



PLATEAU PARTNERSHIP PARK

A Regional Approach to Economic Development and Unexpected Results

Tennessee Certified Economic Developer Capstone Report

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INTRODUCTION

Can a regional approach to economic development work? The discussion between the three of the counties in rural Tennessee started in 2004 when a large automotive company was looking for a one-thousand-acre tract of land. Individually they could not do it, but together maybe. Three communities Cumberland County, Tennessee, Morgan County, Tennessee, and Roane County, Tennessee decided to try in 2007.

BACKGROUND

Project Polar Bear, now known as Volkswagen, was looking for a large tract of land. This began the discussion between Cumberland County, Morgan County, and Roane County. The forward-thinking mayors thought if they work together, pool their funds and purchase land, they can have an economic impact on the entire region. These three mayors worked together to find a way to make this work. They each had to educate their county commissioners and leadership on the importance of the purchasing this property for future economic growth. Looking at maps of the three counties, they searched for large pieces of land and found the one.

In early January 2007. The mayors Cumberland County (Brock Hill), Morgan County, (Becky Rupee), and Roane County (Mike Farmer) agreed to seek approval from their respective county commissions to establish an Interlocal Cooperation Agreement. The agreement allowed the counties to collaborate, purchase and develop a large industrial park. After much hard work, when the vote was taken to each mayor's county commission meeting, out of forty-five total commissioners, there were only two no votes. The mayors had done their jobs.

All three counties agreed to put up a \$2,500,000 bond to purchase these properties since they would be issuing bonds, they also had to complete a Certificate of Public Purpose and Necessity. A certificate of Public Purpose and Necessity is protection for the communities to verify the investment in the property is a worthy investment for industrial property and to verify that all pertinent steps have been taken to protect the communities from increased risk. They submitted this to the Department of Economic and Community Development for approval. This was approved and allowed them to move forward.

On January 12, 2007, two pieces of property were purchased by Cumberland County, Tennessee, Morgan County Tennessee, and Roane County Tennessee, seven hundred sixty-three acres at Westel Road, Cumberland County Tennessee and three hundred acres at the at the Rockwood Airport for \$2,250,000. These properties were owned by Bowater Paper Company. They used this land to grow pine trees for their paper operation. They formed the Plateau Partnership and called the property the Plateau Partnership Park. This size tract of land publicly owned would allow the communities to respond to the next automotive manufacturer or the next large-scale industrial project. Publicly owned property is a huge asset when a company is looking for a location. This allows for a stable competitive cost for the property rather than privately owned which can drastically increase when a prospect approaches. The Plateau Partnership Park is directly off Interstate 40, which allows for easy access to seventy-five percent of the population of the United States and the East-West corridor across the United States. There is also access to rail adjacent to the property which added an additional value to the property and could for a potential prospect. Cumberland County Mayor Brock Hill, Roane County Mayor Mike Farmer and Morgan County Mayor Becky Rupee saw an opportunity to invest in these

properties for the future growth of their communities as well as the region where all three communities would reap the rewards.



Arial view of property.

The devil is in the details. The Westel site, the larger track of land, seven hundred sixty-three acres was one hundred percent in Cumberland County. The property by the Rockwood airport, was seventy-five percent in Morgan County and twenty-five percent in Cumberland. These properties however were on the far East side of Cumberland County and far Northern side of Morgan and sat just one and a half miles from Roane County.

They first created the Industrial Development Board of Cumberland, Morgan, and Roane Counties. The board consisted of three members from each county and was supported by the county commissions. Cumberland County provided the administrative staff for the startup of the project and the development cost would be shared between all three counties.

These three communities entered into a twenty-year agreement regarding to repay the debt and to split property taxes collected by Cumberland and Morgan counties. The agreement was that as the properties sold, Cumberland would collect the purchase price and divide them equally between all three counties. As property taxes were collected, they too would be divided equally between the counties until the end of the twenty-year contract that would end January 2027. After January 2027, Cumberland County would keep the taxes, Roane County would be receiving the income from the electric and water utilities and Morgan County would benefit from the regional growth and increased wages for their local citizens.

The Industrial Development Board of Cumberland, Morgan and Roane Counties decided early on that they were going to be very selective in what industry would locate in Plateau Partnership Park. These companies would need to be paying above average wages and boost the region's economy. They wanted to make a difference for generations to come.

In April 2008, they applied through Rural Development for a Rural Business Enterprise Grant of \$15,000 to fund a feasibility study on the park. This study would analyze the property and also communities for strengths and weaknesses for industrial development of the park. An engineering firm was hired, and a final report would be available in the Fall of 2008. Additional

funding from Federal, State and even some private investors require these feasibility studies before grants or additional investments are made in the property. programs.

