

Overview Aerial
 Sumner Enterprise Park
 Sumner County, Tennessee

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Prepared by the Middle Tennessee Industrial Development Authority
 1000 North Main Street
 Nashville, TN 37203
 September 2015



SUMNER ENTERPRISE PARK

Public Sumner Enterprise fully served

Sumner Enterprise Estimated Development Cost Summary

Description	Estimated Total (Million)	Sumner County (Million)	TDOT (Million)	State Incentive	Utility (Million)	Grant Funding (Million)	CSX Rail Road	Prospect Company Cost
Property Options	\$0.20	\$0.10				\$0.10		
Engineering - Due Diligence - Survey, Wetland, Geotechnical, Environmental study, Traffic Study	\$0.55	\$0.40				\$0.15		
Land Cost	\$19.80	\$19.8						
Sumner Enterprise 109 Interchange	\$22.0	\$2.0	\$20.0					
Dobbins Pike Improvements (turning Lanes North Bound and South Bound within existing ROW)	\$1.50	\$1.00				\$0.50		
Natural Gas to Site- 4 inch Medium Press	\$0.124				\$0.124			
Water Main To Site - 10 Inch, existing -run additional 2,000 LF waterline on site -\$90/ln ft	\$0.18				\$0.18			
Sewer Main to Site - 12 Inch, 1200 ln ft. @ \$110/ln ft	\$0.132				\$0.132			
CSX Rail Spur	\$6.00						\$6.00	
On-Site Grading and Road (to be conducted as the prospects make commitment)	\$20.00			\$10.00				\$10.00
On-Site Access from Dobbins Pike	\$6.00	\$0.50	\$1.00	\$2.50		\$2.00		
On-Site Utilites - Company Dependent	\$1.50				\$1.50			
On and Off-Site Electricity - Company Dependent	\$8.00				\$8.00			
Engineering - Master /Grading Plan	\$0.10					\$0.10		
TOTAL estimated breakdown for each source		\$23.80	\$21.00	\$12.50	\$9.94	\$2.85	\$6.00	\$10.00
TOTAL ESTIMATED COSTS	\$86.09							
ESTIMATED COUNTY PORTION	\$23.80							

Note: This estimated total cost is all inclusive estimated costs which will include 2 users (2 large industrial manufacturers) on site

FISCAL/ECONOMIC IMPACT ASSUMPTIONS SUMNER ENTERPRISE PARK

- Total Estimated Development Cost: \$86.09 million
- Estimated County portion: \$23.8 million
- Sales of Enterprise Park Land: Target price of \$30,000/acre to industry
- County will continue to work with the state, TVA, and other agencies to acquire grants and technical support
- County will work with all economic development agencies to market the Enterprise Park

SUMNER ENTERPRISE PARK

FUNDING HELP

- **TDOT** - State Industry Access (SIA) Program, Local Interstate Connector Program, Safety Fund
- **TN Economic & Community Development**
 - ❖ Site Development: 2017 - up to \$500,000,
2018 - up to \$50,000
 - ❖ Prospect Location Assistance:
 - ✓ FastTrack Infrastructure Program
 - ✓ FastTrack Economic Development Fund
 - ✓ FastTrack Job Training Assistance
- **TVA**
 - ❖ InvestPrep - 2017 - up to \$500,000
2018 - up to \$500,000
 - ❖ Valley Incentive Programs
 - Performance Grants
 - Loan Funds
 - Investment Credit
- **TN Central Economic Authority**
 - ❖ 2017 - \$100,000
- **CSX**
 - ❖ Certification Program
- **USDA Rural Development**

SUMNER ENTERPRISE PARK FUNDING HELP

- **Eligibility and Funding are Determined by:**
 - Amount of company investment
 - Number of new full-time jobs
 - Wages of new full-time jobs
 - Skill and knowledge based workforce

SUMNER ENTERPRISE PARK

DUE DILIGENCE

- 1,000 (+/.) acre site
- 20 acres of road, utility, and rail right-of-way

Due Diligence will answer these:

- ___ acres reserved for stream buffers, wetland mitigation, slope protection, and boundary buffers
- ___ acres available for sale
- ___ acres of buildable pad area
- Overall site grading of ___ million cubic yards
- Final design potential building area 10 million square feet (under roof estimate)

SUMMARY OF ANNUAL ECONOMIC/FISCAL IMPACTS

SUMNER ENTERPRISE PARK

A Success Story:

