Driving Economic Development

It is EDGE’s vision that all people in Memphis and Shelby County should have opportunities for economic prosperity.

Since the launch of EDGE in 2011, we have been working to make that vision a reality. We have focused on building a solid foundation for streamlined incentives and other competitive financial tools. Entering our sixth year, we now embark on a broader agenda to advance local economic development. EDGE is concentrating development efforts around five main areas: boosting industrial development, bolstering small business expansion, accelerating neighborhood revitalization, fostering regional collaboration, and leveraging the International Port of Memphis.
Q1 2018 EDGE Projects

1. Makowsky Ringel Greenberg, LLC
2. Thomas & Betts Corp
3. AVT Beckett Elevator USA, Inc.
4. Overton Square LLC
5. Soulsville Market
6. Stylist Salon
EDGE Board of Directors approved its first Residential Payment-In-Lieu-of-Tax (PILOT) project for a 108-unit multifamily development located at the intersection of Madison and McLean in Midtown Memphis. The intent of the Residential PILOT Program is to spark investment in market-rate multi-family residential rental projects in the City of Memphis and unincorporated Shelby County.

EDGE awarded Makowsky Ringel Greenberg, LLC a fourteen-year Residential PILOT to enable the company to construct a $14 million, multifamily development on a 1.4-acre parcel. The 132,477 SF building will be a four-story wood frame constructed structure built above a podium that will house 127 on-premise parking spaces. The design was reviewed by third party architect, ArchInc, to ensure the developers’ plans are of high quality for architecture, construction, building systems, and tenant finishes relative to the area. The Midtown CDC endorses the project.

Founded in 1967, Makowsky Ringel Greenberg, LLC has developed and renovated thousands of apartment units across Memphis, TN and northern Mississippi.

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<th>Q1 2018</th>
<th>PROJECTS</th>
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Jobs | Average Salary | Capital Investment | MWBE/LOSB Spending | New Tax Revenue
AVT Beckett Elevator USA, Inc.
Fast Track PILOT (Payment-In-Lieu-of-Taxes)

AVT Beckett Elevators USA, Inc. was awarded a ten-year EDGE Fast Track Payment-In-Lieu-of-Tax (PILOT). The project will bring 25 new jobs to Memphis with an average salary of $35,992 excluding benefits and $3.6 million worth of capital investment to the facility located at 4949 East Raines Road. The Memphis location will be the company’s first facility located in the United States.

Founded in 2007, AVT Beckett Elevator sells to all five major elevator companies in Canada, as well as approximately 50 independently owned elevator companies. The company has 40% market share in Canada and wants to expand into the United States market. EDGE Staff projects $1,222,984 in local total tax revenues to be received during the PILOT term and a $477,211 benefit to AVT Beckett.

25
Jobs
$35,992
Average Salary
$3.6 million
Capital Investment
$176,018
MWBE/LOSB Spending
$1.2 million
New Tax Revenue

Thomas & Betts Corp.
Expansion PILOT (Payment-In-Lieu-of-Taxes)

Thomas & Betts, a member of the ABB Group, was awarded a fifteen-year Expansion Payment-In-Lieu-of-Tax (PILOT) that will enable the company to consolidate their corporate research and development operations from out-of-state into a new corporate headquarters location located in East Memphis.

With the move and expansion, Thomas & Betts will retain 523 jobs and create 75 new jobs with a weighted average base salary of $86,788 excluding benefits. Thomas & Betts will invest $20.8 million at the new 168,578 SF headquarters located at 860 Ridge Lake Blvd.

Founded in 1898, Thomas & Betts is a global leader in the design and manufacture of connectors and components for electrical and communication markets.

598
Jobs
$86,788
Average Salary
$20.8 million
Capital Investment
$2.3 million
MWBE/LOSB Spending
$44.9 million
New Tax Revenue
Overton Square, LLC

Community Builder PILOT (Payment-In-Lieu-of-Taxes)

Overton Square, LLC was awarded a 15-year Community Builder Payment-In-Lieu-of-Tax (PILOT) to construct a 100-room boutique hotel at the southwest corner of Trimble and Cooper Street in Midtown Memphis.

The Community Builder PILOT will support the redevelopment of the site that is a surface parking lot, currently. This project anchors a neighborhood of more than 13,000 people in a zip code with a 22% poverty rate, in addition to removing blighted conditions from this highly visible location and adding a critical piece to the development of a regional theater district. The project will consist of a hotel with a rooftop restaurant and structured parking. The property will be branded through a hotel franchise agreement or an approved independent boutique hotel operations company. While the jobs component is not a requirement of the Community Builder PILOT program, the $24.2 million investment will create 35 hotel jobs, 25 food and beverage jobs, and five management positions. Staff projects $5,407,329 in local total tax revenues to be received during the PILOT term of this project and a $6,151,389 benefit to the PILOT recipient. There will be a required estimated Local Business Participation spend of more than $5.4 million with City and County-certified Minority/Women Business Enterprises.

