

# Quarterly Report

## Q3

### 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 Q3 2020 AT A GLANCE

Approved Projects Have Committed To...

196

Jobs

at an average salary of more than

\$55,000

\$334

Million

Capital Investment

in Shelby County

\$40

Million

MWBE Spend

\$35

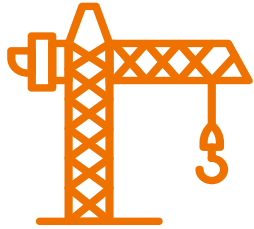
Million

In Projected

Tax Revenue

The story for Q3 2020 focused on local expansion by established companies, as well as revitalization in our inner city neighborhoods through a PILOT and Inner City Economic Development (ICED) Loans. ICED Loan recipients continue to invest in their communities, removing blight and inspiring more growth and development along the way.

# EDGE APPROVED PROJECTS SINCE 2011



**200  
PROJECTS\***

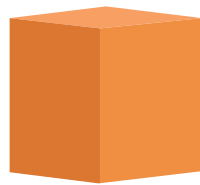


**\$5.9 BILLION  
CAPITAL  
INVESTMENT**

PILOTS: 106 | Loans: 63 | TIFs: 5 | Bonds: 8 | Other: 18

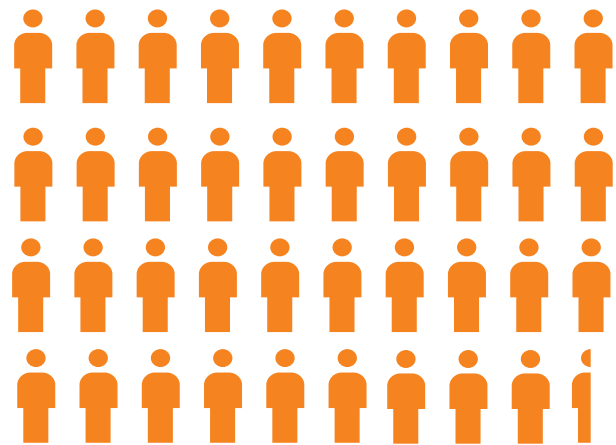


**Local Tax Revenue**  
\$1,434,145,687\*



**Taxes Abated**  
\$610,453,881\*\*

**\$2.35** BENEFIT-TO-COST-RATIO:  
Local taxes per \$1.00 of taxes abated



**37,754 JOBS**  
**\$66,516 average wage\*\***  
**\$2,976 incentive amount per job/per year\***

## Local Business Participation



**\$694,132,335**

**\$1.14** 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.

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



## Q3 2020 | SPOTLIGHT



### Vann Cut Brings Dedication, Inspiration to Frayser

Carnell Vann grew up in Frayser and, as he puts it, has been in love with that community his entire life. He is excited and inspired by the recent development across Frayser. “As I ride down Thomas, I see the growth going on and all of the new stores, the new venues that are constantly popping up,” said Vann. “I see a lot of revenue dollars coming to Frayser.”