Direct Employment	750
Total Indirect Employment	1,309
Direct Payroll	\$52,065,000
Indirect Payroll	\$22,768,020
Sales Tax Revenue (County)	\$845,240
Other Tax Revenue	\$390,501
Residential/Commercial Property Tax Revenue	\$1,162,628
Total Tax Revenue	\$2,398,369
Total Economic Impact	\$274,170,616
One Time Construction Impact (\$400M/240M - Real/160M-Personal)	\$4,306,931

Younger Associates

- Annual Sumner County Tax Revenues \$2,398,369
- One Time (Construction) Tax Revenues \$4,306,931

SUMNER ENTERPRISE PARK

**Private Investment
with Sample Local PILOT**

Advanced Manufacturing Project

Capital Investment	\$400,000,000
New (Direct) Jobs Created	750
Annual Average Wage	\$55,536
Payments in Lieu of Taxes (PILOT) Years	5
Total Tax Incentive	\$7,968,000
Local Tax Benefit	\$24,098,776
Benefit/Cost Ratio	3.02

Younger Associates

- Local Tax Abatements Over 5 Years

Property Tax	\$4,200,000
Personal Property Tax (Equipment)	<u>\$3,768,000</u>
Total Abatement	\$7,968,000

- Annual Property Tax After PILOT \$12,000,000+

**Advanced/Heavy Manufacturing Project
Sumner County, Tax Schedule**

Sumner County Tax Rate: \$2.50	Real Property - New Construction			
	Full Taxes	% Taxes Paid (65% School)	Taxes Paid after Abatement	Taxes Abated
Value	\$ 240,000,000			
Year 1	\$ 2,400,000	65%	\$ 1,560,000	\$ 840,000
Year 2	\$ 2,400,000	65%	\$ 1,560,000	\$ 840,000
Year 3	\$ 2,400,000	65%	\$ 1,560,000	\$ 840,000
Year 4	\$ 2,400,000	65%	\$ 1,560,000	\$ 840,000
Year 5	\$ 2,400,000	65%	\$ 1,560,000	\$ 840,000
Total	\$ 12,000,000		\$ 7,800,000	\$ 4,200,000

Total Real Property Taxes Abated: \$ 4,200,000
Total Payments Made In Lieu of Tax: \$ 7,800,000

Sumner County Tax Rate: \$2.50	Personal Property				
	Full Taxes	Depreciation Rate	% Taxes Paid (65% School)	Taxes Paid after Abatement	Taxes Abated
Value	\$ 160,000,000				
Year 1	\$ 1,056,000	0.88	0%	\$ -	\$ 1,056,000
Year 2	\$ 900,000	0.75	0%	\$ -	\$ 900,000
Year 3	\$ 756,000	0.63	0%	\$ -	\$ 756,000
Year 4	\$ 600,000	0.50	0%	\$ -	\$ 600,000
Year 5	\$ 456,000	0.38	0%	\$ -	\$ 456,000
Total	\$ 3,768,000			\$ -	\$ 3,768,000

Total Personal Property Taxes Abated: \$ 3,768,000
Payments Made in Lieu of Taxes: \$ -

Payback Summary

Length of PILOT (years)	5
Total Taxes Forgone	\$ 7,968,000
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 7,968,000
Tax Revenues From Construction	\$ 4,306,931
Tax Revenues From Operations During PILOT Period	\$ 11,991,845
Property Tax Revenues Received During PILOT Period	\$ 7,800,000
Total Grant and Tax Revenues Received During PILOT Period	\$ 24,098,776
Benefit/Cost Ratio	3.02

SUMMARY OF 1,000 HOME DEVELOPMENT

1,000 Home Development Breakdown as follows:

500 Homes - Average Home Value \$200,000

500 Homes - Average Home Value \$250,000

Construction Total	\$225,000,000
Economic Impact from Construction	\$382,320,000
Jobs supported During Construction Period	2,445
Wages Paid to Supported Jobs During Construction Period	\$135,093,585
One-Time Construction Impact Tax Revenues	\$4,508,964
Annual Average Property Tax Revenues per Household	\$1,406
Annual Average Property Tax for Schools	\$914
Current Average Local Spending Per Pupil	\$3,280

Younger Associates

ESTIMATED EDUCATION EXPENSES TO SERVE 1,000 HOUSEHOLDS

Number of New Homes	1,000
2016 Estimated Average Household Size	2.61
Projected Population of Development	2,610
2016 Estimated Population Age 5-17 (School-Age)	17.68%
Projected New School Age Population from Development	461
Current Average Local Spending Per Pupil	\$3,280
Household Annual Property Tax for Schools	\$941
Annual Deficit per Pupil	-\$2,339
Annual Deficit for 461 Students	\$1,078,279