The Memphis Convention & Visitors Bureau, Playhouse on the Square, Hattiloo Theater, the Indie Memphis Film Festival, and the Midtown Memphis Development Corporation support the project.

“We see this project as a way to increase property tax dollars for the City of Memphis,” said Mr. Sam Goff, Chair of the Midtown Development Corporation. “Moreover, this project is exactly what midtown needs to continue its redevelopment and revitalization.”

Mr. Ekundayo Bandele, Founder/CEO of Hattiloo Theater and neighboring business also expressed his support of the project. “There are only four freestanding black theaters in the United States. Hattiloo is proud to be one of those four. We believe adding this hotel will increase Hattiloo’s opportunities to become the leading black theatre in the country.”

65 Jobs
$22,690 Average Salary
$24.2 million Capital Investment
$5.4 million MWBE/LOSB Spending
$5.4 million New Tax Revenue
Soulsville Market is owned and operated by Ms. Hanan Hishe. Soulsville Market applied for assistance to help with façade repair, HVAC and roof repair, and interior improvements. Soulsville Market, formerly known as In & Out Market, plans to target both customers from the neighborhood and visitors to the Stax Museum of American Soul Music. The market will stock convenience items and fresh produce. Total qualified project costs are estimated to be $36,992. Soulsville Market was approved for a $20,000 ICED Loan.

“We wanted to invest in this neighborhood,” said Soulsville Market owner Ms. Hishe. “We knew the previous owners and wanted to continue the market’s legacy in the neighborhood by providing fresh produce and prepared, hot meals.”

- Loan Approved: $20,000
- Total Capital Investment: $36,992
- Total Jobs: 4
Stylist Salon is owned and operated by Mr. Godfrey Otubu. Stylist Salon applied for assistance to help with façade repair, HVAC installation, roof repair, and interior improvements. The loan will help Mr. Otubu restore the 1,064-square foot building originally constructed as a home in 1940. Stylist Salon will offer both beauty and barber services, along with hair and cosmetic products for sale.

The geographic target area is the surrounding Frayser community. The business will offer six booths operated by licensed cosmetologists and stylists-in-training who cater primarily to women seeking organic skin and hair treatments.

Total qualified projects costs are estimated to be $22,635. Stylist Salon was approved for a $15,000 ICED Loan. Mr. Otubu, Stylist Salon owner and Frayser property investor, added, “it was important to me that we engage the neighborhood in this project; and renovating the salon will help remove this eyesore from the community along with providing an additional opportunity for jobs.”

- Loan Approved: $15,000
- Total Capital Investment: $22,635
- Total Jobs: 6

43 ICED Borrowers (as of 9.30.17)
EDGE SCORECARD

112 PROJECTS
PILOTS: 62  Loans: 44  TIFs: 2  Bonds: 4

$3.1 BILLION CAPITAL INVESTMENT

New Tax Revenue
$1,012,141,784

Taxes Abated
$370,884,837

$2.73 BENEFIT-TO-COST-RATIO:
New taxes generated per $1.00 of taxes abated

14,999 JOBS
$75,759 average wage

Local Business Participation

$437,159,484

$1.17 BENEFIT-TO-COST-RATIO:
Spending per $1.00 Tax Abated

*TAXES ABATED

PILOTS only

$2,798 incentive amount per job/per year
Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

Pathways Tennessee

GMACWorkforce is serving as lead intermediary for the Tennessee Department of Education’s (DOE) Pathways Tennessee for this area. This is a three to four year project that will support public school children’s exposure to career opportunities and the education pathways for success. This initiative connects to Drive to 55, Governor Haslam’s initiative to ensure 55 percent of Tennesseans earn a postsecondary credential by 2025.

MOVE-HIRE Program

Funded by a grant from the U.S. Department of Labor, MOVE-HIRE is a tuition free skills training program, providing industry recognized credentials, and work-based learning opportunities, including apprenticeships, on the job training, and internships to prepare participants for careers in the medical device industry. Through its partnership with the Workforce Investment Network, the MOVE-HIRE program identified the following number of people interested in careers within the medical device industry.

