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Understanding Memphis Neighborhoods and Why Elon Musk Must Do Right by Them

A Buyout with Strings Attached: Musk's Offer to Purchase 418 Homes Raises Questions About Pollution, Accountability, and the Price of Silence



William Spivey Follow 16 min read · 21 hours ago

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To help you understand what's going on in Memphis, I'm going to start with what happened in Ocoee, Florida, starting on November 2, 1920, the date of the November presidential election. It was the first year women could vote nationally, following ratification of the 19th Amendment the previous year. The backlash didn't come against women, who generally were expected to vote along the lines of white men. Throughout the South, the Klan and others doubled down to prevent Black men and women from voting. The net result was more white people voting with fewer Black people doing the same.

When two Black men attempted to vote in Ocoee, white mobs from nearby Orlando, Winter Garden, and Ocoee randomly shot and killed Black residents and burned the homes, churches, and businesses of the rest. Within a few days, Ocoee had no Black residents and wouldn't have another for over 40 years. Here comes the part that relates to Memphis. The majority of the Ocoee residents who fled ended up in an Orlando neighborhood called Jonestown. After thirty years or so, the Orlando Housing Authority and the

city of Orlando forced out the Black homeowners to make room for Boone High School, in response to white people complaining about Black neighbors. Many displaced Black people moved to the Parramore District, where mostly Black people resided.

Thirty-five years later, Orlando was awarded an NBA franchise, the Orlando Magic, and the city decided the best site for a new arena was the Parramore District. The City's Parramore Comprehensive Neighborhood Plan states:

> In the 1980s over 100 homes were demolished to construct the former Amway Arena in what is now the planned Creative Village area.

The same document acknowledges that the loss of homes weakened the African-American community that had sustained Parramore through segregation. The Orlando Arena was built near Tinker Field and the Citrus Bowl stadium, both of which displaced Black residents—redlining controlled where Black people could live until the powers that be determined a better use for the land. I once lived in Orlando and know families whose grandparents were burned out of Ocoee, whose parents had to leave Jonestown, and who themselves were forced out of Parramore.

When Elon Musk brought his data center to Memphis, he placed it in an area surrounded by several Black subdivisions. I'll focus on two of them, Boxtown and Whitehaven. Several affected communities have stories of their own:

- The Village: Original subdivision plats expressly prohibited sales to Black residents.
- Springdale: Its subdivision documents contained racial restrictions.

- Sherwood Forest: Its 1946 property covenants prohibited ownership by anyone other than white people, except for servants' quarters.
- Fordhurst: A South Memphis development that experienced a substantial racial transition during the 1950s, as Black families began purchasing homes.

These examples establish that racial exclusion was written into Memphis property development, not merely an informal social custom.

Boxtown is one of Memphis's oldest African American communities, founded in 1863 by formerly enslaved people and freedmen seeking a place to establish independent lives following emancipation. Located in southwest Memphis, near the Mississippi River and south of the city's original boundaries, the community developed after the Civil War, when newly freed Black families tried to build homes, churches, businesses, and institutions of their own.

Residents cultivated gardens, established churches, and created a close-knit community that, despite limited resources, developed a strong sense of independence and identity. One of the neighborhood's enduring institutions is White's Chapel AME Church, established in 1890. The name Boxtown came later, during the 1920s, when the Illinois Central Railroad expanded its operations at Nonconnah Yards, including facilities for manufacturing railroad boxcars. Workers discarded timbers, planks, and packing materials used to transport machinery and build the railcars. Residents collected the discarded materials and used them to construct their homes, giving the community its distinctive name. What began as a necessity born of poverty became part of Boxtown's identity and history.

The community's history also includes government neglect and the gradual encroachment of industrial development. In 1960, Memphis proposed

annexing Boxtown as part of an urban-renewal initiative that included nearby industrial expansion. Residents were promised basic municipal services, including reliable water, sewer lines, electricity, streetlights, fire protection, and police services. The city also stood to benefit by bringing major industrial properties into its tax base and gaining access to a nearby Black labor force. Annexation occurred in two stages, in 1968 and 1971, but the promised improvements did not arrive as quickly as residents had been led to expect. As late as the 1970s, many households still lacked indoor plumbing, reliable water and electricity, while roads remained unpaved. A federal class-action lawsuit and subsequent federal assistance helped secure improvements in the 1980s. In other words, the city was prepared to incorporate the neighborhood and collect taxes. At the same time, industrial development expanded around it, but residents waited decades for basic services that other communities took for granted.

