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 seventh 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 2019 EDGE Projects

1. JNJ Logistics
2. Poplar Corridor Business District Association of Owners
3. Castle Retail Group
4. Eggxactly Breakfast & Deli
5. Memphis Area Youth Association
JNJ Logistics LLC was awarded a 15-year Expansion PILOT to encourage the company to invest $20.6 million at 5000 and 5050 American Way, retain 290 existing employees, and create 222 new jobs with an average salary of $65,410.

JNJ Logistics is a transportation provider founded in Memphis in 1992. Today, the company provides brokerage services, shuttling and just-in-time delivery services in 48 states. They operate terminals in Georgia and Florida and are pursuing locations west of the Mississippi. JNJ Logistics operates a fleet of more than 450 trucks on the road serving customers such as FedEx, Amazon, UPS, Walmart, PepsiCo, Nestle, Frito Lay, Dillards, Bed Bath & Beyond, and McKesson.

The company has outgrown its current facility and is exploring options in the Mid-South region for relocation of its corporate headquarters, operations center, vehicle maintenance facility, and on-site warehouse with cross-dock. This PILOT will help JNJ Logistics redevelop the Delta Square Shopping Center site that has been vacant for more than ten years. JNJ Logistics has proposed a major renovation of the site into a multi-functional complex, housing its large fleet of vehicles, 151 management, accounting, and information technology employees, 36 maintenance and warehouse employees, and more than 325 Memphis-based truck drivers.

EDGE Staff projects $35,595,269 in local total tax revenues to be received during the PILOT term and an estimated $5,855,123 benefit to JNJ Logistics.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Poplar Corridor Business District
Association of Owners
Tax Increment Financing (TIF)

Poplar Corridor Business District is a 400+ parcel area located along Poplar Avenue in the City of Memphis, immediately east and west of Interstate 240. The district serves as the headquarters for many of the most recognized corporate leaders in the Greater Memphis area, including FedEx, International Paper, Vining Sparks, St. Francis Hospital, and several prominent financial corporations and law firms. The area provides a substantial amount of economic activity for the City and County.

Infrastructure improvements are necessary in order to promote the continued vitality of the Poplar Corridor Business District. While the private sector has made substantial investments in the area, the public infrastructure is insufficient to accommodate growth in the district safely. The Poplar Corridor Business District Association of Owners, the not-for-profit TIF applicant, wants to facilitate the development of several projects within the district including new Class-A office space, two mixed use, retail centers, and two hotels.

The project will not be feasible without significant investments in new and improved infrastructure in the area. $91.2 million of TIF funds will be spent on public infrastructure such as road improvements, new pedestrian walkways, traffic signals, utility pole replacement, street lights, gateway signage, and streetscapes. The new investment is estimated to be $499.5 million.

Implementation of the project will yield significant benefits to the City of Memphis and Shelby County. The project will generate substantial additional tax revenues to the local governments, preserve and create 7,000 jobs within the City and the County, and further expand the economic impact of the Poplar Corridor Business District. Furthermore, the project and infrastructure improvements are expected to serve as a catalyst for additional office, retail, and other commercial developments and redevelopments in the future of the area.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
EDGE’s Economic Development Finance Committee awarded Castle Retail Group, dba Cash Saver, a $100,000 EDGE Loan amortized at 2% interest across a seven-year term to complete equipment financing for a new $1.1 million, 31,000 square foot supermarket located at 1977 South Third Street in South Memphis.

Once home to a nationally recognized grocer, this new store will create approximately 50 full-time equivalent grocery store positions at an average wage of $12.00 per hour. Filling this space with a grocery is critical to creating the necessary foot traffic to sustain and support retailers remaining in the approximately 125,000 square feet of commercial space and to attract new retailers to approximately 50,000 square feet of vacant retail space.

Castle Retail Group operates four independent Cash Saver Cost-Plus Food Outlets in Memphis, TN. Through a collaboration with Associated Wholesale Grocers (AWG), the Cash Saver concept was designed to offer deep discounts while still offering a large assortment of high quality products, U.S. Number One Grade produce, and premium meats. Cash Saver stores focus on lower rent locations, simple store designs, and reduced advertising and overhead costs.

In July 2018, the EDGE Board of Directors awarded Southgate Center a 15-year Community Builder PILOT; thereby helping to reduce property taxes passed through to the grocery. In addition, the landlord has secured refrigeration cases and storage equipment from the previous grocery tenant, along with agreeing to tenant improvements and build out. Finally, The Works Community Development Corporation is financing $460,000 for working capital and inventory for the grocery store with funding from the City of Memphis. The project is supported by the South Memphis Alliance.

