

The Long Road – How Positive Partnerships Bring Investments

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Roadway infrastructure is an essential site attribute when recruiting industry to a greenfield site. For companies looking to locate on a short timeline to meet market needs, a site that lacks quality roadway access is unlikely to make the short list of candidate sites. Access roads developed and constructed with assistance from the Tennessee Department of Transportation (TDOT) can have long lead times due to the slow wheels of government bureaucracy. This delay can be a significant barrier to planned production ramp-ups and should be proactively addressed.

This is precisely what occurred as the economic development team in Jackson, Tennessee selected their next industrial site for prospects. No site begins perfect. A community can only pick the one with the most advantages and work to overcome the site's deficiencies. Solutions to lengthy roadway development timelines and other infrastructure needs in the case of Jackson's industrial site situation were addressed proactively through collaboration with state and local partners. Building on the foundations of previous partnerships poised the community to land what would become the single largest project in the history of Jackson.

Community Overview and Choosing a Site

Jackson, located in Madison County, Tennessee is situated approximately 120 miles southwest of Nashville, Tennessee and roughly 80 miles northeast of Memphis. Convenient to Interstate 40, the area boasts a nine-county labor region, most of the workforce living within a 45 minute commute. Jackson's diverse manufacturing portfolio includes steel, food products, and kitchen and bath fixtures. Familiar brands such as Kellanova (Kellogg's), Delta, and Toyota are a few of the industries that frame the manufacturing landscape in the community.

Efforts to locate a new prospective industrial site in Jackson began around 2007. Several industrial sites in the area were available, but the community desire to stay ahead of demand prompted efforts to identify future industrial property. The initial search hoped to identify sites

with a minimum of 500 acres. A true collaborative endeavor, Jackson Energy Authority (JEA) played a considerable role and worked closely with the team at the Jackson Area Chamber of Commerce. With substantial experience working with industry, JEA's Vice President of Economic Development, John Nanney, provided engineering expertise coupled with extensive knowledge of the local utility infrastructure. Consideration was given to existing utility availability, as the addition of any new utility infrastructure could result in significant time and cost. Developing industrial property is not for the faint of heart or those with short attention spans for it is a long endeavor. Events beyond the team's control, such as the start of a recession that would last approximately 18 months, complicated the situation. As a result, local focus shifted to existing industrial sites in the area and the search for future industrial park property would pause for several years. However, it was never forgotten.

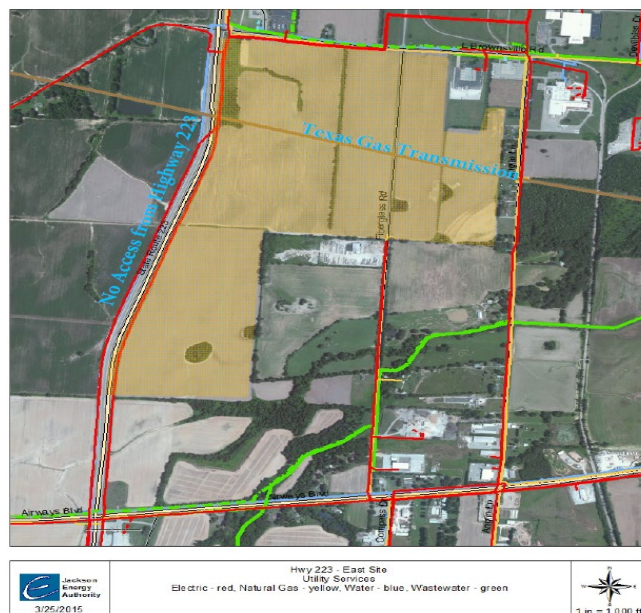
Efforts to resume the property search began again in earnest in 2013. During the exploration phase for properties, the team placed their focus on finding acreage that could be served by one of JEA's two existing major electric substations. Although some properties were not marketed at the time, Jackson did not allow this to limit property options. John Nanney of JEA developed a list of twelve potential properties for the team to consider. The Jackson Chamber team began to gather additional information from subject matter experts that ranged from federal and state agencies to feedback from site selectors and industrial construction companies. This guidance would prove beneficial in reducing the number of sites for further review, and the list of viable properties was narrowed to four.

Jackson received assistance from Tennessee Valley Authority's (TVA) product development team by way of renderings depicting hypothetical building footprints. The remaining sites were further evaluated by the Tennessee Department of Economic and Community

Development (TNECD) and the Tennessee Department of Transportation (TDOT). Reflecting on feedback throughout the process, one location continued to rise to the top, the Jackson 223 East Site. The collective efforts of JEA, TVA, TNECD formed a coalition to manage the process of developing this property from an idea to the location of an industry.

