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Fiat Chrysler's Belvidere plant gets \$350M, 300 jobs to retool for Jeep Cherokee

BELVIDERE — A \$350 million investment and 300 new jobs are coming to Fiat Chrysler Automobile's plant here as the company retools for Jeep Cherokee production.

Fiat Chrysler made the announcement at 4 p.m. today.

The plant now produces Dodge Dart, Jeep Compass and Jeep Patriot models. Production of Darts will end in September, and Compass and Patriot production will cease in December.

Speculation that the Jeep Cherokee would move to Belvidere started last fall. Automotive News reported that Cherokee production would be phased out at a plant in Toledo, Ohio. In May, Fiat Chrysler CEO Sergio Marchionne said in Turin, Italy, that the hot-selling Cherokee would be made in Belvidere.

Fiat Chrysler is betting that gas prices remain low in coming years. So it is investing in trucks and SUV production instead of smaller vehicles. Last year 220,000 Jeep Cherokees were sold. Marchionne said in May that he chose Belvidere because he needed a plant that could produce 300,000 cars a year.

The announcement "sounds extremely significant," Boone County Administrator Ken Terrinoni said, and it's "most appreciated having that kind of investment in the community."

Fiat Chrysler says the 5 million-square-foot Belvidere plant employs 4,500 people.

Companies that supply parts and components for the Belvidere plant, clustered in commercial spaces in and around the plant, employ hundreds more. They operate in warehouses that schedule parts shipment to coincide with vehicle production.

The model change will mean a change in the supplier base and a scramble for real estate for inbound suppliers.

"There has been a lot of interest in Boone County and the Belvidere area from companies that normally supply Fiat Chrysler US," said Jarid Funderburg, executive director of Growth Dimensions, the economic development agency for Belvidere and Boone County.

"I think that is anticipated with any line change."

Funderburg said much of the real estate shopping has been done by site selectors hired by companies to find them property or buildings or both.

"If they can't find a good home in Belvidere, I sure hope they find it as close as possible in Winnebago County," he said.

The auto assembly plant is a regional economic powerhouse.

Jimmi Kuborn, vice president of investor relations for the Rockford Area Economic Development Council, said a government study found that for every 100 jobs created at the Belvidere plant, 46 additional second- and third-tier jobs are created. And every \$1 million in output at the plant results in \$322,000 output by other industries in the region

"It's a great win for Belvidere and Boone County," said Kuborn, who noted 55 percent of plant employees live in Winnebago County.

Boone County Board Chairman Bob Walberg said he's looking forward to what Chrysler's investment will bring to the county and region.

"Typically, all the (employees) don't reside in Belvidere or Boone County. We should get a significant portion of (them)," Walberg said. "It'll certainly add to our community. They'll be bringing paychecks home to spend in our community."

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Salesperson Jerry Camero (right) delivers a 2016 Jeep Cherokee Limited to a customer at a Fiat Chrysler dealer in Doral, Fla., in November. The Cherokee will be assembled in Belvidere after production ends for the Jeep Compass and Patriot. AP FILE PHOTO