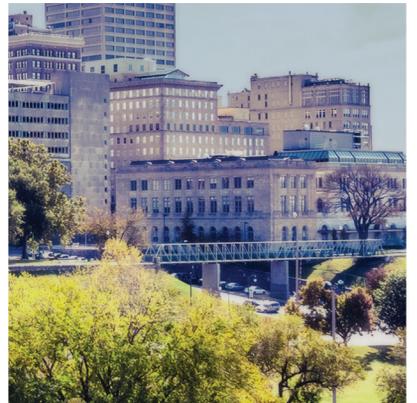
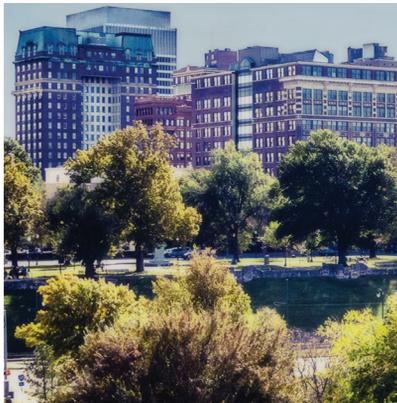
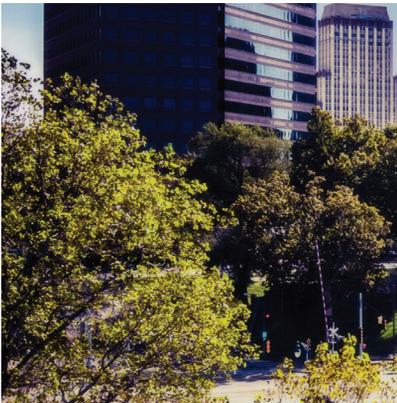
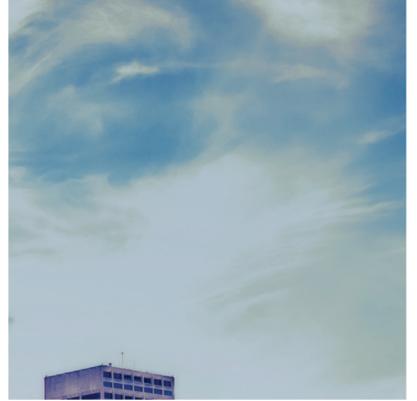
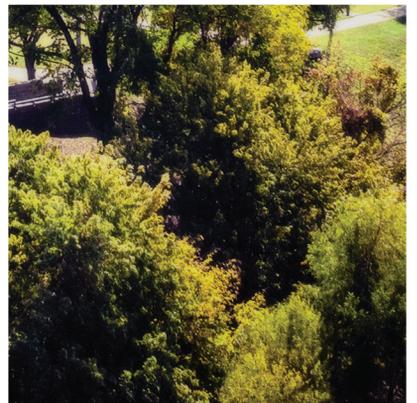


**EDGE**

**ECONOMIC DEVELOPMENT  
GROWTH ENGINE**  
FOR MEMPHIS & SHELBY COUNTY



**Q2  
2014  
REPORT**



Projects assisted by EDGE since its inception in August of 2011 are projected to contribute:

8,671 new and retained jobs

\$1.7 billion in new capital investment

\$661 million in new tax revenue



#### EDGE INCLUDES:

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- Industrial Development Board of the City of Memphis and County of Shelby, TN
- Memphis and Shelby County Port Commission
- Depot Redevelopment Corporation of Memphis and Shelby County

#### MAJOR PROGRAMS:

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##### Financial Incentives

- Payment-in-Lieu-of-Tax (PILOT)
- Tax Increment Financing (TIF)
- Foreign Trade Zone 77
- Tennessee FastTrack Economic Development Grants

##### Small Business Support

- Economic Gardening
- SBA Emerging Leaders

#### MAJOR PROGRAMS (CONT.):

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##### Economic Development Finance

- EDGE SBA 504 Loan
- EDGE Loan Fund
- Inner City Economic Development Fund
- Industrial Revenue Bonds