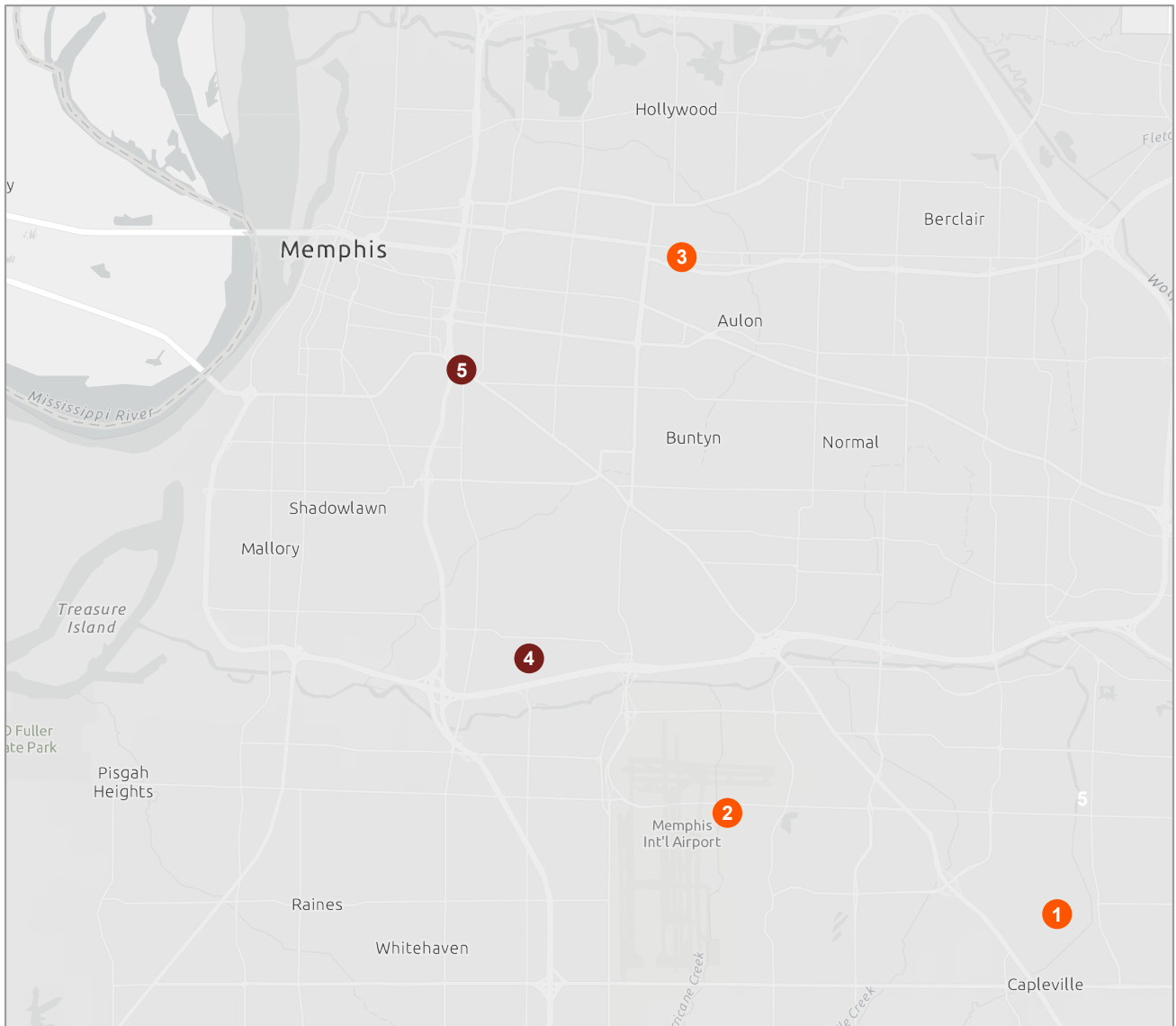
Vann has more than 20 years of experience as a professional barber. He spent his career working in barber shops and building a loyal clientele. Last year, he decided it was time he opened his own shop. “They are selling a lot of homes and getting more people in here,” said Vann. “So, I feel like I needed to be over in this area to accommodate the people who need a barber.”

He opened Vann Cut last year in a small shopping center near Watkins and I-40, located near several neighborhoods. The space needed more than \$50,000 in renovations to build out the interior and improve the visibility of the exterior. EDGE awarded Vann a \$20,000 Inner City Economic Development (ICED) Loan in 2019 to help complete those renovations. He said that loan helped him tremendously, allowing him to focus more of his money on growing his business.

“I used a majority of my money and EDGE helped me out a whole lot,” said Vann. “Now I am able to do more marketing than what I was doing at first. Now I’m able to go out and go to other schools and promote more. Now I have something more to offer the barbers when they come in. I am trying to make it look nice. I am trying to make this shop look better than the shops across the City of Memphis as well as in Frayser.”

After a slow start, Vann said business is going very well. “I advise all of the guys who have a business out in Frayser, they need to understand – Don’t move,” said Vann. “Stay where you are because Frayser is growing. If you want to venture out, do something, that is fine but keep your business open in Frayser. Love Frayser like I love Frayser.”

