



Q1 2017

Quarterly Report



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

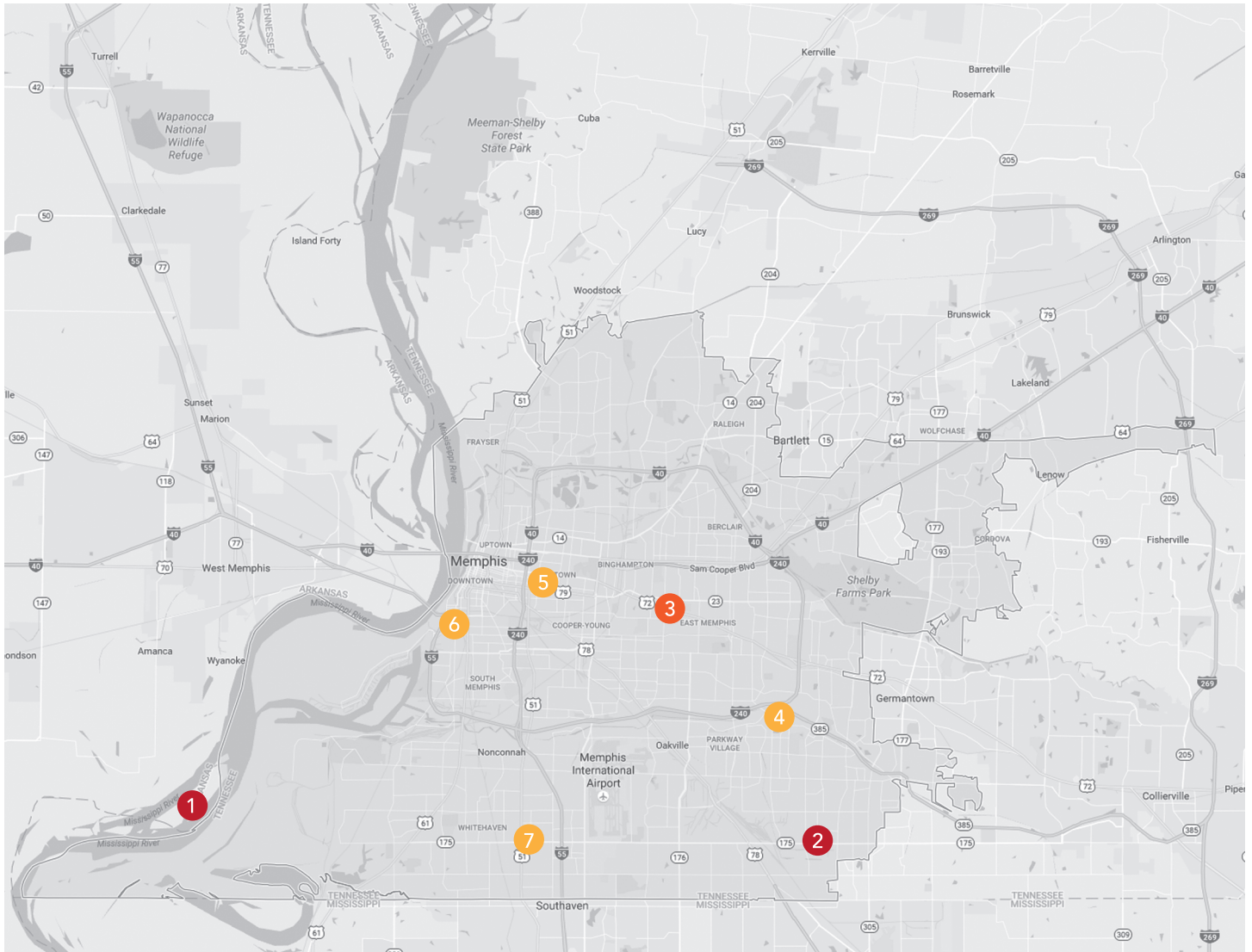


Driving Economic Development

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.

Q1 2017 Projects



- | | | |
|--|------------------------|--------------------------|
| 1 WM Barr & Company, Inc. | 4 April House Premiere | 6 Neighborhood Grocery |
| 2 Impact Innovations, Inc. | 5 Dru's Place | 7 Success Barber College |
| 3 University District - Highland Strip | | |

PILOT TIF Loan

Q1 2017 | PROJECTS

W.M. Barr & Company, Inc.

Expansion PILOT

WM Barr & Company, Inc. was awarded a nine year Expansion PILOT to enable the company to retain 179 jobs in the City of Memphis and add 40 new jobs to the company's Presidents Island facilities. Total project investment is \$12 million, including \$10 million in manufacturing machinery, equipment, and personal property along with \$2 million in real property improvements. WM Barr & Company will add 10,000 SF of manufacturing space at the facility located at 2105 Channel Ave.