#### EDGE-MANAGED INDUSTRIAL PROPERTIES:

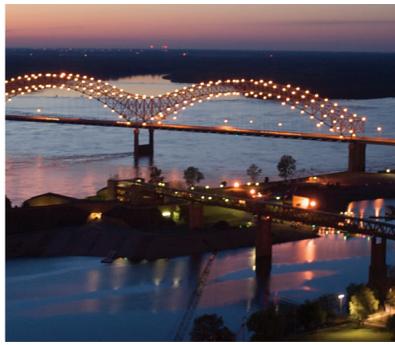
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##### Presidents Island

- Public dock

##### Frank C. Pidgeon Industrial Park

- Electrolux project
- CN/CSX intermodal expansion and distribution park
- Paul R. Lowry Road improvement
- Land sales



# HIGHLIGHTS

## FINANCE AND SMALL BUSINESS PROGRAMS

### Loan Projects

The Economic Development Finance Committee approved two small business loans this quarter totalling \$50,000 and enabling the creation of 6 new jobs.

Metalworks, a metal art workshop, and Propcellar Vinatage Rentals, a wedding and photography prop rental service, were each approved for a \$25,000 Inner City Economic Development (ICED) loan during the November ED Finance Committee board meeting.

The loans will enable the companies to make interior and facade improvements to their existing locations.

### Economic Gardening

EDGE, along with the Mayor's Innovation Delivery Team, is working with 32 companies throughout Memphis and Shelby County to provide free, high-level business consulting services through the Edward Lowe Foundation's National Center for Economic Gardening.

Five companies completed the program this quarter bringing the total number of graduates to 29.

Research is in progress to capture the business needs, projected growth of jobs, and revenue generated as a result of program recommendations.

To qualify for the Economic Gardening program, businesses must earn more than \$700,000 in annual revenue and have at least seven full-time employees.

### Chamber Capacity Building Grants

Shelby County Chambers of Commerce received funding this month as part of the EDGE Capacity Building Grant program to help communities recruit and retain business.

The EDGE board approved the Capacity Building Grants in October of 2013 as a two-year program to assist suburban Chambers of Commerce with marketing collateral.

The second round of funding for the chambers of Arlington, Bartlett, Collierville, Germantown, Lakeland and Millington is part of a \$400,000, two-year effort to assist the suburban chambers with the creation of more than 10 new marketing and development programs.

# DEVELOPMENT PROJECTS

## Serenity Bond Issue

Serenity Recovery Centers, a non-profit alcohol and drug addiction treatment facility, received a \$2.3 million revenue bond from the EDGE board in 2014.

The bond will allow Serenity Recovery to make renovations to its existing 36,000 square-foot building at 1094 Poplar Avenue.

Serenity Recovery Centers was founded in 1971 to provide counseling, education and advocacy for individuals and families in the community who struggle with addiction. The company has served more than 15,000 patients at four locations throughout Memphis and Shelby County.

## PILOT Program

The EDGE Board approved 5 PILOT projects this quarter enabling the creation of 804 new jobs, retention of 897 jobs and investment of more than \$130 million.

The approved PILOT projects include: ACS Clothing Limited, FedEx SupplyChain Systems, Benchmark Education Company, Cummins Inc. and the Target Corporation.

The approved PILOT projects are projected to create more than \$92 million in new tax revenue for Memphis and Shelby County.

## Graceland TIF Zone

The 3-phase Graceland Redevelopment Project was approved as a Tax Increment Financing (TIF) District during the November EDGE board meeting.

# PORT COMMISSION

The Port of Memphis contracted with the engineering firm Smith Seckman Reid to develop a master plan for the redevelopment of the public dock facility on Presidents Island.

The waterfront dock facility, which was closed last year, was the first to incorporate multi-modal transfers between barge, rail and truck.





The new design will provide versatility while drastically increasing the efficiency and diversity of the materials handled.

The City of Memphis is in the process of engineering a 6,800-foot expansion of the southern end of Paul R. Lowry Road at Pidgeon Industrial Park. The expansion of the road will create a southern access point to the proposed CN Riverport Logistics Center on 730 acres of property immediately east of the Intermodal Gateway Memphis facility in the Frank Pidgeon Industrial Area.

The Logistics Center will be complimented by the expansion of the Intermodal Gateway Memphis facility. The intermodal facility is scheduled to be modernized and doubled in size with construction starting Summer 2015.

