

Procter & Gamble unveils plans for \$500 million manufacturing facility in Arizona

Procter and Gamble has plans to build a large plant in Arizona.

Consumer goods giant Procter & Gamble Co. (NYSE: PG) unveiled its plans to build a massive fabric care manufacturing plant across more than 400 acres about an hour southeast of downtown Phoenix.

The Cincinnati, Ohio-based company said it plans to invest \$500 million in the new factory at the 2,700-acre Inland Port Arizona in Coolidge, a massive industrial park located in the southern part of the city that is already home to Nikola Corp.'s manufacturing facility.

The new facility will total 2 million square feet and will support the company's fabric care portfolio, which includes products such as Tide PODS, Downy Unstopables and Bounce Dryer Sheets. It will be located on 432 acres along State Route 87 and Union Pacific rail line between Arica, Shedd and Vail roads just north of Nikola's factory, city documents and marketing materials show.

It's expected to be operational by 2025 and create about 500 jobs in Coolidge with annual average wages of \$55,000. It will hire 86 employees the first year and add 138 workers per year over three years, city documents said. P&G said its plant "aims to use" its most advanced and innovative manufacturing and sustainable technologies in its global manufacturing and supply chain operations.

City to vote on development agreement

Coolidge City Council has held executive sessions, which are closed to the public, to discuss potential economic development projects and agreements in recent months. Coolidge City Council will vote on the development agreement with P&G on Nov. 14's City Council meeting at 7 p.m. The full development agreement can be found on the city's website [here](#).

The development agreement said that the city, Pinal County, Arizona Commerce Authority and Saint Holdings, the owner of Inland Port Arizona, have been working with P&G to develop its project. The city will vote on several incentives for the company, including up to \$18.6 million in public infrastructure for the plant; designating the site as a Foreign Trade Zone, which can reduce property taxes by more than 70%; and hiring Elliott D. Pollack & Co. economic firm to conduct an analysis of the project.

At full build out, the facility is expected to create 745 total jobs, more than \$41.3 million in wages and nearly \$464.5 million in annual economic activity, the November 2022 economic analysis said. Overall, the project is also expected to receive about \$7.1 million in incentives over 10 years through construction sales tax, plan review fees and estimated transportation impact fees, the report added. In the first decade, the project is expected to generate nearly \$31.2 million in revenue for the city.

The facility is still in the planning stages, according to the company, but said it plans to purchase land in the Inland Port Arizona in November and start construction next year. The facility will also be developed over multiple phases.

"The project is part of an ongoing supply chain strategy to best meet the needs of our consumers and customers and to meet the need for additional capacity due to the growth projection of the [North America] Fabric Care business," the company said.

The company said its facility will be P&G's 25th plant in the United States and its third greenfield site that it has built in the U.S. since 1971. A groundbreaking is planned for the spring or summer of 2023. JLL is listed as the representative brokerage for Inland Port Arizona.

P&G is one of the latest large-scale manufacturing companies to announce plans for Arizona, which officials say has become an increasingly attractive state for manufacturers and has in recent years landed companies including Taiwan Semiconductor Manufacturing Co., countless suppliers and food and beverage makers like Rauch North America, Mark Anthony Brewing and Nestle USA.

A year-long search for a site

Jackob Andersen, president of Saint Holdings, which owns the property P&G plans to acquire, said they've been working with P&G for just under a year.

Saint Holdings' industrial park, Inland Port Arizona, was just one of an initial 500 sites across the country that the company was considering, Andersen added. He said his company, as well as state and local partners, have worked tirelessly to position the site as a "shovel-ready" property.

"They had people flying in from all across the world ... to check on this site as the chosen one," Andersen told the Business Journal. "Our hard work over the past decade, getting this right with the city, the county, positioning the zoning correctly with I-2 heavy industrial, ensure a rail service, working with the water resources to ensure water and sewer with oversight capabilities for big manufacturers like this, and sustainable capabilities for the water, for the reuse of the effluent."

Andersen said the company left "no stone unturned to prove that this is the right site for them."

The company said in a statement that Pinal County is a "prime" location for serving its consumers and customers across the region.

Gov. Doug Ducey gave his support for the project in a statement and said P&G represents another global leader establishing manufacturing operations in Arizona, "bolstering our state's booming manufacturing industry and adding hundreds of goods jobs in Pinal County."

P&G currently owns and operates 23 manufacturing sites across 17 states. It also owns and operates 81 manufacturing sites in 35 other countries, according to the company's most recent annual report 10-K filing in August 2022.

The Arizona Commerce Authority was not immediately able to provide information about how much the company qualifies for in state incentives.

CNBC reported in October that P&G topped Wall Street's estimates for quarterly earnings and revenue as higher prices helped mitigate rising costs, but said the pricing strategy has hurt demand for its products, which has led to shrinking volume for the last two fiscal quarters.

P&G said its first quarter fiscal year 2023 had a net sales of \$20.66 billion, a 1% increase versus the prior year. Its operating cash flow was \$4.1 billion for the quarter. Unfavorable foreign exchange rates decreased revenue by 6%.

P&G's stock was \$140.10 on Friday, which was down .76% from the previous day's \$141.18.