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.
Q4 2018 EDGE Projects

1. Franklin Sports, Inc.
2. Enclara Pharmacia, Inc.
3. OMO Energy & Technology Inc.
5. JD USA Shopping Center
6. William R. Moore College of Technology
7. Broad Ave Tower Mixed Use Development
8. Southgate Center
9. Thrive at The Park
10. Parkside at Shelby Farms Development Area
11. Elvis Presley Enterprises, Inc. Series 2018 Bond
Franklin Sports, Inc.
Jobs PILOT (Payment-In-Lieu-of-Tax)

Franklin Sports, Inc. was awarded a six-year Jobs PILOT to enable the company to add 27 jobs with an average salary of $39,722 excluding benefits and invest $16,410,000 at 0 Holmes Road (with frontage on Getwell).

Headquartered in the Boston area since 1946, Franklin Sports, Inc. manufactures and distributes sporting goods for both team play and home use. Franklin products are sold around the world at retailers including Wal-Mart, Target and Dick’s Sporting Goods, in addition to online outlets. The company has partnerships with professional sports leagues and many universities.

Since 2003, Franklin Sport’s sole U.S.-based distribution operation has been in Memphis, TN. Currently, the company employs 60 people, occupies 300,000 square feet in the adjoining property, and leases 100,000 square feet of overflow space in a different location. The company has twice outgrown its buildings in Memphis and is now analyzing future location needs for serving North American customers. The company would like to maintain its existing Memphis facility, expand the building or construct a new facility on a neighboring property, and reinvest in the operation.

Staff projects $1,405,255 in local total tax revenues to be received during the PILOT term of this project and an estimated $1,911,363 benefit to Franklin Sports, Inc.

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

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

Enclara Pharmacia, Inc. was awarded a nine-year Expansion PILOT to encourage the company to retain 216 jobs and invest $11,649,445 at a facility located at 2525 Horizon Lake Drive.

The average salary of the retained workers is $53,706 excluding benefits. This project will expand production capacity, replace outdated technology and provide continued compliance with Drug Enforcement Agency regulations.

Headquartered in Philadelphia, Enclara Pharmacia, Inc. is the largest provider of comprehensive hospice pharmacy services in the United States. It services customers through retail pharmacy networks and its two mail order fulfillment centers located in Memphis and Sharon Hill, Pennsylvania. The Memphis center processes more than three million prescriptions annually through a call center and fulfillment operation.

EDGE staff projects $7,943,774 in local total tax revenues to be received during the PILOT term of this project and an estimated $627,252 benefit to Enclara Pharmacia, Inc.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
OMO Energy & Technology, Inc. was awarded a ten-year Fast Track PILOT to encourage the company to create 25 new jobs and invest $3,098,000 at 2560 Channel Avenue. OMO Energy & Technology will hire 25 net new employees with an average salary of $50,866 excluding benefits.

Headquartered in Lanham, Maryland, OMO Energy & Technology, Inc. distributes petroleum products directly from suppliers. The company is seeking a central United States location in an industrial area served by rail and port facilities for its first owned and operated bio-diesel plant. OMO Energy & Technology is particularly interested in the Delta Region as a source for renewable products.

The plant will blend and package lubricants, motor oils and greases. The site will accommodate administrative and sales offices, a quality assurance laboratory, and product manufacturing. Storage will be accommodated by 27 to 30 above-ground tanks with a capacity of 30,000 gallons each that will be placed in a pit with dykes to protect the site from spillage. Additionally, 55-gallon drums and five-gallon pails will be stored in the warehouse.

EDGE staff projects $1,134,790 in local total tax revenues to be received during the PILOT term of this project and an estimated $299,925 benefit to OMO Energy & Technology, Inc.
Mimeo.com, Inc.
Expansion PILOT (Payment-In-Lieu-of-Tax)

Mimeo.com was awarded a 15-year Expansion PILOT to encourage the company to retain 284 employees at the existing Memphis manufacturing and distribution facility and create 171 net new jobs with an average salary of $54,930 excluding benefits. Mimeo.com will invest $13,469,000 to the facility located at 3350 Miac Cove.