Site Advantages and Needs

The Jackson 223 East site boasted 355 acres of developable property and possessed several attractive attributes. It's ideal location and character was due to the availability of rail, robust utility infrastructure and proximity to Interstate 40. Adjacent to zoned industrial property, the site was well suited for one large user or could be divided into multiple sites for smaller projects. The gently rolling property had no existing structures, required purchase from only two landowners, and presented no environmental or flooding concerns. A minor issue related to the property's "curb appeal" existed in the northwest corner of the property where a fence line with trees presented a visual barrier. However, this was a minor issue in comparison to the need for an improved roadway access and a complication presented by a Texas Gas transmission line traversing the property east to west. Once understood, the team was resolved to address these more major issues.



Jackson's track record of success with both JEA and TDOT on industrial projects was foundational to the team finding solutions because all parties understood the local and state commitment to successfully locating an industry. TDOT projects previously completed in Jackson's industrial area along State Highway 223 included the addition of a center turn lane (two-way left turn) for a section of Highway 223 that would serve both Kellogg's and Pacific industries. This project began in 2015 followed by the reconstruction of Technology Center Drive to improve access for Central Distributors. The project for Central Distributors began in 2016, and the construction for both improvements were bundled together when advertising for construction bids. Ford Construction was awarded the two projects, which were completed in late 2019 and early 2020. The extended timelines on these projects are examples of the deterrent common to industrial clients when solutions are not proactively found. Partnerships developed through past projects improved all participants understanding of the market in Jackson, while simultaneously providing an opportunity for the team to learn more about the process required to deliver a TDOT project to construction.

Planning Ahead for Infrastructure

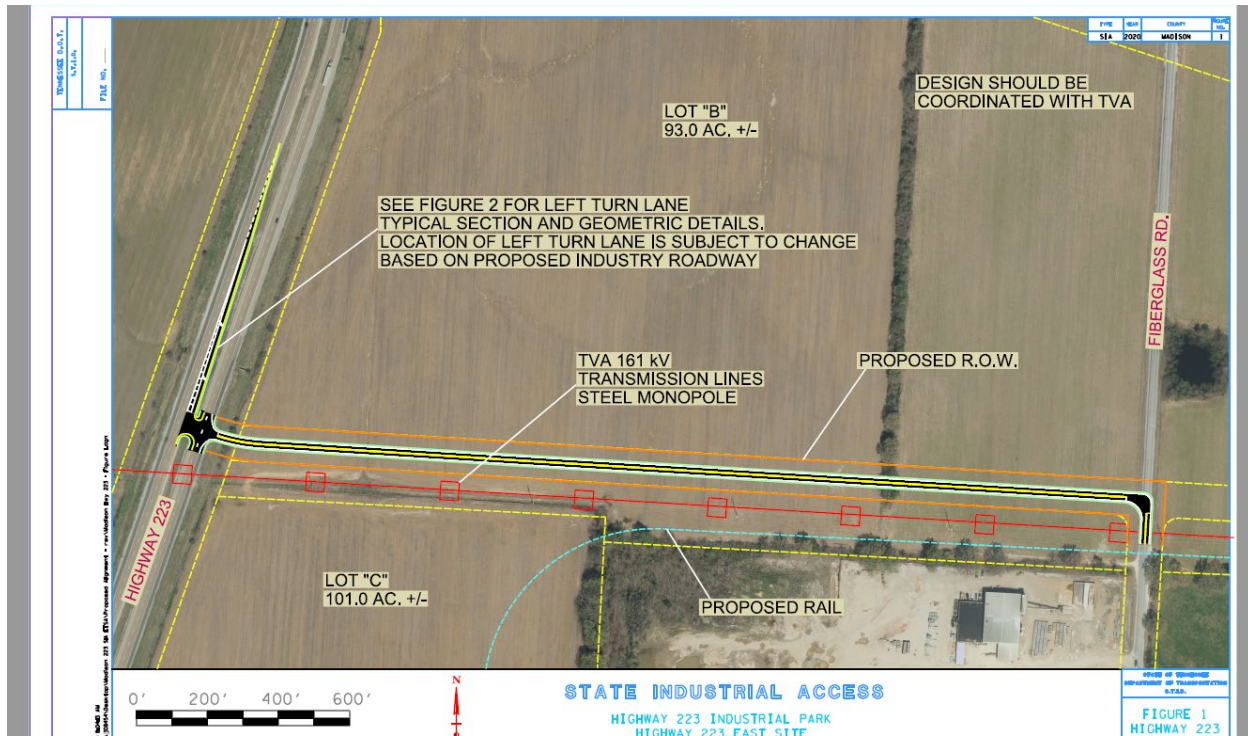
Jackson and TVA began to address the transportation access issue in 2016 by reaching out to the Tennessee Department of Transportation before a project was interested in the site. Jackson was faced with two significant obstacles for a future access road to this property. First, the State Highway 223 frontage along the site was partially controlled access, which restricted access options. The second challenge was funding. TDOT's funding for industrial access roads requires an industrial client with a site commitment prior to the authorization of preliminary engineering. The roadway's prior designation as "partial access control" meant no driveway permits would be issued and TDOT's priority was to limit access to the highway in favor of unimpeded vehicular

