

Settle: Clarksville and Tennessee winning the battle for 'reshored' jobs

Jimmy Settle , USA TODAY NETWORK –July 12, 2017



Gov. Bill Haslam shakes hands with Dan Song, new head of LG Electronics' appliance division. (Photo: Andrew Nelles/The Tennessean)

One of the latest buzzwords in American manufacturing is "reshoring," and while to some extent it has been politicized, I won't go there.

This week I visited in Clarksville with John Boyd of Princeton, N.J. Representing an independent manufacturing site consultant, he comes to Tennessee frequently and sings its praises as one of

the nation's most appealing states for industrial development. Boyd's calculations are that, between 2000-2015, the U.S. lost more than 2 million manufacturing jobs, not only to other countries, but also automation.

The trend has actually been happening for much longer than that. Like some of you, I was close to one key event in Clarksville history from the early 1990s, when the once-iconic Acme Boot Co. took its jobs from this community to Mexico.

It was a scene I'll never forget.

Boyd says the national trend is slowly being reversed, and Tennessee and the entire Southeast are helping to lead the way. Cutting into our losses, Boyd said, we've recovered about 200,000 U.S. manufacturing jobs through "reshoring" over the past three years.

Singularly, Boyd said Clarksville offers tremendous appeal to the global and domestic manufacturing sectors, because of Fort Campbell and our available, skilled labor force, combined with the lower cost of doing business, location and a welcoming business climate.

Three recent scores that he says attest to the value of these assets are Hankook Tire and LG Electronics, both major business deals originating from South Korea, and a futuristic Google data center now in the works.

His Boyd Company, Inc., has released a corporate site selection study which compares the cost of operating an advanced manufacturing plant in the 48 contiguous states.

This cost analysis focuses on key elements most pivotal within the corporate site selection process, including labor, real estate, power, taxes and others.

Tennessee fares very well in the report with an annual operating cost total of \$30.7 million. Overall, annual operating costs in the study range from a high of \$39.8 million in New Jersey to a low of \$30.1 million in South Carolina.

Locally, the aggressive industrial recruitment goes on.

As has been widely reported around the world including in The Pulse News which monitors South Korean business activity, state and local officials continue to finalize all the details of their contract for LG to build a \$250 million home appliances manufacturing plant in Clarksville.

LG says it plans to start the construction of the manufacturing plant by September, and roll out the first washing machines off the assembly line in 2019. It will create at least 600 full-time jobs.

This, on top of the \$800 million Hankook plant which is already moving toward full-scale production and a formal grand opening likely in October, and \$600 million Google, which, we are told, remains in the design and development phase.

On a smaller scale, the local Industrial Development Board continues looking for additional ways to expand job opportunities in the Corporate Business Park. On Wednesday morning, the IDB voted to proceed with exploring possible development of another speculative industrial building, probably around 240,000 square feet, on a pad-ready, 40-acre site in the southern area of the park.

And probably no less important, officials say, is a plan to make the industrial park more appealing to both corporations and their employees, by adding some limited retail and office development near the corner of Rossvie Road and International Boulevard. Some property there has already been rezoned from light industrial to commercial zones befitting retail and related land uses.