



Q1 2020

Quarterly Report



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

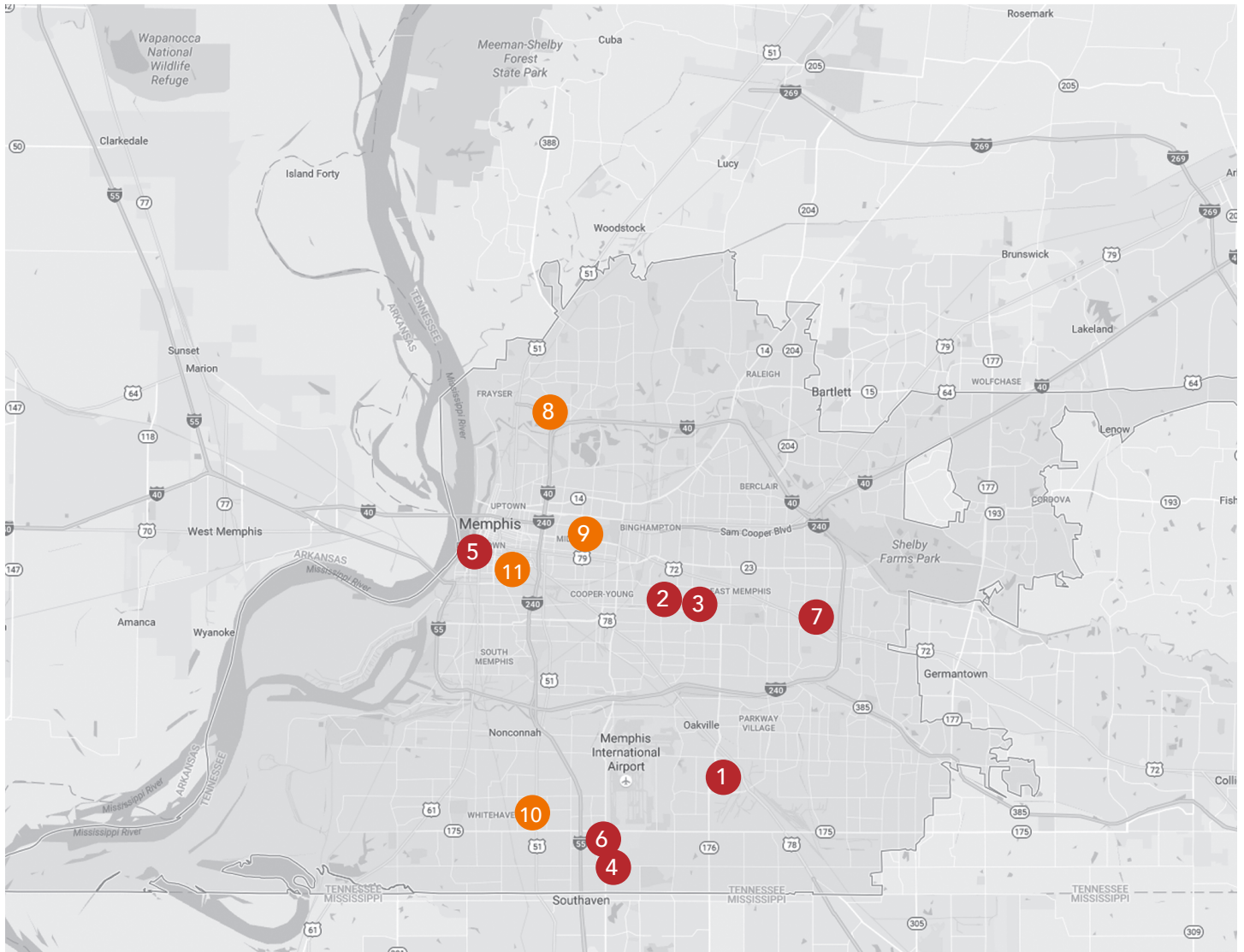


Driving Economic Development

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. In our eighth 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 2020 EDGE Projects



● PILOT ● LOAN

- | | |
|-----------------------------|--|
| 1 FR8 Zone, Inc. | 7 Renasant Bank |
| 2 The Grove Studios | 8 Vann Cut |
| 3 The Grove Townhouse | 9 Tamboli's Pasta & Pizza |
| 4 Patterson Warehouse | 10 Muggin Coffehouse |
| 5 NBC Universal | 11 South Memphis Renewal Community Development Corporation |
| 6 Cherry Tree International | |

Q1 2020 | PROJECTS

FR8 Zone Inc.

