



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Q1 2016 REPORT



EDGE COMBINED PILOT & LOAN SCORECARD

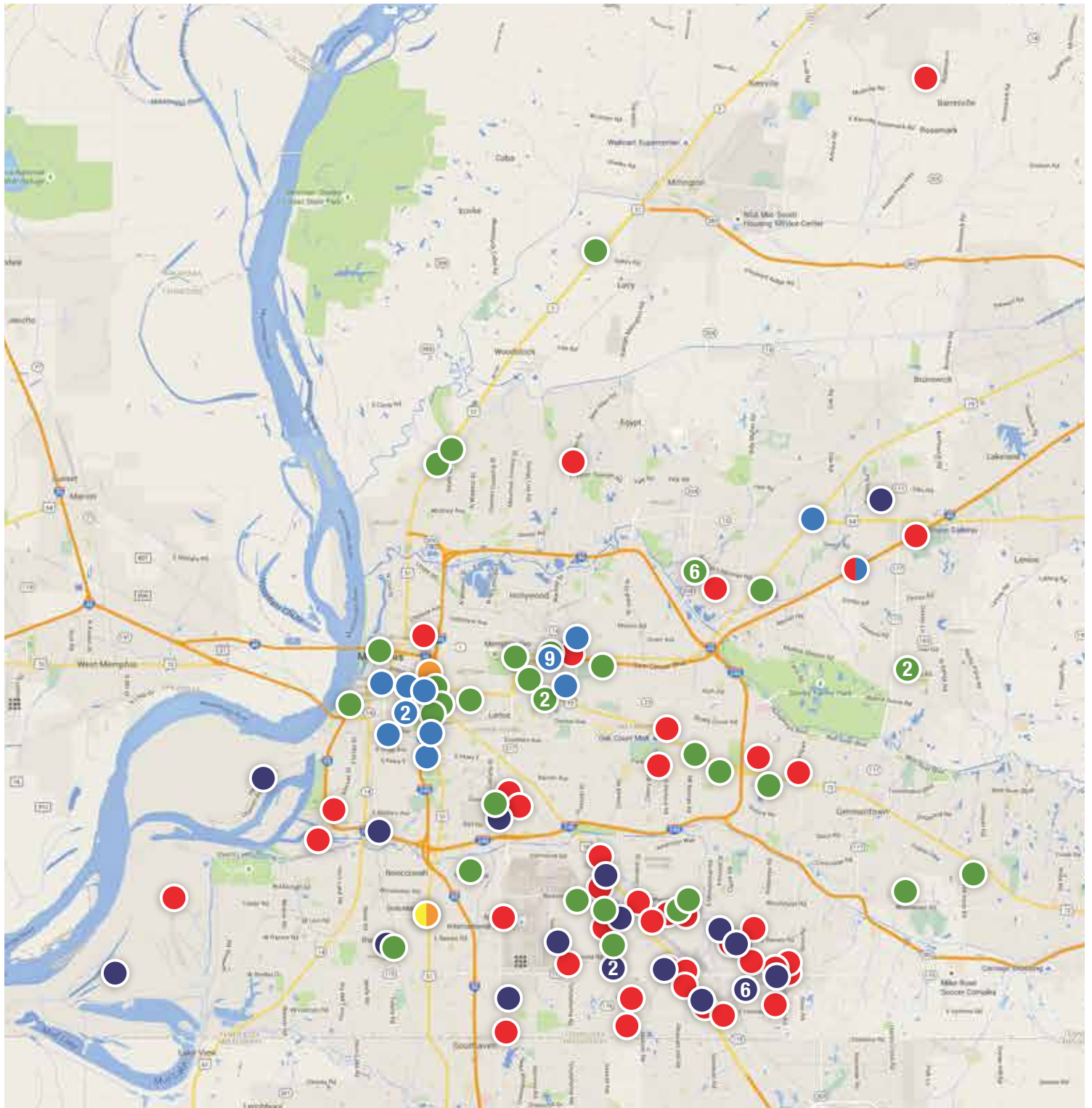
2011 – PRESENT

TOTAL JOBS	9,801
AVERAGE WAGE (PILOTS ONLY)	\$77,048
INVESTMENT	\$2,060,927,304
MWBE / LOSB TARGET SPENDING	\$306,762,116
TOTAL NEW TAX REVENUE GENERATED	\$735,331,673
TOTAL TAX ABATED	\$283,908,228
BENEFIT TO COST RATIO	2.59
INCENTIVE AMOUNT PER JOB PER YEAR	\$3,151
AVERAGE PILOT TERM	9 YEARS
NUMBER OF PILOTS APPROVED	40
NUMBER OF LOANS APPROVED	21
TOTAL LOAN AMOUNT	\$2,692,412



LOCATION DATA

**Numbers represent multiple projects in one location*



- PILOT
- LOAN
- TIF
- EG
- BONDS
- FTZ
- MULTIPLE CATEGORIES

HIGHLIGHTS

How Many PILOTs Are There?

During the 2015 Memphis Mayoral election the claim was made that Memphis has 400+ PILOTs. Does Memphis really have that many PILOTs?

The answer is ... no.

It may be that the confusion comes from those looking at the Shelby County Trustee's website, which lists PILOT "Contracts" — i.e., leases and lease amendments, not PILOT projects. A single PILOT project may result in

multiple leases and lease amendments. The table below shows the three entities that approve PILOTs in the City of Memphis and compares its PILOT projects with the number of PILOT contracts reported by the Trustee.

By way of example, in May 2002 the IDB awarded Accredo a PILOT to add 803 new Jobs at \$35,000 per annum, and invest \$18.2 million, at their Memphis pharmacy operation. EDGE considers that one PILOT. There are eight Accredo contracts listed by the Trustee.

	PILOT PROJECTS	PILOT CONTRACTS LISTED BY THE TRUSTEE ¹
EDGE	75	255
Downtown Memphis Commission/Center City Finance Corp.	101	132
Health, Educational and Housing Facilities Board of Memphis	63	71
TOTALS	239	458

Making An Impact