Boxtown's industrial surroundings include an oil refinery, a steel mill, chemical plants, large-scale food-processing operations, a wastewater treatment facility, and power-generation plants. The former Allen Fossil Plant, a coal-fired TVA facility that operated from 1959 until 2018, left behind coal-ash contamination concerns that continued after its closure. A natural-gas power plant subsequently became part of the area's energy infrastructure. Another particularly troubling example was Sterilization Services of Tennessee, which operated in the broader South Memphis area for approximately 50 years, using ethylene oxide to sterilize medical equipment. Ethylene oxide is a carcinogenic chemical associated with increased cancer risks. Pesticide manufacturing and other industrial operations have added to the region's pollution burden.

The problem is cumulative: residents are exposed not to one isolated industrial operation but to emissions and potential environmental hazards from numerous facilities operating in the same general area. A 2021 EPA environmental-justice advisory report described southwest Memphis as a

predominantly Black community long burdened by industrial pollution, identifying the refinery, steel mill, coal-fired power plant, and natural-gas facility among the area's industrial operations.

The arrival of Elon Musk's artificial-intelligence company, xAI, brought another major industrial operation into this already burdened environment. In 2024, xAI converted a former Electrolux manufacturing facility in South Memphis into Colossus, an enormous computing center designed to operate hundreds of thousands of advanced computer processors. Although the facility is not inside Boxtown itself, it is approximately a mile from the neighborhood, across the Mississippi River floodplain and wooded land. The scale of the facility's electricity requirements quickly became a central environmental concern. Rather than relying entirely on conventional utility power, xAI installed methane-burning natural-gas turbines to generate electricity on site. The Southern Environmental Law Center identified 35 turbines operating without the required air permits at one point in 2025. Those turbines produce nitrogen oxides, which contribute to smog and respiratory inflammation, along with other pollutants, including formaldehyde. The controversy led the NAACP and environmental organizations to challenge the company's operations under the Clean Air Act. Shelby County subsequently issued permits allowing 15 temporary turbines to operate, a decision environmental advocates appealed.

The environmental concerns are not based solely on the turbines' presence. A University of Tennessee, Knoxville, study cited in the NAACP's March 2026 report found that average nitrogen dioxide concentrations increased approximately 3% following the development of Colossus. Peak concentrations increased 79% in areas immediately surrounding the facility and 9% in nearby Boxtown. These measurements matter because nitrogen dioxide is associated with respiratory irritation and can aggravate asthma and other breathing problems. They do not, by themselves, establish that xAI caused particular illnesses among Boxtown residents, but they provide

evidence of an additional pollution burden in a community that already faces substantial environmental risks. The NAACP report also describes residents' concerns about air quality, transparency, utility costs, and the lack of meaningful community participation before the facility began operating.

Whitehaven, located in southwest Memphis, has a history that predates the Civil War and reflects many of the racial and economic changes that shaped the American South. Its origins trace to Colonel Francis White, who moved his family from Mississippi to a farm South of Memphis before the Civil War. White helped establish the Mississippi-Tennessee Railroad, which opened the area to the cotton trade and encouraged additional settlement and agricultural development. The area's early economy depended heavily on plantation agriculture and enslaved Black labor. In 1860, the Whitehaven area had 653 white residents, one free Black resident, and 1,671 enslaved people. Following emancipation, some formerly enslaved people and their descendants remained in the area, establishing families and building independent lives despite the restrictions of segregation. What eventually became Whitehaven began developing as a residential subdivision around 1908, centered on what is now Whitehaven Lane.

Whitehaven's development was not racially inclusive. As Black families began acquiring property and establishing businesses, white developers and residents used restrictive practices to maintain racial separation. One particularly revealing example occurred in 1939, when neighborhood guidelines prohibited Black people from living on Whitehaven Lane, between the railroad tracks and Highway 51, unless they worked for one of the white families living there. Nevertheless, Black families established roots in the community. David Carnes, a blacksmith who worked for local businessman and county commissioner E.W. Hale, purchased property in 1918 from an early developer. He built a brick home and raised his family there with his wife, Lettie Dixon Carnes. Carnes also operated his own blacksmith business and taught his trade at Geeter High School. Other Black

families followed, establishing businesses and community institutions. The history of Whitehaven is therefore not simply a story of a white suburban community that later became Black; Black residents were part of its development from the beginning, even when restrictive practices attempted to exclude them.

