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. In our eighth 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.
Q4 2019 EDGE Projects

1. Cleveland Track Material, Inc.
2. J.M. Smucker LLC
3. Pandrol USA
4. AutoZone Parts Inc.
5. Al’s Tasty Burger
6. Mystic Styles Glam Studio
Cleveland Track Material, Inc. was awarded a seven-year Jobs PILOT to encourage the company to create 51 Net New Jobs and invest $6,030,000 in the City of Memphis at 391 East Mallory.

Cleveland Track Material, Inc. has been evaluating locations to make capital investments and expand production. While the Cleveland, OH facility is the company's largest operations facility with skilled labor in place, the Memphis facility is strategically located and is only about 10% utilized.

Cleveland Track Material, Inc. is a manufacturer and supplier of railway trackwork to North American Class 1 railroads and transit networks. The company’s products include turnouts, crossings, and special trackwork for complex rail intersections. Cleveland Track Material, Inc.’s global parent company is publicly traded Vossloh AG, which is headquartered in Germany and has operations in over 20 countries with more than 3,900 employees worldwide. The company operates three US manufacturing facilities with 170 employees combined in Cleveland (OH), Reading (PA) and the existing 20 person Memphis operation.

According to the terms of the PILOT, Cleveland Track Material, Inc. will hire 51 new employees with an average base salary of $47,380 excluding benefits.

EDGE Staff projects $2,176,616 in local total tax revenues to be received during the PILOT term and a $653,465 benefit to Cleveland Track Materials.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
J.M. Smucker LLC
Jobs Track PILOT (Payment-In-Lieu-of-Tax)

J.M. Smucker, LLC was awarded a six-year Jobs PILOT to encourage the company to create 25 Net New Jobs and invest $8,880,000 in the City of Memphis at 4740 Burbank Road.

J.M. Smucker has been evaluating options for production of Jif Creamy Clusters (granola snacks with peanut butter centers), renovation of facilities to accommodate this production, and installation of related manufacturing and packaging equipment.

Founded in 1897 and headquartered in Orrville, Ohio, The J.M. Smucker Company is a publicly traded manufacturer of consumer food products including Jif Peanut Butter, Folgers Coffee, Crisco Vegetable Oil, and Uncrustables Sandwiches. The company operates 30 locations across North America and employs more than 7,000 people.

In 2012, the company was scheduled to close its Memphis facility. With the help of the PILOT program, the company instead invested $102,000,000 into its Memphis facilities and now has 139 employees making Jif and other peanut butter related products.

According to the terms of the PILOT, J.M. Smucker will hire 25 new employees with an average base salary of $43,244 excluding benefits.

EDGE Staff projects $1,462,267 in local total tax revenues to be received during the PILOT term and a $739,855 benefit to J.M. Smucker.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Pandrol USA
Community Builder PILOT (Payment-In-Lieu-of-Tax)

Pandrol USA was awarded a fifteen-year Community Builder PILOT. For the terms of the PILOT, Pandrol will create and maintain a total of 73 employees with an average salary of $49,453 excluding benefits. The company will invest $9,291,200 in the facility located at 611 Winchester Road. After intensive environmental remediation and site work, the company will locate its North American headquarters to Memphis and launch a manufacturing operation at the facility.

The building, located adjacent to a residential community, is in need of substantial renovation and environmental mitigation. The qualified Census Tract has a 28.1% poverty rate and an unemployment rate of 11.2% (compared to 4.9% for Memphis and 4.4% for Shelby County). Financial assistance is needed to help expand the local economy, spark investment, and create jobs in an economically distressed area. Additionally, removal of blight and improvement of the overall neighborhood quality of life is consistent with the Community Builder PILOT policies. Pandrol USA proposes to remediate the 20-acre project site and renovate the 233,000 SF building situated on the property.

With global headquarters in France and the North American headquarters currently located in New Jersey, Pandrol USA manufactures and installs rail fastening products such as railroad clips, crosstie plates and screw spikes. The parent company operates 17 related companies around the globe and has 1,700 total employees. Pandrol USA (known as Pandrol North America) has 11 offices and four manufacturing facilities throughout the United States, Canada, and Mexico. Due to growth in this highly competitive industry, Pandrol USA is looking for another manufacturing facility and a corporate location closer to its customers.

