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New NB plant won't shrink Seguin

Facility to keep focus on powertrain tech

By Felicia Frazar | The Seguin Gazette

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The front of the Continental plant in nearby Seguin which will now operate under the name Vitesco Technology.

With the announcement of Continental opening a new facility in New Braunfels, community members wondered what would happen with the Seguin plant.

On Thursday, Continental USA announced it was building a 215,000-square-foot plant in New Braunfels for its advanced driver assistance systems division. The company plans to have invested \$110 million into the facility, retaining 450 jobs and creating about 130 more, a news release said.

The 320,000-square-foot manufacturing facility in Seguin that employs more than 1,500 people, will continue to power along as it has, Mary Arraf, Continental senior manager of communications, said.

"They are two separate divisions," she said. "We have a growth in the ADAS, in fact we have some advanced driver assistance systems being produced, co-located in Seguin right now, and we need more space for that. It is expanding that and moving that into a new plant."

The Seguin facility, currently operating under Vitesco Technologies, is Continental's powertrain division and is among the company's top performing facilities, Arraf said.

"That plant will remain, it is strong, it is healthy," she said. "It is one our top, state-of-the-art facilities. The two facilities will co-exist and can be considered a sister location."

The local facility will retain its focus as a powertrain facility, Arraf said.

"Vitesco is our powertrain division, so that plant is really meant to produce powertrain components," she said. "We are preparing and it is planned to have a spinoff of our powertrain division, so they will be independent — Vitesco Technologies — of Continental. It will be two separate locations, and ultimately, two separate companies by the end of the year potentially."

Continental's ADAS lines have outgrown the Seguin facility, Arraf said.

"There is no more room at the Seguin location and we need it to grow," she said. "The solution of putting in a few lines for ADAS isn't going to work any more."

As the ADAS line moves out of the Seguin facility, it will allow the power train division to grow, Arraf said.

"The Seguin location will be fully dedicated to powertrain components, so they'll be ramping up and making room for powertrain components to go into that plant," she said.

Seguin Economic Development Corporation Executive Director Josh Schneuker said Continental's decision to move the ADAS system will open the door for the company to grow its power train division. He said the city and Continental and Vitseco continue to remain community partners.

"We're going to continue working together to make sure the Vitseco division remains successful in Seguin and do what we can to help make sure it is here for the long haul and there is opportunity for them to grow," he said.

While Arraf was not on the selection committee and does not know the specifics of why the company choose New Braunfels as the home for its new facility, she said it was a lengthy process that included several locations globally.

"I know they looked at multiple locations in Texas, and outside of the state and even outside of the U.S.," she said. "It was a process that started at the end of 2018 and it was a long process. They did have a criteria list and my assumption is that criteria list was all met with New Braunfels."

Schneuker said Seguin's EDC worked to find a location for Continental to grow its ADAS.

"We did work on that and tried to keep that here and help make that grow in Seguin, but at the end of the day, the corporate decision was made to invest in New Braunfels and build that facility there," he said. "We can say the Continental facility in Seguin, now known as Vitesco Technologies, they're still going to be one of our largest employers in the city. Nothing is going to be changed there. They're going to remain here and be a sizable employer in the community."