The report concluded that the park was badly needed in this area and that it would make a significant economic impact for each county and that the Plateau Partnership Park should move forward as rapidly as possible.

1. The potential of over four thousand jobs with the potential in annual payroll over one hundred forty million dollars. (2008)
2. Strong need for manufacturing jobs in the area to increase the median income in Cumberland and Morgan Counties.
3. The three counties high level of cooperation and similar long term economic goals.
4. No major environmental issues
5. Significant transportation advantage
 - a. Norfolk Southern Railroad
 - b. Interstate 40 access but it also granted close access to Interstates 75, 81, 65 24 and 59.
 - c. The Rockwood Municipal Airport could provide direct access for passengers and freight.
6. Ample supply of Workforce
 - a. Significant number of unemployed in all three counties.
7. Educational Resources
 - a. Roane State Community College
 - b. Two four-year Universities within 50 miles

- i. University of Tennessee Knoxville
- ii. Tennessee Tech University Cookeville

INFASTRUCTURE

The problem with the property at Westel was its lack of infrastructure, water, gas, sewer and electricity.

An initial engineering study of the cost to get these utilities to the site was four million eight hundred fifteen thousand (\$4,815,000). When looking for the expansions to the site, they realized the cost was underestimated in the tens of millions. Norfolk Southern had an agreement to serve the property, but upgrades and an expansion would be needed. So how to fix and get this ready for prospects? Grants. Since the property was publicly owned, the property was eligible for several programs through the State of Tennessee through the Department of Economic and Community Development through their Site Development program. These programs allow communities the funding to use State funds for increasing the marketability and readiness of the site to market for prospects. They could also apply for Tennessee Valley Authority (TVA), Appalachian Regional Council (ARC) and United States Economic Development Administration (EDA) grant funds.

FUNDING

The first grant was from Appalachian Regional Council, ARC. The grant awarded \$500,000 to the Industrial Development Board (IDB) of The Counties of Cumberland, Morgan and Roane Tennessee for the design and permitting of a three hundred-thousand-gallon elevated

water storage tank and the design and installation of sixty-three hundred linear feet of twelve-inch water line expansion of the Plateau Partnership Park along Westel Road connecting to the existing Crab Orchard Utility District six-inch line on Westel Road.

In 2017, Tennessee Valley Authority awarded a grant to the IDB for the Counties Cumberland Morgan Roane through the Invest Prep Program to assist with the design and permitting of the natural gas line extension to serve the Plateau Partnership Park in excess of one hundred thirty thousand dollars. Also in 2017, a primary access road was needed, an access road to the wastewater treatment facility and the wastewater area needed to be graded. The project cost was over six hundred seventy thousand (\$670,000). They applied for a site development grant through The State of Tennessee Department of Economic and Community Development and were awarded four hundred sixty-nine thousand three hundred and fifty dollars (\$69,350). In 2019, another ECD site development grant was awarded for constructing about eight thousand nine hundred fifty (8,950) linear feet of a twelve-inch water line including three hundred sixty linear feet of a twenty-four-inch line that bore under Interstate 40. These grants allowed to get water to the property, but still not knowing what type of industry that would land there, if additional grants were needed, they could deal with it at that time.

Sewer was going to be a problem. Cumberland County, Crossville, had sewer but was twenty plus miles from the site. Morgan County, City of Wartburg was at capacity and would not be able to serve and Rockwood was six to seven miles away and they too were at capacity. With these complications, an on-site sewer package was going to be necessary, and this eliminated some prospects. Still there was electricity and natural gas to conquer but at this point they were looking for the prospects needs before going forward.

Then, not what they expected, or marketed this park for, visited and felt it would be a good fit for their project. Rusty Bittle, developer, originally was looking for several tracts of land in The Horizon Center in Oak Ridge, Tennessee, Roane County. Eighteen months into his due diligence, the Department of Energy notified Rusty Bittle that an Environmental Impact Statement would have to be completed and he would be responsible for the payment for this study. This provision was put into the initial paperwork when the Department of Energy transferred this property to the Oak Ridge Industrial Development Board. The expense of this was quite costly and still he had no guarantee that the project would be approved.

LANDING THE UNEXPECTED

The project then began its search for another home. Rusty was looking for at least three hundred acres for his project. Ray Evans, the director of economic development for the park, realized that this project could work for the communities as well as for Rusty. Ray showed the Plateau Partnership Park. Rusty realized that with nearly double the land, he began to see his project grow and offer many more amenities. The rolling topography that was an issue for manufacturers, to Bittle, it was an advantage. The different levels on the property only increased his ability to see other expansions from the original plans allowing for sharp turns and straightaways. Rusty began doing his due diligence on the Plateau Partnership Park, in July 2021 and announcement was made that Flatrock USA, a motorsport park, was coming to Cumberland County. The property had not been purchased yet due to a ninety-day review period, but Rusty was excited to get started on the project.

