




ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

A photograph of the Memphis skyline and waterfront. The image shows several tall buildings, including the AT&T Building, reflected in the water. The sky is blue, and the water is a deep blue-green color. The text "Q2 2016 REPORT" is overlaid in large white letters.

Q2 2016 REPORT

EDGE Q2 2016 PROJECTS

Projects assisted by EDGE in Q2 2016 are projected to contribute:
727 new and retained jobs, \$90 million in new capital investment and \$7 million in new tax revenue.

EDGE INCLUDES:

- Industrial Development Board of the City of Memphis and County of Shelby, TN
- Memphis and Shelby County Port Commission
- Depot Redevelopment Corporation of Memphis and Shelby County

INDUSTRIAL PROPERTIES:

- Presidents Island
- Frank C. Pidgeon Industrial Park
- Depot



MAJOR PROGRAMS:

Financial Incentives

- Payment-in-Lieu-of-Tax (PILOT)
- Tax Increment Financing (TIF)
- Foreign Trade Zone 77
- Tennessee Fast Track Economic Development Grants

Small Business Support

- Economic Gardening Program
- SBA Emerging Leaders Program

Economic Development Finance

- EDGE SBA 504 Loan Program
- Inner City Economic Development Fund
- Industrial Revenue Bonds

EDGE Q2 2016 PROJECTS

EDGE Q2 PROJECTS

PROJECT	TYPE	CAPITAL INVESTMENT	LOAN AMOUNT	NEW JOBS	RETAINED / MAINTAINED JOBS	TERM
Advance Memphis	ICED Loan	\$225,487	\$25,000	6	15	3
Binghamton Development Corp.	PILOT	\$6,845,255	N/A	Unknown	0	15
City & State	ICED Loan	\$124,410	\$25,000	3	17	3
DunAn Precision	PILOT	\$23,648,000	N/A	104	0	8
Falling Into Place	ICED Loan	\$58,630	\$25,000	1	2	3
G's Wings, Fish, Burgers & More	ICED Loan	\$38,533	\$25,000	0	3	3
Graceland Project	Direct Note Obligations	\$40,000,000	N/A	188	0	30
Health-Tech Institute of Memphis	ICED Loan	\$37,500	\$25,000	4	3	3
J&H Graphic Screen Printing	ICED Loan	\$101,966	\$21,310	10	4	3
LEDIC Management Group	PILOT	\$10,950,000	N/A	70	229	5
Lodestone Design	ICED Loan	\$40,491	\$25,000	0	1	3
MLB-Uptown	PILOT	\$4,467,000	N/A	Unknown	0	15
Pacific Paper	PILOT	\$3,695,000	N/A	43	0	3
The Rec Room	ICED Loan	\$181,528	\$25,000	4	20	3
TOTAL		\$90,413,800	\$196,310	433	294	

Note: For detailed information about EDGE approved projects, visit <http://database.growth-engine.org>.



Q2 2016 PROJECT SUMMARIES



Advance Memphis

Advance Memphis was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 575 Suzette Street.

The ICED loan would complete a \$225,487 investment; help retain 15 existing jobs, while creating six new jobs. Advance Memphis will make façade and interior improvements to the 23,652-square-foot building. It will also create at least three tenant spaces.

Advance Memphis is a not-for-profit organization founded in 1999 that offers employment education, employment opportunities, financial literacy, GED tutoring, and other wrap-around services such as counseling and addiction recovery for residents in the 38126 zip code. Recently, the organization purchased the Suzette Street building near the Advance Memphis main campus on Vance Avenue.

Binghamton Development Corporation

Binghamton Development Corporation was awarded a 15-year Community Builder PILOT to enable the organization to construct a 48,565 square foot grocery-anchored retail center at the South East corner of Sam Cooper Boulevard and Tillman Street. BDC will invest \$5,321,595 for new construction and \$609,000 to purchase seven parcels of land and will spend an additional \$914,660 in soft costs.

The Binghamton Development Corporation (BDC) is a not-for-profit community development corporation that works to improve the quality of life in the Binghamton Community. Founded in 2003, the BDC began pursuing a strategy to support the revitalization of a historic neighborhood through housing and economic development and empowerment programs for those affected by issues of systemic poverty. The neighborhood is bounded by Summer Avenue, Holmes, Poplar, and East Parkway, and approximately 8,000 residents live in 3,000 households in the neighborhood.

City & State, LLC

City & State, LLC, was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 2625 Broad Avenue.

The ICED loan would complete a \$124,410 investment, help retain seven existing jobs, while creating three new jobs. City & State LLC, will make façade and interior improvements to the 2,400-square-foot building. The loan would facilitate expansion by creating an outdoor patio space with lighting and a more permanent shade structure doubling customer capacity to 66.