EDGE recommends projects that make an impact on our local communities. For more than a year, EDGE has been working with the Community Development Council of Greater Memphis, Community LIFT and others engaged in neighborhood redevelopment, to create a tool that could help revitalize distressed neighborhoods. Known as the Community Builder PILOT program, it provides the same property tax abatements typically used for industrial and corporate projects for smaller investments in Memphis and Shelby County. The Community Builder PILOT was approved by the EDGE Board in August and the first two Community Builder PILOT projects were approved by the Board in October.

The Binghampton Development Corporation was approved for a 15-year Community Builder PILOT to enable the organization to develop the Binghampton Gateway Center, located at the Southeast corner of Tillman Street and Sam Cooper Boulevard. The PILOT will help construct a 48,500 square foot, grocery-anchored commercial building center, with a 16,000 square foot grocery, a 10,000 square foot national value household goods retailer and 7,200 square feet for additional retail. A parking lot and additional site development would also be included. A 22,000 square foot Phase II will follow.

The second Community Builder PILOT was approved for MLB Uptown, LLC. The 15-year PILOT will enable MLB Uptown to renovate the 26,000 square foot former Chism Trail grocery store located at 544 Jackson Avenue. The grocery will anchor a larger retail-commercial-residential development spanning two blocks.

Frank C. Pidgeon Relief Well Contract

In September, The U. S. Army Corps of Engineers, Memphis District, awarded a \$4 million contract to construct 118 relief wells along the levee in the south portion of the Frank C. Pidgeon Industrial Park. The relief wells are scheduled to be completed in 2016 and will strengthen the levee structure during periods of extreme flood events.

Public Dock Demolition

The Public Dock demolition continues on schedule. The Facility is 50 percent demolished and is expected to be completed prior to the rise of the river later this fall.

Staff is working on the \$25.5 million needed for Phase I of the proposed new dock. Total cost to build a modern, efficient dock capable of handling a variety of cargo is \$55.1 million.

