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.
Q2 2018 EDGE Projects

1. Amazon.com dedc, LLC - Amazon Receive Center
2. Pfizer Inc.
3. 1544 Madison Partners, LLC
4. Peroxychem, LLC
5. Agilent Technologies
6. Technicolor Videocassette of Michigan, Inc.
7. Lula's Frozen Treats
8. NH Owens & Sons Funeral Home
9. Memphis Magnetic Recording Company
Amazon.com.dedc, LLC
Jobs PILOT (Payment-In-Lieu-of-Taxes)

Amazon.com.dedc, LLC. (Amazon) was awarded a fifteen-year Jobs PILOT to enable the company to construct a new 615,440 square foot “receive center” facility employing 600 full time employees. The total project investment includes $39.6 million to construct the brand new facility and $23.3 million to purchase manufacturing machinery and equipment.

The average annual base salary of the 600 new employees is $28,912 excluding benefits. The project is located at 3292 Holmes Road. This site is comprised of 83.3 acres of vacant land.

Founded on July 5, 1994, as an online book retailer, Amazon has expanded across the years to sell almost everything and is now one of the most valuable companies in the world. Amazon is a publicly traded company with more than $135 billion in revenue in 2016. Amazon and its subsidiaries operate more than 50 fulfillment centers, 23 sorting centers, and have more than 90,000 full time Amazon employees throughout the United States. The PILOT will encourage Amazon to construct a new receive center to support its North American fulfillment network. The facility will collect and repackage products for distribution to fulfillment centers across the United States.

EDGE projects $36,851,947 in local tax revenues to be received during the PILOT term and a $15,194,936 benefit to Amazon.
Pfizer, Inc.
Expansion PILOT (Payment-In-Lieu-of-Taxes)

Pfizer, Inc. was awarded a fourteen-year Expansion PILOT to encourage the company to remain in Memphis and retain 250 jobs at 949 S. Shady Grove Road. The total project investment includes the $2.9 million purchase of furniture, fixtures, and computer equipment. Additionally, Pfizer will invest $4.7 million for tenant improvements at the Shady Grove location.

The average annual base salary for the 250 corporate administrative support staff is $88,776 excluding benefits. Pfizer will occupy space in a 155,000 square-foot office building.

Founded in 1849, Pfizer is the world’s largest biopharmaceutical company. Pfizer manufactures products such as Lipitor, Celebrex, Norvasc, Lyrica, and Viagra. The Expansion PILOT will enable Pfizer to reduce overhead costs and improve its competitive position in the global market.

In December 2017, Pfizer PILOT 20171003 was amended to include an increase of office space to 65,593 square feet; increasing the Community Reinvestment Credit to $13,512,158. This resulted in a PILOT benefit of $5,909,182 with a local business participation increase to $2,073,521, and an increase in local tax revenue to $17,284,704.
1544 Madison Partners was awarded a 15-year Residential PILOT to construct 217 apartment units at the corner of Madison Avenue and North Avalon. The project is being developed by a partnership comprised of Orgel Family, L.P.; Three Madison Investments, LLC; Berlin Boyd, Adam Slovis, Benjamin Orgel, Jay Lindy, and Michael McLaughlin.

The Residential PILOT will support the redevelopment of a vacant lot that was occupied formerly by BellSouth. The development will be situated on four-acres and consist of four buildings - one four-story building, one three-story building, along with two five-story buildings. The residential project will be comprised of 217 Class A residential units, 5,000 square feet of commercial space, and 256 secured, off-street parking spaces.

All apartments will feature a modern open kitchen and living concept, nine-foot smooth ceilings, wood floors, stainless steel appliances and granite countertops with European-style cabinetry. Most units will feature an exterior covered balcony. Resident amenities will include a media lounge, 24-hour fitness center, a business center, and bike storage.

Financial assistance is needed to deliver new class-A multi-family living space to Midtown and increase population density in historic parts of Memphis. The developer has committed to reserving 32% of the project, or 70 units, for low to moderate income residents. 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 project is supported by the Memphis Medical District Collaborative consistent with the Residential PILOT policies.

