

Miss. Lawmakers Impatient Over Toyota Back Rent

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JACKSON, Miss. (AP) — Some Mississippi legislators are becoming impatient about the interest payments Toyota Motor Corp. is expected to make on money the state borrowed to bring a \$1 billion car plant in Blue Springs.

State Treasurer Tate Reeves told lawmakers during a fiscal briefing at the Capitol on Thursday that discussions are ongoing about when the automaker would begin making payments. So far, he said, the state has paid about \$16.7 million in interest.

Barbara McDaniel, spokeswoman for external affairs manager for Toyota Motor Engineering & Manufacturing North America, said the company had agreed to begin paying interest on the loans in April.

She said that agreement was reached with state officials after the company announced in December 2008 that it would suspend preparations for the plant near the Tennessee border because of the recession.

She said production at the plant was originally scheduled to begin in 2010 and if that had happened, the facility would have employed 2,000 workers and the state would have been reaping its financial benefits. The original agreement didn't require Toyota to pay interest on those loans.

"This was a voluntary thing that Toyota offered to the governor and state because we're not going to be able to meet our original startup agreement," McDaniel said Thursday. "We were supposed to be building cars by 2010."

McDaniel said about 100 people are working at the plant, including facility specialists and management.

Lawmakers authorized \$324 million in bonds for the facility.

"At some point in time they need to start paying the interest. I hope I'm still living when they do," said House Appropriations Committee Chairman Johnny Stringer, D-Montrose.

Reeves' comments about Toyota came as lawmakers were told revenue collections were expected to be \$347 million below projections for the current fiscal year.

He later said Toyota was being "a good corporate citizen" by agreeing to pay the interest.

"Negotiations are ongoing in the exact amounts that they are going to pay, and it's

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a moving target with the interest that has been paid to date with the interest that will be paid going forward," Reeves said .

Rep. Cecil Brown, D-Jackson, said he didn't understand the delay on the payments.

"It was represented to us that they were paying it, and now we're hearing that they're not," Brown said.

The Mississippi Development Authority, a state agency that handles contracts for economic development projects, was closed Thursday because of an ongoing water shortage in Jackson. An MDA spokesman couldn't be reached immediately for comment.

Toyota first announced plans for the Mississippi plant in 2007 and said it would make Highlander SUVs, but the company said in summer 2008 it would build the Prius there instead.

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