When complete, these redesigned facilities will have reduced 1,500 feet of conveyors to just 500 feet and improved plant efficiencies. This will enable the company to bring outsourced production back from China and to ship more than one million units per week from their Memphis operation.

Founded in 1946 by William M. Barr, the company has grown to become a leader in specialty cleaning and home improvement products that are sold in more than 40,000 stores in all 50 states. This Memphis-based company manufactures paint removers, solvents, and household cleaning products including Klean Strip®, Damp Rid®, Goof Off®, and Home Armor®. WM Barr & Company and its sister company, Microban International, employ more than 300 people worldwide. The world headquarters are located at 6750 Lenox Center in Memphis.



40
Jobs



\$39,944
Salary



\$12 million
Capital Investment



\$597,815
MWBE/LOS B Spending



\$8.8 million
New Tax Revenue



Impact Innovations, Inc. Amendment to 2011 PILOT

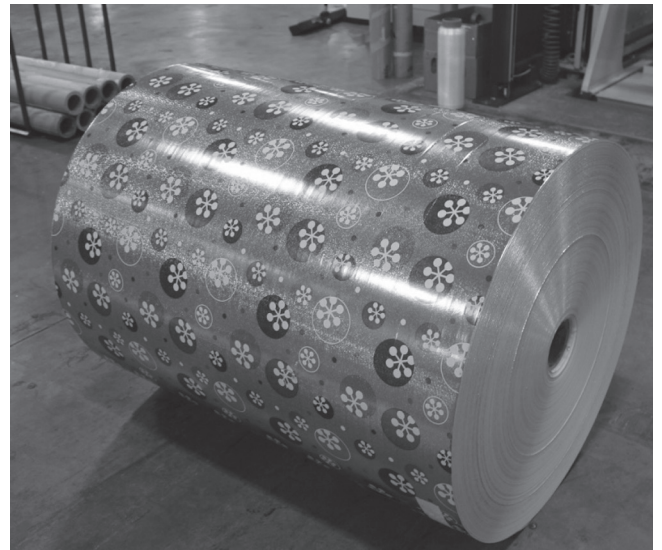
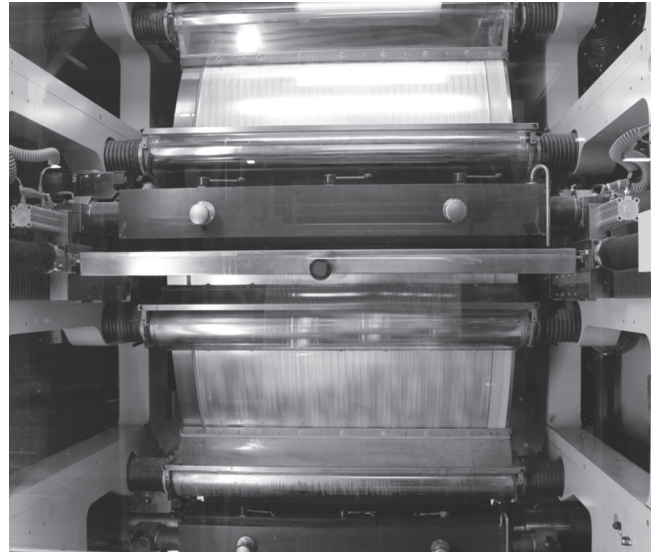
The EDGE Board of Directors approved an amendment to the 2011 PILOT awarded to Impact Innovations. The amended PILOT will enable Impact Innovations to add an additional 20 new jobs for an amended total of 45 new jobs.

Impact Innovations will invest an additional \$1 million in personal property and \$85,000 in real property to bring the total investment to \$11.7 million in real and personal property.

The amended PILOT will enable Impact Innovations to improve plant efficiency, consolidate multiple office locations, and expand the plant footprint at the 6269 East Shelby Drive and 4800 Southridge facilities.

The Impact Innovations facility located at 6269 East Shelby Drive will receive three additional years of PILOT benefit; and the facility located at 4800 Southridge will receive nine full years of PILOT benefit.

Founded in 1968 in Clara City, Minnesota, Impact Innovations specializes in seasonal and commercial paper product manufacturing. The company's products can be found at national retailers including discount, drug, grocery, and home improvement stores in the United States, as well as internationally in Canada, Mexico, Central and South America.