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

FR8 Zone Inc. was awarded a 10-year Fast Track PILOT to encourage the company to create 32 net new jobs with an average base salary of \$32,805 excluding benefits and invest \$11,550,000 in the City of Memphis at 4173 B.F. Goodrich Boulevard. FR8 Zone will occupy the entire 300,000 sq. ft. building.

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



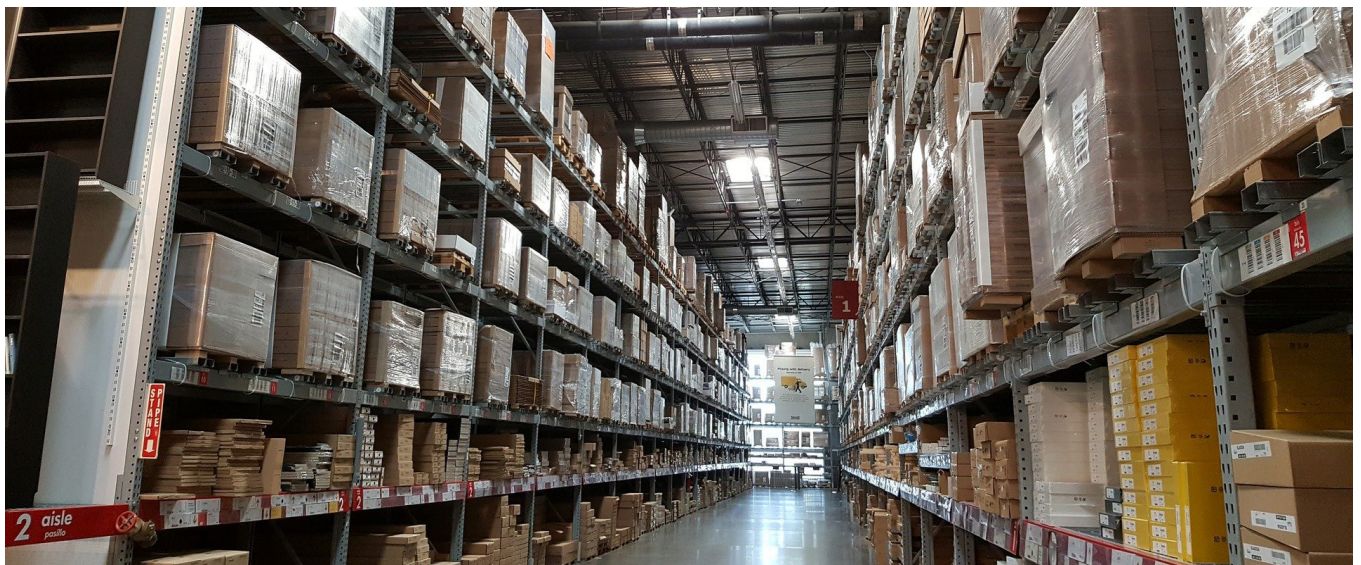
\$11.6 million
Capital Investment



\$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)

Southern Ave Properties, LLC ("Applicant") was awarded a 10-year Residential PILOT to construct 30 residential units at 3440 Southern. The Applicant was represented by Zach Channing, a 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.

The site previously operated as a gas station and has been abandoned for 15 years.

The project will be comprised of a 16,800 square foot apartment building containing 30 studio apartments within walking distance to the Highland Strip and the University of Memphis. Resident amenities will include a bocce ball court, gazebo, and gathering space around a fire pit.