City & State, LLC, a retail concept store, opened six months ago and was designed to curate handmade, small batch, USA made or B corp brands and makers from around the country. Products include clothing, accessories, jewelry, home goods, kitchen goods, original art, and more. City & State, LLC, also functions as a full-service coffee shop with pastries and food items provided in partnership with local chefs and businesses.

Q2 2016 PROJECT SUMMARIES

The DunAn logo is displayed in a bold, blue, sans-serif font.

DunAn Precision, Inc.

DunAn Precision, Inc. was awarded an eight-year Basic PILOT to enable the company to add 104 net new jobs at 5750 Challenge Drive. DunAn will invest \$500,000 in real property improvements and \$19,500,000 in personal property. The company will receive \$3,648,000 in Community Reinvestment Credit (CRC) for the use of 160,000-square-foot (38 percent) of the Challenge Dr. facility.

Founded in 1987, DunAn is a global enterprise specializing in advanced manufacturing with more than \$1.21 billion in sales revenue. DunAn's market share for service valves, accumulators and pipe assemblies ranks first in the industry and the market share for reversing valves ranks second.

Falling Into Place

Falling Into Place was awarded a \$25,000 Inner City Economic Development (ICED) loan to help with exterior improvements at 2613 Broad Avenue.

The ICED loan would complete a \$58,630 investment, help retain two jobs, while creating one new job. Falling Into Place will correct site drainage issues and construct outdoor improvements to expand the workspace and entertainment space adjacent to the 1,050-square-foot building.

Falling Into Place is a unique shopping experience combining in-house creations, independently designed products, community workshops and special events. The store opened in April of 2015. Demand has grown for event driven sales and the loan will facilitate expansion beyond the 1,050 square-foot building into 3,000 square-foot exterior space.

G's Wings, Fish, Burgers & More

G's Wings, Fish, Burgers & More was awarded a \$25,000 Inner City Economic Development (ICED) loan to help with interior improvements at 4635 Tchulahoma.

The ICED loan would complete a \$38,533 investment and help retain three jobs. G's Wings, Fish, Burgers & More will install new flooring in the dining room, renovate the serving area, install new kitchen equipment and upgrade the heating-ventilation-air-conditioning system in the 1,200-square-foot space.

This family-run restaurant currently serves surrounding neighborhoods and warehouse employees. After 18-months in business, the Griffins needed to upgrade equipment to speed service. The owners also have a desire to improve the atmosphere for customers and kitchen conditions for staff. The loan will allow G's Wings, Fish, Burgers & More to make these critical improvements

The logo for Falling Into Place features the words "falling into place" in a cursive script, with "into" in a smaller font size, all enclosed within a white circular background.The logo for G's Wings, Fish, Burgers & More features a large, stylized blue letter 'G' with two blue stars on either side. To the right of the 'G', the words "Wings", "Fish", "Burgers", and "& More" are stacked vertically in a blue, sans-serif font.

Q2 2016 PROJECT SUMMARIES



The Graceland Project

The Graceland Project received approval for \$40 million of direct note obligations, to be issued by EDGE. The current expansion project includes the development of the approximately 450-room Guesthouse at Graceland hotel and conference center (the "Hotel") and a 220,000-square-foot exhibition, entertainment, retail, dining and other similar tourism related facilities ("Elvis Past Present and Future"). Previously, EDGE authorized and issued \$84 million of direct note obligations on behalf of the project. In addition, EDGE, the City of Memphis and Shelby County approved a tax increment financing district; the City of Memphis and State of Tennessee approved a Tourism Development Zone; and the City of Memphis approved a TDZ Tourism Surcharge.

Health-Tech Institute of Memphis

Health-Tech Institute of Memphis was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 571 Vance Avenue.

The ICED loan will complete a \$37,500 investment and help retain three existing jobs, while creating four new jobs. Health-Tech will make façade and interior improvements to the 3,800-square-foot building.

Health-Tech was formed in 2000 as an authorized post-secondary institution with the Tennessee Higher Education Commission and an eligible training provider for the Workforce Investment Network. The four approved training programs are: Health Information Management, Pharmacy Technician, Medical Assistance, and Office Administration. The ICED loan will enhance Health-Tech's presence in the community and update interior facilities for a site visit from the United States Department of Education, leading to accreditation that will expand their business model and ability to enroll more students into various programs.

IKEA

IKEA's existing January 2015 PILOT was amended.