## REGIONAL ECONOMIC DEVELOPMENT PLAN UNVEILED

Through funding and guidance from EDGE, Memphis and Shelby County leadership partnered to create a plan to prepare the region for participation in a rapidly changing global economic landscape.

“Focus: A Roadmap for Transforming the Metro Memphis Economy” is a comprehensive action plan

designed to make Memphis and Shelby County a global leader in the development, production and distribution of high-value goods and a model for broad-based growth.

The plan is part of the Memphis Fast Forward Framework and is co-chaired by Mayor A C Wharton, Jr., Mayor Mark H. Luttrell, Jr., and FedEx Executive Vice President Christine Richards.

The first initiative to launch as a result of the economic development plan will be the Greater Memphis Alliance for a Competitive Workforce (GMACW).

The GMACW will focus on aligning the skills employers need with the educational programs available to shrink the skills gap between jobs and workforce.

The Regional Economic Development Plan was launched with the help of the Brookings Institution and an extensive network of stakeholders, experts and civic leaders engaged in the development of the Memphis and Shelby County economy.

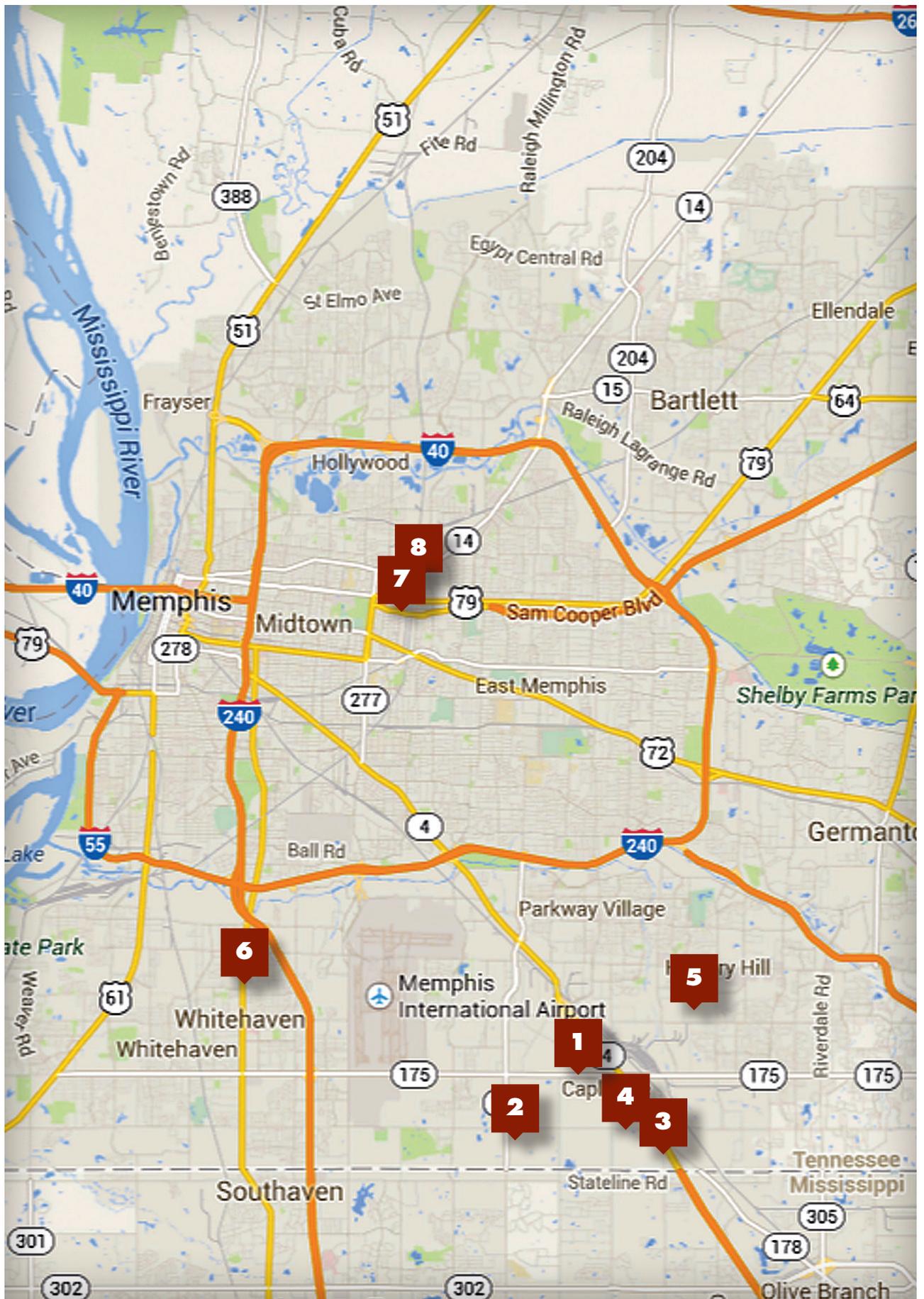
EDGE will continue to provide funding and staff support as the plan moves forward to improve the trajectory of the Metro Memphis economy.

