

# Quarterly Report

Q1-Q2

FY 2020



**EDGE**

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. In our ninth 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.

# EDGE Q1-Q2 2020 AT A GLANCE

Approved Projects Have Committed To...

**634**

**Jobs**

at an average salary of more than

**\$52,000**

**\$443**

**Million**

Capital Investment

in Shelby County

**\$35.2**

**Million**

MWBE Spend

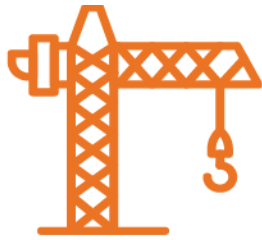
**\$64.2**

**Million**

In Tax Revenue

The story for Q1-Q2 FY2020 centered on a big new investment in our community by Hyosung, the impact of an NBC television series filmed in Memphis and Shelby County, neighborhood revitalization and good-paying job growth through local company expansion, and the potential for significant community reinvestment with a newly created TIF.

# EDGE APPROVED PROJECTS SINCE 2011



**197  
PROJECTS\***



**\$5.4 BILLION  
CAPITAL  
INVESTMENT**

PILOTS: 103 | Loans: 63 | TIFs: 5 | Bonds: 8 | Other: 18



**Local Tax Revenue**

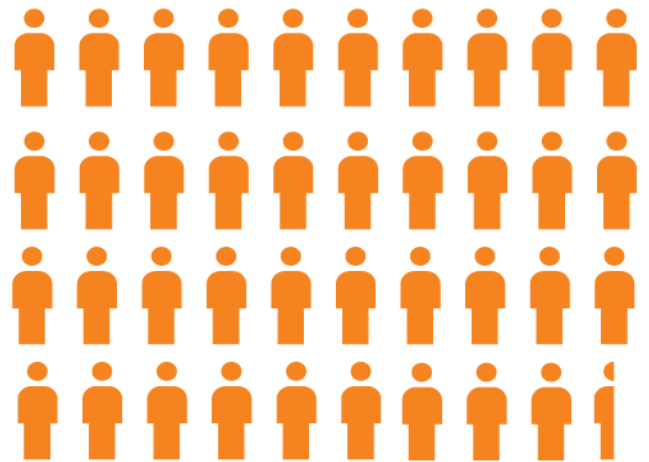
\$1,399,305,761\*



**Taxes Abated**

\$551,149,028\*\*

**\$2.54** BENEFIT-TO-COST-RATIO:  
Local taxes per \$1.00 of taxes abated



**32,651 JOBS**

**\$66,861 average wage\*\***

**\$2,735 incentive amount per job/per year\***

## Local Business Participation



**\$653,699,135**

**\$1.19** 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.

2011 - December 2019

\* Some recipients received more than one type of assistance. \*\*PILOTS only





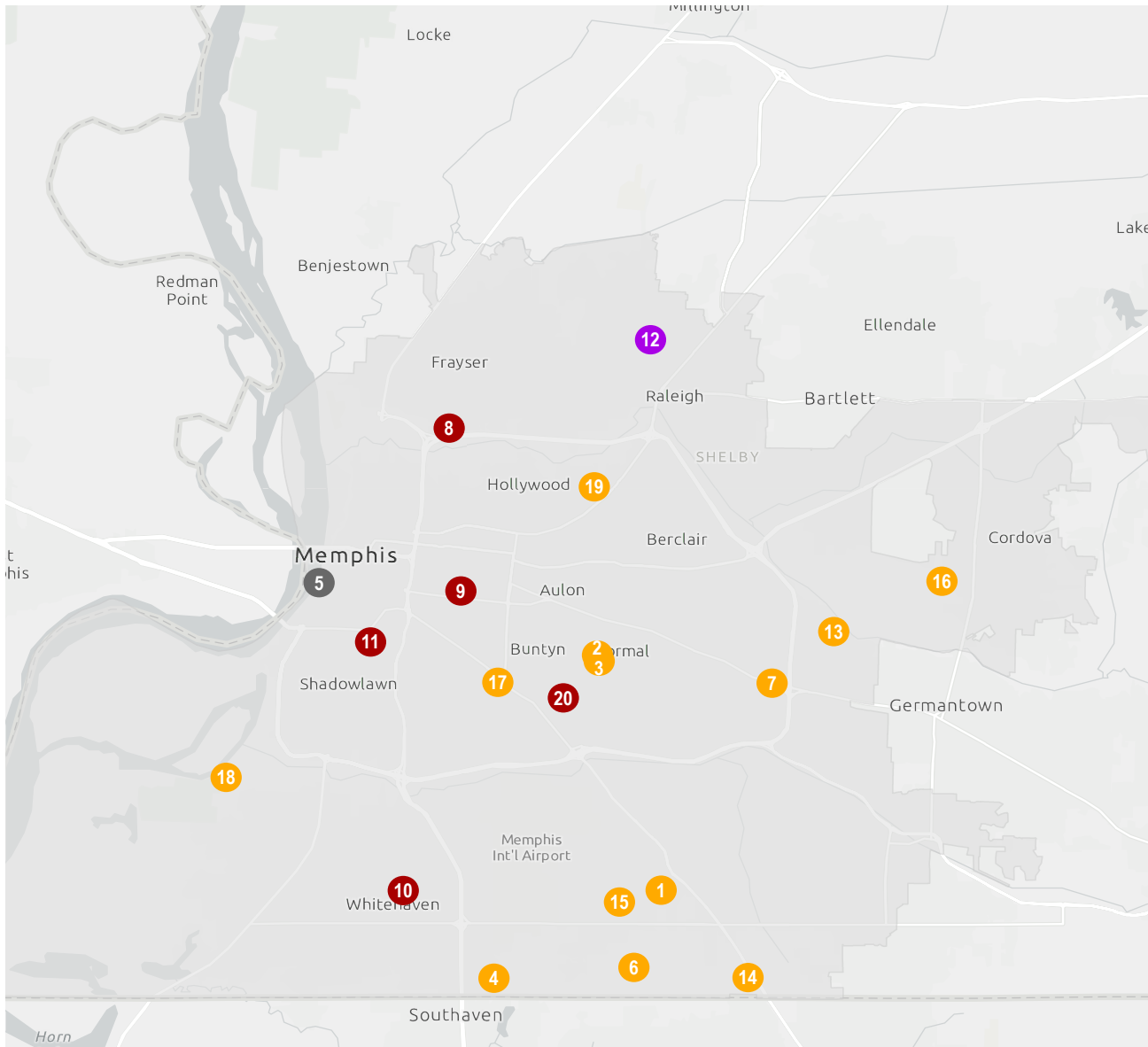
The new **Superlo** grocery store at Lamar and Airways opened in December to quite a celebration. Memphis Mayor Jim Strickland, several local officials, the Grizzlies drumline and Grizz himself were on hand to kick things off. At one point, Mayor Strickland played drums and Grizz danced. The celebration was well-warranted. This is a much-needed grocery store for the nearly 100,000 residents who were in the middle of a United States Department of Agriculture defined food desert.

