

ECONOMIC DEVELOPMENT COMMISSION
Thursday, September 7, 2017
Blue Conference Room
1930 South Germantown Road

The regular meeting of the Economic Development Commission (EDC) was held Thursday, September 7, 2017, in the Blue Conference Room. Chairman Klein called the meeting to order at 5:30 p.m.

PRESENT: Jerry Klein, Brian Pecon, Bo Adams, Jim Lefler, Sidney Kuehn, Steven Levy, Janet Geyer, and Rick Towne

GUESTS: Ralph Moore, Executive Director of Memphis Area Association of Governments (MAAG)

ABSENT: Trey Sowell, Keith Saunders, Michelle Johns, Alderman John Barzizza, and Janie Day

STAFF PRESENT: Cameron Ross, Director of Economic and Community Development

1. A quorum for tonight's Economic Development Commission meeting was met.

2. **Minutes: Approval of Minutes for June 1, 2017 and July 6, 2017:**

Chairman Klein stated the first order of business is the approval of the minutes for June 1, 2017. If there were no additions, corrections or deletions to the minutes, he would entertain a motion for approval.

Mr. Levy moved to approve the Economic Development Commission minutes of June 1, 2017, seconded by Mr. Pecon. **The motion was passed.**

Chairman Klein stated the first order of business is the approval of the minutes for July 6, 2017. If there were no additions, corrections or deletions to the minutes, he would entertain a motion for approval.

Mr. Levy moved to approve the Economic Development Commission minutes of July 6, 2017, seconded by Mr. Pecon. **The motion was passed.**

3. **Reports/Monthly/Quarterly:**

a) **City Germantown Economic Development – Meeting Update:**

Ms. Lisco and I had the opportunity to attend the ICSC Tennessee/Kentucky Idea Exchange meeting in Nashville at the end of July. We had some good meetings with brokers, prospects, and developers trying to focus on Germantown with some of the projects opportunities that we have here.

Ms. Lisco recently went to Charlotte, NC for the Southern Economic Development Council Conference where she also accepted an award for the City of Germantown's Annual Business and Industry Report for a Superior Communication Piece. She is in Knoxville attending the State Landscape Architecture Conference today.

b) **Planning/Small Area Plan - Nodes/Districts:**

Mr. Ross stated we are growing by leaps and bounds. We have seen activity in all our districts.

- i. Central Business District (Smart Code) – The Hobby Lobby Center has started on their façade improvements. It will follow the same design, colors, and materials that the existing Bed Bath Beyond has. A construction permit for the last space in the outbuilding of Saddle Creek South. This space will be built out as a donut and coffee shop concept called Rise Biscuits and Donuts (<https://risebiscuitsdonuts.com/>).
- ii. East Poplar Avenue (at Forest Hill-Irene) – Blue Honey Bistro is a new restaurant at Village Shops. Vesta Home Show will be taking place at Chapel Cove Subdivision in mid/late November.

- iii. West Poplar Avenue District (Smart Code) – There is plenty of progress on TraVure. The hotel plans to start at the end of this month. The TraVure office seems to be on track to meet their deadline for MAA in February.
- iv. Wolf River Blvd. –We are still looking at the independent living Avenida project site.
- v. Forest Hill Heights (Smart Code) - In Forest Hill Heights, we've had a significant amount of interest from developers for the opportunities utilizing the Smart Code overlay. The area has continued to progress along with potential multifamily projects being reviewed at the Planning Commission for Forest Hill Heights.

Mr. Ross noted with the Arthur property, they are considering different opportunities to look at how the project connects better with the neighborhoods to eliminate some of the concerns based upon traffic and how it was going to be distributed in the neighborhoods. Also, how much density they are adding to the project in the vertical basis.

c) **Germantown IDB:** Nothing to report.

d) **Germantown Area Chamber of Commerce:**

Janie Day is in the middle of a membership drive.

4. **Guest:**

Ralph Moore, Executive Director of Memphis Area Association of Governments (MAAG) gave a presentation on the regional comprehensive economic development strategy that was prepared by MAAG. Members had several questions regarding the plan and look forward to collaboration as part of its implementation. A comprehensive economic development strategy ([CEDS](#)) is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS should analyze the regional economy and serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. A CEDS integrates a region's human and physical capital planning in the service of economic development. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region's unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs for the region's residents. A CEDS must be the result of a continuing economic development planning process developed with broad-based and diverse public and private sector participation, and must set forth the goals and objectives necessary to solve the economic development problems of the region and clearly define the metrics of success. Finally, a CEDS provides a useful benchmark by which a regional economy can evaluate opportunities with other regions in the national economy.

