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Ford Motor Co. to invest \$5.6B in Memphis Regional Megasite, create 5.8K new jobs

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Roughly three-and-a-half months after Governor Bill Lee touted that interest in the Memphis Regional Megasite was at an all-time high, the State of Tennessee has lured a blockbuster tenant to the location: the Ford Motor Co.

Along with the South Korean battery company SK Innovation, the automotive giant is set to pour \$5.6 billion into the site, where it will build a 3,600-acre campus — about 5.6 miles — that holds a battery manufacturing plant, a supplier park, and a Ford assembly plant to produce the company's F-series all-electric trucks. The battery plant will be operated by BlueOvalSK, Ford and SK Innovation's joint venture.

The largest investment ever made in the state, the campus — called Blue Oval City — is expected to be Ford's largest, most technologically advanced, and most efficient production site. The



FORD MOTOR CO.

Ford 2021 F-150 Raptor

goal is to be operational by 2025 and create 5,800 new jobs in West Tennessee.

“It’s hard to put into words just how much this means for Tennessee,” Lee said on a Sept. 27 call with members of the media. “This will have a generational impact on people and families across our state, especially in West Tennessee.”

Tennessee officials had to beat 15 other states' sites to score the deal, and to do so, it pulled together over \$500 million in incentives, which will ultimately be divided between Ford and SK innovation. But during the Q&A portion of the call, Tennessee Department of Economic and Community Development (TNECD) commissioner Bob Rolfe explained that there are clawback provisions in place, in the instance that Ford doesn’t meet expectations over the next eight to 10 years.

And he and Lee are confident they’ll see a strong return on investment.

Ford’s campus will make Tennessee the only state, besides Indiana, that has four original equipment manufacturers (OEMs). As Rolfe noted, it will also establish West Tennessee as a “ground zero” for electric vehicle manufacturing, as the automotive market gradually shifts from internal combustion engines to EVs. And the Center for Economic Research, a TNECD division, predicts the project to contribute \$3.5 billion annually to Tennessee’s gross state product. Additionally more than 32,000 jobs are expected to be needed to help with construction — which could lead to \$1.87 billion in construction salaries.

During the call, MBJ asked about the construction timeline, and whether the state thinks finding enough workers could be challenging amid the nationwide labor shortage. Lee said that an exact timeline has yet to be laid out, but that groundbreaking is likely to occur before the end of the year, with the bulk of construction expected to take place over the next two years.

Lee didn’t express much concern about finding workers, asserting that one of the reasons Ford selected the megasite was the state’s investments in workforce development, such as the \$80 million it’s putting in the Tennessee Colleges of Applied Technology (TCAT).

Tennessee, he continued, has been focused on developing “project-specific” workers, which will be its strategy for providing both construction and production employees. He did concede, however, that obtaining enough employees wouldn’t be easy.

“It certainly will be a challenge for us,” he said. “But we’re up for the challenge.”

For the state, landing Ford for the 4,100-acre Memphis Regional Megasite is a major victory, and part of an effort that stems back to the location’s site certification in 2006. The state’s latest \$52 million investment in the site that addresses wastewater and water infrastructure pushed the total amount spent above the \$200 million mark, and officials insisted that the site was a viable option for an OEM.

For Ford, it’s part of an \$11.4 billion investment announced on Monday, Sept. 27 — one that will also see twin electric vehicle battery manufacturing plants in Kentucky. The batteries constructed at those facilities — and the West Tennessee facility — will power both Ford and Lincoln vehicles, as the company seeks to hit a carbon neutrality goal by 2050.

The West Tennessee campus is expected to place an emphasis on sustainability, and at the assembly plant, the goal is to use fresh water only for human use and not for manufacturing processes.

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