



**SUMNER ENTERPRISE PARK**



## EXECUTIVE SUMMARY

The Sumner Enterprise Park is a possible 1,000 (+/-) acre industrial business park that represents a potential economic and community development jobs center for Sumner County.

Manufacturing at 16.3% or 7,030 private sector employees is the largest sector of the Sumner County workforce (Research Center – Nashville Chamber of Commerce, 2015). Manufacturing is integral to the fabric of Sumner County families, the Nashville Region, the State of Tennessee, and the United States. It is a heritage to cherish and appreciate.

### TENNESSEE / SUMNER COUNTY / NASHVILLE REGION

#### A FAVORABLE PLACE TO DO BUSINESS

<b>1<sup>st</sup></b> Automotive Manufacturing Strength  <i>Business Facilities</i>	<b>1<sup>st</sup></b> Market for Advanced Industry Growth  <i>Brookings                  August 2016</i>	<b>2<sup>nd</sup></b> Market Growth Highly Skilled Tech Workers  <i>CBRE                  July 2016</i>	<b>1<sup>st</sup></b> Foreign Direct Investment  <i>IBM Global</i>
--	--	---	--

Advanced Manufacturing pays the highest average wages and the jobs that are created allow their employees to use the work skills that were learned through their education. Advanced Manufacturing is about making things, be it cars, or 4-wheelers, or tires, or medical diagnostic machines (i.e. CT Scans/MRI), or robots and widgets.

A job is the best economic development program. One works and applies their skills and receives wages that generate wealth, which allows them to provide for their families and loved ones.

#### Sumner County

INDUSTRIES	PRIVATE EMPLOYEES	PERCENT
Manufacturing	7,030	16.3%
Retail Trade	6,092	14.1%
Health Care and Social Assistance	5,660	13.1%
Accommodation and Food Services	4,779	11.1%
Administration and Support and Waste Management and Remediation Services	3,540	8.2%

## **Economic and Community Development**

All communities must have ‘community development or product development’ before they can achieve ‘economic development’. Counties must have roads or accessibility, available land, utilities including electricity, water and wastewater, gas, and broadband. Counties must have the proverbial *quality of life* tangibles, such as public safety, good schools, high quality healthcare facilities, together with parks and recreation.

Our governments have long been in the process of preparing communities for private capital investment. Government almost exclusively builds the roads, for example, State Route 109 (SR 109) will soon connect interstates I-65 and I-40/840. When the 7-mile bypass in Portland is completed the state will have invested some \$200 million. SR 109 is a regional freight and goods movement corridor and a major truck network. Of course we also have county and city financed roads that set the stage for private capital investment.

Government influences the private sector utilization of land by setting the property tax rate, such as industrial/commercial is set at 40% while residential is assessed at 25%, and Government often sets zoning restrictions.

Our workforce is mostly educated in the Sumner County public institutions such as the K-12 system, and the new Technology College Campus in Portland, or Volunteer State Community College and the state universities. This is not to discount the excellent private institutions such as Union University in Hendersonville or the new Welch College campus in Gallatin.

Sumner County is positioned for ‘economic development’ as evidenced by many of the recent ‘wins’ in the cities such as Beretta, and major expansions at UNIPRES, YFS Automotive, ABC Technologies, and MGM Industries.

### **Sumner Enterprise Park**

The Business model for the park will be to recruit and attract Advanced Manufacturing, preferably, an Original Equipment Manufacturer (OEM). Advanced Manufacturers and OEM’s require a lot of land and bring a lot of high paying jobs (Appendix A).

Manufacturing locations of this magnitude change the trajectories of generations of families. Parents and siblings go to work, followed by children, and grandchildren.

Sumner County and the cities within continue to be a generational birthplace in an ever changing global economy.

Following are a couple of land utilization scenarios and the potential economic impacts of a major advanced manufacturing location:

## SCENARIO #1 - 100 % LAND UTILIZATION ECONOMIC IMPACT

Company Description	Acres	# of Direct jobs	# of Indirect & Induced Jobs	# Total Jobs	Capital Investment	Economic Impact
All-Terrain Vehicle OEM	500	2,000	4,212	6,212	\$127 Million	\$1.38 Billion
Tire Manufacturer	475	1,600	3,208	4,808	\$800 Million	\$1.10 Billion
<b>Total for 100% Utilization</b>	<b>975</b>	<b>3,600</b>	<b>7,420</b>	<b>11,020</b>	<b>\$927 Million</b>	<b>\$2.48 Billion</b>

Scenario 1A: All-Terrain Vehicle OEM and Tire Manufacturer			
	Direct	Indirect & Induced	Total
<b>New Jobs</b>	3,600	7,420	11,020
<b>New Incomes</b>	\$1.54 Billion	\$3.01 Billion	\$4.55 Billion
<b>Economic Impact</b>	\$1.14 Billion	\$1.34 Billion	\$2.48 Billion
<b>Taxable Sales and Purchases expected in the state</b>	\$1.04 Billion	\$667.9 Million	\$1.71 Billion