This report represents Part 1 of a two-part Comprehensive Economic Development Strategy (CEDS) for the Memphis Region. The Part 1 Report provides the background economic base assessment as well as findings from a targeted industry analysis, as a basis for strategic recommendations for regional economic development that are contained in Part 2. The Memphis Region CEDS was prepared for the Memphis Area Association of Governments (MAAG) through a grant from the U.S. Economic Development Administration (EDA). Various inputs helped to inform this Part 1 Report, including a review of existing documentation relating to economic development and planning within the region. Interviews, surveys, and focus groups were conducted as part of a stakeholder engagement process with representatives of business, government, and institutions throughout the area. Field reconnaissance was conducted and information collected on existing physical conditions. Analysis of various economic and demographic data was conducted as input to both the economic baseline assessment and the target industry analysis.

Section 1 of this Part 1 Report provides a summary of findings from the Economic Base Assessment relating to existing economic conditions, regional context, key assets, demographic trends, and various factors impacting on the region's economic development.

Section 2 provides a summary of findings from the Target Industry Analysis, indicating potential opportunities for regional growth and business development within the framework of existing targets for business recruitment and retention identified by area economic development agencies.

Section 3 summarizes existing labor force education and skills status, while Section 4 provides a summary of existing economic development agency resources. Acknowledgements This report acknowledges the assistance of the Memphis Area Association of Governments (MAAG) and its staff in coordinating logistical resources to help guide this process. The report also acknowledges the participation and guidance of the Project Steering Committee established for this CEDS. Steering Committee members included the following individuals, representing key organizations and institutions, and providing their time and attention.

- Goals were defined both for regional economic development and specifically, for this Comprehensive Economic Development Strategy (CEDS).
- Regional Economic Development: The goal for regional economic development is to target resources to address shared concerns (e.g., regional transportation, marketing image, labor markets), define specialized niches that build on local competitive strengths, and ensure economic prosperity reaches all geographic sectors.
- CEDS: The Goal for this CEDS is to define those areas where value can be added to strengthen existing programs or create new mechanisms for meeting regional economic development goals and objectives.
- Growth Assessment: Further analysis was conducted to assess growth trends as well as growth prospects among the area's industry clusters and concentrations. The analysis also identified industries that are underrepresented in the region but represent opportunities to fill gaps in key clusters and concentrations. Export potential was another factor taken into consideration.
- Competitive Advantages: Based on part on the output of the economic base and target industry analyses; business surveys, focus groups, steering committee visioning, and other stakeholder engagement, several of the region's and local counties' competitive advantages have been identified as an input to broader recommendations for business targeting and development.
- Location & Transportation Accessibility: Clearly Memphis became what it is today because of its strategic location near the center of the country, with superior transportation access built on inland water, rail, road, and air. It is this access that has helped make Memphis "America's Distribution Hub," home to the world's largest express delivery company, Class 1 railroads, major inland waterway port, and nation's busiest cargo airport. Having the FedEx hub in Memphis also provides rapid, overnight access to global markets, clients, and networks for information and product distribution.
- Affordability: Memphis is a relatively affordable location for business and residency. Lower utility costs, real estate, wages, and overhead costs help make Memphis competitive for a variety of industries. Tennessee also lacks an income tax, which is an attractive draw for some companies. Within the region, Memphis is becoming increasingly attractive in comparison with booming Nashville, where businesses and residents are seeing costs escalate at a rapid clip. The low cost of workforce housing and overall lower cost of living in Memphis is especially attractive in comparison with other metropolitan areas. Surprisingly, surveyed businesses only ranked "lower transportation costs" as the 10th (out of 13) most important competitive advantage for the region. Given the scale and role of transportation in the region's economy, one would assume that lower transportation costs are an outcome but this is not necessarily the case.
- Available Labor Force: In an increasingly tight labor market nationwide, the Memphis region is attractive because of the availability of labor and the lack of direct competition within the labor market except within several specific industries. Access to experienced, industry-specific talent is more challenging, however.
- Germantown Park Center consists of six, Class A corporate office buildings on Germantown Parkway, across from Agricenter International. The six buildings together comprise about 535,000 square feet. Anchor tenants among the 65 businesses in the park include Campbell Clinic, Mass Mutual, and Ford Motor Company. Buildings in the park have recently been purchased for about \$46 per square foot.
- TraVure is a 10-acre, \$90 million mixed-use development underway by Gill Properties on Poplar, east of Kirby Parkway. The project includes 150,000 square feet of office space in a

mixed-use environment, with onsite dining, retail, fitness center, covered parking and a dual-branded Hilton Hotel.