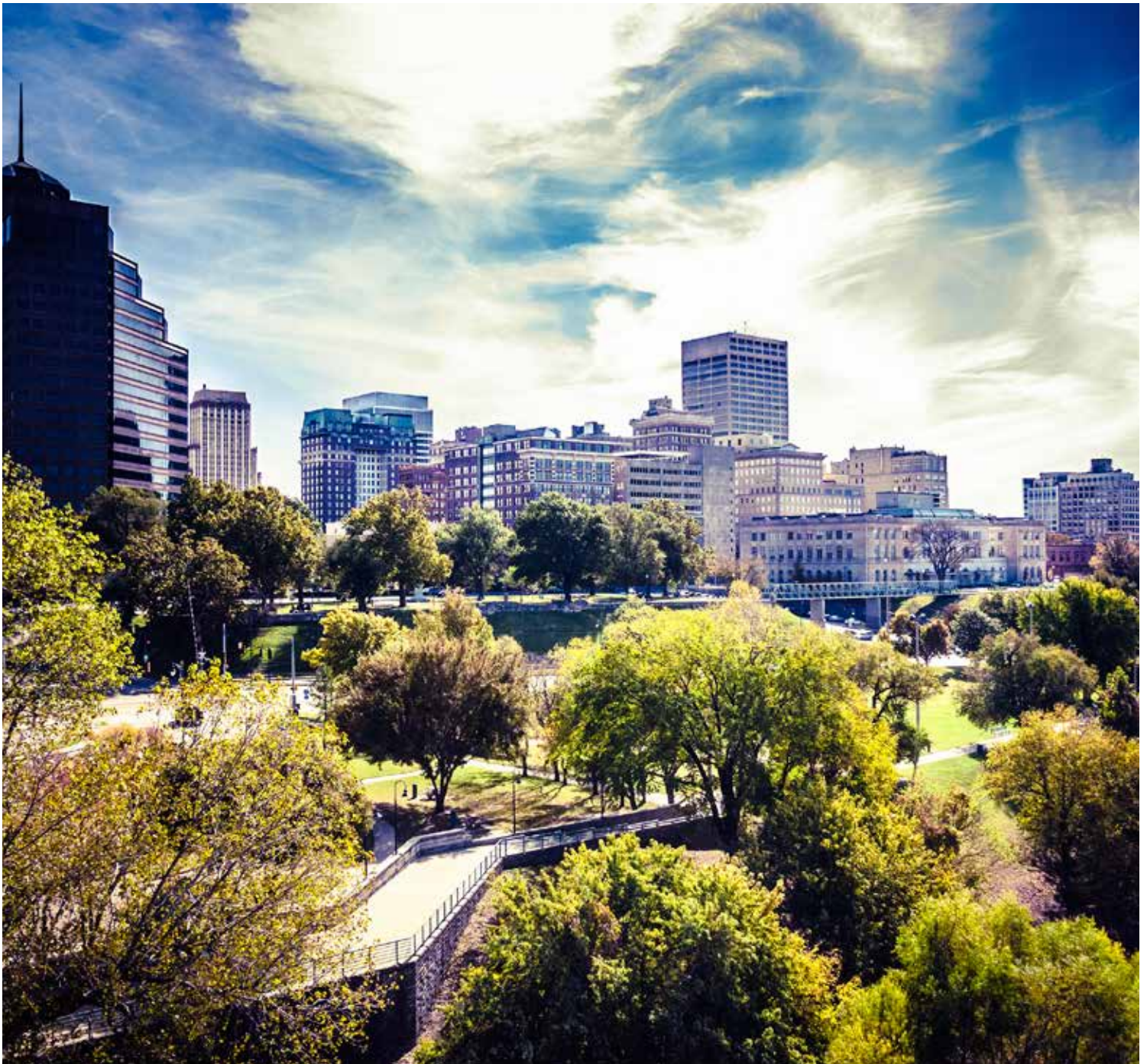
Expanding Shelby County's Portfolio of Industrial Sites and Job Locations

Shelby County is on the brink of industrial growth, after being accepted into the Tennessee Department of Economic & Community Development's Property Evaluation Program (PEP).

