



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Q2 2021 REPORT

ACTIVITY AT A GLANCE

In the second quarter of FY 2021, EDGE worked to encourage investment and job creation by a major logistics provider, a global biosciences company, a local manufacturer born out of the COVID-19 pandemic and a California-based dental labs company. These projects solidify our place as a logistics leader and continue to grow and diversify this area's biomedical industry.

During Q2 2021, EDGE also provided an additional \$64,000 in NEED Grants to inner-city small businesses affected by COVID-19. As of December 31st, that program has provided \$786,700 to 141 businesses, 117 of which are Minority/Women-Owned Businesses.

Q2 2021 Approved Projects Have Committed To...

- 1,216 Jobs at an Average Salary of more than \$51,000
- \$236,651,062 in Capital Investment
- \$42,709,575 in Spending with Minority/Women-Owned Businesses
- And will produce an estimated \$105,990,110 in local tax revenue



RECOGNIZED FOR EXCELLENCE

EDGE Receives International Award for Its COVID-19 Response

The Economic Development Growth Engine for Memphis & Shelby County has been awarded an Excellence in Economic Development Gold Award from the International Economic Development Council for its Neighborhood Emergency Economic Development (NEED) Grant. The honor was presented in October during the IEDC Annual Conference. The NEED Grant was created to provide relief to neighborhood-serving businesses in Memphis' most distressed areas that had been affected by COVID-19.

"The EDGE team not only moved quickly to create the program, but balanced the desire to make good underwriting decisions with the knowledge that our applicants might be closed or quarantined and therefore have limited access to documentation or even their office equipment," said EDGE President & CEO Reid Dulberger. "This award is indeed an honor."

From approval of the program by the EDGE Board on April 15, 2020 to today, more than \$786,000 has been awarded to 141 businesses located in Memphis' most vulnerable neighborhoods. Eighty-three percent of the grant recipients have been minority or women owned businesses. In the words of one recipient, the grant has "provided hope and helped to breathe life into these businesses." (continued)

"The winners of IEDC's Excellence in Economic Development awards represent the very best of economic development and exemplify the ingenuity, integrity, and leadership that our profession strives for each and every day", said 2020 IEDC Board Chair Kenny McDonald.

Third National Award in Two Years

This is the third national or international award for EDGE in the last two years. In 2018, EDGE was awarded the Distinguished Development Finance Local Agency Award by the Council of Development Finance Agencies (CDFA). EDGE was recognized for tackling particularly complex and challenging financing concerns and its innovation of financing tools. And in 2020, EDGE earned the Mac Conway Award for Excellence in Economic Development for a busy 2019 that saw more than \$680 million in investment and an additional 1,700 jobs for our area. The award is given annually to the nation's top 20 economic development organizations.

EDGE Awards and Accolades





BOARD CHANGES: APPRECIATION & APPOINTMENTS

EDGE Welcomes Gerre Currie to the EDGE Board

During the October meeting of the EDGE Board of Directors, the Board recognized outgoing member, Jack Moore for his nine years of exemplary service and welcomed new member, Gerre Currie.

The Shelby County Commission gave final approval for the appointment of Currie and the re-appointment of Johnny Moore and Mark Halperin.

Currie is currently VP and Community Development Officer at Financial Federal. She also represented sections of Whitehaven and South Memphis on the Memphis City Council in 2019. Her background will be a strong asset for EDGE, as it continues to tackle more community development work.



Jack Moore

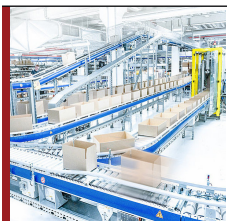


Gerre Currie



ECONOMIC GROWTH & JOB CREATION

The second quarter of FY 2021 saw big investment and job creation. Approved **Payment-in-Lieu-of Tax (PILOT)** projects include a major logistics provider, a global biosciences company, a local manufacturer born out of the COVID-19 pandemic, and a California-based dental labs company.