Younger Associates

**Sumner County Real Property Tax
New Property Tax Revenue Generated Annually
from 1,000 Home Development**

Total Value	Assessment Ratio	Assessed Value	Total Taxes (Sumner County Tax Rate \$2.50)	65% Taxes Designated to Schools
\$ 225,000,000	25%	\$ 56,250,000	\$ 1,406,250	\$ 914,063

**Sumner County, TN
1,000 Home Development
Economic Impact Analysis**

One Time Construction Impact

Total Homes Constructed	\$ 1,000
500 Homes - Average Home Value - \$200,000	\$ 100,000,000
500 Homes - Average Home Value - \$250,000	\$ 125,000,000
 Construction Total	 \$ 225,000,000
Final Demand Economic Impact Multiplier ¹	1.6992
Economic Impact From Construction	\$ 382,320,000
 Sales Tax Revenue ²	 \$ 2,278,125
 Final Demand Employment Multiplier ³	 10.8665
Jobs Supported During the Construction Period	2,445
 Sumner County Annual Average Wage - Construction ⁴	 \$ 55,253
Wages Paid to Jobs Supported During Construction Period	\$ 135,093,585
 Local Sales Tax Generated From Wages ⁵	 \$ 1,525,882
Other Local Tax Generated From Wages ⁶	\$ 704,957

Estimated Local Government Expenses to Serve 1,000 Households

Education

Number of New Homes	1,000
2016 Estimated Average Household Size of Sumner County*	2.61
 Projected Population of New Development	 2,610
2016 Estimated Population Age 5-17 (School-Age) of Sumner County*	17.68%
 Projected New School Age Population from New Development	 461
 Current Average Local Spending Per Pupil**	 \$ 3,280
Additional Local Funds Needed for New Pupils	\$ 1,512,080



WORKFORCE & EDUCATION

Great people make great products.

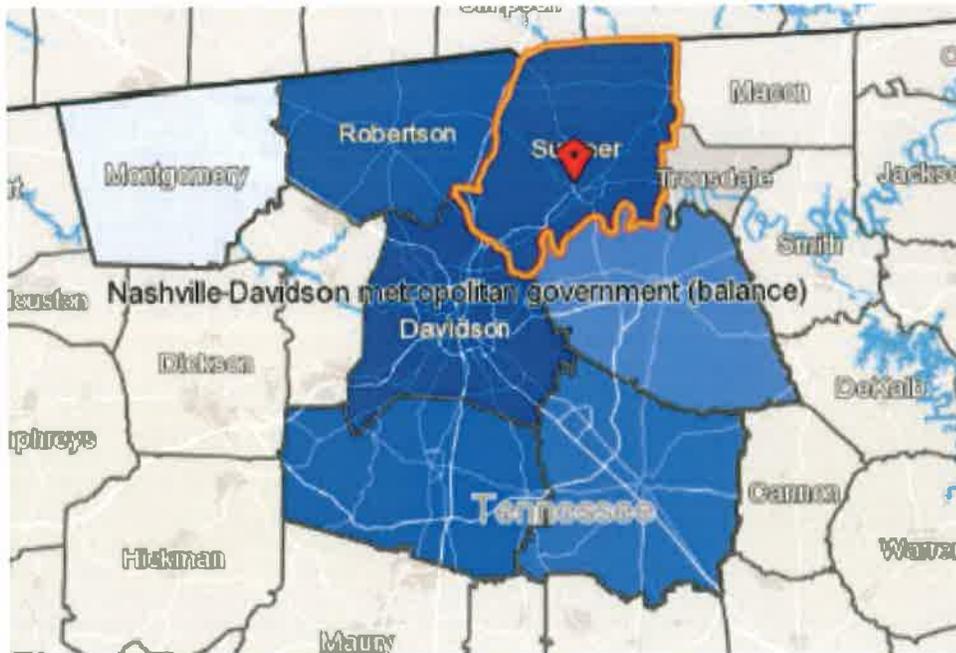
Sumner County has a priority, and that is to have a strong, educated workforce. Here you can find workers that are skilled, dedicated, and passionate about quality.