The new Superlo location was aided with a 15-year Community Builder PILOT and a \$100,000 low interest loan from EDGE to go along with another \$100,000 from the City. The new location brings **28 full-time grocery store positions earning an average of \$35,500** as well as part-time positions. Beyond that, the project will generate an estimated \$3.1 million in local tax revenues during its PILOT term.

The USDA states that in most cities, food deserts are found in low-income areas and also neighborhoods of color. Memphis, unfortunately, follows suit. On the USDA's food desert atlas, the designation covers the city's poorest zip codes — 38126, 38105, 38108, and 38106 – areas that have an average median household income of \$19,107 a year.

Through assistance by EDGE, business owners, city and county government and other entities, **strides are being made**. The Lamar Avenue Superlo is now the fifth grocery store to be approved by the EDGE Board for an area with limited food options. Three of those are now a reality including the **Lamar Avenue Superlo**, the **Save a Lot at the Binghampton Gateway Center** and the **Cash Saver at the Southgate Center** on South Third Street; and we now have news that a grocer could soon come to the planned Frayser Gateway Center, which EDGE approved in 2017. Thanks, in part to EDGE's assistance, residents in several neighborhoods throughout Memphis now have access to a better variety of healthy and affordable food.

# Q1-Q2 2020 EDGE Projects



● Loan   
 ● Other   
 ● PILOT   
 ● TIF

ID	ProjectName	ID	ProjectName
1	FR8 Zone Inc.	11	South Memphis Renewal CDC
2	The Grove Studios	12	The Raleigh TIF
3	The Grove Townhouses	13	Raymond James and Associates, Inc.
4	Patterson Warehouse, Inc.	14	LeSaint Logistics
5	NBC Universal	15	The Pallet Factory Inc.
6	Cherry Tree International Corp.	16	Arlington Memphis, LLC dba Velo at Shelby Farms
7	Renasant Bank	17	Stepherson Incorporated, dba Superlo Foods
8	Vann Cut	18	Hyosung
9	Tamboli's Pasta and Pizza	19	PennAKem
10	Muggin Coffehouse	20	Creative Home Academy & Preschool

# Q1 2020 | PROJECTS

## FR8 Zone Inc.

### Fast Track PILOT (Payment-In-Lieu-of-Tax)

FR8 Zone Inc. is looking to create 32 new jobs with an average base salary of \$32,805 and invest \$11,550,000. EDGE provided assistance in the form of a 10-year Fast Track PILOT to encourage the company to invest in the City of Memphis at 4173 B.F. Goodrich Boulevard. FR8 Zone would occupy the entire 300,000 sq. ft. building on that site.

FR8 Zone Inc. is a development stage company creating technology to replace RFID (radio frequency identification) tracking with new supply chain logistics technologies and infrastructure. The privately held company based in New York with affiliates in New Jersey, California, and Florida will use this facility for third-party logistics and in development, manufacturing, and installation of proprietary devices that monitor products throughout the entirety of the supply chain. These devices, combined with FR8 Zone's proprietary software, are designed to improve efficiency and reduce costs related to warehousing and logistics.