Arvato Digital Services | PILOT

Smith+Nephew has enlisted Arvato Digital Services, a third-party logistics service provider with 85 locations across the globe, to help modernize the Smith+Nephew distribution facilities and network. The move would allow Smith+Nephew to concentrate on its core work and leave distribution to Arvato. The companies have been evaluating locations in Louisville, where Arvato has efficiencies, and Atlanta, where Smith+Nephew has another distribution facility.

EDGE provided an 11-year Expansion PILOT to encourage the company to retain 180 jobs and create six new jobs paying \$56,000 a year, and invest more than \$30 million to purchase and expand a distribution center at 3303 East Holmes Road.

This PILOT would encourage the company to acquire the property, expand and modernize the facility, and combine Smith+Nephew's Memphis and Atlanta distribution into one location, while maintaining Memphis jobs, adding new positions and increasing employee wages.

- 186 New and Retained Jobs
- Average Salary of \$55,998
- \$30,257,475 Investment
- \$10,924,857 in Total Local Tax Revenue
- \$2,324,270 in Spending with Minority/Women-Owned Businesses



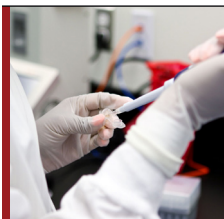
Pristex Solutions LLC | PILOT

Pristex Solutions, LLC is looking to set up its manufacturing operation in Memphis, creating more than 430 jobs.

The company was created to serve Pristex Medical, which launched amid the pandemic in May to handle the sale and distribution of Personal Protective Equipment to high volume buyers like hospitals. That business grew so much that there is now a need for additional manufacturing.

Pristex Solutions has been evaluating locations in Texas, Mississippi and Tennessee for the facility that will produce commercial and household cleaning products and disinfecting wipes. EDGE provided a 13-year Jobs PILOT to encourage the company to create 439 new jobs paying \$35,000 a year and invest more than \$9 million at 4259 Delp Street here in Memphis.

- 439 New Jobs
- Average Salary of \$34,644
- \$9,262,822 Investment
- \$28,537,950 in Total Local Tax Revenue
- \$682,989 in Spending with Minority/Women-Owned Businesses



Cognate BioServices | PILOT

Cognate BioServices, which has facilities in Memphis, Maryland, Great Britain and Sweden, is poised for a massive expansion in and outside the US. Cognate is a leading contract developer and manufacturer of advanced cell and gene therapies. The company produces vaccines across the globe and its products help repair organs and tissues, and treat cancer patients.

EDGE awarded Cognate BioServices a 15-year Jobs PILOT to encourage the company to create 561 new jobs paying more than \$63,000, almost tripling its current Memphis employee base. The company would also invest more than \$197 million to renovate three facilities on East Shelby Drive and Global Drive in Memphis.

This is just the beginning of Cognate's growth. A possible Phase 2 of this project would consist of similar activities creating at least 250 additional jobs and investing at least \$147 million. The EDGE Board also granted pre-approval for Phase 2, provided Cognate meets all of the minimum requirements for that project.

- 561 New Jobs
- Average Salary of \$63,749
- \$197,000,000 Investment
- \$65,397,548 in Total Local Tax Revenue
- \$39,301,234 in Spending with Minority/Women-Owned Businesses



Crown World Inc. | PILOT

A California-based company is looking to expand its reach and production capability, possibly in Memphis. The move would be yet another step in continuing to grow and diversify the medical device industry in Memphis.

The proposed Memphis facility for Crown World, Inc., which creates dental crowns, bridges and more, would also help to revitalize a strip of Airways Boulevard that has seen decline, moving into a highly-visible building there that has been vacant for 10 years.

Crown World currently has two locations in California and Kentucky focused on production and distribution. The company is evaluating locations for a new facility near major air-transportation hubs. EDGE provided Crown World with a 10-year Fast Track PILOT to encourage the company to invest more than \$2.7 million to purchase and renovate 2990 Airways and create 25 new jobs with an average wage of more than \$32,000. The proposed facility also leaves plenty of room for future expansion with room for more than 150 employees if the company continues to grow as expected.