> Loan Approved: $100,000
> Total Capital Investment: $1,087,500
> Total Jobs: 50

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Eggxactly Breakfast & Deli
Inner City Economic Development Loan

Eggxactly Breakfast & Deli is owned and operated by Wendell and Adrena Jackson. Eggxactly Breakfast & Deli applied for assistance to help improve the exterior appearance and complete interior renovations of the 1,632 square foot facility located at 1248 Marlin, constructed in 1952.

Eggxactly will combine an eclectic, southern-style atmosphere with excellent customer service and delicious, homemade food. The restaurant will be open from early-morning breakfast hours through mid-afternoon for lunch. The goal is to become a neighborhood meeting spot by offering an inviting and community-friendly atmosphere.

The project is supported by the Greater Whitehaven Economic Redevelopment Corporation. Total qualified projects costs are estimated to be $33,509. Eggxactly Breakfast & Deli was approved for an EDGE ICED Loan not to exceed $20,000.

> Loan Approved: $20,000
> Total Capital Investment: $33,509
> Total Jobs: 2

Memphis Area Youth Association (MAYA)
Inner City Economic Development Loan

Memphis Area Youth Association (MAYA) is owned and operated by Ms. Regina Tappan. The organization offers cheerleading and dance instruction along with athletics programs. Students are provided with academic and social mentoring programs, as well. Currently, more than 100 children participate in four dance teams, two cheer teams, and a basketball program.

MAYA applied for assistance to help remodel the 6,800 square foot practice facility located at 5395 Elvis Presley Boulevard, built in 1984. In addition to roof replacement and ceiling repair, the project will address façade improvements and exterior lighting installation.

This project is supported by the Greater Whitehaven Economic Redevelopment Corporation. Total qualified projects costs are estimated to be $37,700. MAYA was approved for an EDGE ICED Loan not to exceed $20,000.

> Loan Approved: $20,000
> Total Capital Investment: $32,743
> Total Jobs: 5

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Sewer Capacity Management Incentive
EDGE Works to Encourage Infrastructure Development

In July, the EDGE Board of Directors created the Sewer Capacity Management Incentive. Working with the City of Memphis, EDGE created the program to help real estate developers offset the added cost of installing offline sewer storage and pumping facilities in areas with inadequate sewer capacity during normal business hours.

In parts of the City, the sanitary sewer system is at or near capacity. For new building permits, the City will require developers to install offline storage and pumping systems, so the effluent can be stored during the day and then pumped to the treatment facility during off-hours (e.g., 11 pm to 5 am) when there is available capacity.

The new Sewer Capacity Management Incentive provides a 75% abatement of City of Memphis real property taxes on the overall project, for the period of time needed to offset the cost of purchasing and installing the offline system, plus an allowance for legal and other fees (maximum of 15 years). County property taxes are not abated. Program participants must use City-certified Minority/Women-owned Business Enterprises for their overall projects in an amount at least equal to 50% of the cost to acquire and install the offline sewer storage and pumping system. Eligible projects include retail, office, industrial, distribution, tourism and hospitality, and multi-family residential developments. Owner-occupied residential projects are not eligible.

To be considered, projects must be recommended by the City of Memphis Department of Public Works. For more information regarding EDGE’s Sewer Capacity Management Incentive policies and procedures, please visit the following: http://www.growth-engine.org/site-selectors/resources/.

EDGE PILOT Recipients Outperform Minority Spending Requirements

For the fourth consecutive year, EDGE/IDB PILOT recipients outperformed the anticipated minority/women/locally-owned small business spend. PILOT recipients spent nearly $286 million with minority/women/locally owned small firms from 2012-2017, exceeding their commitments by almost $20 million.

A new report covers the activity of 67 firms with active PILOTs approved by either the Industrial Development Board (IDB), now part of EDGE since 2011, or EDGE itself. Those 67 PILOT recipients contracted with 319 Minority/Women Business Enterprises (MWBEs) and Locally-Owned Small Businesses (LOSBs). The average spend with City or County-certified MWBE firms was $1 million.

Efforts to assist MWBEs and LOSBs through the PILOT program date back to 2001 when the IDB launched its Jobs Plus Optional Program. When that voluntary effort proved unsuccessful, the IDB created a mandatory Diversity Program in 2008. EDGE continued the Diversity Program and subsequently updated it with the Local Business Participation (LBP) Program which, since 2017, focuses exclusively on growing City and County-certified MWBEs.