45
Jobs



\$53,636
Salary



\$11.7 million
Capital Investment



\$250,900
MWBE/LOSB Spending



\$2.3 million
New Tax Revenue

Q1 2017 | PROJECTS

University District-Highland Strip Tax Increment Financing (TIF)

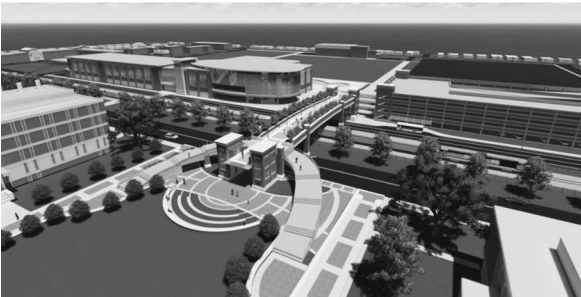
The University Neighborhoods Development Corporation (UNDC) received approval from EDGE to designate a 601-parcel area, bordering Highland Street from Poplar Avenue to Park Avenue, a Tax Increment Financing (TIF) district in order to fund public improvement projects. The UNDC is a non-profit organization dedicated to assisting the area surrounding the University of Memphis.

Pending approval from the Memphis City Council and Shelby County Commission, the estimated total tax revenue generated within the district across the 20-year TIF term would be \$83 million with nearly \$19 million allocated to EDGE for the UNDC's use for streetscape improvements including the addition of new streetlights, signage, sidewalks, gutters, planters, utility work, and street calming elements.

Excluding the designated TIF district, the University of Memphis area is expected to see approximately \$350 million in investments both on and off campus between 2014 and 2018 according to local developers and the University. These area improvements would work in concert with the overall vision of the UNDC and University of Memphis to create a safe, diverse, walkable, and vibrant community; helping to attract and retain students, faculty, staff, and residents.

"I would say this [the University District – Highland Strip TIF project] is an essential priority for the University; critical to our future."

University of Memphis President David Rudd
The Commercial Appeal, September 6, 2016



Inner City Economic Development

ICED Loans

Created by the Memphis City Council in 2013, the ICED Loan Program's purpose is to spark revitalization of Memphis inner-city neighborhood business districts through small forgivable loans to assist with signage, building improvements, and business expansion. Through EDGE's assistance, these small businesses are able to expand their reach and increase revenue while at the same time re-positioning the business as a dependable neighborhood anchor.

EDGE is pleased to partner with so many small businesses across Memphis, as they take steps to further strengthen their presence and revitalize their neighborhoods.



April House Premier/The Southern Deli

April House Premier/The Southern Deli/Top Tier Catering (5650 Mount Moriah) is owned and operated by Ms. Paulette Sanford, a caterer since 1996. April House Premier applied for assistance to help with façade work, HVAC improvements, and landscaping along with plumbing and electrical upgrades to the 3,400 SF building located in Southeast Memphis.

- > Loan Approved: \$8,225
- > Total Capital Investment: \$18,132
- > Total Jobs: 8



Dru's Place

Dru's Place (1474 Madison Ave) is located in Midtown Memphis. Dru's Place offers a variety of entertainment including karaoke, comedy, live music, and art shows. Owned and operated by Tami Montgomery, Dru's Place also plays host to charitable fundraising events throughout the year. Dru's Place applied for assistance to help with historic façade work, deck replacement, and awning installation for the 3,000 SF building.

- > Loan Approved: \$16,940
- > Total Capital Investment: \$25,410
- > Total Jobs: 6

Q1 2017 | PROJECTS

Inner City Economic Development

ICED Loans



Neighborhood Grocery

Neighborhood Grocery (1362 South Main) has served this historic South Memphis neighborhood across from McNeill Park for more than 50 years. Owned by Kalid J. Ibrahim, it provides customers with packaged and fresh foods along with personal items at reasonable prices. The majority of customers walk to the store out of both convenience and necessity. Neighborhood Grocery applied for assistance to help with façade improvements, roof repairs, interior restoration, and HVAC upgrades to the 1,900 SF building.

- > Loan Approved: \$18,278
- > Total Capital Investment: \$30,500
- > Total Jobs: 4



Success Barber College

Success Barber College (1642 Shelby Drive) is designed to train future stylists while offering a General Education Development program. Owned and operated by Mr. Morris Wilder, a Master Barber, the project consists of a full renovation of the long vacant 3,400 SF building which will include a 30-seat classroom. Success Barber College applied for assistance to help fund roof and façade repairs, electrical system and plumbing upgrades, and HVAC installation.

- > Loan Approved: \$25,000
- > Total Capital Investment: \$99,010
- > Total Jobs: 3

34

ICED Borrowers
(as of 09.30.16)



\$785,472
ICED FUNDS
AWARDED



\$3.2 MILLION
TOTAL CAPITAL
INVESTMENT



269
JOBS

Q1 2017 | OTHER ACTIVITIES

The Depot Redevelopment Corporation of Memphis and Shelby County



Sale of Building 770 and Adjacent Lots

The DRC approved the sale of Building 770 and the adjacent lots (lots 042, 043, and 044) located at the Defense Depot to Supply Chain Solutions, LLC for \$250,000.