In 2017, this property produced $29,463 in property taxes. Staff projects this will increase to $166,720 a year and $2,500,800 of local total tax revenues to be received during the PILOT term. The benefit to the developer is estimated to be $411,769 a year or $6,179,535 across the life of the PILOT.

<table>
<thead>
<tr>
<th>Jobs</th>
<th>Average Salary</th>
<th>Capital Investment</th>
<th>MWBE/LOSB Spending</th>
<th>New Tax Revenue</th>
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PeroxyChem, LLC.
Jobs PILOT (Payment-In-Lieu-of-Taxes)

PeroxyChem, LLC was awarded a seven-year Jobs PILOT. The project will create 15 net new jobs with an average salary of $56,667 excluding benefits. PeroxyChem will invest $9.6 million at 335 Stiles Drive in North Memphis including $2.7 million to construct a 108,000 square foot facility and $4.3 million to purchase manufacturing machinery, supplies, and other personal property to be used in connection with the project. Additionally, PeroxyChem will also invest $2.4 million in non-abated soft costs.

The site is comprised of 100 acres. PeroxyChem will sub-divide a portion of the parcel.

PeroxyChem is a global manufacturer and supplier of hydrogen peroxide, peracetic acid, persulfates, and other technologies. The company employs more than 500 people throughout the world and has facilities in North America, Europe, and Asia. PeroxyChem supplies customized chemistries for electronics, energy, environmental, food safety, paper and polymer. The new production facility will make peracetic acid, a disinfectant used in many bacterial control applications from food and beverage to wastewater treatment.

EDGE projects $788,868 in local total tax revenues to be received during the PILOT term and a $692,253 benefit to PeroxyChem.

15 Jobs
$56,667 Average Salary
$9.6 million Capital Investment
$794,654 MWBE/LOSB Spending
$788,868 New Tax Revenue
Agilent Technologies, Inc.
Fast Track PILOT (Payment-In-Lieu-of-Taxes)

Agilent Technologies, Inc. was awarded a ten-year Fast Track PILOT to open a distribution facility at 5050 Holmes Road. The project will create 117 net new jobs with an average base salary of $40,670 excluding benefits. Agilent Technologies will make $720,000 worth of capital investment to the facility.

The project site at 5050 Holmes Road is comprised of 30 acres and includes an approximately 454,713 square foot facility. Agilent Technologies will receive Community Reinvestment Credit for the use of 220,635 square feet. The total project investment includes a $340,000 purchase of computer equipment and copiers. Additionally, Agilent Technologies will invest $360,000 to renovate the facility. Agilent Technologies will spend $20,000 in soft costs that will not be abated.

Agilent Technologies, Inc. is a global leader in life sciences, diagnostics, and applied chemical markets. Agilent was created when it spun off from Hewlett-Packard Company in 1999. The company provides laboratories worldwide with instruments, services, consumables, applications and expertise. Agilent focuses on six key markets: food, environmental and forensics, pharmaceutical, diagnostics, chemical and energy, and research.

EDGE projects $5,048,502 in local total tax revenues to be received during the PILOT term and a $1,614,563 benefit to Agilent Technologies.

- 117 Jobs
- $40,670 Average Salary
- $7.5 million Capital Investment
- $332,184 MWBE/LOSB Spending
- $5 million New Tax Revenue
Technicolor Videocassette of Michigan, Inc.

Expansion PILOT (Payment-In-Lieu-of-Taxes)

Technicolor Videocassette of Michigan, Inc. (Technicolor) was awarded an Expansion PILOT. Technicolor will make up to $14 million in new capital investment. Founded in 1910, Technicolor employs more than 17,000 people worldwide.

Technicolor is making long term plans for its current Memphis operations and is considering alternate locations in Huntsville, AL, La Vergne, TN, and Fayette County, TN. The EDGE Board approved four different scenarios to retain Technicolor in Memphis and Shelby County.

The first scenario would retain all existing Technicolor operations in Memphis. A 15-year Expansion PILOT would retain 916 new jobs averaging $46,085 a year and result in $15 million of capital investment.