Mimeo is an innovator of online content management, printing, and distribution. Mimeo has more than 50,000 customers who rely on the company for timely delivery of printed materials. Mimeo operates four print production and distribution centers around the world, each located next to a shipping hub. These centers include the existing Memphis facility and others in Newark, NJ; Cambridgeshire, UK; and Berlin, Germany.

The company is looking to consolidate its North American operations by co-locating its New York City headquarters and Newark, NJ facility with its existing Memphis operations. Mimeo will also expand its sales division.

EDGE Staff projects $28,430,165 in tax revenues to be received during the PILOT term and an estimated $2,508,224 benefit to Mimeo.com.

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

JD USA Shopping Center was awarded a 15-year Community Builder PILOT. The Whitehaven Landing, developed by JD USA Shopping Center, is located at 1232 East Shelby Drive and is designed to be a family entertainment-anchored retail shopping center located in the heart of Whitehaven.

The development will be comprised of anchor tenant, Altitude Trampoline Park, along with 16,529 square feet of retail space, and 17,432 square feet of flex space positioned for office or retail use. Total capital investment is $4,578,224. The developers anticipate the tenants will create 30 part-time trampoline park positions, 30 part-time positions with other retailers, 40 full-time positions with businesses occupying the flex-space, and four management positions.

Financial assistance is needed to remove blight, complete redevelopment of the building and improve the overall neighborhood quality of life consistent with the Community Builder PILOT policies. The project is located in a Census Tract that is designated severely distressed based on poverty, unemployment, and income. Forty-six percent of the area’s 38116 zip code households have incomes of less than $35,000 annually.

The Greater Whitehaven Economic Redevelopment Corporation supports the project. EDGE staff projects $433,205 in local total tax revenues to be received during the PILOT term and a $1,073,229 benefit to JD USA Shopping Center.

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

William R. Moore College of Technology (Moore Tech) was awarded a 15-year Community Builder PILOT. Moore Tech and the Greater Memphis Automobile Dealers Association are partnering to launch a new auto-technician school to train mechanics.

The project involves redeveloping a vacant and blighted former car dealership in Southeast Memphis into a new auto-technician school. At full capacity, the school will support 90 students. Moore Tech will make $3,396,000 of capital investment to the facility. The school will create four jobs with an average annual wage of $56,750.

Financial assistance is needed to remove blight, complete redevelopment of the building and improve the overall neighborhood quality of life consistent with the Community Builder PILOT policies. The project is located in a Census Tract that is designated severely distressed based on poverty, unemployment, and income. Fifty six percent of the area’s 38115 zip code households have incomes of less than $35,000 annually.

Power Center Community Development Corporation supports the project. EDGE Staff projects $456,929 in local total tax revenues to be received during the PILOT term and a $656,647 benefit to Moore Tech.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
3D Realty, LLC was awarded a 15-year Residential PILOT to construct approximately 414 apartment units at the intersection of Broad Avenue and Bingham Street. 3D Realty is comprised of James Maclin of M&M Enterprises as lead developer and Bob Loeb of Loeb Properties.

The Residential PILOT will support redevelopment of property originally built in 1945 as a Sears warehouse. The existing buildings are 75% vacant, in very poor condition and will be razed to create the site for new construction (the water tower will remain). The project will consist of multiple four-story buildings containing 124 studio apartments, 207 one-bedroom units and 83 two-bedroom units. Additionally, the project will create 10,000 square feet of ground floor commercial space and 394 off-street parking spaces.

All apartments will feature black or stainless-steel appliances, quartz or granite countertops and 9-foot ceilings. Resident amenities will include a swimming pool, fitness center, pet parks, and multiple outdoor lounge areas.

Financial assistance is needed to deliver new class-A multi-family living space to Binghamton, increase population density in historic parts of Memphis and make this $51,100,000 investment financially feasible. 3D Realty has committed to pricing 20% of the project, or 83 units, to meet federal standards for Low to Moderate income residents. The project is supported by the Binghamton Development Corporation consistent with the Residential PILOT policies.