# Q3 2020 EDGE Projects



● Loan ● PILOT

## ID Company

- 1 Blues City Brewery
- 2 United Parcel Service
- 3 Link Apartments Broad Avenue
- 4 Alcy Ball Development Corporation
- 5 Bendy Beast Fitness LLC

# Q3 2020 | PROJECTS

## Blues City Brewery, LLC Jobs PILOT (Payment-In-Lieu-of-Tax)

Blues City Brewery is looking to expand its operations to boost its production capacity and capture a bigger share of the beverage market. The company is considering all three of its existing facilities but EDGE is providing assistance to keep that growth in Memphis. To remain competitive, the company needs to upgrade the aging manufacturing and processing equipment within its plant.

The company would invest \$49 million in new manufacturing machinery and hire 155 people at an average base salary of \$56,609 a year for its Memphis operation. The expansion would be assisted by a 12-year Jobs PILOT.

Blues City Brewery bought the former Schlitz bottling plant in 2011 and since then, has grown to 516 employees, manufacturing several popular national and international brands. The project would generate an estimated \$101,856 in new property taxes each year during the PILOT term, and \$213,032 annually thereafter.



155  
New Jobs



\$56,609  
Average Salary



\$49 million  
Capital Investment



\$183,000  
MWBE Spending



\$10 million  
Total Local  
Tax Revenue



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

## United Parcel Service, Inc. Jobs PILOT (Payment-In-Lieu-of-Tax)

United Parcel Service, Inc. (UPS) is growing its operation and EDGE is working to make sure that expansion is in Memphis. That expansion would include a new automated parcel handling facility that would help increase capacity and enhance UPS's competitiveness in the market. The project would create 25 new supervisory jobs at an average base salary of \$47,480 and invest almost \$217 million at its 3675 New Swinnea Road location. It would also secure Memphis's place in the UPS network for years to come and ensure job growth and retention with the company. The company currently operates a combination air sort and ground sort hub here that employs more than 1,300 people.

The project, assisted by EDGE through a 15-year Jobs PILOT, would generate an estimated \$845,119 in new property taxes each year during the PILOT term and \$2.9 million annually after the PILOT on what is currently nontaxable land owned by the airport.



25  
New Jobs



\$48,000  
Average Salary



\$217 million  
Capital Investment



\$25 Million  
MWBE Spending



\$18 Million  
Total Local  
Tax Revenue





# Q3 2020 | PROJECTS

## Link Apartments Broad Avenue Residential PILOT (Payment-In-Lieu-of-Tax)

A new \$69 million investment in Binghamton looks to bring more people and more growth to this historic neighborhood. Link Apartments has plans to redevelop the site of a 75-year-old warehouse on Broad Avenue as a new residential living space. EDGE provided a 15-year Residential PILOT to aid in the redevelopment.

The 350-unit residential development in the shadow of Broad Avenue's iconic water tower will have a significant and positive impact on this area's continued growth. They are committing to maintaining prices on 20% of the units so as to be affordable to low/moderate income people.

Today, this property produces just \$32,601 per year in property taxes. This is estimated to increase to \$427,834 per year during the term of the PILOT agreement and to more than \$1.6 million annually after the PILOT ends.



N/A  
New Jobs



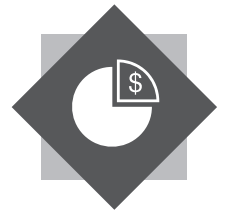
N/A  
Average Salary



\$69 million  
Capital Investment



\$14 Million  
MWBE Spending



\$7 Million  
Total Local  
Tax Revenue



## Alcy Ball Development Corporation Inner City Economic Development Loan

Roger's Store' was a fixture in the Alcy Ball neighborhood for years. It was a place for neighbors to gather, rub shoulders, and connect. The store closed in 2018 and the building has been vacant. But now The Alcy Ball Development Corporation is hard at work giving the space new life as a meeting space for the community.

The Development Corporation plans to spend \$200,000 to redevelop the building as a neighborhood hub. It will serve as the Development Corporation's office, a meeting space for block clubs and a community classroom. The group also plans to install a kitchen to launch a budget-friendly cooking program focused on healthy eating.