This was a countywide effort. EDGE assembled the application on behalf of Shelby County's Joint Economic and Community Development Board and five municipalities.

The goal of PEP is to expand the state's inventory of industrial sites and available buildings by evaluating the inventory, prioritizing where investment may be most beneficial, and defining the steps needed to address any issues and identified. Shelby County is one of six Tennessee counties participating in the program.

The PEP sites are located in Arlington, Bartlett, Germantown, Millington and Collierville.



EDGE Q1 PROJECTS 2016

— PROJECTED OVER TERM —

PROJECT	TYPE	TERM (IN YEARS)	LOAN AMOUNT	CAPITAL INVESTMENT	NEW JOBS	RETAINED JOBS	TAX INCENTIVE GIVEN (\$ MILLIONS)	NEW LOCAL TAXES RECEIVED (\$ MILLIONS)
1. State Systems, Inc.	PILOT	4	N/A	\$1,650,000	25	N/A	\$140,368	\$412,051
2. Solae, LLC	PILOT	11	N/A	\$32,606,579	N/A	276	\$4,906,481	\$18,866,887
3. Motamedi GlasArt	ICED Loan	3	\$25,000	\$40,043	N/A	1	N/A	N/A
4. Euro Imports of Memphis	ICED Loan	3	\$25,000	\$37,500	1	5	N/A	N/A
5. The Bikesmith	ICED Loan	3	\$25,000	\$37,500	1	1	N/A	N/A
6. Pyramid Stone	ICED Loan	3	\$25,000	\$132,713	6	6	N/A	N/A
7. Jim and Samella's	ICED Loan	3	\$25,000	\$61,000	5	3	N/A	N/A
8. Camy's Inc.	ICED Loan	3	\$25,000	\$60,000	7	16	\$1,163,197	N/A
TOTALS			\$150,000	\$34,625,335	45	308	\$ 5,046,849	\$19,278,938



PROJECT SUMMARIES



State Systems, Inc.

State Systems, Inc. was awarded a 4-year Basic PILOT to enable the company to add 25 net new jobs and invest more than \$1.6 million at a facility located at 1861 Vanderhorn Drive.

The average salary of the 25 new employees will be \$49,081.

The project will create \$412,051 in new tax revenue for Memphis and Shelby County, and has a benefit to cost ratio of \$2.94 in new tax revenue for every \$1 of taxes abated.

State Systems, Inc. is a privately owned, total protection company with years of proven experience in designing and fitting clients with engineered systems.

Founded over 25 years ago in Memphis, Tenn. State Systems seeks to embody its mission of protecting life and property for every client, every day. Long known in the Mid-South for its life safety systems, the company's longest standing and best known services have been enhanced by new technology services such as network integration, structured cabling systems and wireless support.



Solae, LLC

Solae, LLC was approved for an 11-year retention PILOT to enable the company to retain 276 jobs and invest more than \$20 million at their 4272 S. Mendenhall Road and 5605 Holmescrest facilities.

The average annual salary of the 276 retained employees is \$62,961.

The project will create \$18,866,877 in new tax revenue for Memphis and Shelby County, and has a benefit to cost ratio of \$3.85 of new tax revenue for every \$1 of taxes abated.

Founded in 1958, Solae, LLC develops food, feed and industrial ingredients focusing on soy. Solae ingredients are used in more than 80 percent of all clinical research on soy protein. Solae was formed as a joint venture between DuPont and Bunge Limited. On May 1, 2012, Solae announced that DuPont had acquired Bunge's 28% share, thus taking full ownership of the company. Solae, LLC's local plant product is sold globally and is a mainstay in many consumer foods. Additionally, Solae's product is the base for baby formula for infants that are lactose intolerant.



Motademi GlasArt

Peri Motamedi, dba Motademi GlasArt, was awarded a \$25,000 Inner City Economic Development (ICED) loan to help with facade and interior improvements at 492 South Second Street.