Scenarios two and three are both 15-year PILOTs that would retain 702 and 391 jobs, respectively; and result in capital investments ranging from $7 million to $10.7 million.

The fourth scenario is a 10-year PILOT that would retain 158 jobs averaging $44,494 and result in $4.2 million in capital investment.

Depending on the scenario, current operations at up to four properties – 5215 Lamar Ave., 4155 Holmes Road, 4010 Holmes Road, and 4926 Southridge Boulevard – would be affected by Technicolor’s decision; with the Southridge property being the only property included in all four scenarios.

Mandatory local business participation ranges from $754,328 for the fourth scenario to $5.5 million for the first scenario.

The following PILOT highlights details for the first PILOT scenario for Technicolor.

- **916** Jobs
- **$46,085** Average Salary
- **$151.2 million** Capital Investment
- **$5.5 million** MWBE/LOSB Spending
- **$63.6 million** New Tax Revenue
Gwendolyn Louise Smith, dba Lula’s Frozen Treats, was awarded an $18,000 Inner City Economic Development (ICED) Loan to help remodel the interior, add a patio and install ADA compatible restrooms at 1750 Frayser Boulevard. Total project costs are estimated to be $37,211.

Lula’s Frozen Treats, named for Ms. Smith’s mother, will be an ice cream shop designed to appeal to children. It will have a bright, colorful interior, and an outdoor seating area. The shop is intended to be a neighborhood destination year-round, offering a fun, safe and family friendly atmosphere.

The loan will help Ms. Smith renovate a 1,200 square foot space in the 1963 building and hire two employees. The location requires conversion from an office space to a restaurant space. This includes a plumbing upgrade and wall reconfiguration in addition to exterior improvements. Once the project is complete, this long vacant property will be 100% occupied with a barber school, dentist office and law office as neighbors. The project is supported by the Frayser Exchange Club.

> Loan Approved: $18,000
> Total Capital Investment: $37,211
> Total Jobs: 2

Cheryl L. Owens, dba N.H. Owens & Son Funeral Home, was awarded an $18,000 Inner City Economic Development (ICED) Loan to help improve the exterior appearance, weatherproof entrances and improve disabled accessibility at 421 Scott Street. Total qualified project costs are estimated to be $30,951.

Ms. Owens is owner and a licensed funeral director. She is assisted by Ron Taylor, operations manager and a twelve-person staff. Ms. Owens believes this project will create one new full-time position and three new part-time positions. As the Granddaughter of the founder, Ms. Owens is committed to both this business and the neighborhood.

N.H. Owens & Son Funeral Home opened at this location in 1912. It has always been family owned and on Scott Street.

The loan will help Ms. Owens repair the 3,388 square foot building constructed in 1937. A rear entrance will be replaced and weatherproofed. Handicap accessibility will be improved at the main entrance from Scott Street. The exterior will be painted and siding will be installed above the overhang. A drop-off canopy will be constructed and awnings with the business name and logo will be installed. This project is supported by the Binghampton Development Corporation.

> Loan Approved: $18,000
> Total Capital Investment: $30,951
> Total Jobs: 18
Claire and Scott McEwen, dba Memphis Magnetic Recording Company, were awarded a $20,000 Inner City Economic Development (ICED) Loan to help improve the exterior appearance, expand the building and install an HVAC system at 618 Vance Avenue. Total qualified project costs are estimated to be $51,156.

Scott McEwen is the managing partner in the project. He is a recording engineer, musician and producer who specializes in traditional analog techniques. He owned and operated Fry Pharmacy Recording in Nashville from 2004 through 2015. Prior to this, Mr. McEwen had a career as a sales manager for guitar effects and amplification companies.

Memphis Magnetic Recording will target roots rock, blues and soul music. It will specialize in offering access to museum quality vintage analog equipment in a new, high quality studio setting.

The loan will help the McEwens restore the 1,990 square foot building constructed in 1920. The building will be expanded to include a loading area, lobby, main entrance and an ADA compatible restroom. Funds will also be used to install an HVAC system for the entire building. This project is supported by Steve Nash and Advance Memphis.