32  
New Jobs



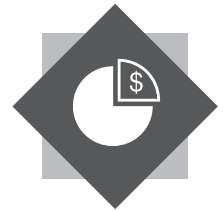
\$32,805  
Average Salary



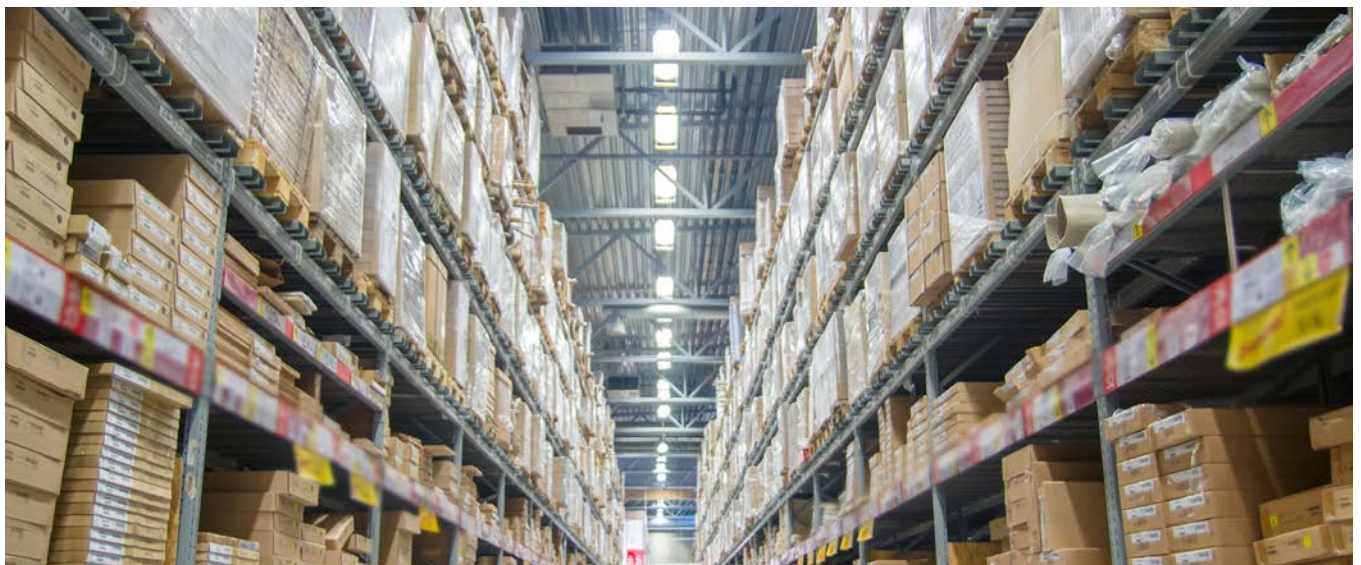
\$11.6 million  
Capital Investment



\$1.3 million  
MWBE Spending



\$2 million  
Tax Revenue



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

## The Grove Studios Residential PILOT (Payment-In-Lieu-of-Tax)

Zach Channing, on behalf of Southern Ave Properties, LLC, is looking to build 30 residential units at 3440 Southern. Mr. Channing is Vice President of Development with The Channing Corporation of Palm Beach Florida, which has developed \$2 billion of residential and commercial properties in the United States.

EDGE provided assistance in the form of a 10-year Residential PILOT to support redevelopment of the site, which was previously a gas station. The site has been abandoned for 15 years and a source of blight in the neighborhood.

The project will include a 16,800 square foot apartment building with 30 studio apartments within walking distance to the Highland Strip and the University of Memphis. The project is supported by The University of Memphis and The University Neighborhoods Development Corporation ("UNDC") consistent with the Residential PILOT Policies and Procedures.



N/A  
New Jobs



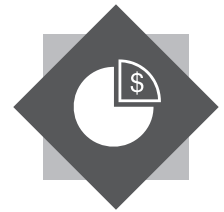
N/A  
Average Salary



\$2.6 million  
Capital Investment



\$738,450  
MWBE Spending



\$247,240  
Tax Revenue



# Q1 2020 | PROJECTS

## The Grove Townhouses Residential PILOT (Payment-In-Lieu-of-Tax)

Highland Street Investments, LLC will build 20 units of student housing for 75 residents near the intersection of Highland and Spottswood. The company is also represented by Zach Channing.

EDGE is assisting the project with a 10-year Residential PILOT to support redevelopment of the property, which was previously owned by McDonald's, along with two rental houses. The McDonald's property has been vacant for more than three years and is encumbered with a deed restriction preventing any food-service operation on the site.

The project consists of six three-story townhouse buildings that will create 15 four-bedroom units, 5 three-bedroom units, and 75 off-street parking spaces. Built for students, each room has its own bathroom and the residents would be able to lease individually by the room. The project is supported by The University of Memphis and The University Neighborhoods Development Corporation ("UNDC") consistent with the Residential PILOT Policies and Procedures.