Whitehaven grew rapidly after World War II as Memphis expanded southward and working- and middle-class white families moved into the suburban community. Federal mortgage programs, including FHA and VA financing, helped support postwar suburban development, although Black families did not enjoy equal access to these opportunities. By 1960, Whitehaven and the neighboring Levi community had a combined population of 45,734, of whom approximately 36.8 percent were Black. Whitehaven residents opposed annexation by Memphis, but the city proceeded, and the annexation became effective January 1, 1970. The years surrounding annexation also brought major racial changes. As school integration advanced and white families moved farther into the suburbs, Whitehaven became predominantly Black. By the 1970s, Black residents had become the majority, and the neighborhood developed a strong identity rooted in homeownership, churches, local businesses and civic organizations.

Industrial and transportation development subsequently became an increasingly important part of Whitehaven's economic and physical landscape. Memphis International Airport, originally opened as Memphis Municipal Airport in 1929, expanded considerably during the postwar decades. FedEx's establishment in Memphis in 1973 transformed the airport into a major international cargo hub, bringing employment and economic investment but also increasing aircraft traffic, freight transportation, and associated pollution. Whitehaven is also close to Interstate 55 and Interstate 240, major trucking routes, commercial rail yards, distribution centers, industrial storage facilities, and oil and gas operations. Methodist South

Hospital, Graceland,d and numerous commercial establishments are also part of the community's landscape.

These developments have provided jobs and economic activity, but residents have also experienced the consequences of living near an increasingly concentrated transportation and industrial network. A 2022 Washington Post investigation described South Memphis, including Whitehaven, as having some of the worst air pollution in Tennessee. It documented concerns about diesel emissions, aircraft, industrial operations, and the cumulative effects of numerous pollution sources. The investigation cited a University of Memphis study identifying at least 22 significant polluting industries in the broader South Memphis area.

The arrival of Elon Musk's artificial-intelligence company, xAI, introduced another industrial-scale operation into Whitehaven. In March 2025, the Greater Memphis Chamber announced that xAI would establish its second major data center, Colossus 2, at 5420 Tulane Road in Whitehaven. The facility was designed to meet the enormous computing needs of the company's artificial-intelligence operations. Although data centers are often described as relatively quiet facilities, their electricity needs can rival those of major industrial operations. In this case, xAI's electricity demand became an environmental controversy of its own. The company established a separate natural-gas turbine power installation in Southaven, Mississippi, approximately one mile south of the Whitehaven data center. The Southern Environmental Law Center reported that 27 turbines at that location could generate up to 495 megawatts of electricity, roughly equivalent to a conventional power plant's output. These turbines produce nitrogen oxides, fine particulate matter, carbon monoxide, and formaldehyde, pollutants associated with respiratory disease, cardiovascular problems, and certain cancers.

As of November 1, 2026, the NAACP has won an important preliminary legal victory against Elon Musk's xAI, and the Trump administration has failed to dismiss the lawsuit. The lawsuit is still proceeding in federal court.

What makes this case particularly significant is that the Department of Justice intervened on Musk's company's side, arguing that the federal government should be able to stop the NAACP's private environmental lawsuit, partly on national-security grounds.

The dispute is not simply about whether xAI has the right to build data centers. It concerns whether a company can operate a large gas-fired power plant without complying with applicable clean-air requirements, and whether Black communities can use federal law to challenge that operation when government regulators do not take enforcement action.

1. The NAACP lawsuit

On April 14, 2026, the NAACP and the Mississippi State Conference of the NAACP filed National Association for the Advancement of Colored People v. X.AI Corp. in the U.S. District Court for the Northern District of Mississippi.

The defendants include:

- xAI, Elon Musk's artificial-intelligence company.
- MZX Tech LLC, associated with the gas-turbine power installation in Southaven, Mississippi.

The lawsuit was brought under the Clean Air Act's citizen-enforcement provisions. It alleges that xAI and its associated company constructed and operated a gas-fired power plant without the necessary air permits and pollution controls.

The plaintiffs seek an injunction against unlawful operation, installation of required pollution-control technology, environmental remedies, and civil penalties.