N/A
New Jobs



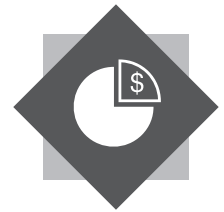
N/A
Average Salary



\$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 was awarded a 10-year Residential PILOT to construct 20 units of student housing for 75 residents near the intersection of Highland and Spottswood. The Applicant was represented by Zach Channing, a Vice President of Development with The Channing Corporation of Palm Beach, Florida, who has developed \$2 billion of residential and commercial properties in the United States.

The Residential PILOT will support redevelopment of property previously owned by McDonald's along with two adjacent single-family 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. This will create 15 four-bedroom units, 5 three-bedroom units, and 75 off-street parking spaces. Each bedroom will have its own bathroom and will be rented independently. All apartments will feature kitchens and living areas with open floor plans, granite counter tops, and stainless-steel luxury appliances. Resident amenities will include a central lawn and a swimming pool.

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

Q1 2020 | PROJECTS

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

Patterson Warehouses, Inc. was awarded a six-year Jobs PILOT to enable the company to create 41 net new jobs with an average base salary of \$37,617 excluding benefits 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 Airway 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



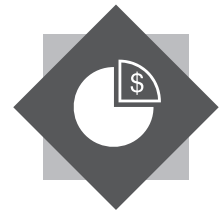
\$37,617
Average Salary



\$30.2 million
Capital Investment



\$7.6 million
MWBE Spending



\$2.5 million
Tax Revenue



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

Q1 2020 | PROJECTS

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

NBCUniversal has committed to filming the network television series “Bluff City Law” in the City of Memphis and Shelby County. As part of a State and local partnership to secure the series, the City and County Administrations agreed to seek \$1.4 million for the first year of filming. NBCUniversal has currently ordered nine episodes for Year 1 in addition to the pilot. All will be filmed in and around Memphis and Shelby County.

To provide the City and County assistance, EDGE is proposing a four-year PILOT tax abatement for six Comcast property tax bills: one State assessed utility property and five Memphis and Shelby County personal property bills. Comcast will pass the savings to NBCUniversal.

For the nine additional episodes, NBCUniversal expects total cost to be \$41 million. That includes 332 crew and 34 cast members, with a payroll of \$22 million including benefits. NBCUniversal anticipates spending \$11.5 million on Tennessee-based personnel and approximately \$9 million with Tennessee vendors. The show is expected to generate more than 10,300 hotel room nights in Shelby County, Tennessee. If the initial order is successful, it is anticipated that another six episodes will be ordered for this season, bringing the total spending for Season 1 of Bluff City Law to more than \$68 million.



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. was awarded a 10-year Fast Track PILOT to encourage the company to create 25 net new jobs with an average base salary of \$28,877 excluding benefits and invest \$9,246,163 in the City of Memphis. The company will occupy 220,000 sq. ft. of the existing building 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. Cherry Tree International is evaluating locations in the central United States with strong logistics assets in order to expand its free 2-day shipping capacity to 95% of the U.S. population. 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 ("Applicant") was approved for a nine-year Jobs PILOT to enable the company to create 15 net new jobs with an average base salary of \$93,333 excluding benefits and invest \$15,830,300 in the City of Memphis. The company will construct a 45,000 sq. ft. 3-story office building at 5575 Poplar Avenue. Renasant will initially occupy two-thirds of the new building.

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.

The new location will serve as a regional headquarters. The Applicant will 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 Bank would like to secure space for additional future corporate growth.



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), was awarded a \$20,000 Inner City Economic Development (ICED) Loan to help complete buildout of interior renovations and improve the visibility and appearance of the exterior at 2546 North Watkins. Total project costs are \$52,737.

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.

The loan will help Mr. Vann 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



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 enclose the patio, add 700 square feet, and increase restaurant seating from 28 to 54 at 1761 Madison Avenue. The project also includes other exterior upgrades and interior remodeling with total costs of \$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



Muggin Coffeehouse Inner City Economic Development Loan

Mary Olds (dba 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. Total project costs qualified for the ICED program are \$26,000 excluding landlord investments in HVAC installation and exterior remodeling.

