



Economic Development Growth Engine for Memphis & Shelby County (EDGE)

Narrative Information Sheet

1. **Applicant Identification:**

Economic Development Growth Engine for Memphis and
Shelby County (EDGE)
100 Peabody Place
Suite 1100
Memphis, Tennessee 38103-3652

2. **Funding Requested:**

- a) Grant Type – Individual RLF
- b) Federal Funds Requested - \$1,000,000

3. **RLF Boundaries:**

City of Memphis, Tennessee

4. **Target Area and Priority Site Information:**

Address	Census Tract
620 S Lauderdale Street, Memphis, TN	47157004500
1217 Florida Street, Memphis, TN	47157011700
758 National Street, Memphis, TN	47157001300
333 N. Claybrook Street, Memphis, TN	47157002500

5. **Contacts:**

i) **Project Director:**

John Lawrence, Senior Economic Development Specialist
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Economic Development Growth Engine for Memphis & Shelby County
100 Peabody Place, Ste. 1100, Memphis, TN 38103-3652

ii) **Chief Executive:**

Randy Richardson, Acting President/CEO
Telephone: (901) 341-2100
Email: rrichardson@growth-engine.org
Economic Development Growth Engine for Memphis & Shelby County
100 Peabody Place, Ste. 1100, Memphis, TN 38103-3652

6. **Population:**

Population of City of Memphis: 650,910 (2020 ACS 5-Year Estimates)

7. **Other Factors Checklist:** None of the “Other Factors” apply for this application.

100 Peabody Place,
Suite 1100 Memphis,
TN 38103-3652



Other Factors	Page #
Community population is 10,000 or less.	N/A
The applicant is, or will assist, a federally recognized Indian tribe or United States territory.	
The priority site(s) is impacted by mine-scarred land.	
The priority site(s) is adjacent to a body of water (i.e., the border of the priority site(s) is contiguous or partially contiguous to the body of water, or would be contiguous or partially contiguous with a body of water but for a street, road, or other public thoroughfare separating them).	
The priority site(s) is in a federally designated flood plain.	
The reuse of the priority site(s) will facilitate renewable energy from wind, solar, or geothermal energy.	
The reuse of the priority site(s) will incorporate energy efficiency measures.	
The reuse strategy or project reuse of the priority site(s) considers climate adaptation and/or mitigation measures.	
The target area(s) is located within a community in which a coal-fired power plant has recently closed (2012 or later) or is closing.	

8. Letter from the State or Tribal Environmental Authority: Please find attached a letter from the Tennessee Department of Environment & Conservation acknowledging that the applicant plans to apply for FY23 federal Brownfields Grant funds
9. Releasing Copies of Applications: Not applicable.

1. PROJECT AREA DESCRIPTION AND PLANS FOR REVITALIZATION

a. Overview of Brownfield Challenges and Description of Target Area

i. Overview of Brownfield Challenges and Description of Target Area: The Memphis 2000 Policy Plan, completed in 1981 and functioning as the city's master land use plan, expanded the Urban Services Boundary away from Memphis' urban center, out toward our eastern suburbs. This growth policy of physical expansion through suburban sprawl and annexation had a direct impact on the urban core as resources and investments turned their figurative back on the oldest and poorest parts of Memphis. According to the City's most recent master land use plan, Memphis 3.0, since 1970, Memphis added only 4% more people, but grew 55% in physical size up from 217 square miles in 1970 to 324 square miles in 2017. This resulted in substantially more land and infrastructure to maintain, with a lack of population and revenue to support it. To exacerbate the impact of municipal disinvestment, the nationwide manufacturing decline in the 1970s left Memphis's urban center with shuttered factories and declining commercial corridors, leaving behind brownfield sites for which the city lacks the resources to address. This EPA grant will facilitate addressing Memphis brownfield sites by providing much needed resources for their remediation and ultimate redevelopment.

EDGE's geographic service area for this grant will be within the boundaries of the City of Memphis with the targeted area being our most distressed: our urban core area of approx. 132.25 mi² which is primarily the qualifying New Market Tax Credit census tracts inside the I-40/240 loop and includes Frayser, Downtown, North Memphis, and South Memphis neighborhoods.