N/A  
New Jobs



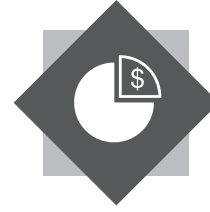
N/A  
Average Salary



\$4.6 million  
Capital Investment



\$1.3  
MWBE Spending



\$431,431  
Tax Revenue

## Patterson Warehouses, Inc. Jobs PILOT (Payment-In-Lieu-of-Tax)

Patterson Warehouses, Inc. is looking to expand and EDGE provided assistance through a six-year Jobs PILOT to encourage the company to create 41 net new jobs with an average base salary of \$37,617 and invest \$30,209,700 in the City of Memphis. The company will construct and equip a new 700,000 sq. ft. warehouse at 5388 Airways Boulevard.

Patterson Warehouses, Inc. is a privately held third-party warehousing and distribution provider to retail manufacturers, food and beverage producers, raw materials suppliers and e-commerce fulfillment resellers. Founded in 1856, Patterson now operates more than two million square feet of contract warehouse space in six Memphis area facilities.



41  
New Jobs



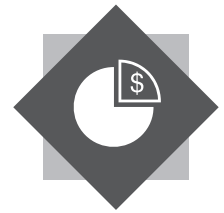
\$37,617  
Average Salary



\$30.2 million  
Capital Investment



\$7.6 million  
MWBE Spending



\$2.5 million  
Tax Revenue



# Q1 2020 | PROJECTS

## NBCUniversal Jobs PILOT (Payment-In-Lieu-of-Tax)

As part of a State and local partnership to secure NBCUniversal's network television series, "Bluff City Law," the City and County Administrations agreed to seek \$1.4 million for the first year of filming. NBCUniversal ordered 10 episodes for year one. All of those episodes were filmed in and around Memphis and Shelby County.

To provide the City and County assistance, EDGE awarded a PILOT tax abatement for six Comcast property tax bills: one State assessed utility property and five Memphis and Shelby County personal property bills. Comcast is passing the savings to its NBCUniversal subsidiary.

NBCUniversal estimated it would spend \$11.5 million on Tennessee-based personnel and approximately \$9 million with Tennessee vendors. The show was estimated to generate more than 10,300 hotel room nights in Shelby County as well.



61  
New Jobs



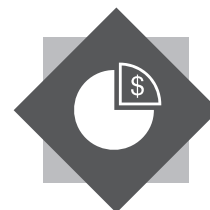
N/A  
Average Salary



\$41 million  
Capital Investment



N/A  
MWBE Spending



\$26.5 million  
Tax Revenue



## Cherry Tree International Corp. Fast Track PILOT (Payment-In-Lieu-of-Tax)

Cherry Tree International Corp. is looking to open a new distribution center. The company is evaluating locations in the central United States with strong logistics assets in order to expand its free 2-day shipping capacity. EDGE provided a 10-year Fast Track PILOT to encourage the company to create 25 net new jobs with an average base salary of \$28,877 and invest \$9,246,163 in the City of Memphis at 3955 East Holmes Road.

Cherry Tree International Corp. is a U.S. based subsidiary of Shanghai Lowen Group, a privately held e-commerce company based in China. The company provides high-quality, low-priced products direct from manufacturers to consumers through online marketplaces such as Amazon, eBay, and Walmart. The company specializes in pet products, sporting goods, and furniture.

The proposed Memphis distribution facility would be the company's third location along with one in California, and another in Delaware.



25

New Jobs



\$28,877

Average Salary



\$9.2 million

Capital Investment



\$311,209

MWBE Spending



\$1.5 million

Tax Revenue



# Q1 2020 | PROJECTS

## Renasant Bank Jobs PILOT (Payment-In-Lieu-of-Tax)

Renasant Bank is looking to build a regional headquarters as the company continues its growth. EDGE is encouraging the company to create 15 new jobs with an average base salary of \$93,333 and invest \$15,830,300 in the City of Memphis at 5575 Poplar Avenue. The company would construct a 45,000 sq. ft. three-story office building. Renasant would initially occupy two-thirds of the new building.

The Applicant would consolidate 62 existing area employees, add 15 new positions and create a Metro Memphis operation that includes community and commercial banking, mortgage services, private client and capital advisors, and treasury management in one building. Additionally, Renasant would like to secure space for additional future corporate growth.

Since its founding in 1904, Tupelo based Renasant Bank has grown to \$12.9 billion in assets and more than 190 offices throughout Mississippi, Alabama, Georgia, Florida and Tennessee. Growth has accelerated in recent years. In less than four years, Renasant Bank has acquired Heritage Financial Group, KeyWorth Bank, Brand Bank, and Metropolitan Bank. The publicly traded company now employs more than 1,900 people.



15  
New Jobs



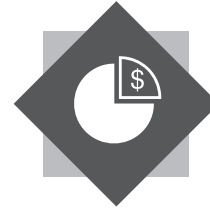
\$93,333  
Average Salary



\$15.8 million  
Capital Investment



\$3.4 Million  
MWBE Spending



\$1.4 million  
Tax Revenue

## Vann Cut Inner City Economic Development Loan

Carnell Vann, Jr. (dba Vann Cut), is working to renovate the interior and exterior at 2546 North Watkins for his business Vann Cut.

