

The Jackson Sun

PART OF THE USA TODAY NETWORK

Toyota-Mazda and undisclosed tenant reject Memphis Regional Megasite

Omer Yusuf and Ted Evanoff, Jackson Sun - Nov. 9, 2017



Memphis Regional Megasite August 17, 2016 - The water tower in Stanton recently had "Memphis Regional Megasite" painted on top of the structure.

Toyota-Mazda have eliminated the Memphis Regional Megasite from consideration for its new plant, Tennessee Economic and Community Development Commissioner Bob Rolfe confirmed Thursday.

The Japanese automakers' decision takes Tennessee out of the running for one of the largest industrial development projects underway in the country.

Toyota and Mazda announced earlier this year its decision to build a \$1.6 billion electric car plant in the U.S., which is expected to create 4,000 jobs and spur thousands of related supplier jobs and would have transformed West Tennessee.

West Tennessee residents officials saw the massive plant as an economic driver for their hard-pressed region and were confident as recently as last week the Megaside would make the final list of sites under consideration.



August 17, 2016 - Timmy Vester, left, completes a To-go order, while Suga Tard, owner of Suga's Diner, takes a break during the workday in Stanton on Wednesday

Rolfe said the reason Toyota-Mazda passed on the Megaside was because the site is not “shovel-ready” as compared to other sites in other states, because of two main hurdles the Megaside must overcome.

In November 2016, work began on implementing a 35-mile force main that would carry treated sewage from the Megaside all the way to the Mississippi River.

Rolfe said the first gating item is getting the wastewater permits for the force main from the Tennessee Department of Environment and Conservation.

“If the stars line up, we are hopeful we will have all the necessary permits before the end of quarter one in 2018,” Rolfe said.

Rolfe confirmed a second undisclosed tenant also rejected the Megasite. The Megasite, located 30 miles outside Memphis and 12 miles outside Brownsville, has seen the state appropriate more than \$140 million since it purchased the Megasite in 2009.

While 70 percent of property owners affected by the pipe’s installation have signed the easement agreement, Rolfe said at least four families have made the decision to not sign the agreement.



David Chapman works for the city of Stanton. He returns his tractor to town hall after cutting some grass in the town.

“They have told us they are not under any conditions going to sign those easements,” Rolfe said.

Rolfe said the ECD will work with the attorney general’s office and likely proceed with an eminent domain to continue with the project, which may take between three to six months.

“The attorney general’s office has told us they cannot pursue the easements until the permits,” Rolfe said. “We have to wait on the permits before we go to court.”

When Rolfe became ECD commissioner in March, Gov. Bill Haslam told him one of his top priorities was securing a tenant for the Megasite before his term ended in January 2019.

Asked if that is still a possibility, Rolfe said, “Yes.”

The Megasite decision leaves North Carolina and South Carolina as the two states most likely remaining as contenders, said site consultant John Boyd, head of Boyd & Associates of Princeton, N.J.

“The Megasite in Memphis has a sewage issue. It is very likely to be permitted and zoned in several months. We don’t know if that’s the real reason it was omitted,” Boyd said.

While Boyd is not working for the automakers on the site selection process, he has followed the site search. He figures the carmakers will locate on the Randolph megasite near Winston-Salem, N.C.

“This Toyota-Mazda facility will be oriented toward electric car manufacturing,” Boyd said. “The IT skill sets abounding in the Raleigh and Durham area make this site attractive.”

North Carolina officials touted the Randolph site for an array of major industrial plants, including Airbus, Mercedes and Volvo projects, but were never able to land a factory.

“That site has been the bridesmaid for several trophy projects,” Boyd said, adding that Toyota-Mazda probably leaned toward North Carolina in part because they have no operations in the state. Locating a plant there would help cement relations with the state’s congressional delegation.

“Toyota-Mazda want as many friends in Washington as possible,” Boyd said. “Many auto execs expect Toyota will buy Mazda. That’s one reason to want friends on Capitol Hill.”