SUMNER COUNTY COMMUTING PATTERNS

Place of Work for Sumner County Residents

- **78,474:** Number of Sumner County residents which were employed in 2014.
- **32.2%** of Sumner County's employed residents work in Sumner County
- **67.8%** of Sumner County's employed residents work in other counties, including Davidson County (39.0%), Robertson County (4.2%), and Williamson County (4.2%).

Place of Work	Number of Sumner County's Employed Residents	Share of Sumner County's Employed Residents
All Counties	78,474	100.0%
Davidson County, TN	30,623	39.0%
Sumner County, TN	25,290	32.2%
Robertson County, TN	3,317	4.2%
Williamson County, TN	3,269	4.2%
Rutherford County, TN	2,412	3.1%
Wilson County, TN	2,166	2.8%
All Other Locations	7,160	9.1%

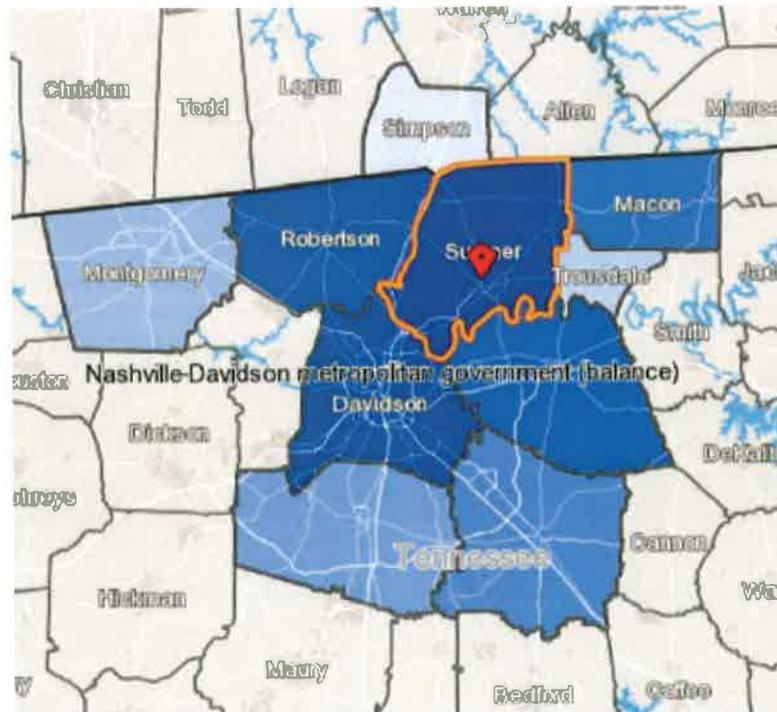


Source: onthemap.ces.census.gov (2014)

Place of Residence for Sumner County Workers

- **48,313:** Number of people working in Sumner County in 2014
- **52.3%** of workers in Sumner County live in Sumner County
- **47.7%** of workers in Sumner County reside in other counties, including Davidson County (12.4%), Robertson County (5.4%), and Wilson County (4.2%).

