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Megasites on the mind: Tennessee budget pumps \$65M into site readiness for economic development

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Adam Sichko | Nashville Business Journal

Bulldozers grade a 310-acre site in 2017 that's now home to an LG Electronics washing machine factory in Clarksville, Tennessee. A recent investment by the state extended a nearby road three-quarters of a mile, creating access to several hundred acres for government officials to attract future projects.

Tennessee will spend more in the next year to tee up large sites for economic development prospects than it has in the last five years combined.

The \$65 million of spending, slotted into the newly approved 2023-24 state budget, includes \$20.5 million to buy a 2,000-acre property in Coffee County dubbed the "Middle Tennessee I-24 Industrial Site." Another \$45 million will be spent on planning and infrastructure on properties across the state that span hundreds of acres and are vital to attracting the kinds of electric vehicle (EV)

and other major manufacturing projects Tennessee has witnessed in recent years.

"It was a pretty bold ask, but we felt it was important," said Stuart McWhorter, commissioner of the state Department of Economic and Community Development. "Having [site] inventory, in some cases, makes or breaks the deal."

The fresh urgency stems from several factors that together threaten a factory-building boom in the U.S., as this Reuters report details. Companies are making decisions on faster-than-ever timelines, and the most prominent sources of record-setting economic development deals lately — the electric vehicle industry and computer-chip producers — demand enormous amounts of power, water, wastewater, and other infrastructure. Land prices and construction costs continue to rise.

States from Michigan and Illinois to South Carolina and Georgia are rushing to amass more sites and prime them for projects.

Companies have recently claimed several of the largest sites in Tennessee, such as the 420-acre site in Clarksville where LG Chem is opening a battery ingredient factory. Almost all of the state's 4,100-acre megasite in West Tennessee is claimed, now that Ford Motor Co. is constructing a \$5.6 billion electric vehicle campus, BlueOval City.

Site readiness was key in luring Ford to West Tennessee to build BlueOval City. Ford executives cited the Megasite of West Tennessee's shovel-readiness in the days immediately following the announcement of the EV facility. Mark Herbison, president and CEO of Covington-based HTL Advantage, who has been credited with spearheading the recruitment of Ford, said that workforce availability in Jackson and Memphis was an important factor, as well.

Additional new projects are now coming to West Tennessee, with the most recent being EV battery material supplier 6K Energy in Jackson.

The Coffee County megasite is "the last one in the state of Tennessee of that size, and one of the last in the Southeast." That's according to Stephen Crook, executive director of the Industrial Board of Coffee County, in comments he made at a public meeting earlier this year, per the Tullahoma News.

I-24 Industrial Site Boundaries



The state has had an option to buy the land, and it was soon expiring, so McWhorter said state officials decided to go ahead with the purchase. The site is about 50 miles southeast of Nashville and has received a number of scouting visits over the years, including from automakers. Infrastructure work will be required at the site, McWhorter said.

"Given all of the activity going on, there's bound to be a good use for that," he said. "We think that's one of those emerging parts of the state that's starting to show itself as a strong workforce-ready region."



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