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

Southgate Center developers, Union Realty Company General Partnership, was awarded a 15-year Community Builder PILOT to redevelop the 208,297 square foot shopping center at 1897 South Third Street.

The recent departure of two major food and retail anchor tenants has left the property suffering from 39% vacancy. The developer proposes to renovate the center and lease the vacant 31,000 square foot grocery store to Memphis-based Castle Retail Group, dba Cash Saver. Following the grocery store lease, the developer will recruit two junior anchor tenants and fill five small retail shops.

The $6,802,200 investment into the property includes exterior upgrades, tenant finishes and grocery store equipment. This investment will create 47 full-time grocery store positions and 60 part-time retail positions in adjacent space. This will equate to 92 Full-Time-Equivalent jobs at an average annual wage of $24,960.

More than 55,000 people live within a three-mile radius with median household incomes of $34,600. The project’s Census Tract is severely distressed with a 52% poverty rate and 32% unemployment rate. Financial assistance is needed to provide healthy food options to the neighborhood, remove blight, complete renovation of the building, create jobs and improve the overall neighborhood quality of life consistent with the Community Builder PILOT policies.

The project is supported by the South Memphis Alliance. EDGE Staff projects $4,524,365 in local total tax revenues to be received during the PILOT term of this project and a $1,159,291 benefit to the Union Realty Company General Partnership.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Makowsky Ringel Greenberg, LLC on behalf of the yet to be formed Thrive Partners was awarded a 15-year Residential PILOT to construct approximately 176 apartment units at the intersection of East Parkway and Sam Cooper Boulevard.

The Residential PILOT will support redevelopment of property originally acquired for Interstate 40. The property has been vacant for more than forty years, driving a wedge between neighborhoods to the north and south of the site. The project will consist of two three-story buildings and ten smaller two-story townhouses. This will create 113 one-bedroom units, 63 two-bedroom units and 233 off-street parking spaces.

All apartments will feature kitchens and living areas with open floor plans, nine-foot ceilings, solid surface counter tops and stainless steel (or equivalent) luxury appliances. Resident amenities will include indoor and outdoor lounge areas, fitness center, pet washing facilities and bike storage.

Financial assistance is needed to deliver new class-A multi-family living space to Binghampton, increase population density in historic parts of Memphis and make this $22,255,410 investment financially feasible. Thrive at The Park has committed to pricing 21% of the project, or 36 units, to meet federal standards for Low to Moderate income residents. The project is supported by the Binghampton Development Corporation consistent with the Residential PILOT policies.

For more information about this project, please visit the EDGE Project Database. http://database.growth-engine.org
Parkside at Shelby Farms
Tax Increment Financing (TIF)

Parkside at Shelby Farms Park is a 60+ acre development comprised of 33,000 square feet of commercial space, 1,700 structured parking spaces, and 1,400 multi-unit residential units along with a mixture of garden homes, offices, and support services. The development will also include a 130-room boutique hotel at the corner of Mullins Station and Whitten Road. Bordered on the south by the Shelby Farms Park and the Greenline, Parkside at Shelby Farms Park is designed to complement and support the park.

The project will not be feasible without significant investment in new and improved infrastructure and parking in the area. $71.7 million of TIF funds will be spent on on-site and off-site public improvements including roads, water/sewer lines, gas and electric lines, and parking. Total cost of the public improvements, including interest on the bonds, is estimated to be $96.4 million.

This project is one of the largest private development projects in the City and County in recent decades. The project will generate substantial tax revenues to the local governments and help stem outmigration of population to other areas.

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

Elvis Presley Enterprises, Inc. Series 2018 Bond

Graceland is an internationally recognized, National Historic Landmark, one of America’s premier tourist destinations, a major employer in the Whitehaven community, and a key economic driver of the City of Memphis.