The ICED loan will complete a combined \$40,043 investment into the South Second Street building.

Ms. Motamedi occupies a 8,451 square foot building, and serves as a location for three businesses currently operating. The loan will allow Ms. Motamedi to improve the appearance of the historic building and install an HVAC system, which will help to acquire an additional tenant for 100% occupancy in the four bay building.



Euro Imports of Memphis

Livingston Wilson, dba Euro Imports of Memphis, was awarded a \$25,000 Inner City Economic Development (ICED) loan to help with facade and interior improvements at 2699 Broad Avenue.

The ICED loan will complete a combined \$37,500 investment into the Broad Avenue building.

The loan is projected to create one full-time job and one part-time job and allow Euro Imports to make facade and interior improvements to the 6,000 square foot building.

Euro Imports of Memphis serves customers in West Tennessee, North Mississippi, and Easter Arkansas, and the loan will expand Mr. Wilson's clientele into the neighborhood based on improvements made to the building.



The Bikesmith

Jim Steffen, dba The Bikesmith, was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with facade and interior improvements at 509 North Hollywood.

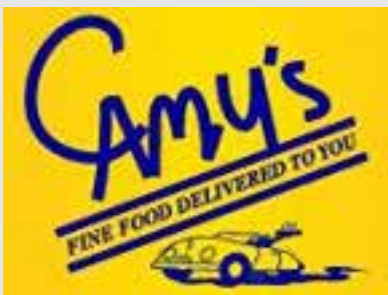
The ICED loan would complete a combined \$37,500 investment into the North Hollywood building.

The loan is projected to create 1 full-time job 2 part-time jobs and allow Mr. Steffen to make facade and interior improvements to the 2,100 square foot building.

The Bikesmith is making a transition into a brick and mortar facility in addition to the ownership of a mobile retail truck. The loan would increase The Bikesmith's ability to service more customers by providing a permanent docking station for the mobile truck and bike riders who utilize the Hampline and other trails. The facility will accommodate the growing bicycle infrastructure in the Memphis/ Shelby County area.



Jim and Samella's House



Pyramid Stone

Chuck Laminack, dba Pyramid Stone, was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 2615 Summer Avenue.

The ICED loan would complete a combined \$132,713 investment into the Summer Avenue building.

The loan will help retain six jobs while creating six new jobs and allow Pyramid Stone to make façade and interior improvements to the 14,000 square foot building.

Pyramid Stone, Inc., serves customers in the Memphis Metropolitan Statistical Area (MSA). The loan would expand Mr. Laminack's clientele into additional areas based on improvements made to the building. Pyramid Stone, Inc., sees the renovations on Summer as a way to improve curb appeal on a high traffic corridor and encourage interest from other businesses to consider relocating.

Jim and Samella's House

Talbert Fleming, dba Jim and Samella's House, was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 841 Bullington.

The ICED loan would complete a combined \$61,000 investment into the Bullington building.

The loan will help retain three jobs while creating five new jobs and allow Jim and Samella's House to make façade and interior improvements to the 1,036 square foot building.

Jim and Samella's House serves customers who live and work in the South Memphis area, and the loan would expand Mr. Fleming's clientele to welcome customers from other neighborhoods based on improvements made to the building.

Camy's, Inc.

Camy Archer, dba Camy's Inc., was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 2886 Walnut Grove.

The ICED loan would complete a combined \$60,000 investment into the Walnut Grove building.

The loan will help retain 16 jobs while creating seven new jobs and allow Camy's, Inc., to make façade and interior improvements to the 796 square foot building.

Camy's has been open in Memphis since 1992, delivering pizza, sandwiches, pasta, chicken, and desserts. The restaurant serves customers in the Medical District, Downtown, Vollintine Evergreen neighborhood, and college students at Christian Brothers University and Rhodes College. The loan would expand Ms. Archer's clientele east into the University of Memphis area, Binghampton, Chickasaw Gardens and more.



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