# EDGE Q2 PROJECTS 2014

— PROJECTED OVER TERM —

PROJECT	TERM (IN YEARS)	PROGRAM USED	CAPITAL INVESTMENT	NEW JOBS	RETAINED JOBS	TAX INCENTIVE GIVEN (\$ MILLIONS)	NEW LOCAL TAXES RECEIVED (\$ MILLIONS)
1. ACS Clothing Limited	5	PILOT	\$16,700,000	125	0	\$1,099,824	\$2,787,939
2. Benchmark Education	4	PILOT	\$4,700,000	60	0	\$457,696	\$1,031,692
3. Target Corporation	15	PILOT	\$69,119,545	462	0	\$12,171,125	\$27,262,007
4. FedEx SupplyChain Systems, Inc.	5	PILOT	\$6,800,000	87	0	\$679,040	\$1,856,818
5. Cummins, Inc.	15	PILOT	\$37,216,100	70	897	\$12,934,650	\$59,654,475
6. Graceland Economic Development Area	15	TIF District	95,000,000	514	363	\$15,970,395	\$50,970,395
7. Metalworks	3	ICED LOAN	\$37,500	0	1	\$0	\$0
8. Propcellar Vintage Rentals	3	ICED LOAN	\$269,625	6	1	\$0	\$0
<b>TOTALS</b>			<b>\$229,842,770</b>	<b>1324</b>	<b>1262</b>	<b>\$43,312,730</b>	<b>\$143,563,326</b>





# DEVELOPMENT PROJECTS



## **ACS Clothing Limited**

ACS Clothing Limited was awarded a 5-year PILOT to enable the company to create 125 new jobs and more than \$16 million at 4400 Quality Drive.

The company, based in Scotland, will occupy 240,000 sq. ft. of the building to open its first distribution facility in the United States.

The project will create \$2.8 million in new tax revenue for Memphis and Shelby County, a benefit/cost ratio of \$2.53 in new tax revenue for every \$1.00 of abated taxes.

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## **Benchmark Education Company, LLC**

Benchmark Education Company was awarded a 5-year PILOT to enable the company to create 60 new jobs and at least \$4.7 million at one of two potential Memphis locations.

The PILOT will enable the applicant to move its current operation from West Nyack, N.Y., to a new location at 3955 East Holmes Road or 5155 Highway 78.

The project will create at least \$1.02 million in new tax revenue for Memphis and Shelby County, a benefit/cost ratio of \$2.25 of new tax revenue to every \$1.00 of taxes abated.

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## **Target Corporation**

Target Corporation was awarded a 15-year PILOT to enable the company to invest more than \$69 million and create 462 new jobs at 5461 Davidson Road.

The company will occupy 913,940 sq. ft. of the building.

The average annual salary of the new employees will be \$28,456.

In addition, Target was awarded an EDGE grant in the amount of \$150,000 to be administered by the Workforce Investment Network (WIN) and used for on-the-job training (OJT) if/when the WIN's initial OJT commitment is exhausted.

The project will create more than \$27 million in new tax revenue for Memphis and Shelby County and has a benefit/cost ratio of \$2.24 of new tax revenue for every \$1.00 of abated taxes.



## **FedEx SupplyChain Systems, Inc.**

FedEx SupplyChain Systems, Inc. was awarded a 5-year PILOT to enable the company to create 87 new jobs and more than \$6.8 million at 5050 East Holmes Road.