At the time the PILOT was being considered, the tax appraisal value of the 34.57 acre parcel of unimproved land located near the southwest corner of the intersection of Interstate 40 and Germantown Parkway, was \$1,250,000. The tax appraisal value was subsequently increased to \$5,089,600, resulting in a projected \$1,136,675 cost increase over the PILOT term. While the new tax appraisal valuation was appealed to the Tennessee State Board of Equalization, IKEA could not determine the cost for their proposed Memphis facility until that process was complete.

To address this concern, EDGE amended the real property PILOT to provide up to a maximum of 18 additional months of PILOT benefit, to off-set additional costs associated with a final tax appraised valuation in excess of \$1,250,000 million that may ultimately be determined.

Project investment (\$64 million) and job creation (175 positions) remains unchanged.

Q2 2016 PROJECT SUMMARIES

J&H Graphic Screen Printing

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J & H Graphic Screen Printing was awarded a \$21,310 Inner City Economic Development (ICED) loan to help with both interior and exterior improvements at 2331 Elvis Presley Boulevard.

The ICED loan would complete a \$101,966 investment, help retain four jobs and create ten new jobs. J & H Graphic Screen Printing will install a new HVAC system, repair holes in the roof, weather seal the door, install new shop lighting, fence the site and upgrade signage at the 6,250-square-foot building.

J & H Graphic Screen Printing prints and packages t-shirts, caps and tote bags for businesses, school fund raisers and walk-in customers. The company was forced to relocate following the sale of the building the company rented for 14 years. The loan will allow J & H Graphic Screen Printing to complete improvements to the property that the company purchased for their new location.

LEDIC Management Group, LLC

LEDIC Management Group, LLC was awarded a five-year Basic PILOT to enable the company to consolidate its new national headquarters in Memphis, adding 70 net new jobs to the 229 currently employed locally. LEDIC will invest \$6.4 million to purchase the 91,056-square-foot building at 555 S. Perkins Road, and \$2.3 million to improve the 58,000 square feet of space it will occupy. In addition, LEDIC will invest \$2.2 million on new personal property and \$50,000 on fees and soft costs.

LEDIC will be eligible for an extended PILOT term if they: achieve an exceptional Diversity Plan, significantly exceeding the required commitment (one-two years, depending on success); achieve Silver LEED status for the building (one year); and/or create a total of 181 or more net new jobs within five years.

LEDIC is a manager, developer, and investor in multifamily housing nationwide. The company has grown through recent mergers and is looking for a new headquarters location for the combined entity.

Lodestone Design

Lodestone Design was awarded a \$25,000 Inner City Economic Development (ICED) loan to help with exterior improvements at 578 South Highland.

The ICED loan would help complete a \$40,491 investment and retain one existing job. Lodestone Design will create an exterior courtyard and replace front facing garage doors. This will activate 3,000 square feet of unused interior space, establish an indoor/outdoor gallery, and repair sidewalks and curbs around the building.

Lodestone Designs creates sculptures that are sold in New York, Chicago, Atlanta, San Francisco, Denver and Phoenix. The owner has used this location as a studio for ten years. The loan would help make renovations, establish secure on site event space, while embracing the public realm and further enhancing pedestrian friendly activities in the University District.



Lodestone Design

Q2 2016 PROJECT SUMMARIES

MLB-Uptown, LLC



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MLB-Uptown, LLC was awarded a 15-year Community Builder PILOT to enable the organization to attract a grocery store to renovate and occupy the vacant 25,000-square-foot former Chism Trail grocery located at 544 Jackson Avenue.

MLB projects the new owner will invest \$1,950,000 in building renovations and an additional \$1,800,000 in personal property, \$350,000 in soft costs, and \$717,000 to acquire the site. The new owner will also receive \$754,000 of Community Reinvestment Credit.

MLB Uptown, LLC is a 501(c)(3) that has managed \$150M in investment across a 100 city block area with 268 single family homes, 549 multifamily units, and 69 senior units. MLB facilitated the development of 500 vacant parcels in the Uptown Memphis neighborhood. Sixty eight (68) percent (15,714) of residents in the surrounding area have low access to fresh foods, causing the USDA to classify the area as a food desert.

Pacific Paper Products, Inc.

Pacific Paper Products, Inc. was awarded a three-year Basic PILOT to enable the company to add 27 net new jobs in addition to its 43 employees currently located at 5300 Hickory Hill Road. Pacific Paper will invest \$300,000 in real property improvements and \$2,035,000 in new personal property. The company will also receive \$1,360,000 in Community Redevelopment Credit for the new space.

For more than fifty years, Pacific Paper has been manufacturing high quality paper products. The current Memphis location is at capacity, demanding additional equipment and building space. The PILOT will allow Pacific Paper to lease an additional 54,400 square feet at its existing location to increase its capacity and continue growing in Memphis.