ii. Description of the Priority Brownfield Sites: The State of Tennessee's Department of Environment and Conservation's (TDEC) Division of Remediation maintains an online database of sites, Sites Viewer, that serves as a de facto list of contaminated sites. Of the 3,580 statewide entries in Sites Viewer, over 17% are located within the City of Memphis with practically all of the sites within our urban core. Moreover, TDEC's Drycleaner Environmental Response Program database reveals a similar preponderance of Tennessee's contaminated dry cleaner sites in Memphis: of the 130 statewide dry-cleaning sites that have or are currently identified for cleanup in the program, 30% are located in Memphis, signifying a substantial source of chlorinated solvent contaminated soil and groundwater. It is no wonder that almost all the Phase II sampling conducted to date in the targeted urban core area revealed chlorinated solvents requiring vapor mitigation measures. Regardless of whether the site is a defunct dry-cleaning operation occupying a parcel of less than a 0.5 acre in an abandoned commercial corridor or a former industrial facility of 81 acres, Memphis has a brownfield issue of statewide significance with a range of sites of varying size and complexity. The following sites located within the urban core area have been identified as priorities for prospective use of the EPA RLF money:

▶ *620 South Lauderdale*: Over 5.5 acres, once a historic school for African Americans established prior to the 1900s, is vacated with three buildings. Sub-slab sampling conducted to date associated with the existing buildings indicates the presence of volatile organic compound vapors that require vapor mitigation. This site is a critical community investment component of the city's HUD Choice Neighborhood Initiative. Costs for remediation have been estimated to be \$567,000.

▶ *1217 Florida Street*: Over 15.1 acres, this site was formerly the Wabash Screen and Door manufacturing facility. The vacated site is currently owned by the City. Two buildings and remnants of concrete slabs remain on site with a chain-link fence surrounding the property. Historic sampling indicates the presence of dioxins in soil, metals in groundwater, and chlorinated solvents in soil gas. Soil remediation, institutional controls, and vapor barriers will be required

remediation prior to reuse. Remediation will make the property available as a vacant and shovel ready industrial site, of which there is a shortage in Memphis. Its proximity to I-55 and the airport make it a viable truck terminal or small warehouse. This site is currently owned by the City and presents a substantial opportunity to invest in job creation in one of our poorest neighborhoods, South Memphis. Remediation has been estimated to be several hundreds of thousands of dollars.

► *758 National Street*: As part of the pre-acquisition due diligence for a non-profit community development corporation, The Heights CDC, this site has been documented as a former dry-cleaning facility since the mid-1940s. A vacated single-story building and parking lot occupy the 0.2-acre site. Requisite remediation includes excavation and disposal of approximately 200 yd³ of chlorinated solvent impacted soil and installation of a vapor mitigation system. Remediation costs are estimated to be \$176,000.

► *333 N. Claybrook Street*: Known as the Crosstown Mound, this pile of soil occupying over 9.6 acres was stockpiled by the state in the late 1960s in preparation of highway construction activities in our urban core. This soil pile is contaminated with volatile organic compounds, PAHs, and arsenic and chromium. The shadow cast by this large soil mound has long been a blighting influence in our urban core. Given the cost for removal and disposal of the entire mound has been estimated to exceed several million dollars, it will require a phased remediation approach prior to redevelopment facilitated by the City of Memphis.

b. Revitalization of the Target Area

i. Reuse Strategy and Alignment with Revitalization Plans: Officially adopted in December 2019, Memphis 3.0 heralds a new day in urban planning in our city. Taking over two years and comprised of nearly 200 public meetings and input from 15,000 citizens, EDGE and our partners are aggressively acting upon Memphis 3.0's battle cry to *Build Up, Not Out!* This plan guides our reuse of the targeted sites as we work to increase density while revitalizing our city's urban core. The plan identified neighborhood 'anchors' to which investment should be focused for creating more density which would provide the greatest return for the community. All of the RLF targeted sites are either in or adjacent to anchor areas where redevelopment is being focused. The priority site reuses in our urban core of affordable multifamily housing, living wage employment opportunities, and early childhood education are very much in line with the objectives of Memphis 3.0. Specific projected reuses for the RLF targeted sites include:

► *620 South Lauderdale*: Adjacent to South City, a HUD Choice neighborhood. Construction of this early childhood development center and associated mixed uses will not only build upon the momentum of, but also plug a glaring geographic 'doughnut hole' in HUD's \$29.75 million investment in the surrounding Choice neighborhood.

► *1217 Florida Street*: This site is being teed up for a private developer for reuse as a light industrial warehouse distribution facility as aligned with the Industrial Flex sites in the Memphis 3.0 plan. Jobs created here will be easily accessed by walking and bike riding from nearby single-story residential properties.

► *758 National Street*: While the exact reuse has not been identified, the Heights CDC is looking to redevelop the site to serve the local community. They are in the process of conducting outreach to residents to best identify local community needs. In the midst of a residential area, reuse opportunities are broad and include commercial, civic, and recreational uses, all of which will add to the health of the surrounding areas.