73
New Jobs

$49,453
Average Salary

$9.3 million
Capital Investment

$966,537
MWBE Spending

$5.1 million
Tax Revenue

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
AutoZone Parts Inc.
Jobs Track PILOT (Payment-In-Lieu-of-Tax)

AutoZone Parts Inc. was awarded a fifteen-year Jobs PILOT to encourage the company to create 130 Net New Jobs with an average base salary of $80,439 excluding benefits, and invest $145,488,960 in the City of Memphis.

The total project investment includes current real property value of $2,916,800 and $3,100,000 for renovations to 100-110 S. Front, and $139,472,160 for new personal property to be located at both 100-110 S. Front Street and 123 S. Front Street.

AutoZone has been evaluating locations for the new technolog/customer support operations for digital, retail, and commercial expansion. This expansion will allow the company to provide faster fulfillment of parts requests and aid mechanics with on-demand access to comprehensive repair information. The location for this activity will house servers, databases, and related computer software and hardware, in addition to engineers, software developers, and other employees.

AutoZone is the nation’s leading retailer and distributor of automotive replacement parts and accessories. Founded in 1979, the Memphis based company has grown to 6,202 stores around the world, with 12 distribution centers and approximately 90,000 total employees.

EDGE Staff projects $14,052,261 in local total tax revenues to be received during the PILOT term of this project and an $11,279,798 benefit to AutoZone.

130 New Jobs
$80,439 Average Salary
$145.5 million Capital Investment
$1.4 million MWBE Spending
$14.1 million Tax Revenue

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Al’s Tasty Burger
Inner City Economic Development Loan

Mr. Terry Peete, dba Al’s Tasty Burger, was awarded a $20,000 Inner City Economic Development (ICED) Loan to help complete build-out and exterior renovations to improve visibility at 965 East McLemore. Total project costs qualified for the ICED program are $38,510 excluding completed interior costs and building purchase.

Mr. Peete was raised between Orange Mound and South Memphis. His grandmother taught him to bake and set an example that would lead to his professional life in the kitchen. He was employed at the original Al’s Tasty Burger in 2011, opened the Brooks Road location in 2015, and purchased the business from the previous owner entirely in 2017.

Al’s Tasty Burger was launched in 1971 in South Memphis. The restaurant serves chili dogs, sandwiches, and a one-half pound Angus burger. Mr. Peete has also added chicken and full meals to the menu. The business now wants to return to its roots with a second location in the building where it all started.

The loan will help Mr. Peete renovate the 1,254 square foot space constructed in 1968 by completing exterior renovations, parking upgrades, dumpster screening, and installing signage. This project is supported by Community LIFT and River City Capital.

- Loan Approved: $20,000
- Total Capital Investment: $38,510
- Total Jobs: 10

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Ms. Takila Hampton, dba Mystic Styles Glam Studio, was awarded a $12,000 Inner City Economic Development (ICED) Loan to help complete interior renovations and improve the visibility and appearance of the exterior at 4466 Elvis Presley. Total project costs are $44,862.

Ms. Hampton has more than 25 years of experience as a stylist. She owns Mystic Styles Glam Studio and is a distributor of natural, organic beauty products. Mystic Styles Glam Studio has operated in Whitehaven for more than 22 years and has been in the same location for 17 years. The business employs 10 stylists providing haircare for women, men, and children in the neighborhood.

The existing location is being demolished to create a site for a new development. The restaurant next door owns the property, is going to expand, and needs the entire site for their operation. Ms. Hampton and her business were given three months notice to vacate.

The loan will help Ms. Hampton renovate the 1,600 square foot space constructed in 1973 by completing electrical and plumbing upgrades, installing new flooring, and installing exterior signage. This project is supported by The Greater Whitehaven Economic Redevelopment Corporation.

- Loan Approved: $12,000
- Total Capital Investment: $44,862
- Total Jobs: 10

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
EDGE SCORECARD

163 PROJECTS

$5.1 BILLION CAPITAL INVESTMENT

PILOTS: 89 | Loans: 57 | TIFs: 4 | Bonds: 8 | Other: 18

Local Tax Revenue $1,323,926,286
Taxes Abated $513,537,267

$2.58 BENEFIT-TO-COST-RATIO: Local taxes per $1.00 of taxes abated

$616,395,854

$1.20 BENEFIT-TO-COST-RATIO: Spending per $1.00 Tax Abated

31,696 JOBS

$68,428 average wage

$2,612 incentive amount per job/per year

Local Business Participation

Created in 2011 by the City of Memphis and Shelby County, EDGE (Economic Development Growth Engine) provides and coordinates public resources to drive city and county-wide economic development.

PILOTS only

* Some recipients received more than one type of assistance.