Although the lawsuit focuses on the Southaven power plant, the electricity it produces supports xAI's Colossus 2 data center in the Memphis area. Its potential emissions affect communities on both sides of the Tennessee-Mississippi border.

2. How the Trump administration intervened on xAI's behalf

The federal government's involvement matters because it went beyond simply declining to prosecute or regulate the company. The Department of Justice took an affirmative legal position seeking to end the NAACP's lawsuit.

On June 15, 2026, the Justice Department filed a motion to intervene and sought dismissal of the NAACP's claims. It subsequently amended its filing on July 7 to identify EPA Administrator Lee Zeldin as the federal official on whose behalf it was intervening.

The administration advanced several arguments.

First, national security and economic security. The Justice Department argued that the federal government had an interest in operating xAI's facilities because of the company's government- and military-related work. xAI has contracts with the Department of War, and the administration invoked national-security and energy-security considerations in seeking to intervene.

Second, executive authority over environmental enforcement. The DOJ argued that the Clean Air Act gives the EPA administrator the right to intervene in citizen lawsuits and that the federal government should be able

to dismiss such litigation when it determines that enforcement should not proceed.

In practical terms, the administration was arguing that the EPA should have the authority to stop a private organization such as the NAACP from pursuing an environmental enforcement case against a company, even when the organization alleges that the company is violating federal law.

Third, the Constitution's Article II and the president's enforcement authority. The administration argued that citizen-suit provisions improperly interfere with the executive branch's constitutional authority to determine how it enforces federal laws. This was a significant argument because the Clean Air Act expressly allows private citizens and organizations to bring lawsuits when they believe companies are violating its provisions. If the court had accepted the DOJ's position, it would have substantially weakened that private enforcement mechanism.

3. What the federal judge decided on October 19

NAACP victory — October 19, 2026

U.S. District Judge Debra Brown rejected the administration's attempt to terminate the lawsuit.

She made an important distinction: the EPA can intervene in a citizen lawsuit, but that does not mean it has unlimited authority to dismiss the lawsuit simply because it disagrees with the plaintiffs.

Reuters reported that Judge Brown concluded that the Clean Air Act does not give the EPA authority to unilaterally terminate a citizen suit unless the agency is pursuing a related enforcement action.

Her ruling rejected the administration's attempt to use federal intervention to shut down the NAACP's case.

The judge also rejected the government's broader constitutional argument that the citizen-suit provision improperly transfers executive enforcement authority to private organizations.

The Fifth Circuit Court of Appeals also declined to grant the DOJ's request to halt the district court proceedings while it considered the dispute.

This was an important separation-of-powers decision: the administration could participate in the litigation, but it could not veto the NAACP's right to pursue its claims.

4. October 30: The judge also rejects xAI's attempt to dismiss the lawsuit

Second major victory — October 30, 2026

Two days ago, Judge Brown issued another important ruling, rejecting xAI and MZX Tech's motion to dismiss the lawsuit.

The defendants had advanced three principal arguments:

1. The NAACP lacked legal standing to sue on behalf of its members.
2. The turbines were temporary, portable equipment and therefore exempt from permitting requirements.
3. The Clean Air Act's citizen-suit provision was unconstitutional because it allowed private organizations to exercise powers belonging to the executive branch.

Judge Brown rejected all three arguments.

There are several particularly important findings in her October 30 opinion.

The turbines are not legally mobile sources. The judge concluded that the turbines were stationary combustion turbines under the applicable regulations, even though they were mounted on trailers. Consequently, the defendants could not rely on Mississippi's mobile-source exemption to avoid the permitting requirements.

The Mississippi environmental agency's letter did not settle the issue. The Mississippi Department of Environmental Quality had previously informed xAI that it understood the turbines to be temporary and mobile, potentially exempting them from permits. Judge Brown ruled that the agency's interpretation did not bind the court and conflicted with applicable regulatory requirements.

The NAACP has standing. The court concluded that the organization could bring the lawsuit to protect the interests of its members who live, work, and worship near the facility.

Citizen lawsuits are constitutional. The judge rejected xAI's argument that Congress had improperly transferred executive enforcement authority to private organizations by allowing them to bring Clean Air Act lawsuits.

This ruling matters because it addresses the same constitutional theory the Trump administration used to dismiss the case.