The Rec Room

The Rec Room was awarded a \$25,000 Inner City Economic Development (ICED) Loan to help with façade and interior improvements at 3000 Broad Avenue.

The ICED Loan would complete a \$181,528 investment, into the Broad Avenue building, and help retain twenty existing jobs, while creating four new jobs. The Rec Room will make façade and interior improvements to the 10,600-square-foot building.

The Rec Room opened in April 2015 on the corner of Tillman and Broad and has transformed a vacant warehouse on an abandoned corner in Binghampton into a popular, family-friendly space that attracts video game and sports fans alike. In a neighborhood where a grassroots revival has taken place in the last five years, the ICED loan would help to increase the number of ADA compliant stalls in their restrooms, increase visibility of the location through the creation of a mural that is visible from major corridors in the neighborhood, and expand the deck to create a more inviting space for customers.

PORT COMMISSION ACTIVITIES

Public Dock on Presidents Island

Virginia Wrecking substantially completed the demolition of 1,000 feet of rail trestle as well as the one-acre transit shed and dock at the public terminal on Presidents Island. Originally built in 1953, the facility underwent major repairs on three occasions since the late 1980's. The facility was closed in 2013 due to structural deficiencies. Plans are currently underway to redevelop the dock facility. Total project cost is \$1,425,000.

Levee Improvements

Construction started in the fall of 2015 on 118 relief wells in the south end of the Frank C. Pidgeon Industrial Park. The \$4 million-dollar project will augment the existing protection provided by the main line levee surrounding Pidgeon Industrial Park.

As part of that project, the Port Commission completed an environmental review permitting for the required 20 foot clearing of trees along the toe of the levee in a one-mile stretch along Riverport Road. Bid documentation preparation is currently underway and the Port Commission is finalizing a license agreement with the Corps of Engineers, Memphis District for utilization across their adjoining land.

Presidents Island Flood Damage

The Army Corps of Engineers was granted a Right of Entry Permit onto Presidents Island to start repair of a major erosion issue along the north bank of the mouth of McKellar Lake about one mile from the river. Damage originally occurred during the flood of 2011. Subsequent to 2011, a large erosion area developed that is threatening the structural integrity of the north shoreline of the harbor entrance. Construction is anticipated to start in spring 2016, and the estimated cost is \$400,000.

Presidents Island Flood Preparation

Staff undertook emergency preparations in advance of a rare but significant flooding event during November and December of 2015. The Mississippi crested several feet below initial estimates and, as a result, damage was minimal. The \$30 million north bank Presidents Island repair conducted by the Corps of Engineers after the flood of 2012, survived flood inundation with no visible damage.

OTHER ACTIVITIES

Transportation Investment Report (TIR) for the Paul Lowry Road Extended to Shelby Drive

EDGE contracted with Kimley-Horn and Associates for a Transportation Investment Report (TIR) for the Paul Lowry Road Extended to Shelby Drive project, in accordance with the standards and requirements of the Tennessee Department of Transportation (TDOT). The eastward extension of Paul Lowry Road to Shelby Drive is a necessary roadway connection to serve the increasing employment population in Pidgeon Industrial Park (e.g., Electrolux Home Products, Nucor Steel and the CN/CSX rail-truck intermodal facility) adequately. This connection is critical in moving both employee and commercial traffic to and from Shelby County's largest industrial park. The current roadway configuration requires practically all vehicles to enter Pidgeon Industrial Park from the Mallory Road connection near I-55. This project is currently included in the Metropolitan Planning Organization's (MPO) 2040 Long Range Transportation Plan (LRTP) as a Tier 2 project.

The completed TIR will be used to pursue project funding from various federal, state and local sources. The contract with Kimley-Horn is for \$161,485.

Cummins, Inc. FTZ Expansion

EDGE worked with Cummins, the Foreign-Trade Zone Board, and the U.S. Customs Service, to expand Cummins existing FTZ 77-E Sub-Zone to include 5800 Challenge Drive and 4650 Quality Drive. The original size covered only 4155 Quality Drive.

EDGE – MAAG MOU

EDGE and the Memphis Area Association of Governments entered into a Memorandum of Understanding, concerning joint efforts to promote economic development in the four Tennessee Counties covered by MAAG (Shelby, Tipton, Lauderdale and Fayette). Potential opportunities for cooperation and collaboration include: federal and state grant applications; federal and state program applications; Memphis Regional Megasite; workforce development; bond and loan programs; Payment In Lieu Of Tax and Tax Increment Financing programs ; Foreign-Trade Zone program; and Export promotion.



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