The EDGE Economic Development Finance Committee approved a \$25,000 ICED Loan to help the Development Corporation renovate the building. The Development Corporation team works with residents in the Alcy Ball community on Financial Empowerment and Neighborhood Revitalization programs. They help residents open checking accounts, reduce debt and manage budgets. They also board up abandoned houses, clear vacant lots, improve parks and install bus stop benches. Their vision is for an economically and socially restored Alcy Ball.

- > Loan Approved: \$25,000
- > Total Capital Investment: \$90,967
- > Total Jobs: N/A



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



## Q3 2020 | PROJECTS

### Bendy Beast, LLC Inner City Economic Development Loan

A long-empty and dilapidated building near the corner of Lamar and Bellevue will soon be filled with dancing, fitness and more.

Liz Kinnmark is the owner of Bendy Beast. She is a certified instructor for yoga, flexibility training, Pilates, pole fitness and dancing. Kinnmark bought the modest, commercial brick building at 1202 Minna Place last year and has been working to make the needed repairs and renovations.

The EDGE Finance Committee approved a \$20,000 Inner City Economic Development Loan to help Kinnmark renovate the space. The building offers high visibility from the street and Kinnmark says the planned upgrades will make the location stand out on its corner after years of blight. She sees Bendy Beast as an inclusive space and a starting point for friendships, networking, inspiration and interdependence. The Annesdale-Snowden Historic Neighborhood Association supports this project.

> Loan Approved:	\$20,000
> Total Capital Investment:	\$103,860
> Total Jobs:	10



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 Update

*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

### **Q3 2020 MOVE HIRE Impact:**

**Total Population Served: 267**

**Total Enrolled in Training: 249**

**Total Completed Training: 148**

**Total Obtained Employment: 19**

## Individual Professional Growth Benefits Organization

In March, Harvard Business School Online included a feature on GMACWorkforce's Director of Recruitment & Project Accountability, Sheneka Balogun. Balogun completed Harvard Business School Online's CORE Business Fundamentals program in 2015. She credits the program with a lot of her success throughout her career and uses the tools she gained from CORE in her work at GMACW every day.

"I use them to measure academic progress and make recommendations about how to improve student outcomes in the areas of retention, completion, job placement, and overall institutional effectiveness for post-secondary education programs," Balogun says.





## Former Navy Property Site Improvement

The last stage of the 42-acre property acquisition from the Navy on Presidents Island was completed. A Port Commission contractor built a required separation fence along the property line between the Navy's remaining property and the property deeded to the Port Commission in September 2019.

The Port Commission has applied for a TVA InvestPrep grant for demolition of a dilapidated administration building on the 42-acre site. The site will be clear of all obstructions and ready for development once the demolition occurs.



## Public Terminal Redevelopment

The Port Commission and Watco are in the final stages of lease negotiations for the 60-acre Public Terminal facility on Presidents Island. In preparation for completion of the negotiations, Watco has started preliminary engineering and permitting for a floating dock facility at the Public Terminal.

Engineering design work has started on the \$1.7 million TDOT rail grant improvement at the Public Terminal. The bid packet for the rail construction is being created and should be made available for bid upon completion of the engineering and review by the State. The bid is likely to occur in July 2020.

## Ensley Pumping Station

This summer, the City of Memphis will continue a \$2 million dollar restoration of the Ensley pumping station in the Pidgeon Industrial Park. The pumping station provides drainage for 5,500 acres of land behind the 11-mile-long Ensley levee. The facility was completed in 1967, and the pumps keep the water levels regulated within the industrial park. About \$2 billion dollars of industrial property assets are protected by the levee and pumping station.

## 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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Thomas Dyer, Vice Chairman  
Dr. Florence Jones, Secretary  
Larry Jackson, Treasurer  
Natasha Donerson  
Councilman Edmund Ford, Sr.  
Mark Halperin  
Commissioner Mickell Lowery  
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Johnny B. Moore, Jr.  
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Larry Jackson, Secretary/Treasurer  
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Robert Knecht  
Jackson Moore  
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## Greater Memphis Alliance for a Competitive Workforce

Jackson Moore, Chairman  
Thomas Dyer, Vice Chairman  
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

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## Vice President, Port and Industrial Properties; Executive Director, Memphis & Shelby County Port Commission

Randy Richardson

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

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