- Engineers: 166
- Packagers: 116
- Logistics Technicians: 112
- Quality Assurance: 114
- Metal Finishers: 51
- Pre-Apprentice Machinists: 94

These individuals will be placed with MOVE-HIRE educational regional training partners to work towards certification and career placement.

MemphisWorks

MemphisWorks, a digital career counselor and web-based application developed by GMACWorkforce, is designed to connect job seekers with career exploration and employers with job seekers. From its initial launch in January 2017, MemphisWorks has attracted more than 7,000 job seekers and 700 organizations to the program.

Employer Resource Network Program

GMACWorkforce is facilitating an Employer Resource Network (ERN) program for up to 10 local companies in conjunction with the Assisi Foundation and HopeWorks. An ERN is a group of six to eight companies working together to place a social worker on site for a limited amount of time every week. The intended outcome is to assist employees with issues that may cause them to be less productive or leave the workforce.

Department of Labor: TAACCCT 4 Grant

In partnership with Arkansas State University - Midsouth, GMACWorkforce is managing the $9.8 million Trade Adjustment Assistance Community College and Career Training (TAACCCT) 4 Grant issued by the US Department of Labor. Awarded to ASU Midsouth, the grant will work to expand local post-secondary capacity in selected manufacturing and transportation, distribution, and logistics programs. As of September 30, 2017, the program trained more than 1,500 students.

“Our program goals center around the creation of new education pathways to improve workforce alignment and expand the pipeline of skilled workers in Memphis and Shelby County,”

Pauline Vernon, Interim Director, GMACWorkforce
Memphis & Shelby County Port Commission

Public Terminal Management

The Port Properties Committee selected WATCO, a Kansas-based transportation company, through two separate search processes to be the firm to negotiate the operations of the 42-acre Public Terminal and the short line rail service for Presidents Island.

Gateway Memphis Intermodal Facility Expansion

In order to secure the future expansion of the Gateway Memphis Intermodal facility, EDGE approved the sale of 67 acres of additional land in the Frank C. Pidgeon industrial Area to the Illinois Central/Canadian National Railroad.

International Port of Memphis Master Plan Team Selected

After a lengthy review of several firms, the Port Master Plan Committee narrowed down the selection to one firm. The Board will review the firm’s proposal and consider the plan for approval at the November 2017 meeting. The selected team will work to develop a comprehensive master plan for the Port of Memphis area of operations. The purpose of the master plan is to chart the near term, as well as long term, future for the Port of Memphis through 2031. The plan will focus on needs and opportunities associated with improvements and expansion of the existing industries in the Port of Memphis.

Bon Voyage, Gaye!

After 32 years of service with the International Port of Memphis, longtime International Port of Memphis Office Manager, Gaye Gammill Davis retired. The Port Commission honored Mrs. Davis with a lovely dinner and recognition ceremony in August. Mrs. Davis has immediate plans to spend time with a new granddaughter and to just relax.

EDGE/Kresge Loan/River City Capital Partnership

The Kresge Foundation, in partnership with EDGE and Memphis-based River City Capital, has introduced a new program to assist with economic development projects in identified distressed areas in Memphis. Through this partnership, EDGE will borrow up to $1 million from The Kresge Foundation to loan to River City Capital. The designated funds will be used for business and development financing specifically for mixed-use commercial developments, multi-family construction, and small business financing in four target neighborhoods: Soulsville in South Memphis near the STAX Museum, Crosstown and the Medical District, South City, and Binghampton.

The Kresge Foundation helps provide capital for expansion opportunities in cities with low income populations. River City Capital provides financing to pre-approved business owners in economically distressed areas.
Major Programs

- **Financing**
  - EDGE Impact Fund
  - Inner City Economic Development (ICED) Loans
  - Taxable and Tax-Exempt Industrial Revenue Bonds (IRB)

- **Tax Incentives**
  - Foreign Trade Zone (FTZ) 77
  - Payment-in-Lieu-of Taxes (PILOT) Incentives
  - Tax Increment Financing (TIF)

- **International Port of Memphis**
  - Harbor Dredging
  - Port Master Plan

- **Small Business Technical Assistance**
  - Economic Gardening
  - SBA Emerging Leaders

- **Workforce Development**
  - 2016 Labor Study
  - America’s Promise Grant/MOVE-HIRE*
  - Industry outreach, assessment, and training support
  - MemphisWorks
  - Ready Whitehaven Workforce Initiative
  - Trade Adjustment Assistance Community College and Career Training Program (TAACCCT) Grant*

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*funded by the U.S. Department of Labor
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◊ Mr. Jackson is an Officer of the Board, but does not hold the position of GMACWorkforce board member.