- Average Salary of \$32,205
- \$2,700,000 Investment
- \$1,129,755 in Total Local Tax Revenue
- \$401,082 in Spending with Minority/Women-Owned Businesses

PILOT ACTIVITY | Q2 2021



1,211
Jobs



\$51,356
Average Wage



\$236 Million
Capital Investment



\$43 Million
MWBE Spend

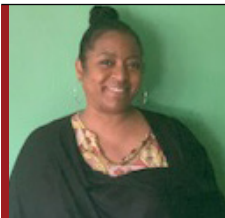


\$106 Million
Total Local Tax Revenue



SUPPORTING LOCAL SMALL BUSINESSES

EDGE created the **Inner City Economic Development (ICED)** Loan program in 2014, funded with fees paid by EDGE Payment In Lieu of Tax (PILOT) recipients. The program helps businesses located in distressed inner city neighborhoods improve their facilities. The goal is to spark growth and investment in these areas by improving the commercial districts.



Mot & Ed's Southern Eatery | ICED Loan

Mot & Ed's Southern Eatery is a southern and soul food restaurant that has become well known over the years for its inviting atmosphere and special menu items like the stuffed turkey burger. The restaurant operated for more than eight years in Midtown before closing when the property was sold to a developer.

Owner, Edna Banks-Hawkins is now reopening the restaurant at 1030 E. Raines Road in Whitehaven, within walking distance of past ICED Loan restaurant recipients, Eggactly and Muggin' Coffeehouse.

EDGE provided Banks-Hawkins a \$15,000 Inner City Economic Development (ICED) Loan to help improve the exterior appearance, increase outdoor seating capacity and complete interior renovations on the space. The restaurant is slated to open this spring. It will serve breakfast, lunch, dinner and offer carry-out service. Banks-Hawkins's goal is to become one of the few full-service restaurants in Whitehaven with sit-down dining.

- Loan Approved: \$15,000
- Total Capital Investment: \$58,065
- Total Jobs: 3 (new)



Turbo Knights | ICED Loan

Muhsen Najdawi has more than 20 years of experience as a mechanic. Originally from Jordan, Najdawi spent much of his professional life working in Dubai, Munich, and Liberia, before moving to Memphis.

Najdawi opened Turbo Knights in 2017. The shop is a high-performance auto and fabrication shop. It offers anything from an oil change to a turbo manifold rebuild. But the business's specialty is restoring older and antique cars.

When he first opened, Najdawi actually rented space from former ICED Loan recipient, ORCA Printing on September Avenue. The business eventually outgrew that space and Najdawi was able to purchase a foreclosed building at 3301 Winbrook in Whitehaven, providing Turbo Knights with a space all its own.

EDGE awarded Najdawi a \$12,000 Inner City Economic Development Loan to improve the exterior appearance, add additional roll up doors and complete interior renovations on that space, helping to reduce blight in the neighborhood.

"We are excited about the investment that this new business will bring to a formerly vacant site in Whitehaven," said Greater Whitehaven Economic Redevelopment Corporation Board President, Andre Gibson, "and we look forward to partnering with this business to bring more positive economic impact to our community."

Najdawi plans to open the new space this spring.

- Loan Approved: \$12,000
- Total Capital Investment: \$72,700
- Total Jobs: 2 (new)

ICED LOAN TOTAL FUND ACTIVITY | 67 Borrowers



\$1.6 MILLION
ICED FUNDS



\$7.8 MILLION
CAPITAL INVESTMENT



412
NEW JOBS



ASSISTANCE IN A TIME OF CRISIS

The Neighborhood Emergency Economic Development or **NEED Grant** was approved by the EDGE Board of Directors on April 15, 2020. The primary goal of the program is to provide immediate relief to small, neighborhood serving businesses throughout Memphis' most vulnerable neighborhoods. The goal from day one has been to get these businesses the help they need quickly - going from application to check in hand in no more than two weeks.