Mr. Vann has more than 20 years of experience as a professional barber. A Frayser native, Mr. Vann has spent his career working in barber shops and building a loyal clientele.

EDGE provided Vann with a \$20,000 Inner City Economic Development (ICED) Loan to help renovate the 1,100 square foot space constructed in 1969 by completing electrical, lighting, and plumbing upgrades, installing new cabinets and ceiling tiles, upgrading the HVAC, and painting the exterior. This project is supported by The Frayser Community Development Corporation.

- > **Loan Approved:** \$20,000
- > **Total Capital Investment:** \$52,737
- > **Total Jobs:** 5



Carnell Vann Jr.  
Owner, Vann Cut

# Q1 2020 | PROJECTS

## Tamboli's Pasta & Pizza Inner City Economic Development Loan

Miles Tamboli (dba Tamboli's Pasta & Pizza) was approved for a \$20,000 Inner City Economic Development (ICED) Loan to help complete renovations and increase restaurant seating from 28 to 54 at 1761 Madison Avenue. Total costs for the project are \$87,506.

The loan will help Mr. Tamboli renovate the 2,700 square foot space constructed in 1922 by enclosing a patio, installing lighting and an HVAC system, exterior painting and landscaping, and kitchen remodeling. This project is supported by The Midtown Memphis Development Corporation.

- > **Loan Approved:** **\$20,000**
- > **Total Capital Investment:** **\$87,506**
- > **Total Jobs:** **16**



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

## Muggin Coffeehouse Inner City Economic Development Loan

Mary and Ken Olds are bringing a new coffeehouse to Whitehaven. Muggin' Coffeehouse was approved for a \$15,000 Inner City Economic Development (ICED) Loan to help complete interior build-out and restroom upgrades at 1139 Brownlee.

The loan will help the Olds renovate the 1,665 square foot space constructed in 1964 by up-grading the electrical and lighting, installing new floor and ceiling tiles, building an ADA compatible restroom and completing interior build out. The project is supported by The Greater Whitehaven Economic Redevelopment Corporation.

- > **Loan Approved:** \$15,000
- > **Total Capital Investment:** \$26,000
- > **Total Jobs:** 5



Mary & Ken Olds  
Owners, Muggin'  
Coffeehouse



# Q1 2020 | PROJECTS

## South Memphis Renewal Community Development Corporation

The South Memphis Renewal Community Development Corporation (SMRCDC) was approved for a \$25,000 Inner City Economic Development (ICED) Loan to assist with construction of the 38126 Innovation & Technology Center (The 38126 Center) at 991 and 0 Mississippi Boulevard. The total project costs are expected to exceed \$670,000.

The SMRCDC is a 501(c)(3) nonprofit that focuses primarily on transforming vacant land into affordable housing. SMRCDC also pursues commercial revitalization in South Memphis. The organization is the court-appointed conservator of the Aretha Franklin birthplace and operates the YouthBuild apprenticeship program to train 70 people ages 16 to 24.

The 38126 Center will renovate a vacant 3,948 square foot building and add a 6,942 sq ft expansion to create 10,890 sq ft of retail, commercial, and office space at the corner of Mississippi and Walker. The center is rooted in the need to fill the digital divide, improve health and wellness services, and close the job-skills gap.

Proposed tenants for this technology-training anchored center are:

- Aperion Global – Technology Language Training and Certification Programs
- Brave Dog Games – Gaming Lounge and Video Game Development Center
- Well-Quest Wellness Center – Tele-Health Virtual Patient Care
- 2 Friends & A Chef Coffee – Coffee Shop
- Tri-State Defender Podcast Studio – Broadcast Quality Studio
- Crucial Music Studios – In-Person Interface for Online Music Licensing Service
- Rickey Anderson Entertainment Law Center – Entertainment Industry Training
- Benjamin Crump Social Justice Institute – Leadership Training and Certification Programs
- The Urban Incubator – Small Business Development Space

The Applicant committed \$70,000 of its own cash reserves to this project. Additionally, SMRCDC has received a \$15,000 grant from Community LIFT and a \$30,000 grant from the City of Memphis. A grant application has been submitted to the US Department of Health and Human Services requesting \$500,000, and, a bank loan in the amount of \$500,000 is being pursued based, if needed, on annual potential gross rental income estimates in excess of \$700,000.