The PILOT will allow the company to expand its high-tech distribution and logistics service in the Memphis area by growing its physical distribution footprint. The company will occupy 220,234 sq. ft. of the building.

The project will create \$1.9 million in new tax revenue for Memphis and Shelby County, a benefit/cost ratio of \$2.73 in new tax revenue for every \$1.00 of abated taxes.

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## **Cummins, Inc.**

Cummins, Inc. was awarded a 15-year retention PILOT to enable the company to invest more than \$37million, retain 897 jobs and add 70 new jobs at 4155 Quest Way and 5800 Challenge Drive.

The applicant currently leases 704,564 sq. ft. at 4155 Quest Way and plans to lease an additional 400,000 sq. ft. at 5800 Challenge Drive to meet its growing business needs.

The average annual salary of the new and retained employees will be \$37,800 and \$36,639 respectively.

The project is projected to create more than \$59 million in new tax revenue for Memphis and Shelby County and has a benefit/cost ratio of \$4.61 of new tax revenue for every \$1.00 of taxes abated.

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## **Graceland Tax Increment Financing**

Elvis Presley Enterprises (EPE) was awarded a Tax Increment Financing (TIF) District to enable the company to invest more than \$95 million and create more than 500 new jobs.

The TIF District will enable EPE to build a 450-room hotel and conference center with two restaurants and more than 16,000 sq. ft. of meeting space.

As part of the TIF, 50 percent of the real property tax revenues generated as a result of the project will be used to support redevelopment.

Over a 15-year period, the project is projected to create more than \$50 million in new tax revenue for Memphis and Shelby County.

Graceland's redevelopment is a 3-phase project, including the building of the Graceland Archive Studio, the "Guest House" at Graceland, and up to 300,000 sq. ft. of exhibit, attraction and retail space.

# LOAN PROJECTS



## **Metalworks**

Metalworks was approved for a \$25,000 Inner City Economic Development (ICED) loan to help with facade and building improvements at 2537 Broad Avenue.

The ICED loan will complete a combined \$37,500 investment into the Broad Avenue building.

The loan will allow Metalworks to make improvements to its 6,250-square-foot building, as well as create a larger space for Chase The Vape, a retail storefront.

Metalworks specializes in the creation of metal art commissioned pieces.



## **Propcellar Vintage Rentals**

Propcellar Vintage Rentals was approved for a \$25,000 Inner City Economic Development (ICED) loan to help with facade and building improvements at 2585 Summer Avenue.

The ICED loan will complete a combined \$269,625 investment into the Summer Avenue building.

The loan is projected to create six new jobs and allow Propcellar to make improvements to its 10,000-square-foot building.

Propcellar Vintage Rentals specializes in the collection of antique specialty items that are desired by film producers and brides seeking a retro touch for their weddings.



# ADMINISTRATION

## Board of Directors

### EDGE, Depot Redevelopment Corporation and the Industrial Development Board

Al Bright, Jr., *Chairman*

Thomas Dyer, *Vice Chairman*

Natasha Donerson, *Secretary*

Larry Jackson, *Treasurer*

Charles Goforth

Councilwoman Wanda Halbert

Mark Halperin

Deidre Malone

Jackson Moore

Johnny B. Moore, Jr.

Commissioner Steve Basar

### Memphis and Shelby County Port Commission

Johnny B. Moore, Jr., *Chairman*

Thomas Dyer

Dwan Gilliom

Charles Goforth

Mark Halperin

Deidre Malone

Tom Needham

Larry Jackson, *Secretary/Treasurer*

### President, EDGE and Related Entities

Reid Dulberger

### Vice President Port and Industrial Properties

Randy Richardson

### General Counsel EDGE and Related Entities

Mark E. Beutelschies, *Farris, Bobango, Branan, PLC*

### EDGE Staff Members:

Gaye Gammill Davis, *Office Manager*

Carmen Franklin, Sr., *Administrative Assistant*

Garrett Guynes, *Marketing and Communications Assistant*

Trey Heath, *Marketing & Communications Director*

John Lawrence, *Manager, Strategic Economic Development Planning*

Emmett McKnight, *Economic Development Project Manager*

Michael Moyer, *Operations Manager*

James Parker, *Crew Chief*

Mark Summerford, *Crew Person*

Sylvester Williams, *Crew Person*





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