5. What happens next?

The October 30 ruling does not mean xAI has been found finally liable for violating the Clean Air Act. It means the NAACP has survived the defendants'

attempt to get the case thrown out before a trial or further proceedings.

The lawsuit can now proceed toward consideration of the actual evidence, including:

- Whether xAI constructed and operated the turbines without legally required permits.
- Whether the company failed to install the best available pollution-control technology.
- Whether emissions violated federal and Mississippi environmental requirements.
- Whether the company should be ordered to reduce emissions, install pollution controls,s or stop operating the facility until it complies with the law.

The NAACP is also seeking civil penalties of up to $124,426 per day per violation, as well as injunctive relief. Those are requested remedies, not penalties already imposed.

6. The larger significance of the government's intervention

There is an important distinction in describing what happened.

The federal government did not simply take no action against xAI. The Justice Department actively entered the legal dispute seeking to dismiss a lawsuit brought by a civil-rights organization representing members exposed to potential industrial pollution.

The administration argued that national security, executive enforcement authority, and the government's relationship with xAI justified its intervention.

The NAACP, meanwhile, argued that environmental laws must apply equally to corporations regardless of their political or government relationships. Judge Brown's October rulings have allowed that argument to proceed.

Elon Musk's Response

Musk himself has been remarkably silent on the lawsuit, counting on the DOJ to do the talking for him. Recent court rulings suggest he can't escape significant financial penalties in the near future, and he recently offered to purchase 418 homes in the area contingent on residents not participating in the lawsuit.

The Offer

Elon Musk's company, xAI (now operating under the SpaceXAI name), is offering to purchase as many as 418 homes in the Colonial Hills neighborhood of Southaven, Mississippi, near the gas-turbine power plant supplying electricity to its Memphis-area data centers.

But there is a significant condition: homeowners must give up their legal claims against the company relating to the alleged noise and other disturbances from the power plant.

MZX Tech LLC, an xAI subsidiary, is making the offer through local real-estate representatives.

What is Musk offering?

According to reporting by The Guardian on October 28, 2026:

- The target is reportedly 418 homes, potentially encompassing almost the entire Colonial Hills neighborhood.

- A real estate agent reportedly told a resident that 18 homeowners had already agreed to sell.
- County property records show five purchases since October 9.
- The homes are reportedly being offered at market value.
- The company has not confirmed the 418-home target or disclosed its complete acquisition plans.

What must homeowners give up?

The purchase offer requires sellers to sign a release of claims associated with the lawsuit filed by three Southaven residents: Jason Haley, Preston Herrington and Taylor Logsdon.

That lawsuit alleges that noise and vibrations from the gas turbines have created an ongoing nuisance, interfering with residents' sleep, health, and enjoyment of their properties.

By accepting the buyout, homeowners would surrender their ability to seek damages or other relief through that lawsuit and would relinquish related claims covered by the release.

Why is this controversial?

The offer creates a particularly difficult situation for residents who have lived near the turbines.

Some homeowners reportedly want to leave because of the noise. Others believe they should not have to surrender their legal rights to receive fair compensation for the disruption.

Renters also face a problem. If landlords accept the buyout, tenants may be forced to relocate without receiving any portion of the purchase proceeds.

Mississippi Today reported the case of Danielle Dillard, a renter whose landlord accepted a buyout. She received 60 days to move, despite having recently renewed her lease.

Southaven Mayor Darren Musselwhite described the purchases as voluntary and said the properties could house incoming SpaceXAI employees. The company has also denied the nuisance allegations and says it has invested in sound barriers and other noise-reduction measures.

Conclusion

My opinion is that Elon Musk planned to do nothing for Memphis residents until things started not going his way in court. Many of the Black families in those neighborhoods are there because of the redlining policies of Memphis and the inability to move to the suburbs due to FHA and VA lending policies that discriminated against Black people. The renters in the community are screwed, and who determines what “full market value” is when living in that home gives you a greater chance of getting cancer?

The history of these Memphis communities mirrors the history of Ocoee, FL, and hundreds of cities across America. Black people have been told where they can and can’t live, and then made to move when someone has what they deem to be a greater need. At this point, after the damage already done by Musk and those who came before. I don’t know what it would take to make things right. I am sure Musk can afford it. Make him pay!

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Written by William Spivey

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