> <b>Loan Approved:</b>	<b>\$25,000</b>
> <b>Total Capital Investment:</b>	<b>\$670,000</b>
> <b>Total Jobs:</b>	<b>20</b>

## Raleigh Town Center TIF (Tax Increment Financing) District

The Raleigh Town Center District encompasses the stretch of Austin Peay between Raleigh-Millington Road to the south and Lakehurst on the north. The area has struggled economically for more than 20 years. **A portion of property tax revenue collected within the TIF district will be used to fund streets, sidewalks, parking spaces, utilities and other infrastructure and public improvements.**

Input from the neighborhood as part of a 2019 plan assembled by the Memphis and Shelby County Division of Planning and Development, identified the following goals:

- **Spur Austin Peay into becoming a “main street” for Raleigh**
- **Attract mixed-use developments with office and retail, apartments and single-family housing, restaurants and boutique stores**



The former Raleigh Springs Mall site dubbed Raleigh Springs Town Center, which the city purchased in 2016 is the initial focus of the Raleigh Town Center District. The proposed 65-acre development includes a new Raleigh library, skate park, 11-acre lake and walking trail, and a police precinct/traffic station. It is slated to open in 2020.

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

# Q2 2020 | PROJECTS

## Raymond James Jobs PILOT (Payment-In-Lieu-of-Tax)

Raymond James and Associates, Inc. will expand its Memphis offices, creating 100 new jobs. With the expansion, Raymond James will also consolidate, into one location, the legacy Morgan Keegan Memphis operation that currently has 863 employees in three different facilities spread across the city.

The company was awarded an eight-year Jobs PILOT to encourage it to create the new jobs with an average base salary of \$63,970 excluding benefits and invest \$23,608,000 in the City of Memphis. The total project investment includes \$15,839,000 for renovation of existing structures and \$7,769,000 for the property at 1100 Ridgeway Loop and 889 Ridge Lake Boulevard.

Raymond James is a publicly traded company with 2018 revenues of \$7.27 billion. The company was founded in 1962 and is headquartered in St. Petersburg, Florida. In 2012, the company merged with Memphis-based Morgan Keegan and Company. The company offers financial services, asset management and banking to individuals, corporations and municipalities. Today Raymond James employs more than 13,000 people.



100  
New Jobs



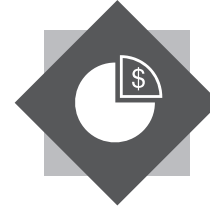
\$63,970  
Average Salary



\$23.6 million  
Capital Investment



\$4.4 million  
MWBE Spending



\$5.8 million  
Tax Revenue

## LeSaint Logistics

### Fast Track PILOT (Payment-In-Lieu-of-Tax)

LeSaint Logistics is planning to open a 640,000 square foot distribution center, creating 52 jobs with an average base salary of more than \$38,000, while investing \$28,182,866. EDGE awarded LeSaint a 10-year Fast Track PILOT to help make the project a reality for the city. With the center, LeSaint will manage the east coast shipping center for Beiersdorf and Coppertone products and provide retail fulfillment for several name brands including Nivea, Eucerin and Aquaphor. EDGE staff projects \$4,000,384 in local total tax revenues to be received during the PILOT term.



52  
New Jobs



\$38,656  
Average Salary



\$28.1 million  
Capital Investment



\$1.78 million  
MWBE Spending



\$4.0 million  
Tax Revenue



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



# Q2 2020 | PROJECTS

## The Pallet Factory, LLC Jobs PILOT (Payment-In-Lieu-of-Tax)

The Pallet Factory Inc., a 42-year-old family-owned company will be expanding its operations and creating more jobs. The company makes pine and hardwood pallets and refurbishes existing pallets throughout the southeast.

The Pallet Factory was awarded a seven-year Jobs PILOT to encourage it to create 15 new jobs with an average salary of nearly \$56,000. It will invest \$3,500,000 in a new 40,000 square foot facility and \$800,000 in manufacturing equipment at its 3740 Arnold Road location in Memphis. The current facility was not sufficient to support the company's continued growth. This PILOT will help the business improve efficiency, reduce material handling time and movement, and modernize production. The project will generate an estimated \$686,892 in local total tax revenues during the PILOT term.



15  
New Jobs



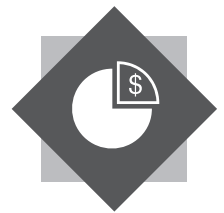
\$55,767  
Average Salary



\$4.3 million  
Capital Investment



\$961,967  
MWBE Spending



\$686,892  
Tax Revenue



Pallet Factory President, Wes Doyle, son of Founder and CEO, Michael Doyle, has the business in his blood. He got his start hanging around the company's South Memphis facility as a young child.

## Arlington Properties Sewer Capacity Management Incentive PILOT

EDGE's new **Sewer Capacity Management Incentive** was created to help developers who are facing issues with sewage capacity constraints in certain areas of the city. That was exactly the case for Arlington Properties in 2018, when they were looking to build a large apartment project near Shelby Farms Park but contemplated abandoning the project when they were told they might not be able to connect to the city's sewer lines.

The Sewer Capacity Management Incentive PILOT helps applicants absorb the cost of constructing offline sewer storage and pumping facilities required by the City of Memphis by abating City (not county) property taxes on the entire project for a term sufficient to offset the cost of the required offline sewer system plus associated out-of-pocket PILOT costs.