- Loan Approved: $20,000
- Total Capital Investment: $51,156
- Total Jobs: 5

Inner City Economic Development Loan Program Performance To Date

46 ICED Borrowers (as of 12.31.17)
$1,014,418 ICED FUNDS
$3.5 MILLION CAPITAL INVESTMENT
350 JOBS
**EDGE SCORECARD**

- **120 PROJECTS**
  - PILOTS: 68
  - Loans: 47
  - TIFs: 2
  - Bonds: 4

- **$3.4 BILLION CAPITAL INVESTMENT**

- **New Tax Revenue**: $1,138,015,556
- **Taxes Abated**: $435,546,398

**$2.61 BENEFIT-TO-COST-RATIO:** New taxes generated per $1.00 of taxes abated

- **16,908 JOBS**
- **$72,111 average wage**
- **$2,809 incentive amount per job/per year**

**Local Business Participation**

- **$464,570,782**
- **$1.06 BENEFIT-TO-COST-RATIO:** Spending per $1.00 Tax Abated

*PILOTS only
On Wednesday, October 25, led by the Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce), the Greater Memphis Chamber, and Workforce Investment Network (WIN) more than 25 private companies met with representatives from Shelby County Schools and several municipal school districts to discuss how the two groups can work together to improve and support career readiness in education.

Keynote speaker, State Representative Mark White (R-83), discussed the State of Tennessee’s efforts to attract more business to the Greater Memphis Region and how an improved pipeline of highly educated and well-trained citizens is critical to that effort.

Shelby County Schools Superintendent Dorsey Hopson discussed strategies for coordinating industry sectors and clusters in Shelby County Schools’ Career and Technical Education Centers.

The participating organizations joined in lively roundtable discussions to learn how schools and businesses can work together to create valuable partnerships.

“K-12 schools cannot be successful without community business involvement, parents, and the greater community at large,” said John Churchill, GMACWorkforce Vice President, Business Services. “At GMACWorkforce, we will track and measure the effectiveness of these relationships and share our findings with each other.”
Earth Complex Lease Renewed

The Port Commission Board of Directors approved entering into a 20-year lease agreement with two additional five-year options with the City of Memphis for nearly 850 acres for use as the EARTH Complex. The EARTH Complex (Environmental and Resource Technology Complex) provides the city of Memphis with an environmentally friendly system for solid waste and sludge disposal combined with a research and wildlife habitat.

Port Enters into Alliance Agreement with Plaquemines
Port Harbor & Terminal District

The Port Commission Board of Directors agreed to establish a five year formal alliance of cooperation with Plaquemines Port Harbor & Terminal District (Plaquemines Parish, LA) aimed at generating new business by promoting international and inland trade routes in order to help increase economic growth. Both organizations will engage in joint marketing activities, data exchange, market studies, and training sessions to better improve economic activity along the Mississippi River.

Master Plan to Help Navigate the Future of the Port of Memphis

The Port Commission Board of Directors and the EDGE Board of Directors approved a $327,500 contract for a comprehensive master plan study for the Port of Memphis. The study will include Presidents Island, the Frank C. Pidgeon Industrial area, and the McKellar Lake Harbor. A team led by the Pickering Firm will conduct the study.

The plan will offer recommendations for a wide array of topics, including facility expansions, property redevelopment, economic impact, environmental analysis, and target tenant identification. Pickering will also lead public meetings and presentations to collect input from key project stakeholders along with community members. The plan will take close to six months to complete.

“I believe this is a significant project for us as we seek to repurpose the port and position it for continued use and viability for the next 20 to 50 years,” said Port Chairman and EDGE board member Johnny Moore, Jr.
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*

*funded by the U.S. Department of Labor

EDGE Managed Entities

- **Depot Redevelopment Corporation of Memphis and Shelby County**

- **Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)**

- **Industrial Development Board of the City of Memphis and County of Shelby, TN**

- **Memphis and Shelby County Port Commission**

EDGE Properties

- **Depot**

- **Frank C. Pidgeon Industrial Park**

- **Presidents Island**
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* Mr. Jackson is an Officer of the Board, but does not hold the position of GMACWorkforce board member.