NEED Grants Awarded in Q2 2021: \$64,000

- 12 Businesses
- 8 Zip Codes Throughout Memphis
- 100% of Recipients are Minority- or Women-Owned Businesses

NEED Grants Awarded Overall: \$786,700

- 141 Businesses
- 20 Zip Codes Throughout Memphis
- 83% of Recipients are Minority- or Women-Owned Businesses

"As of right now we're making zero so a \$5,000 NEED Grant on top of that is amazing. Because we can still keep the lights on, we can pay down MLGW, business insurance is still due. I pay my employee's health insurance which you need obviously during a pandemic that helps offset the cost."

Brian McCabe, Owner
Hi-Tone



Mbabazi House of Style | NEED Grant

Retail and specialty boutiques, once supported wholeheartedly by a loyal customer base are now struggling just to keep their doors open. "Most customers have not been comfortable coming into the store," said Grace Byeitima, owner of Mbabazi House of Style on Broad Avenue. "But we have increased expenses on sanitizer and wipes. We are cleaning on a weekly basis, which costs us money."

Mbabazi specializes in handmade and sustainable African clothing, accessories and gifts. Stores like Mbabazi have been hit hard on several fronts. Not only are customers often scared to enter the stores, there are increased expenses due to additional cleaning and stocking up on PPE, and getting shipments from suppliers is difficult if not impossible right now.

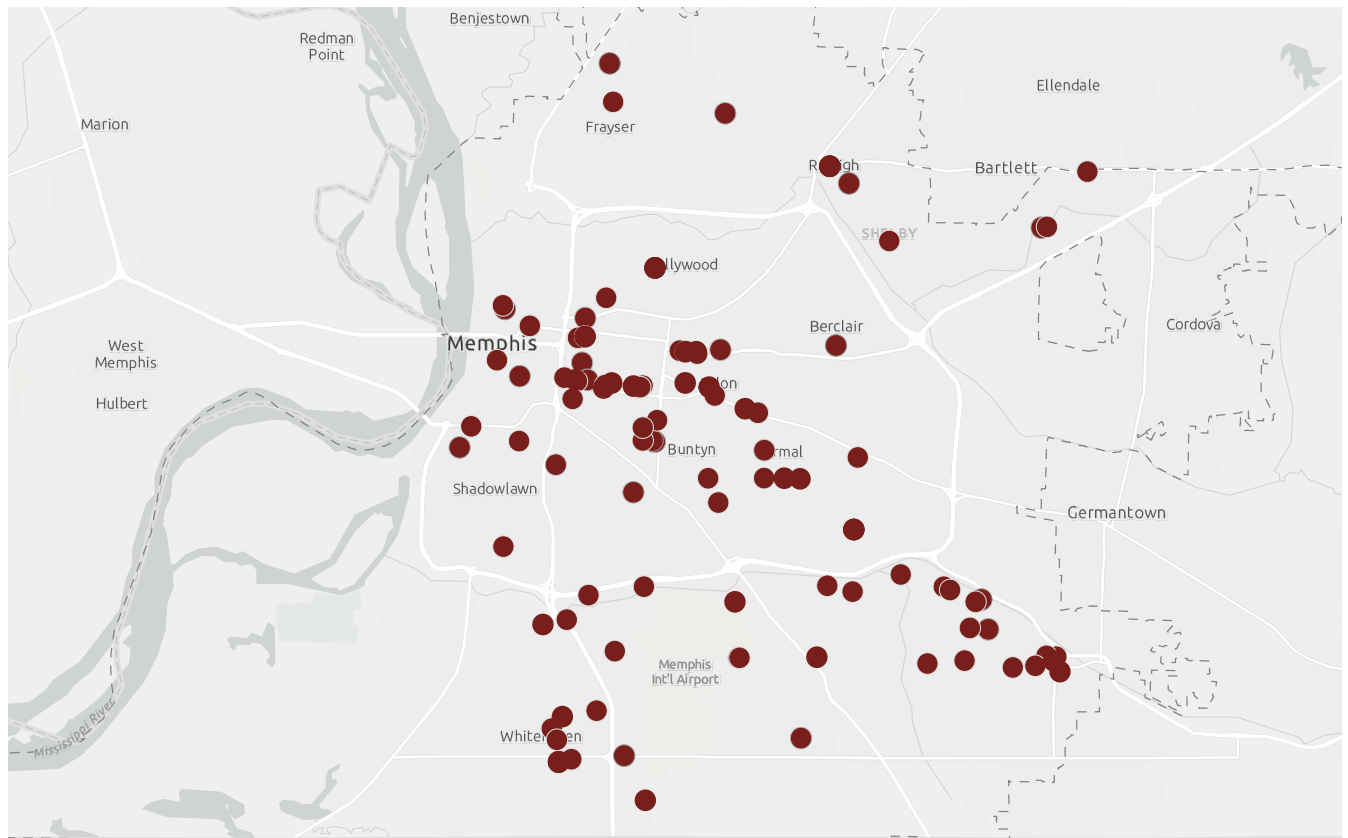
"We are not able to get materials easily due to most borders being closed off right now," said Byeitima.

