

GM sells Lordstown complex to electric-vehicle start-up Lordstown Motors

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General Motors Co. has sold its sprawling Lordstown Assembly complex in Ohio to Lordstown Motors Corp., an electric-vehicle start-up that plans to build commercial battery-powered pickups there. (Photo: Lordstown Motors Corp.)

Detroit — General Motors Co. has officially sold its sprawling Lordstown, Ohio, assembly complex to electric-vehicle start-up Lordstown Motors Corp.

Details of the sale were not released, but Lordstown Motors took over the complex Thursday.

The acquisition is significant for many reasons.

It allows Lordstown Motors to finally take over the complex for its headquarters and to build its commercial electric pickup truck, the Endurance. As a result, Lordstown Assembly will go down in history as one of a few automotive plants to continue manufacturing vehicles under new ownership.

For the village of Lordstown and the Northeast Ohio region of the Mahoning Valley it's a part of, the sale of a plant is painful after watching Chevrolets roll off the line there for 53 years. But local leaders are encouraging the community to get behind Lordstown Motors — and the battery-cell manufacturing site that GM has promised elsewhere in the area — so the valley can remain central to the auto industry's future.

“Lordstown Motors, along with GM’s planned battery factory in the area and other start-ups, are positioning Northeast Ohio as a hub for technology, which completely reshapes the future trajectory of the whole Mahoning Valley,” Youngstown State University President Jim Tressel said in a statement. “Think of being in the epicenter of EV technology. We must take charge of our future.”

Under GM ownership, the plant changed from one model to the next. It mostly recently built the Chevrolet Cruze, and before that the Chevrolet Cobalt. Under Lordstown Motors, company CEO and founder Steve Burns wants the complex to be “an electric epicenter of the Midwest.”

He’s hoping Lordstown Motors’ presence will attract electric-vehicle suppliers to the area and maybe even to the complex itself. “We are trying to make it different than it’s ever been there,” he said.

Lordstown Motors plans to build for commercial customers, including municipalities and utility companies in need of fleet vehicles. Production will start with a full-size pickup with a mid-size pickup to follow, and after that, a commercial, industrial utility vehicle.

The company plans to start production of its pickup in



This is the closed GM Lordstown Complex. It has been purchased by Lordstown Motors Corp. to produce electric pickup trucks. (Photo: Todd McInturf, The Detroit News)

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late 2020 and will initially hire 400 workers. Burns has already started building his leadership team. He recently hired Rich Schmidt, the former director of manufacturing for Tesla Inc., as chief production officer for Lordstown Motors.

Burns wants a United Auto Workers workforce to build the product but hasn't yet had discussions with the union.

Lordstown Motors had to wait to complete the purchase of the complex until GM finished negotiations with the UAW. GM's 48,000 UAW members ratified a new contract on Oct. 25, ending a 40-day strike against the automaker.

A top issue for the union was job security after GM decided in November 2018 to eventually close Lordstown and three other U.S. plants. The UAW sued the automaker for violating its contract, but under the terms of the new contract the union agreed to dismiss that lawsuit.

The Detroit automaker said in a statement Thursday: "GM is committed to future investment and job growth in Ohio and we believe LMC's plan to launch the Endurance electric pickup has the potential to create a significant number of jobs and help the Lordstown area grow into a manufacturing hub for electrification."

The union said it would fight during the negotiations to keep the plant alive but instead got higher wages, lump-sum bonuses, retained health care benefits and received a record-high ratification bonus in exchange for GM to close four plants including Lordstown. Detroit-Hamtramck Assembly, which had been targeted to close, will remain open; instead, a parts processing center in Fontana, California, will go dark.

UAW Local 1112 President Tim O'Hara, who represents GM Lordstown employees and worked at the complex for 41 years, said Thursday, "Nothing will replace the 5,000 actual jobs associated with the GM plant and the thousands of spinoff jobs. If these potential workers are union-represented, we want UAW Local 1112 to represent whatever number of workers are involved."

UAW spokesman Brian Rothenberg said, "We are committed to making sure these are quality good-paying jobs."

The UAW in the past rebuffed the potential sale of the plant after GM announced in May 2018 it was in sale discussions with Cincinnati-based Workhorse Group Inc., another electrical vehicle start-up formed by Burns, and an affiliate.

Workhorse owns 10% of Lordstown Motors, which will license components of Workhorse's electric-drive technology for the electric truck. Workhorse will transfer 6,000 existing pre-orders for its W-15 battery-powered pickup to Lordstown Motors.

"We expect to do a lot with Workhorse just as sister companies," Burns said.

The Endurance is designed to be the first production vehicle that utilizes a four-wheel drive hub-motor system, which reduces the number of moving parts. There's a motor at each wheel, with no transmission or axles. That makes it easier to build and maintain.

The features on the trucks are specific to the needs of fleet customers. For example, there's an onboard power export, allowing workers to run power tools at a job site without the need for a portable generator or to leave the truck running.

Lordstown Motors met with members of the Youngstown/Warren Regional Chamber recently to provide them with a list of area suppliers the company could work with in the future.

"Seeing something come back to life out there is going to be exciting," Chamber President James Dignan said Thursday. "I think this is going to drive some more investment, not just in Lordstown but in the surrounding region."

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