industrial spots, is served by two small commercial airports. But Tom Riederer, president of the **Southwest Johnson County Economic Development Corp.**, said he thought his area was out of the running, too.

“I think (the potential Kansas City site) is up here, in or around the KCI corridor,” said Pete Fullerton, executive director of the Platte County Economic Development Council.

Fullerton said there were no available buildings in the 100,000-square-foot range in the KCI area, either. But CB **Richard Ellis Group Inc.** is listing 200,000 square feet, divisible into smaller spaces, in a 350,000-square-foot building at 10709 Airworld Drive in the **AirWorld Center**.

**Haldex Brake Products Corp.** occupies the remainder of the building, meaning it’s not a stand-alone. But it is located only a mile from KCI in an area designated as a

Foreign Trade Zone, allowing duty-free storage and processing of imported parts and other goods.

Bryan Hansel, CEO of Smith Electric Vehicles U.S., would not comment on potential site locations but said “wherever we end up, we will have to have some flexibility in our space.”

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