Around 13 percent of NEED Grant recipients have been retail shops and all face similar struggles. Stores like The Treasure Chest Boutique on EH Crump, which received a NEED Grant in August and Cheryl Pesce: The Lifestyle Store, which received a grant in June are just a couple of retailers that, like Mbabazi, have had to deal with big drops in foot traffic and supplier disruptions.

With the grant, Byeitima says she will focus on paying off debts and improving her online presence.

- Owner: Grace Byeitima
- Grant: \$5,000
- Date: 10.07.2020

NEED Grants Awarded Overall | 141 Businesses



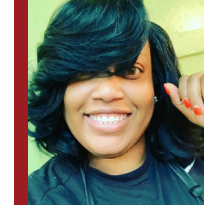
Q2 2021 | NEED GRANT Recipients



AJ's HVAC&R LLC
Owner: Alex Jones
Grant: \$7,000
Date: 10.07.2020



First Class Professional Services
Owner: Contessa Crutcher
Grant: \$7,000
Date: 10.07.2020



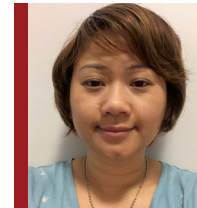
Luxurious Styles Salon
Owner: Alexis Allen
Grant: \$5,000
Date: 10.07.2020



The Cove
Owner: Mary Tanner
Grant: \$5,000
Date: 10.07.2020



First Choice Salon Experience
Owner: Stephanie McAuley
Grant: \$5,000
Date: 11.04.2020



Inails
Owner: Thuong Than Pham
Grant: \$5,000
Date: 11.04.2020



Camy's
Owner: Fares Fares
Grant: \$5,000
Date: 11.04.2020



The Mona Lisa Banquet Hall and Salon
Owner: Mona Quarles Townsend
Grant: \$5,000
Date: 11.04.2020



Manilux Nails & Co.
Owner: Ebonee McCollins
Grant: \$5,000
Date: 12.02.2020



Impressions Hair Design
Owner: Clarence Phillips
Grant: \$5,000
Date: 12.02.2020



Family Affair
Owner: Monica Bullard
Grant: \$5,000
Date: 12.02.2020



INCREASING SKILLS FOR A BETTER WORKFORCE

Through the *Department of Labor, America's Promise Grant (MOVE-HIRE: Medical Device Occupations Value Education and Help in the Regional Economy)*, the **Greater Memphis Alliance for a Competitive Workforce (GMACW)** continued their work connecting people who are unemployed/underemployed with training programs that teach in demand skills.

Targeted areas include machining, finishing, quality, packaging, logistics, and engineering careers associated with the medical device industry.