Center for Economic Research in TN (CERT-ECD)

## SCENARIO 2 - 75 % LAND UTILIZATION ECONOMIC IMPACT

Company Description	Acres	# of Direct Jobs	# of Indirect or Induced Jobs	Total # Jobs	Capital Investment	Economic Impact (Annual)
OEM Ad Mfg.	250	750	559	1,309	\$400 Million	\$274.2 Million
OEM Appliance	250	750	559	1,309	\$400 Million	\$274.2 Million
OEM Arms Manuf	250	750	559	1,309	\$400 Million	\$274.1 Million
<b>Total for 75% Utilization</b>	<b>750</b>	<b>2,250</b>	<b>1,677</b>	<b>3,927</b>	<b>\$1.2 Billion</b>	<b>\$822.5 Million</b>

Scenario 2A: Three Original Equipment Manufacturers			
	Direct	Indirect & Induced	Total
<b>New Jobs</b>	2,250	1,677	3,927
<b>New Incomes</b>	\$156 Million	\$68.4 Million	\$224.4 Million
<b>Economic Impact</b>	-	-	\$822.5 Million
<b>Annual Taxable Sales and Purchases expected in Sumner County</b>	\$6.1 Million	\$1.2 Million	\$7.3 Million

## SCENARIO 2B

### ONE TIME ECONOMIC IMPACT

Scenario 3: One Advanced Manufacturing/OEM					
One Time Economic Impact					
Total Capital Investment	Real Property	Impact Multiplier	Personal Property	Impact Multiplier	Total Economic Impact
\$400 Million	\$240 Million	1.69	\$160 Million	1.58	\$660.8 Million
<b>Total Sumner County Tax Revenues</b>					\$4,306,931

#### Actions to Date

In January of 2016 the county together with the cities working through the Joint Economic & Community Development Board and the Forward Sumner Economic Partnership participated in the TN Department of Economic & Community Development *Select TN – Property Evaluation Program* (PEP), a competitive grant with no cost to the county and cities which provided a site selector consultant that offered findings and recommendations in the April 2016 report. The Austin Consulting recommendations on the Sumner Enterprise Park are:

- Sumner County should put this property under option for purchase
- Sumner County should conduct the necessary site due diligence including: a Phase 1 environmental site assessment, preliminary geotechnical investigation, endangered species assessment, wetland delineation/hydrological survey, and an archaeological assessment
- Sumner County should continue to work with TDOT to understand the possible scenarios/thresholds for a grade separated industrial access road over the CSX mainline.
- Contact CSX transportation about designing preliminary/conceptual plans to bring a rail on-site.

In March, the County working together with the Forward Sumner Economic Partnership and the Tennessee Central Economic Authority submitted a grant application to the TVA InvestPrep Site Development Program.

When evaluating the development of a business park or an industrial site, TVA and their consultant KPMG use a “Hierarchy of Needs’ as follows:



TVA – InvestPrep / KPMG

TVA's InvestPrep program offers matching grant funds for the 'Hierarchy of Needs' and the Forward Sumner Economic Partnership application is presently under consideration.

### **ECD SelectTN Sites vs. Megsites**

The Sumner Enterprise Park even at 1,000 acres would not qualify for a TVA Certified Megasite. TVA requires at least one 800-acre contiguous developable parcel ideally within a minimum of 1,500 total acres.

The Sumner Enterprise Park would be certified under ECD-SelectTN Site Certification process and the CSX Site Certification process. Certification process requires the property be available for sale or lease, with a documented price and terms, all environmental due diligence must be complete, and the property's developable acreage must be free of wetlands, and state and federal rare, threatened, and endangered species or are able to be mitigated within a specific time frame. Utilities must be available or made available within a specific time frame, including electrical, natural gas, and water and sewer, and must have specific capacities.