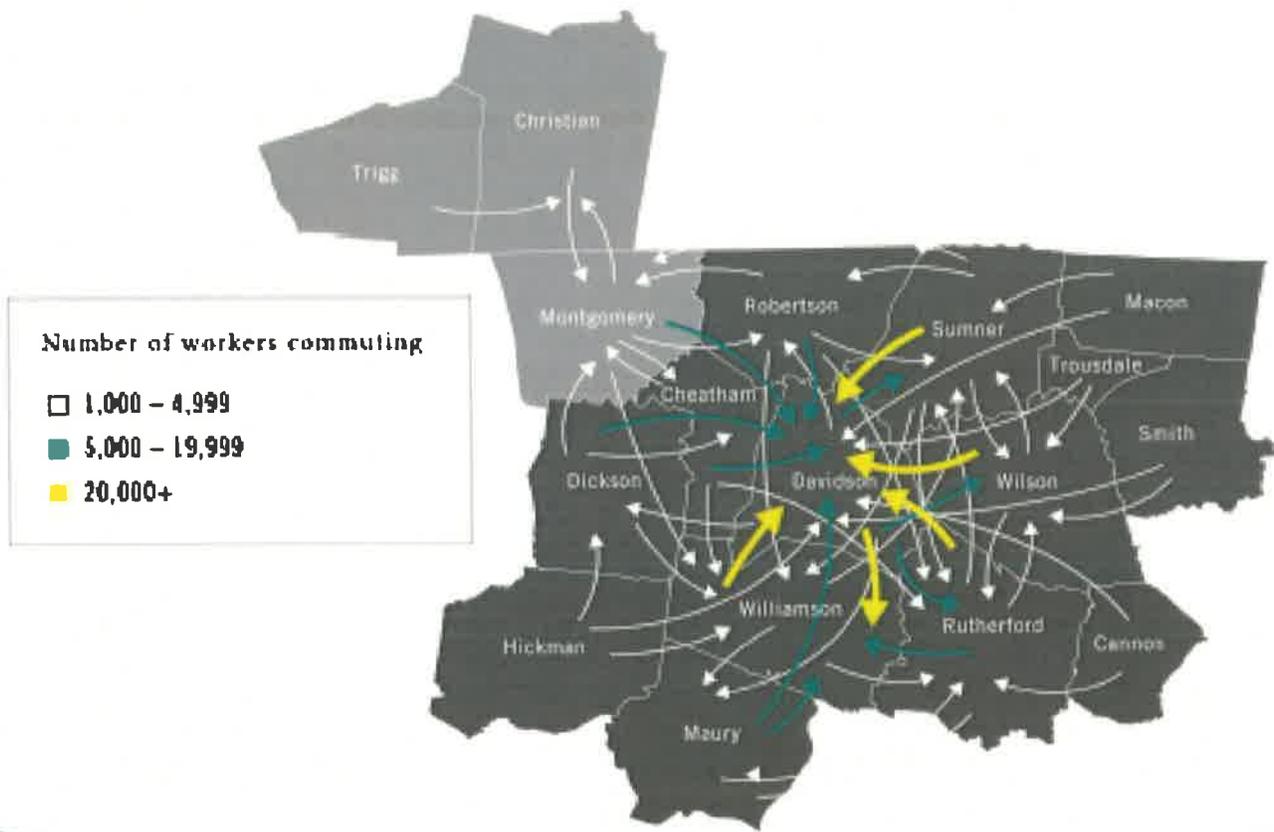
Place of Residence	Number of Sumner County's Workers	Share of Sumner County's Workers
All Counties	48,313	100.0%
Sumner County, TN	25,290	52.3%
Davidson County, TN	5,995	12.4%
Robertson County, TN	2,618	5.4%
Wilson County, TN	2,006	4.2%
Macon County, TN	1,502	3.1%
Rutherford County, TN	1,338	2.8%
Williamson County, TN	666	1.4%
Montgomery County, TN	558	1.2%
Trousdale County, TN	543	1.1%
Simpson County, KY	470	1.0%
All Other Locations	7,327	15.2%



Source: onthemap.ces.census.gov (2014)

WORKFORCE & EDUCATION

LABOR MOBILITY



WORKFORCE & EDUCATION

BALANCING SUPPLY AND DEMAND



Retire • 120,000-140,000 individuals leaving the workforce in next five years



Return to work

• 8,000- 12,000 unemployed return to work



New graduates

• 90,000-115,000 high school and college graduates enter local workforce



New to labor market (migration)

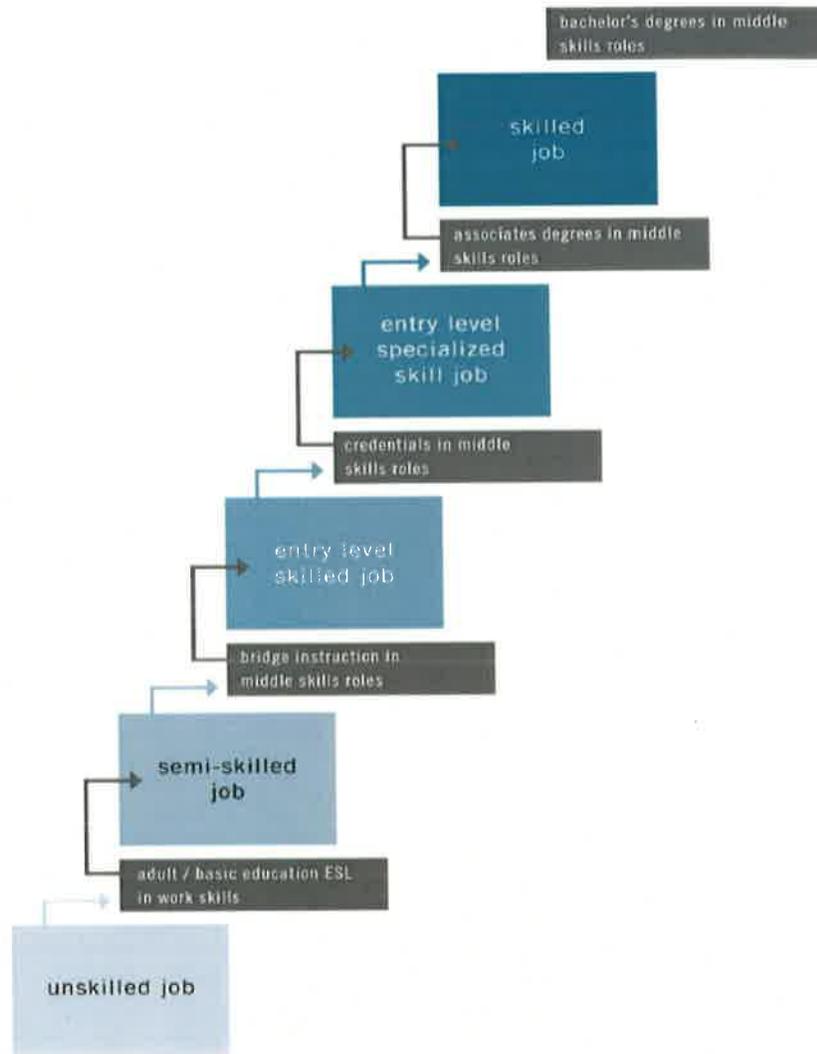
• 40,000-50,000 persons new to labor market with a majority having prior experience