Q2 2021 MOVE-HIRE Impact*:

Total Population Served: 36

Total Enrolled in Training: 24

Total Completed Training: 78

Total Obtained Employment: 42

Total Grant Numbers:

Total Population Served: 1094 (92% to goal)

Total Enrolled in Training: 876 (85% to goal)

Total Completed Training: 542 (60% to goal)

Total Obtained Employment: 297 (36% to goal)

*Progress toward training this area's workforce slowed in Q2 2021 due to the COVID-19 pandemic. GMACW transitioned to remote work on March 20, 2020. All grant partners – including all training institutions and local agencies with which GMACW has recruitment partnerships – closed and/or transitioned around this time as well, greatly reducing ease of access to these programs.

To mitigate this downturn, educational training partners are developing innovative enrollment and training strategies designed to recoup and meet grant commitments. GMACW has developed a diverse advertising portfolio to promote and raise awareness of training programs to support educational training partners and Workforce Investment Network recruitment efforts.

MOVE-HIRE Grant Helps Local Residents Find Success

Early last year, 22-year-old Sedric Hamer knew he needed to make a change.

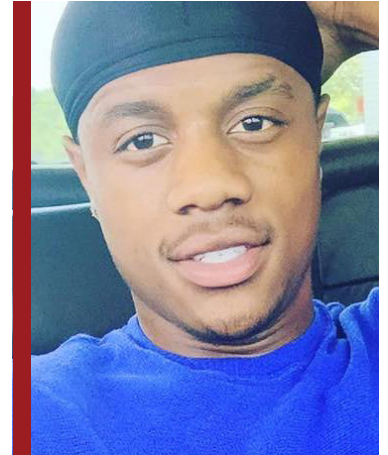
"I was just jumping from warehouse to warehouse," said Hamer. "I knew I wanted to make a change and take a leap of faith."

Hamer signed up for machining classes at Southwest Tennessee Community College. The training was free, part of the MOVE-HIRE (Medical Device Occupations Value Education and Help in the Regional Economy) grant, which is funded by the U.S. Department of Labor and administered locally through the Greater Memphis Alliance for a Competitive Workforce (GMACW).

"The grant provides a chance for people to get the skills they need to land a good-paying job in the medical device or advanced manufacturing fields," said GMACW Executive Director Alan Gumbel. "To date, more than 800 people have taken advantage of the free training, many of them landing jobs with Onyx Medical, Smith+Nephew, Eversana and similar large companies."

Hamer is now a machinist at Onyx Medical. He says he has come a long way but he is never done learning. "The job is great. I'm still learning everyday," said Hamer. "I go to work to learn and to grow. That is what I really enjoy."

The program was so impactful for Hamer, his brother, Sam, also took part right after he did and is now employed with Pandrol USA , which received an EDGE PILOT in 2019.



Sedric Hamer

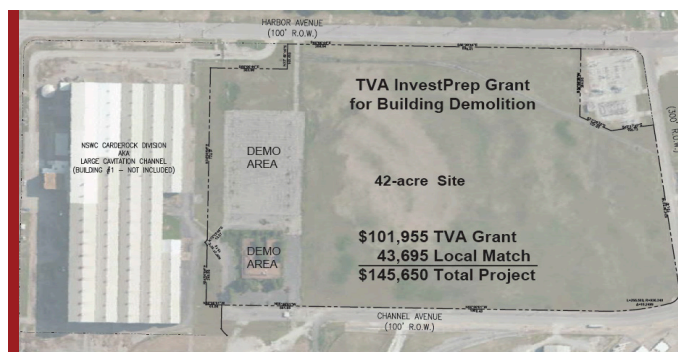
MOVE-HIRE GRANT | TRAINING PARTNERS





CHARTING A COURSE FOR THE FUTURE

The **International Port of Memphis** continues to have a tremendous impact on the local economy. Often referred to as where the river meets the road, runway, and rail, the Port continues to evolve to meet changing market demands.