travel through the corridor. In some instances, permission to access a state highway from a property can be addressed through obtaining a TDOT driveway permit. Since driveway access was not an option for this location, an access road was the best option for further consideration. However, the addition of an access road would not be without challenges. While not insurmountable, a fence opening for an access road would require approval from TDOT's Right of Way Division's Excess Land Office. This office is charged with disposing of TDOT's surplus property, changes in access highway access control, maintaining records related to property remnants and more. The local team understood the process to gain approval for changes in access control to this property was likely to take an extended period, a minimum of nine months. The committee meets every other month and applications are reviewed and placed on the committee's agenda in the order they are received by the Department.

Prior to submittal of an application to the Excess Land Office, it is recommended to gain initial feedback from the TDOT Regional Traffic Engineer. To accommodate this preference, the team developed and submitted to TDOT a concept depicting two new access roads along the restricted portion of Highway 223. Feedback provided by the Region 4 Traffic Engineer indicated the concept presented concerns related to two new access points being located within 0.6 mile (approximate) section of a partially controlled access facility. The traffic engineer suggested a single access road would be a preferable design, one that would allow further consideration.



Making note of feedback from the traffic engineer, a new concept for a single access road was produced by partners on TVA's Economic Development team. A TVA 161 kV transmission line also bordered a portion of the property, and avoiding this line would be necessary to control project cost for the roadway. Conveniently, TDOT's recommendation for a single roadway access and the existence of this TVA transmission line together presented a unified solution rather than two obstacles. Paralleling the transmission line was determined as a logical location for a new access road. This location would allow ease of connectivity to the largest portion of the proposed industrial property which is north of the existing TVA line.



With an agreeable location for the access road identified, the team proceeded to seek a solution to the second challenge – funding to design the roadway. Without an early start on roadway design, development and construction typically take a minimum of three years. In 2019, Jackson applied for a Tennessee Economic and Community Development (TNECD) Site Development Grant (SDG) to jumpstart the design work needed to accelerate this timeline. This state program provides grants for eligible activities to improve Select Tennessee Certified Sites and prepare other sites for certification. The program is competitive, and applications are reviewed by a committee consisting of TNECD staff, a site selection consultant firm, TVA, TDOT and others. The SDG application noted the property had been officially submitted for projects twelve times over the two and half years prior to application. The submission further noted the timeline for road design was the suspected reason for the location not being short listed. Once awarded, the 2019 grant would fund tree clearing to address the more minor curb appeal issue and invest in

the engineering design work for the access road. To further support the Jackson application, TDOT staff serving on the SDG Grant Committee committed funding for TDOT engineering review of the roadway design as well as completion of the environmental document for the future access road. These steps would be required for future TDOT funding participation in the cost of access road construction.

With the access road concerns seemingly resolved, another challenge remained - the Texas Gas Transmission Pipeline (TGT) that bisected the site. Over a two-year period this site was seriously considered by six industries. Their feedback was consistent and indicated the timeline to relocate the gas pipeline was a key reason the site was being eliminated from further consideration. To amplify the dilemma of the pipeline, its movement was not universally required. Depending on the needs of a project a site design could reasonably work around the line. However, it was always a concern and ultimately limited the design freedom to fully use the site. There were multiple options to reroute the transmission line which had significant variabilities in cost. According to John Nanney, JEA's Vice President of Economic Development, the best way to get a realistic estimate for the TGT relocation would be to complete a basic level of engineering design. Taking note of advancing the engineering for the access road, JEA decided to investigate a similar approach for the transmission line. Nanney further validated those efforts, "even if the relocation was not required for a project, we felt the potential revenue stream from any project would justify our risk and minimize any risk for our other rate payers." TVA provided funding assistance through the InvestPrep Program, relieving some of the cost burden that would be incurred in engineering the relocation of the pipeline.

Moving into 2021, TDOT was informed of a project – Cardinal – interested in the Jackson 223 East location. Design plans for the access road were nearing completion and this level of

detail was needed to clearly delineate the property for the access road from property that would remain available for a potential industrial client. Further complicating the situation, the project required non-disclosure agreements which TDOT staff were prevented from signing. This ultimately limited the information TDOT staff had about the project and their needs. The consumer brand visiting the site in mid-2021 could bring a \$300 million investment and create an estimated 200 new jobs. The company's first phase of production would begin in 2025. Project Cardinal and their site selection team, Global Location Strategies, focus during their site selection process was heavily based on workforce and logistics. The project began with considering over 25 sites in four states, completing virtual site visits on up to eight sites. Once narrowed to a few sites, the team completed on-site visits and ultimately selected two candidate sites for the company's final consideration.