- Wolf River Professional Center (Germantown medical office condominiums of 6,000 to 40,000 square feet).
- Demographic Trends Baseline demographic analysis reveals that the region is growing, but that growth is relatively slow compared with some other comparable or competitive communities in the region. The region's population and household base is highly concentrated in Shelby County, which is by far Tennessee's largest county in area (755 square miles) and can therefore accommodate a sizeable population.
- Poplar Corridor (Germantown-Collierville): Poplar Avenue (U.S. Highway 72) extends southeast from downtown Memphis and passes the University of Memphis campus en route to suburban Germantown, Collierville, and on to Piperton in Fayette County. Germantown's population exploded in the 1970s and 1980s, when the city was largely built out for housing and commercial development. Affluent Germantown and Collierville have significant retail/commercial components (e.g., Saddle Creek), much of which is concentrated in the Poplar Avenue Corridor. There is very little industrial use zoned in the corridor.
- 385 Office Corridors: Tennessee State Route 385 (Bill Morris Parkway) extends from I-240 in east Memphis to I-269 near Collierville. This corridor has become a major office/corporate node within the Memphis region and is sometimes referenced as the Memphis Technology Corridor. Nonconnah Parkway has attracted major corporate uses like FedEx Corporate HQ (Hacks Cross), Thomas & Betts, and International Paper. The 385 Corridor Economic Development Alliance (CEDA, representing the Chambers of Commerce in Arlington, Bartlett, Collierville, Germantown, Lakeland, and Millington) is working to encourage and sustain growth in the outer suburban ring of Shelby County. The Corridor is perceived as a primary location for future economic growth in the Memphis region. The CEDA bills the Corridor as home to the region's growth industries including medical technology, agribusiness, logistics, energy, and information technology. Newly-annexed lands like the 360-acre Forest Hill Heights area in Germantown are zoned for attracting more corporate office to the area. Among the new uses in Forest Hill are the Better Business Bureau, Orgill, SCB Computers, and Crew Training International. Shadow Creek, Southwind, Tournament Trails, Champion Hills, Lenox Park and other office developments are concentrated in or near this corridor. Clark & Clark recently purchased 112 acres to develop another 1.6 million square feet of office space in the corridor.
- Workforce Training Targets and Resources Work recent completed for the Greater Memphis Alliance for a Competitive Workforce and other entities identified specific workforce training goals, resources, and approaches for meeting key targets. Resources As noted earlier, there are nearly 20 colleges and universities in the region, the largest by far being the University of Memphis. Dedicated training and vocational colleges in the region include the Southwest Community College, and the Tennessee College of Applied Technology (Covington and Memphis). The region's employers recruit largely from about 14 colleges and universities in the region. The largest share of recruits is generated from the University of Memphis, Christian Brothers College, Southwest Community College, and Rhodes College. However, employers rated their relationships with programs at the region's universities on a scale of 1 (low) to 5 (high), and the highest-rated institutions were UT-Health Sciences Center, Union University (Germantown).
- The Industrial Development Board (IDB) of Memphis and Shelby County is a partner in EDGE. The IDB was formed by the City and County governments in accordance with the Tennessee Industrial Development Corporation Act to assist in financing new business and industry, and to promote industrial expansion.
- Bioscience and Biotechnology is another component of this cluster, with the Memphis Bioworks Foundation and its Bioworks Incubator helping to focus and lead efforts to enhance the region's entrepreneurial efforts. The 2009 Regional Strategy for Bio-Based Products prepared for the Memphis Bioworks Foundation has identified specific opportunities for further commercialization and business development in the region. Bio-agriculture is also mentioned either as part of the broader bioscience discussion or as part of agribusiness. Information technologies relating to the biosciences and healthcare are also a targeted element of the broader spectrum of industries in this cluster.

5. **New/Old Business:**

Chairman Klein invited everyone to the grand opening and ribbon cutting for the Rotary Club new amenities in Germantown that will be on Saturday, October 7, 2017. If you have children under the age of 15 and would like to bring them out to fish, the floating docks are in and the infrastructure is being completed.

6. The next EDC meeting will be on Thursday, November 2, 2017, at 5:30 p.m.

7. **Adjournment:** There being no further business, the meeting was adjourned.