EDGE SCORECARD

144 PROJECTS*
PILOTS: 81 Loans: 52 TIFs: 4 Bonds: 7

Local Tax Revenue $1,247,516,816
Taxes Abated $490,498,057**

$2.54 BENEFIT-TO-COST-RATIO:
Local taxes per $1.00 of taxes abated

$4.6 BILLION CAPITAL INVESTMENT

Taxes Abated $490,498,057**

27,377 JOBS
$70,219 average wage**

$2,744 incentive amount per job/per year*

Local Business Participation

$627,270,791

$1.28 BENEFIT-TO-COST-RATIO:
Spending per $1.00 Tax Abated

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.

* Some recipients received more than one type of assistance. **PILOTS only

2011 - September 2018
Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

Making the Connection: Industry Talent Sector Councils

GMACWorkforce maintains strong partnerships with several sector councils throughout the Greater Memphis region. The talent sector councils are comprised of companies with common skill needs and similar occupations. The councils operate under the general support of GMACWorkforce. These advisory councils recommend academic programs, course standards, and industry certifications to education and training partners.

Developed in 2016, these Sector Councils focus on recruiting, training, and retaining entry-level and skilled positions in four specific occupational areas in manufacturing and transportation, distribution, and logistics. Currently, there are four sector councils: Advanced Manufacturing, Steel Fabricators, CDL Council, and Diesel Technology. The Sector Councils also work to attract youth, veterans, career changers, and other populations into the targeted occupations.

For more information about joining a sector council, please contact VeLecia Young, 901.614.1099, vyoung@gmacw.com.

Grant Updates

*Department of Labor, Trade Adjustment Assistance Career and Community College Training (TAACCCT) 4 Grant*

- Goal: to expand local post-secondary capacity in selected manufacturing and transportation, distribution, and logistics programs
- Grant amount: $9,814,818 as of 09/30/18
- Enrollment: 1,710 participants
- Completed Program of Study: 1,090 participants
- Industry Recognized Credentials (IRCs) awarded: 625 participants earned 2,085 credentials

*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 09/30/18
- Enrollment: 139 participants
- Industry Recognized Credentials (IRCs) awarded: 40
Memphis & Shelby County Port Commission

The Future of Freight - More Shipping, Less Emissions

Hosted by EDGE, the Greater Memphis Chamber, Port of Memphis, Tennessee Department of Agriculture, and Tennessee Department of Economic and Community Development, officials from Louisiana’s Plaquemines Port Harbor & Terminal District and Miami-based American Patriot Holdings (APH) met with local freight shippers and affiliated industries to discuss introducing new shipping models to the Mississippi River.

APH is developing two types of liquid natural gas-fueled, self-propelled ships for transporting containers on the inland waterways system starting with the Mississippi River and its tributaries. The first model is a 2,500-container ship to traverse river sections that are not restricted by a lock system. The second model is a 1,600-container hybrid craft to operate in areas where locks restrict river navigation. APH is proposing to bring ocean-going container ships to the Port of Plaquemines, where containers will be loaded and offloaded on to vessels designed specifically to move along the inland waterway system; with Memphis and St. Louis the upriver shipment points. This unique project has the potential to bring cargo from Europe and Asia directly to the Mid-South, and provides a unique opportunity for the region to improve its global competitiveness through inland trade routes along the Mississippi River.

Ensley Levee Relief Wells Project

The Ensley Levee protects Frank C. Pidgeon Industrial Park’s approximately 5,000 acres. During the historic 2011 flood, the U.S. Army Corps of Engineers observed under-seepage and soil erosion around the levees.

Through the 2012 Disaster Relief Act, Congress provided $4.5 million to strengthen the Ensley Levee with the installation of 121 relief wells. These wells will serve as relief valves when flood waters rise on the river side of the levee and seep through the permeable layers beneath the structure. The relief wells will collect the water flowing beneath the levee and provide for a controlled, safe outlet for seepage, preventing it from displacing additional sand and soil from the levee foundation. Drilling depths for the wells, located near the southern edge of the industrial area, range from 90 to 125-feet.

Pidgeon Ash Project Update/ TVA Pidgeon – Site Development Update

The ash pond sites once utilized by the Tennessee Valley Authority (TVA) for the shuttered Allen Coal Plant are closing. The Port Commission, which manages the site, is waiting for approval from the Tennessee Department of Environment and Conservation to shut down and close the feeder wells. The Port Commission is investigating possible uses for the areas once TVA has completed the environmental clean-up.
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
BOARD OF DIRECTORS

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Vice President, Port and Industrial Properties; Executive Director, Memphis & Shelby County Port Commission

Randy Richardson

Interim Executive Director, Greater Memphis Alliance for a Competitive Workforce

Pauline Vernon

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.