The incentive renewed Arlington Properties' interest in the Shelby Farms site. Arlington Properties will install two, 20,000-gallon sewage tanks on site. It will pump the waste into the city system during off-peak hours, between 11 pm and 5 am. With its 267-unit, \$37.6 million apartment community, called Velo at Shelby Farms, Arlington Properties' total investment includes \$1,150,000 for the land purchase, \$31,000,000 in hard construction costs and site improvements, and \$5,500,000 in soft costs at 7620 Raleigh Lagrange Road. During the two-year PILOT term, Velo will generate more than \$1.66 million in tax revenue for the city.



N/A  
New Jobs



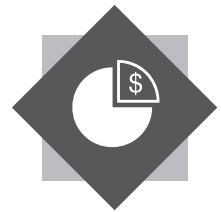
N/A  
Average Salary



\$37.6 million  
Capital Investment



\$248,600  
MWBE Spending



\$1.6 million  
Tax Revenue

# Q2 2020 | PROJECTS

## Stepherson Incorporated Jobs PILOT (Payment-In-Lieu-of-Tax)

The new Superlo location discussed earlier in this report, received a 15-year Community Builder PILOT and a \$100,000 low interest loan from EDGE, to go along with another \$100,000 from the City of Memphis.

The new Superlo location brings 28 full-time grocery store positions earning an average of \$35,500 as well as numerous part-time positions. Beyond that, the project should generate \$3,194,427 in local tax revenues during the PILOT term.



28  
New Jobs



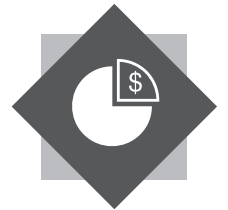
\$35,513  
Average Salary



\$1.4 million  
Capital Investment



\$101,358  
MWBE Spending



\$3.1 million  
Tax Revenue



*"This [grand opening] is just a great day for Orange Mound."*

Superlo Shopper,  
Reginald Taylor

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

# Q2 2020 | PROJECTS

## Hyosung Heavy Industries Jobs PILOT (Payment-In-Lieu-of-Tax)



Mitsubishi Electric Power Products, Inc (MEPPI) was looking to partner, sell or close its electric transformer manufacturing facility at the Rivergate Industrial Park. Korean manufacturing company, Hyosung Heavy Industries announced that it has big plans for the plant – plans that include saving a number of jobs for workers there. The EDGE board of directors helped encourage the company’s purchase of that facility and related job creation.

Hyosung will hire 131 employees within the first two years with an average base salary of \$51,475. This project will generate \$9,453,993 in local tax revenues, and Hyosung has committed to more than \$4.3 million in MWBE spend. Further, the company plans to hire 410 employees with a total investment of more than \$115,000,000 by 2026.

To help make this project reality, EDGE approved an 11-year Jobs PILOT, encouraging the company to retrofit the facility to manufacture Hyosung’s power transformers. If the company achieves its long-term goals, the PILOT will be rescored at the end of 2026 and, if earned, the term will be extended to account for the growth in jobs.

Mayor Strickland, Mayor Harris and Governor Bill Lee all acknowledged the positive outcome for the Mitsubishi plant and the employees who stand to be rehired.



131  
New Jobs



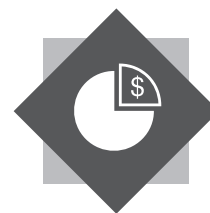
\$51,475  
Average Salary



\$102.9 million  
Capital Investment



\$4.3 Million  
MWBE Spending



\$9.4 million  
Tax Revenue



## Penn A Kem Jobs PILOT (Payment-In-Lieu-Of-Tax)

North Memphis chemical manufacturing company, Penn A Kem is planning to add 28 new jobs and invest \$38,545,000 at its 3324 Chelsea Avenue location with help from EDGE. The 28 employees will make \$73,740 annually, not including benefits.

This project will be a boon for the Douglas community, a severely distressed New Market Tax Credit eligible Census Tract with a poverty rate of 42.9% and an unemployment rate of 11.6%. Penn A Kem is active in the Douglas community through charitable activities with Douglas High and Elementary Schools, the Douglas Community Center and community celebrations.

The project will generate \$5,102,174 in local tax revenues and the company has committed to spending more than \$695,000 with MWBEs.

Penn A Kem provides full service-manufacturing, pilot facilities, R&D, and worldwide sales and marketing, all focusing on renewable chemistry while developing new and innovative products and processes for customers.



28

New Jobs



\$73,740

Average Salary



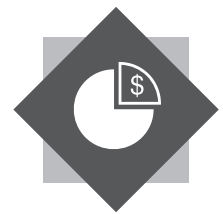
\$38.5 million

Capital Investment



\$695,535

MWBE Spending



\$5.1 million

Tax Revenue

### Creative Home Academy and Preschool Inner City Economic Development Loan

Constance Cherry was approved for a \$20,000 Inner City Economic Development (ICED) Loan to help complete exterior upgrades and HVAC installation at her Creative Home Academy & Preschool at 1149 Semmes in Memphis.