In 2014, Elvis Presley Enterprises (EPE) embarked on a three-phase comprehensive revitalization plan to build: 1) a 200-seat Archive Theatre; 2) a new 450-room hotel (The Guest House at Graceland); and 3) a new 200,000 to 300,000 square foot retail, exhibition, and museum facility (ELVIS: Past, Present, and Future).

To complete the multi-phase project, EPE worked with EDGE, the City of Memphis, Shelby County, and the State of Tennessee to create a Tax Increment Financing (TIF) District, a new Tourism Development Zone (TDZ), and a Tourism Development Zone surcharge.

In April 2018, after the completion of the new Archive Theatre, 450-room hotel (The Guest House at Graceland), and 220,000 square feet of the retail, exhibition, and museum facility, EPE embarked on the development of the remaining 80,000 square foot convention and exhibition space complete with restaurant and entertainment venues and related roadway improvements and infrastructure. EPE worked with EDGE, again, to issue up to $20 million of bonds to finance the project.
134 PROJECTS*

$4.1 BILLION CAPITAL INVESTMENT

Local Tax Revenue
$1,211,921,547*

Taxes Abated
$484,642,934**

$2,50
BENEFIT-TO-COST-RATIO:
Local taxes per $1.00 of taxes abated

19,809 JOBS
$70,349 average wage**

$2,810 incentive amount per job/per year*

Local Business Participation
$596,644,022

$1.23
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-June 2018
Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

Employer Resource Network: Transforming Companies One Employee at a Time

In cooperation with GMACWorkforce and HopeWorks, nine area businesses joined together to participate in the Mid-South Employer Resource Network (MSERN) initiative. The employer-based model joins an association of small- to mid-size businesses to provide job retention services, work support and training opportunities for employees. Participating companies share the resources and expense of building the skills and capacities of employees who are often times lower-skilled. Employee participation in MSERN services is voluntary.

The primary focus of MSERN is retention of the existing workforce with a strong emphasis on skills building and advancement. MSERN also assists employees with a wide range of personal issues that may affect job performance. These issues range from home repair to transportation. The program embeds a Success Coach within companies to help build relationships among employees, local social service agencies, and area nonprofits in order to expand the range of employee resources.

In the first 30-days of operation, the MSERN Success Coach was engaged more than 70 times by program participants for issues ranging from child care and financial literacy assistance, to government agency navigation, and to legal assistance.

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 06/30/18
- Grant Programmatic Activities ended 03/31/18; Grant Close-Out continues through 09/30/18
- Enrollment: 1,711 participants
- Completed Program of Study: 1,090 participants (preliminary)
- Industry Recognized Credentials (IRCs) Awarded: 623 participants earned 2,073 credentials (preliminary)

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 03/31/18
- Enrollment: 91 participants
- Industry Recognized Credentials (IRCs) Awarded: 35
Memphis & Shelby County Port Commission

- **McKellar Lake Harbor Dredging**
  In partnership with the U.S. Army Corps of Engineers, the Port Commission will oversee harbor dredging around the mouth of the harbor beginning July 1, 2018. Additional dredging of other Memphis district harbors will begin at the end of the season with dredging around the mouth of Nonconnah Creek.

- **Pidgeon Industrial Park Levee Protection**
  The Port Commission has contracted with Kimley Horn Engineers to construct an approximately 250-foot long, five to six foot high berm on the property acquired by EDGE, adjacent to the southeast corner of the Pidgeon Industrial area. The berm is needed to raise a low area to the same level of protection as the main levee surrounding Pidgeon Industrial Park.

- **Pidgeon Ash Project Update/ TVA Pidgeon – Site Development Update**
  The ash pond sites once utilized by the Tennessee Valley Authority 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.

Depot Redevelopment Corporation

- **Depot Land Sale**
  The Depot Redevelopment Board of Directors authorized the sale of 67.35 acres of industrial property located at the former Defense Depot for the amount of $233,390 to DP 107, LLC, which purchased the adjacent Depot buildings earlier this year.
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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* Mr. Jackson is an Officer of the Board, but does not hold the position of GMACWorkforce board member.