## APPENDIX A: MAJOR PROJECTS LOCATING IN THE SOUTHEAST

### Top Manufacturing Projects (by New Jobs) in the Southeast, 2011 through 2015:

Company	City, State	Category	Capital Investment	New Jobs	Site Acreage	Year	NAICS	NAICS Title
Daikin Industries, Ltd	Waller, TX	New	417,000,000	4,000	90	2015	333415	Air-Conditioning and Warm Air Heating Equipment Mfg.
Alevo Inc.	Concord, NC	New	1,000,000,000	2,500	2023	2014	335911	Storage Battery Mfg.
Volvo Group North America	Ridgeville, SC	New	500,000,000	2,500	1600	2015	33611	Automobile Mfg.
<b>General Motors</b>	<b>Spring Hill, TN</b>	<b>Expansion</b>	<b>244,000,000</b>	<b>2,350</b>	<b>2100</b>	<b>2011</b>	<b>33611</b>	<b>Automobile Mfg.</b>
Engineered Floors/JBBS	Dalton, GA	New	450,000,000	2,000	300	2013	314999	All Other Misc. Textile Product Mfg.
Shandong Tralin Paper	Richmond, VA	New	2,000,000,000	2,000	850	2014	322299	All Other Converted Paper Product Mfg.
Polaris Industries	Huntsville, AL	New	142,000,000	2,000	453	2015	336999	All Other Transportation Equipment Mfg.
Remington Outdoors	Huntsville, AL	New	110,000,000	2,000	145	2014	332994	Small Arms, Ordnance, and Ordnance Accessories Mfg.
<b>Volkswagen Group</b>	<b>Chattanooga, TN</b>	<b>Expansion</b>	<b>600,000,000</b>	<b>2,000</b>	<b>1169</b>	<b>2014</b>	<b>336111</b>	<b>Automobile Mfg.</b>
Boeing Company	Charleston, SC	Expansion	1,000,000,000	2,000	732	2013	336411	Aircraft Mfg.
Ford Motor Company	Louisville, KY	Expansion	1,300,000,000	2,000	400	2015	336111	Automobile Mfg.
<b>Hankook Tire Co.</b>	<b>Clarksville, TN</b>	<b>New</b>	<b>800,000,000</b>	<b>1,800</b>	<b>469</b>	<b>2013</b>	<b>326211</b>	<b>Tire Mfg.</b>
Continental Tire the Americas	Sumter, SC	New	500,000,000	1,700	500	2011	326211	Tire Mfg.
Giti Tire	Richburg, SC	New	560,000,000	1,700	1152	2014	326211	Tire Mfg.
Baxter International	Social Circle, GA	New	1,000,000,000	1,500	1600	2012	325414	Biological Product Mfg.
Elio Motors	Shreveport, LA	New	100,000,000	1,500	530	2013	336111	Automobile Mfg.
American Specialty Alloys	Pineville, LA	New	2,400,000,000	1,450	3000	2015	331315	Aluminum Sheet, Plate and Foil Mfg.
<b>Nissan North America</b>	<b>Smyrna, TN</b>	<b>Expansion</b>	<b>160,000,000</b>	<b>1,000</b>	<b>884</b>	<b>2015</b>	<b>336111</b>	<b>Automobile Mfg.</b>
Caterpillar	Athens, GA	New	200,000,000	1,400	860	2012	333924	Industrial Truck, Tractor, Trailer and Stacker Machinery Mfg.
Vertex Rail	Wilmington, NC	New	51,000,000	1,300	68	2014	336510	Railroad Railing Stock Mfg.

Company	City,State	Category	Capital Investment	New Jobs	Site Acreage	Year	NAICS	NAICS Title
Mercedes-Benz Vans/Daimler	N Charleston, SC	New	500,000,000	1,300	200	2015	336111	Automobile Mfg.
Honda Aircraft Co.	Greensboro, NC	Expansion	19,000,000	1,200	130	2014	336413	Other Aircraft Parts and Auxiliary Equipment Mfg.
Formosa Petrochemical Corporation	Saint James, LA	New	9,400,000,000	1,200	1000	2015	325199	All Other Basic Organic Chemical Mfg.
Daimler Truck North America	Cleveland, NC	Expansion		1,100	Not Available	2012	336120	Heavy Duty Truck Manufacturing
Sanderson Farms	St. Pauls, NC	Expansion	139,000,000	1,100	150	2015	311615	Poultry Processing
Peco Foods Inc.	Pocahontas, AR	New	165,000,000	1,000	200	2014	311615	Poultry Processing
AQT Solar	Blythewood, SC	New	460,000,000	1,000	Not Available	2011	334413	Semiconductor and Relocated Dev.
Mercedes Benz	Tuscaloosa, AL	Expansion	2,000,000,000	1,000	966	2011	336111	Automobile Mfg.
Nissan	Canton, MS	Expansion	20,000,000	1,000	1038	2012	336111	Automobile Mfg.
<b>SL Tennessee</b>	<b>Clinton, TN</b>	<b>Expansion</b>	<b>80,000,000</b>	<b>1,000</b>	<b>52</b>	<b>2014</b>	<b>336390</b>	<b>Other Motor Vehicles Parts Mfg.</b>
Airbus	Mobile, AL	New	600,000,000	1,000	53	2012	336411	Aircraft Mfg.
Austal USA	Mobile, AL	New	5,000,000	1,000	130	2012	336611	Ship Building and Repairing
<b>Volkswagon Group</b>	<b>Chattanooga, TN</b>	<b>Expansion</b>		<b>1,000</b>	<b>1169</b>	<b>2012</b>	<b>336111</b>	<b>Automobile Mfg.</b>

Sources: Media Releases; Conway/Site Selection's New Plant Database; Trade and Industry Development; Southern Business & Development