WORKFORCE & EDUCATION

SKILLS LADDER

- ✓ Training
- ✓ Skills
- ✓ Jobs
- ✓ Earnings



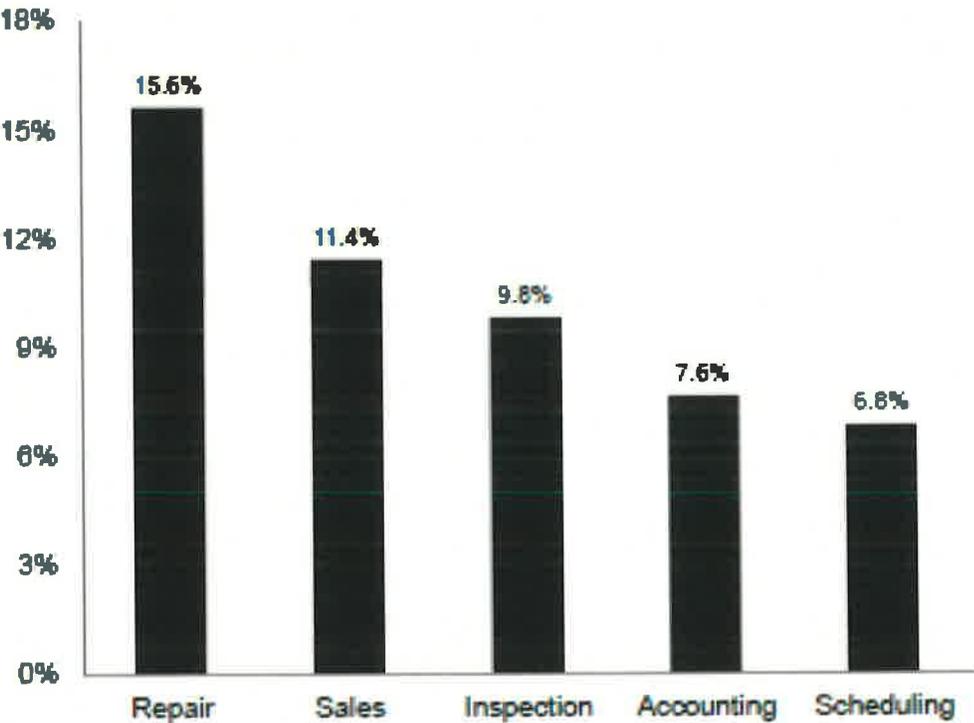
WORKFORCE & EDUCATION

- TN College of Applied Technology (TCAT @ Portland)
 - TCAT @ Hartsville
 - TCAT @ Nashville
- Volunteer State Community College
 - (New) Mechatronics Program
- Union University of Hendersonville/Jackson
 - Bachelor & Graduate Degrees
- Sumner County K-12 Schools
 - Career & Technical Education (CTE)
 - Workbased Learning, Job Shadow, Internships
- Over 17,000 students graduate from colleges in the metro region annually, with approximately 10,000 graduates remaining and working in the area