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

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



Q1 2020 | PROJECTS

South Memphis Renewal Community Development Corporation

The South Memphis Renewal Community Development Corporation (SMRCDC) (Applicant), 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. Total project costs are expected to exceed \$670,000

The SMRCDC is a 501(c)(3) nonprofit corporation registered in Tennessee. The organization focuses primarily on transforming vacant land into affordable housing. SMRCDC also pursues commercial revitalization along key targeted South Memphis corridors. 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 an existing vacant 3,948 square foot building and add a 6,942 square foot expansion, designed by Self Tucker Architects, to create 10,890 square feet 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 Chop
- 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 on annual potential gross rental income estimates in excess of \$700,000.

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

Q1 2020 | WORKFORCE DEVELOPMENT

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

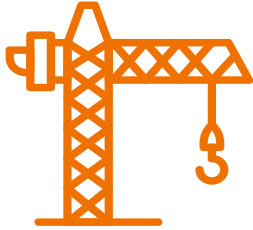
MOVE-HIRE TOTAL ENROLLED: 484

- Employed: 237 (224 under employed)
- Unemployed: 205
- Not in Labor Force: 42

Additional Resources to Enhance Job Recruitment and Retention/Expansion

During budget approvals for FY 2020, the Memphis City Council and Shelby County Commission approved a combined \$500,000 over two years in funding for four additional EDGE staff members to enhance current economic development efforts by assisting companies with incentive, minority contracting, workforce development, and other issues.

EDGE PORTFOLIO PERFORMANCE



**174
PROJECTS***

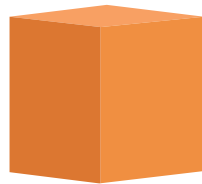
PILOTS: 96 | Loans: 61 | TIFs: 4 | Bonds: 8 | Other: 18



**\$5.1 BILLION
CAPITAL
INVESTMENT**

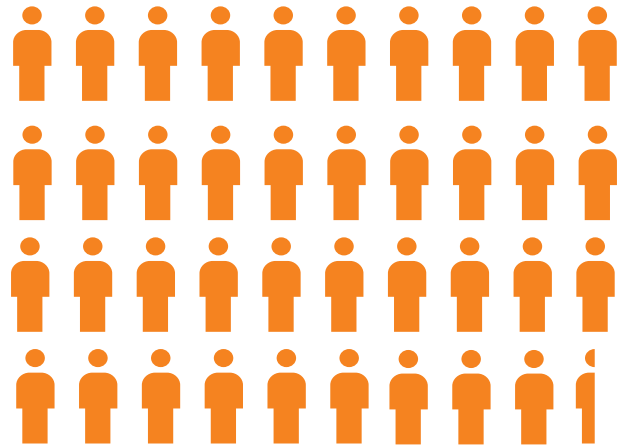


Local Tax Revenue
\$1,369,362,099*



Taxes Abated
\$527,830,191**

\$2.59 BENEFIT-TO-COST-RATIO:
Local taxes per \$1.00 of taxes abated



32,225 JOBS
\$78,919 average wage**
\$2,655 incentive amount per job/per year*

Local Business Participation



\$632,986,971

\$1.20 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 - September 2019

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

Major Programs

- **Financing**
 - :: EDGE Impact Fund
 - :: 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
 - :: Port Master Plan
- **Small Business Technical Assistance**
 - :: Economic Gardening
 - :: SBA Emerging Leaders
- **Workforce Development**
 - :: America's Promise Grant/MOVE-HIRE*
 - :: Industry outreach, assessment, and training support
 - :: MemphisWorks
 - :: 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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Thomas Dyer, *Vice Chairman*
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Larry Jackson, *Treasurer*
Mark Halperin
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Greater Memphis Alliance for a Competitive Workforce

Jackson Moore, *Chairman*
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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

Alan Gumbel

General Counsel, EDGE and Related Entities

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