901.341.2100 www.growth-engine.org

062719
Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

GMACWorkforce Sector Council Program Emerges as Power Player

GMACWorkforce sponsored its inaugural Sector Council Breakfast, “Generating Workforce Momentum” on April 15th at the Holiday Inn - University of Memphis.

Developed in 2016, these Sector Councils focus on recruiting, training, and retaining entry-level and skilled positions in four specific occupational areas in manufacturing, transportation, distribution, and logistics. The Councils also work to attract youth, veterans, career changers, and other populations into the targeted occupations.

City of Memphis Chief Operating Officer Doug McGowen provided the keynote address. He spoke about improving career pathways and strengthening relationships between employers and the education community. Mr. McGowen was followed by each of the five council chairpersons: Karen Drewery of Valero Manufacturing (Advanced Manufacturing Sector Council), Wayne Elliot of Schneider (Commercial Drivers License Sector Council), Benjamin Dancy of Ryder (Diesel Technology Sector Council), Andy Cowan of Rees-Memphis (Steel Fabricators Council), and Roy Smith of GMMDC-Medical Device Manufacturing.

One common theme emerging from the presentations was the need to better educate students and parents about the availability of employment and career opportunities that pay good wages within their industries.

Sector Council membership in the sector councils is voluntary and not subject to dues or membership in any other organization. Members will have the opportunity to interview candidates completing training programs, join internship programs, attend job fairs, and participate in other GMACWorkforce-sponsored activities.

For more information about Sector Councils, please contact Alan Gumbel (agumbel@gmacw.com or at 901.614.1099).

Grant Updates

Department of Labor, America’s Promise Grant (MOVE-HIRE: Medical device Occupations Value Education and Help in the Regional Economy)

- Goal: to prepare and train unemployed/underemployed individuals in machining, finishing, quality, packaging, logistics, and engineering careers associated with the medical device industry
- Grant amount: $5,992,314 as of 06/30/18
- Enrollment: 308 participants
- Industry Recognized Credentials (IRC) Awarded: 318
Port Public Terminal & Master Plan Update

Every day, millions of tons of agricultural and bulk products flow through the Port of Memphis. With the planned Port improvements as outlined by the Port Master Plan, and eventual arrival of container-on-vessel barge traffic, soon, the Port of Memphis will be able to accommodate more commercial activity.

The first of the planned improvements was to address the issues concerning the recently demolished Public Terminal. In April 2019, a site survey was conducted of the 55-acre public terminal site.

The Public Terminal is comprised of approximately 55 acres that is occupied currently by three industries: terminal operator, Watco; animal feed producer, Midsouth Milling; and Jet Infrastructure. The Public Terminal is an inter-modal facility that provides access to waterborne, rail, truck, and pipeline operations. The terminal was first built by the City of Memphis and Shelby County in 1951. The facility provides general cargo handling services to more than 150 industries on Presidents Island and serves more than 300 metropolitan markets that can be reached overnight by truck.

Following the site survey, beginning in July, the State of Tennessee will begin work to install the $1.9 million dollars of rail infrastructure on the northern section of the Public Terminal property. The project is part of the State of Tennessee’s Rail Grant program which will help expand rail service on Presidents Island. The project will include the construction of approximately 4,900 feet of new rail track in the terminal, plus four new switches. This will create capacity for approximately 70 additional 100-ton rail cars at the facility. The project will help companies that transfer bulk products between rail to barge.

“The new rail improvements will also act as a catalyst for construction of a new dock facility, storage/warehouse facility, and liquid tank farm,”

Randy Richardson
Vice President, Port & Industrial Operations, Port of Memphis

“The proposed project will enhance current industry needs and help attract new businesses that are already interested in the transportation advantages of the Memphis area,” said Randy Richardson, Vice President, Port and Industrial Properties. “Additional rail space at the Port of Memphis also will open the Memphis area to markets in the Ohio River Valley, Midwest, and Northeast.”

The International Port of Memphis is the second largest inland port on the shallow draft portion of the Mississippi River, and the 5th largest inland Port in the United States. The port’s industries generate more than $9.2 billion of annual economic impact.
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-Tax (PILOT) Incentives
  :: Tax Increment Financing (TIF)

• **International Port of Memphis**
  :: The Frank C. Pidgeon Industrial Park, Presidents Island, and McKeller Lake
  :: 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

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**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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Interim Executive Director, Greater Memphis Alliance for a Competitive Workforce

Alan Gumbel

General Counsel, EDGE and Related Entities

Mark E. Beutelschies
Farris Bobango PLC

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