WORKFORCE & EDUCATION

INDUSTRY HIGHLIGHTS: MANUFACTURING

Most Posted Skills in Manufacturing



Advanced manufacturing pathway

High-skill

Occupation: Industrial engineer

Education requirement: Bachelor's degree

Median hourly wage: \$28.51

Middle-skill

Occupation: Controlled machine tool programmer

Education requirement: High school diploma and long-term on-the-job training

Median hourly wage: \$24.62

Entry-level

Occupation: Operator

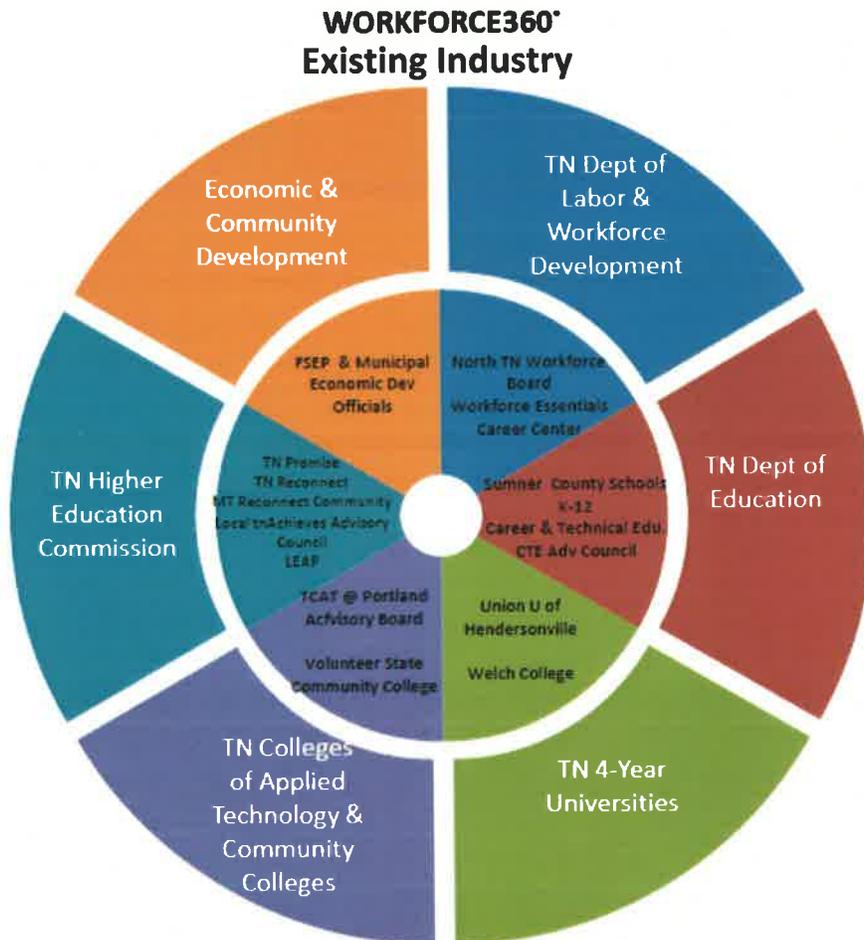
Education requirement: High school diploma and moderate on-the-job training

Median hourly wage: \$18.81

Source: EMSI, Burning Glass, and US Census Bureau



WORKFORCE & EDUCATION



- Most of the new openings in the region will be filled by the existing workforce
- Retaining knowledgeable workers and recruiting younger workers will be imperative in critical occupations in several industries, chiefly manufacturing and construction with increasing retirement levels in the next five years
- Workforce Innovation & Opportunity Act (WIOA) and the American Job Center in Gallatin offers broad new opportunities to stimulate supply in key occupational groups

WORKFORCE & EDUCATION

- Drive to 55 and Tennessee Promise/Reconnect will impact workforce directions significantly from 2015 to 2020

- Class of 2016
 - 16,291 increase in full time freshman enrollment
 - 24.7% increase at community college
 - 20% increase at TCAT's
 - 10% overall increase in public higher education
 - 4.6% increase in TN college going rate, up to 62.5%

- 90% Continuation Rate

APPENDIX A

STAFFING PATTERNS FOR ADVANCED MANUFACTURING (2016)