Former Navy Property Site Improvement

The 41-acre Navy property on Presidents Island recently acquired by the Port Commission is currently under two reviews. The Property is under administrative review for inclusion within the Select Tennessee Certified Sites Program. The program was developed as a rigorous process aimed at elevating Tennessee's sites to the level of preparedness necessary for corporate investment.

The site was also awarded a \$101,955 TVA InvestPrep grant for demolition of the abandoned 19,000 square foot administration building to clear the site of all obstructions. That grant is currently in the middle of a required six-month National Environmental Policy Act (NEPA) review process. Bid documentation preparation will start soon for the demolition with an anticipated letting in spring.



Public Terminal Redevelopment

EDGE and the Port Commission have worked out a final Master Lease agreement with Watco Companies for the operation of the 60-acre public terminal on Presidents Island. The documents have been approved by the EDGE and Port Commission boards and are currently working through City and County approvals. Watco's first new client is Lhoist North America, whose sublease is also currently moving through City/County approvals.

The \$1.7 million State of Tennessee rail grant for improvements at the public terminal is awaiting final approval by the Canadian National Railroad prior to bid package approval by the State of Tennessee. Construction on the rail project should begin in the spring.

EDGE Managed Entities

Depot Redevelopment
Corporation of Memphis and
Shelby County

Greater Memphis Alliance for a
Competitive Workforce (GMACW)

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

Memphis and Shelby County Port
Commission

EDGE Properties

Frank C. Pidgeon Industrial Park

Presidents Island

Major Programs

- Financing
 - :: 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)
 - :: Tax Increment Financing (TIF)
- COVID-19 Assistance
 - :: Neighborhood Emergency Economic Development (NEED) Grant
- International Port of Memphis
 - :: The Frank C. Pidgeon Industrial Park, Presidents Island, and McKeller Lake
 - :: Harbor Dredging
 - :: New Multi-Modal Marine Freight Facility
- Small Business Technical Assistance
 - :: EDGE Provides Financial Assistance for SBA Emerging Leaders Program
 - :: EDGE Provides Financial Assistance for the Small Business Development Center (Southwest Tennessee Community College)
- Workforce Development
 - :: America's Promise Grant/MOVE-HIRE*
 - :: Industry outreach, assessment, and training support

*Funded by the U.S. Department of Labor

BOARD OF DIRECTORS

EDGE, Depot Redevelopment Corporation, and the Industrial Development Board

Al Bright, Jr., Chairman
Thomas Dyer, Vice Chairman
Dr. Florence Jones, Secretary
Larry Jackson, Treasurer
Gerre Currie
Natasha Donerson
Councilman Edmund Ford, Sr.
Mark Halperin
Commissioner Mickell Lowery
Johnny Moore
Cary Vaughn

Memphis and Shelby County Port Commission

Johnny B. Moore, Jr., Chairman
Larry Jackson, Secretary/Treasurer
Thomas Dyer
Mark Halperin
Robert Knecht
Jackson Moore
Cliff Norville

Greater Memphis Alliance for a Competitive Workforce

Jackson Moore, Chairman
Thomas Dyer, Vice Chairman
Cary Vaughn, Secretary
Larry Jackson, Treasurer *

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

President & CEO, EDGE and Related Entities

Reid Dulberger

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

Randy Richardson

Executive Director, Greater Memphis Alliance for a Competitive Workforce

Alan Gumbel

General Counsel, EDGE and Related Entities

Mark E. Beutelschies
Farris Bobango PLC

EDGE

100 Peabody Place | Suite 1100
Memphis, TN 38103-3652
Phone: 901.341.2100
Email: info@growth-engine.org
www.growth-engine.org

Memphis & Shelby County Port Commission
1115 Riverside Boulevard
Memphis, TN 38106-2504
Phone: 901.948.4422 | Fax: 901.775.9819
www.portofmemphis.com

GMACWorkforce
100 Peabody Place | Suite 1100
Memphis, TN 38103-3652
Phone: 901.341.2100
www.gmacworkforce.com