Ms. Cherry owns and operates another Creative Home Academy location at 1236 Elkwood (which is a Three Star rated facility with the Department of Human Services) and is in need of an additional location to accommodate growth. The new facility will care for children from 6-weeks-old to 12-years-old. In addition to quality childcare, the environment will be targeted toward families who want healthy organic meals and on-site extracurricular activities including gymnastics, music and Spanish.

The loan will help Ms. Cherry renovate the new space by painting the exterior and installing new porch columns, fencing the lot behind the building, upgrading the heating and air conditioning system, installing signage and a circular drop-off driveway, and improving accessibility.

- > **Loan Approved:** **\$20,000**
- > **Total Capital Investment:** **\$41,818**
- > **Total Jobs:** **5**



Constance Cherry  
Owner, Creative Home  
Academy and Preschool

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

## Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

### Grant Updates

*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

**Total Population Served: 651**

**Total Enrolled in Training: 441**

**Total Completed Training: 187**

**Total Obtained Employment: 61**

FOX 13 featured two students who had completed the MoveHire Medical Device program at Southwest Tennessee Community College and were hired on the spot by Smith & Nephew at a Greater Memphis Chamber job fair in November.

Theodore Simpson Jr. and Gabriel House will be part of the team that works to get a new artificial knee joint to market.



## Additional Resources to Enhance Job Recruitment and Retention/Expansion

In an effort to improve economic development efforts, the Memphis City Council and Shelby County Commission approved funding for additional EDGE staff members. The Economic Development Specialists will assist companies by coordinating community support services and removing obstacles related to incentives, minority contracting, workforce development and other issues. The Director of Research will manage data intelligence, identifying economic trends to assist with policy making and support business recruitment.



**VeLecia Young**  
Economic Development  
Specialist



**Fred DeMagistris**  
Economic Development  
Specialist



**Adrienne Johnson**  
Director of Research

The Economic Development Specialists have been busy getting to know Chamber of Commerce, Municipal and other business assistance providers throughout Shelby County during the last month, including:

- Downtown Memphis Commission
- Tennessee Valley Authority
- Tennessee Department of Economic and Community Development
- Memphis Light Gas and Water
- Greater Memphis Chamber of Commerce
- Greater Bartlett Chamber of Commerce
- Germantown Chamber of Commerce
- City of Germantown
- Collierville Chamber of Commerce
- Town of Collierville
- Millington Industrial Development Board
- Arlington Chamber of Commerce
- Lakeland Chamber of Commerce
- City of Lakeland

Both are currently working on more than a dozen projects, providing support to prospects looking at the Memphis market for the first time.



## Former Navy Property Site Improvement

EDGE/Port Commission has acquired the 42-acres on Presidents Island from the U.S. Navy, through the U.S. Department of Transportation, Maritime Administration Port Conveyance program. The property is currently being separated from the remaining Navy property by security barriers. Once the property is secure, EDGE/Port Commission will start a site improvement program that will include the demolition of the dilapidated 17,000 sq. ft. office building and the upgrading of rail lines to access the site. EDGE/Port Commission is seeking to obtain grants to assist in the redevelopment of the site.



## Public Terminal Redevelopment

EDGE/Port Commission is working on redeveloping the original public terminal facility on Presidents Island. The general use facility was originally built in 1953. Several of the warehouses, shops and office facilities were built in the 1960's. All of the facilities have exceeded their useful lifespan.

EDGE/Port Commission is working on a master lease with Watco Terminals Inc. to demolish the old buildings and redevelop the site. EDGE/Port Commission acquired a \$1.7 million grant from the State of Tennessee Department of Transportation for rail improvements on the site. In anticipation of successful completion of the lease agreement with Watco, Watco has started the environmental permitting process for the construction of a floating dock facility at the public terminal.

## Pidgeon Industrial Park Development

There are between 800 and 1,000 developable acres of land along the north edge of Pidgeon Industrial Park next to McKellar Lake. This property is currently owned by MLG&W, TVA, the City of Memphis and Shelby County. EDGE/Port Commission has been talking with TVA for two years about acquiring their property for a multi-modal marine freight terminal. The acquisition of these 800 to 1,000 acres of property would almost double the flood free industrial acreages in the Memphis harbor. Presidents Island has 960 flood-free acres.

EDGE/Port Commission hosted a dinner for the TVA board on November 13th while TVA was holding its quarterly meeting in Memphis. The goal of the dinner was to describe for TVA leaders, the plans for the new port and how important the TVA property is to Memphis. Both the Memphis and Shelby County mayors attended the dinner.



## 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) Incentives
  - :: Tax Increment Financing (TIF)
- **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
  - :: Ready Whitehaven Workforce Initiative

\*Funded by the U.S. Department of Labor

## EDGE Managed Entities

Depot Redevelopment Corporation of Memphis and Shelby County

Greater Memphis Alliance for a Competitive Workforce (GMACWorkforce)

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

Memphis and Shelby County Port Commission

## EDGE Properties

Depot

Frank C. Pidgeon Industrial Park

Presidents Island

## BOARD OF DIRECTORS

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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

### Interim Executive Director, Greater Memphis Alliance for a Competitive Workforce

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