SOC Code	Occupation	Sumner County		45-Minute Drive Time of Sumner County	
		Employment	Concentration ²	Employment	Concentration
Management					
11-1021	General and Operations Managers	947	1.09	11,035	1.15
11-2022	Sales Managers	209	1.38	2,474	1.49
11-3031	Financial Managers	291	1.31	3,847	1.58
11-3051	Industrial Production Managers	124	1.86	726	0.99
11-9041	Architectural and Engineering Managers	67	0.94	692	0.88
Business and Financial Operations					
13-1023	Purchasing Agents, Except Wholesale, Retail, and Farm Products	74	0.63	766	0.59
13-2011	Accountants and Auditors	461	0.84	6,245	1.04
Engineering					
17-2112	Industrial Engineers	185	1.92	1,144	1.07
17-2141	Mechanical Engineers	74	0.67	557	0.46
17-3023	Electrical and Electronics Engineering Technicians	37	0.67	443	0.73
17-3026	Industrial Engineering Technicians	40	1.65	206	0.77
17-3027	Mechanical Engineering Technicians	40	2.10	272	1.29
Sales					
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	525	0.91	5,117	0.81
Office and Administrative Support					
43-1011	First-Line Supervisors of Office and Administrative Support Workers	656	1.13	8,162	1.28
43-3031	Bookkeeping, Accounting, and Auditing Clerks	699	1.02	8,289	1.1
43-4051	Customer Service Representatives	1,054	1.01	14,473	1.26
43-5061	Production, Planning, and Expediting Clerks	189	1.51	1,892	1.37
43-5071	Shipping, Receiving, and Traffic Clerks	387	1.45	3,411	1.16
43-5081	Stock Clerks and Order Fillers	1,291	1.69	11,101	1.32
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	1,096	1.03	13,033	1.11
43-9061	Office Clerks, General	1,036	0.80	12,207	0.86
Installation, Maintenance, and Repair					
49-9041	Industrial Machinery Mechanics	144	1.11	1,148	0.8
49-9043	Maintenance Workers, Machinery	53	1.46	369	0.92
49-9071	Maintenance and Repair Workers, General	578	1.02	6,913	1.1
Production					
51-1011	First-Line Supervisors of Production and Operating Workers	395	1.66	2,556	0.97

² Employment concentration (or location quotient) reflects a job's concentration in the region relative to the job's concentration in the nation. Concentration greater than 1.0 reflects that the job represents a greater share of the region's workforce than the national average share. Concentration less than 1.0 reflects that the job represents a smaller share of the region's workforce than the national average share.

SOC Code	Occupation	Sumner County		45-Minute Drive Time of Sumner County	
		Employment	Concentration ²	Employment	Concentration
51-2022	Electrical and Electronic Equipment Assemblers	103	1.27	541	0.6
51-2023	Electromechanical Equipment Assemblers	16	0.88	210	1.06
51-2031	Engine and Other Machine Assemblers	52	3.51	174	1.08
51-2092	Team Assemblers	1,125	2.57	7,197	1.49
51-2099	Assemblers and Fabricators, All Other	71	0.78	579	0.58
51-4011	Computer-Controlled Machine Tool Operators, Metal and Plastic	103	1.83	368	0.59
51-4031	Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	214	2.92	974	1.21
51-4041	Machinists	228	1.48	1,017	0.6
51-4072	Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	74	1.45	350	0.62
51-4081	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	57	1.41	238	0.53
51-4111	Tool and Die Makers	165	5.83	564	1.81
51-4121	Welders, Cutters, Solderers, and Brazers	173	1.10	872	0.51
51-4122	Welding, Soldering, and Brazing Machine Setters, Operators, and Tenders	65	3.19	245	1.1
51-9011	Chemical Equipment Operators and Tenders	44	1.66	160	0.55
51-9023	Mixing and Blending Machine Setters, Operators, and Tenders	51	1.01	394	0.7
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	330	1.64	2,333	1.05
51-9111	Packaging and Filling Machine Operators and Tenders	162	1.08	1,880	1.14
51-9121	Coating, Painting, and Spraying Machine Setters, Operators, and Tenders	60	1.75	351	0.94
51-9198	Helpers- Production Workers	361	2.14	2,958	1.6
51-9199	Production Workers, All Other	230	2.29	1,951	1.76
Transportation and Material Moving					
53-7051	Industrial Truck and Tractor Operators	381	1.76	3,556	1.49
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	1,380	1.37	15,909	1.44
53-7063	Machine Feeders and Offbearers	50	1.26	604	1.38
53-7064	Packers and Packagers, Hand	435	1.52	3,986	1.26

Source: Economic Modeling Specialists Intl. (EMSI)