International Port of Memphis



McKellar Lake Flood Damage Repair

As a result of intense and widespread flooding that occurred in Summer 2011, the north side of the mouth of McKellar Lake incurred a tremendous amount of damage. After numerous attempts to remedy the eroded area and secure the surrounding areas, the Army Corps of Engineers was able to repair the affected areas successfully by August 2016.



Ensley Levee at Pidgeon Industrial Park Tree Clearing

A one-mile stretch of trees along Riverport Road was cleared in order to remain in compliance with the Army Corps of Engineers specifications and support additional improvements.



Port of Memphis Public Terminal Update

Discussions are in progress with Kinder Morgan regarding work at the Patterson Warehouse.

Q1 2017 | PROJECT UPDATES

IKEA Property, Inc.

Destination Retail PILOT

2015 EDGE PILOT recipient IKEA Property, Inc. will boast the largest rooftop solar array in Tennessee. The solar array will generate about 2 million kilowatt hours of electricity annually – enough to power 205 homes. IKEA Memphis will be opening in late Fall 2016 and will be the 43rd IKEA store in the United States



175
Jobs



\$41,011
Salary



\$64.2 million
Capital Investment



\$3.4 million
MWBE/LOS B Spending



\$15.6 million
New Tax Revenue

State Systems

Basic PILOT

2015 EDGE PILOT recipient and Memphis-based total protection company, State Systems, Inc. acquired Dunk Fire and Security's Conway, AR operations. State Systems will absorb the 16 Conway-based employees and assets and will begin serving customers in Conway and the surrounding areas. This deal marks State Systems' fourth acquisition in the past 18 months.



25
Jobs



\$49,081
Salary



\$1.6 million
Capital Investment



\$402,500
MWBE/LOS B Spending



\$412,051
New Tax Revenue

Q1 2017 projects assisted by EDGE are projected to contribute:

► TAX INCENTIVE PROJECTS

Project	Type	Term	Projected Investment	Jobs (New)	Jobs (Retained)	Tax Incentive Given	New Local Taxes Received
W.M. Barr & Company, Inc.	PILOT	9	\$12,000,000	40	179	\$1,117,131	\$8,845,322
Impact Innovation, Inc.	PILOT	9	\$11,713,430	45	103	\$1,957,272	\$2,373,232
University District-Highland Strip	TIF	20	\$3,169,000	N/A	N/A	N/A	N/A
			\$26,882,430	85	282	\$3,074,403	\$11,218,554

► LOAN PROJECTS

Project	Type	Term	Capital Investment	Loan Amount	Jobs (New)	Jobs (Retained)
April House/Southern Deli	ICED Loan	3	\$18,132	\$8,225	4	4
Dru's Place	ICED Loan	3	\$25,410	\$16,940	2	4
Neighborhood Grocery	ICED Loan	3	\$30,500	\$18,278	2	2
Success Barber College	ICED Loan	3	\$99,100	\$25,000	2	1
			\$173,142	\$68,443	10	11

"Since our inception in 2011, EDGE PILOT recipients have invested nearly \$2.2 billion into the Memphis and Shelby County economy and generated nearly 12,000 total jobs. These numbers support EDGE's belief that vibrant economic development extends the promise of prosperity to our families, neighborhoods, and overall community."

Reid Dulberger, President/CEO
EDGE



EDGE MANAGED ENTITIES

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

EDGE INDUSTRIAL PROPERTIES

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

DEVELOPMENT ASSISTANCE PROGRAMS:

Financial Incentives

- Payment-in-Lieu-of-Tax (PILOT)
- Tax Increment Financing (TIF)
- Foreign Trade Zone 77

Economic Development Finance

- EDGE SBA 504 Loan Program
- Inner City Economic Development Fund
- Industrial Revenue Bonds
- Tennessee Fast Track Economic Development Grants

Small Business Support

- Economic Gardening Program
- SBA Emerging Leaders Program

BOARD OF DIRECTORS

EDGE, Depot Redevelopment Corporation, and the Industrial Development Board

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Thomas Dyer, Vice Chairman

Natasha Donerson, Secretary

Larry Jackson, Treasurer

Councilman Berlin Boyd

Commissioner Willie Brooks

Charles Goforth

Emily Greer

Mark Halperin

Jackson Moore

Johnny B. Moore, Jr.

Memphis and Shelby County Port Commission

Johnny B. Moore, Jr., Chairman

Larry Jackson, Secretary/Treasurer

Thomas Dyer

Charles Goforth

Mark Halperin

Robert Knecht

Jackson Moore

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