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From the Memphis Business Journal:

<https://www.bizjournals.com/memphis/news/2022/01/17/edge-mhr-fund-container-chassis-winchester.html>

## **\$112M shipping container plant, 400 jobs proposed for former Nike site**

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MHR Fund Management LLC, a New York-based private equity firm, is looking to invest \$112.5 million to create a shipping container and chassis manufacturing facility at 8400 Winchester Road, according to an application filed with the Economic Development Growth Engine (EDGE) for Memphis & Shelby County.

The project could create 400 jobs, with an average annual wage of \$44,647, and fill in an empty, 817,000-square-foot warehouse. The facility previously housed Nike but has been vacant for six years.

This is the second time 8400 Winchester has been before EDGE in the past year. On March 17, 2021, Mullen Technologies outlined a \$362 million electric vehicle assembly plant at the warehouse. That proposal was approved by EDGE.



REALOP INVESTMENTS  
8400 Winchester Road

California-based electric vehicle manufacturer Mullen Technologies instead appears to be focusing on expanding its operations in Tunica, Mississippi.

MHR Fund's project is similarly not guaranteed. The group is seeking a facility in the central United States, with Memphis as one candidate, the application said.

## **New deal**

The firm is seeking a 15-year PILOT worth \$15.3 million. The parcel currently produces \$421,000 in property taxes annually. If MHR completes the project, after the PILOT ended, it would produce \$1.26 million in annual property taxes.

EDGE said in its term sheet that MHR Fund has a purchase agreement with owner ROIB2 Winchester LLC — RealOp Investments of Greenville, South Carolina — which paid \$16 million for the property in 2020.

The investment would include \$38 million to buy the property; \$2.5 million for renovations, construction, and site improvements; and \$72 million in new machinery, equipment, and personal property.

MHR Fund oversees several funds totaling \$5.5 billion, according to the application. One of those funds would oversee the Memphis facility.

The firm believes it's found a niche in the market, according to the filings. North American transport utilizes 53-foot intermodal containers that can be used on road, rail, river, and ocean. Currently, that type of container is primarily made in China.

MHR Fund believes that a domestic producer would create savings via lower shipping and steel and hardwood costs.

If Memphis is selected, the facility is expected be online by the end of the year, according to MHR's application. It would make up to an estimated 22,500 containers and 30,000 chassis per year once fully operational, the application said.

## **Workforce impact**

The jobs laid out in the application are mostly team leads and associates. Those would account for 356 of the 400 jobs, with an average wage of \$37,790. The average hourly wage of \$18/hr is \$5/hr higher than the minimum wage of \$13 hour.

The remainder of the jobs, mostly in management, HR, and planning, put the project above the target wage, but the EDGE board has expressed concern at projects with lower wages in the past. Mullen had been set to create 434 jobs with an average annual wage of \$53,000.

EDGE has a wage target of \$40,400. Hitting the target wage awards additional years to the PILOT.

The MHR manufacturing would mostly be accomplished on an automated assembly line with robotic welding, MHR said.

At least 25% of construction and 15% of real and personal property expenditures will be committed to local certified minority and women business enterprises (MWBES).

EDGE will consider this application at its meeting on Wednesday, Jan. 19. MHR is represented by the law firm Martin, Tate, Morrow & Marston.

**Stephen MacLeod**

Reporter

*Memphis Business Journal*