Rusty Bittle and two East Tennessee business leaders are the major investors in this project. Kevin Clayton, owner of Claytons Homes one of the largest home builders and manufacturer of manufactured homes and William T. “Teddy” Phillips, Jr owner of a heavy/civil infrastructure contracting business. Clayton, a long-time car enthusiast, is a founding investor of the Music City Grand Prix and has competed in the Ferrari Challenge and Skip Barber Race Series. Phillips is also a car enthusiast and founding investor of Music City Grand Prix race.

Flatrock USA vision is more than a motorsports club it is a leisure and tourism attraction. This resort will be state of the art track that will draw drivers from all over the world. The track is being designed by the world-renowned German Company Tilke Engineers & Architects, who built the Atlanta Motorsports Park. There will be three different tracks, a Club Track long track of 3.5 miles, Club Track short of 2.48 miles and a Club Event Track of 1.05 miles. Phase I of the project initially included the track and a state-of-the-art paddock to include hospitality suites, roof top viewing, private garages, a FIA Certified Kart Track for public use. They will also have meeting spaces for orientation, training, and corporate events. Most motorsports clubs are private, but Flatrock USA is being developed as a public/ private club. Looking at Phase I, an initial market study and analysis concluded that Flatrock would generate ninety-three million in its first five years and possibly up to one hundred ten million. The additional phases and additional projects are moving faster, so the economic impact should far exceed projections.

Other projects projected for this property in the near future and now under Phase I include but are not limited to living accommodations. They include estate living lots and homes, luxury garage lofts and motorclub villas, these will be membership driven sales. There will also

be a luxurious modern spa located on property. The other phases include garage event spaces, lounges, and entertainment area for the garage areas around the tracks. An event and convention center are also planned and a hotel. The eventual plan is for shopping, eateries, wineries, breweries and many more attractions for tourist from around the world to visit. They will be in the heart of Cumberland, Morgan, and Roane counties.

In addition to all the tourism that will be attracted to this park, the number of employees to be employed there is in the hundreds.

There are some infrastructure details that are being worked out. Grants are currently in the application stage with Appalachian Regional Council and Economic Development Administration for water system improvements. Crab Orchard Utility District is working on supplying the water. Their source has been a private lake, and they provide water to the businesses and residences of Fairfield Glade, Tennessee. The population of Fairfield Glade is just under ten thousand per 2020 census. The maximum daily withdrawal from the lake is two million gallons a day and currently the capacity for expansion would be around three hundred and fifty thousand gallons a day. Recently Harriman Tennessee has run their water line to the property and Crab Orchard is going to purchase water from them to supply Flatrock. The electricity is also something that is in process, but Rockwood has been asked for an easement to put a solar farm on the other three hundred acres beside the airport to help support the electric needs of Flatrock



Flatrock USA Master Plan

CONCLUSION

The land that was purchased was very challenging. The topography and the lack of infrastructure proved too much of an obstacle for the companies that visited the site. The mayors then realized that economic development comes in many forms. In the past economic development was locating a large manufacturing plant that provided new jobs, paid good wages,

and helped the local economy. The previous mentioned issues along with unemployment numbers, construction cost and the national economy, the partnership had to look to see what the best use of their sites is. Tourism is Economic development. This park will provide jobs, not just seasonal, year-round jobs, and the revenues that the surrounding communities will receive because of taxes will definitely help the region.

“The Plateau Park Partnership was thrilled at the prospect of Flatrock locating to our site,” said John Davis, Chair of the Plateau Park Partnership. “This property sat vacant since well before 2007, we had multiple prospects but the hilly terrain and lack of utilities to support a large manufacturing facility ultimately caused those prospects to walk away. The terrain is actually, an asset for Flatrock and a leisure and tourism destination that leverages our state’s strong automotive industry will provide high quality economic development for the entire region.”

A similar motorsports club in Texas can attract as many as four hundred thousand people in a weekend. The economic impact that this will have not only on this region, but the State of Tennessee will be enormous.

Although there are still some things to work out, as with any project, Plateau Partnership Park has proven that regionalism, education of elected officials, long term planning and partnerships can be the key to successful economic development.

References

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Interviews

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Brock Hill, former Mayor Cumberland County

Ashley DeRossett, Regional Tourism

Becky Ruppe, Rockwood City Administrator/Recorder, Previous County
Executive of Morgan County