Timely Completion of Infrastructure

In August 2021, the company officially submitted their application for incentives to TNECD. As a result of utilizing SDG to fund engineering, the typical timeline to design and construct an access road had been reduced by a least twelve months. This ultimately resulted in the construction beginning in late 2022. This allowed the access road to be operational by Fall 2024, well ahead of the company's timeline. TDOT was able to communicate this timeline to Project Cardinal's team during the site selection process. In a similar vein, JEA was also able to communicate a clear timeline to relocate the TGT line. The pre-emptive engineering for the transmission line resulted in time savings that would otherwise create a minimum eighteen month delay. Comments received from Andrew Ratchford, GLS, representing Cardinal included "The work completed prior to our visiting the site wowed the project management team. Due to the clear open space, the site was quite easy to envision for the team. Defining access to the site and stepping

up to not only fund but also coordinate the state road/entrance project simply made things make even more sense.”

Planning for Infrastructure Delivers Results

On September 26, 2022, Georgia-Pacific Manufacturing, also known as Project Cardinal, announced a \$425 million investment in the Jackson 223 East site. At the time of the announcement, the planned manufacturing facility was expected to construct an estimated 900,000 square foot facility to produce tableware products such as paper cups and plates.

A process of more than a decade in the works, locating Project Cardinal was rooted in decisions and commitment by partners with a vision for the future. The Greater Jackson Chamber and Jackson Energy Authority largely took charge of the project beginning with the initial search for a new industrial site in 2007. Additional forces joined the effort when TVA funded engineering and due diligence studies in 2020. This investment by TVA in the process allowed the Jackson Chamber to develop a gas relocation strategy that they could articulate with confidence to prospects. TVA also encouraged the community to work more closely with CSX railway to develop a plan to extend rail service onto the site. The community was awarded a 2019 Site Development Grant from TNECD which was paired with TDOT efforts that further enhanced this site by funding environmental and construction phases, as well as facilitating regular project coordination. A letter dated October 11, 2021, indicated 316 acres of this site met the requirements for Select Tennessee Site Certification. The Select Tennessee Site Certification requirements include, but are not limited to, a minimum number of developable acres, on-site utilities or a utility expansion plan, and minimized risk factors for future development. On October 12, 2021, CSX announced the site was recognized as a CSX Select Site, making Jackson’s 223 East site only the third in Tennessee to meet the criteria.

Conclusion

Identifying a site is only part of the process of successfully recruiting a new company such as Georgia-Pacific Manufacturing. Building a vision that is supported by a team that is committed to the process needed to win investments is the hurdle that must be overcome. Once specific site needs are identified, reaching out to subject matter experts to understand potential remedies, as well as the time and cost associated with those remedies is a first step. In this case, TDOT requested Jackson make a change to the proposed roadway infrastructure and advised no construction funding would be available until an industrial client selected the site. The feedback received by Jackson from TDOT was precisely the information needed to understand the issues that would require creative and proactive solutions. Rather than perceiving comments as negatives for the site, the local team used this information to identify steps needed to address issues so timelines could be shortened. This success was the result of proactive planning, strategic partnerships, and a commitment to overcoming infrastructure challenges. How the Jackson team approached this situation underscores the importance of early engagement with stakeholders, creative problem-solving, and maintaining robust relationships to secure and develop industrial sites effectively. According to Mandy White, Chief Economic Development Office of the Greater Jackson Chamber, “...Everything we do is about relationships...work on those relationships now, before you have a project.” This philosophy, coupled with meticulous planning and collaboration, was key to Jackson’s success in attracting Project Cardinal and setting a new benchmark in industrial recruitment.

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Bill Adams, Senior Target Market Special, Product Development Economic Development, TVA

Johnathan Gemmen, Senior Director, Austin Consulting

Kirby Lewis- Gill, Director of Site Development, TNECD

Bess Hubbard, Manager, Economic Development Service, TVA

John Nanney, Vice President, Jackson Energy Authority

Andrew Ratchford, Director, Site Selection Group (formerly Senior Consultant, Global Location Strategies)

Mandy White, Chief Economic Development Officer, Greater Jackson TN Chamber

2024 Economic Developers Forum – Local Power Company’s Perspective – Georgia Pacific’s Dixie Jackson (TN) Plant Case Study

TDOT Files

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[17 Site Selection Best Practices to Consider Before Searching for Your Next Location \(siteselectiongroup.com\)](#)

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