► *333 N. Claybrook Street*: The City of Memphis has identified a development partner for creation of public space/recreation affordable housing and mixed income housing but for the cleanup. This

area of the city is prioritized in the Memphis 3.0 plan to encourage growth by improving underutilized land for development.

ii. Outcomes and Benefits of Reuse Strategy: Economic development and expanded community benefit are the key targeted outcomes for the remediation and revitalization of the RLF projects in Memphis. In line with Memphis 3.0, RLF reuse strategies will reflect community needs. The sites are in or adjacent to one of the city's Tax Increment Financing (TIF) districts created in areas that have been identified for redevelopment that is projected to generate an aggregate of over \$403.6 million in new tax revenue. Reuse will create new multifamily affordable housing (333 N. Claybrook St). Specific reuse plans for the target sites will result in living wage jobs (1271 Florida St). Public and recreational space will increase quality of life and health (333 N. Claybrook St). Reuse plans also include an early childhood development center serving up to 160 students (620 S. Lauderdale), addressing needs of a particularly vulnerable population. Though one site has no specific reuse, residents are currently being engaged to develop a reuse plan for non-profit purpose to meet specific needs of the community (758 National St). This level of empowerment creates community leaders and responds directly to a community's readiness for growth and change.

Redevelopment of the targeted sites will not cause displacement of residents and/or businesses, as they are vacant and/or abandoned properties. Moreover, as the targeted sites are associated with TIF districts, the TIF Implementation Strategy Plans include requirements that TIF funded projects cannot cause displacement as these investments are to benefit existing residents.

c. Strategy for Leveraging Resources

i. Resources Needed for Site Reuse: EDGE has several programs that support continued development of the property, including tax incentives, loans, and bonds. TIF funds have been used to complete environmental assessment and demolition activities within the targeted areas. The Tennessee Department of Economic and Community Development also provides tax incentives and grants for industrial redevelopment that could be accessed. Memphis is located in a Tier 2 Enhancement County which provides additional bonus opportunities (e.g., additional annual credits/job) for job creation such (1217 Florida St). Two of the target sites (620 South Lauderdale and 333 N. Claybrook St) are located in Opportunity Zone census tracts, which provides additional investor incentives to facilitate development. Memphis has launched Accelerate Memphis, a Memphis 3.0 companion initiative, whereby the city will issue \$200 million in bond funding for a variety of public sector investment including infrastructure improvements.

ii. Use of Existing Infrastructure: Together, EDGE and our stakeholder partners are looking to implement Memphis 3.0's land use plan and *Build Up, Not Out* as we improve quality of life on a neighborhood-by-neighborhood basis and increase density within our urban core. Thus, our target sites are located in areas with existing urban infrastructure that, due to historic lack of investment, require improvements. Fortunately, as all targeted sites are within or adjacent to TIF districts, they are able to take advantage of the millions of dollars of TIF allocations that have been allocated to improve roadways, address outmoded intersections, and provide new streetscapes. As part of Accelerate Memphis, one of the RLF targeted sites (620 South Lauderdale) is located in south Memphis where approximately \$12.8 million in planned infrastructure investments as roadway and intersection improvements, broadband access, and the like are underway.

2. COMMUNITY NEED AND COMMUNITY ENGAGEMENT

a. Community Need

i. The Community’s Need for Funding: The need for funding in Memphis is overwhelming. As presented in Section 1.a., Memphis has a high percentage of contaminated sites relative to the state overall, but little to no ability to self-fund cleanups. As articulated in Memphis 3.0, the city ranks first nationally in both overall and child poverty, among large metro areas.¹ A recent study found that 68% of the population lives in economic distress, as measured by indices of educational attainment, unemployment, median income, vacant houses, and shuttered businesses.² Nearly 80% of the poor are black. The University of Memphis has reported that black poverty in the city ranks far above state and national averages, while poverty among non-Hispanic whites is below average. Memphis also ranks near the top for murders, aggravated assaults, and robberies per capita.³ The poverty level in the city is nearly twice the national average (24.6% compared to 12.8%), deep poverty is more than twice the national average (11.8% compared to 5.8%). Memphis reports 19.6% of families in poverty, as compared to 9.7% nationally. Additionally, single female head of household families in poverty are four times the national level (12% compared to 3%).⁴ These high levels of poverty, coupled with the number of contaminated sites, create a large demand for services that is not commensurate with Memphis’ available financial resources.

ii. Threats to Sensitive Populations:

(1) *Health or Welfare of Sensitive Populations*: Memphis is home to many sensitive populations living in close proximity to identified brownfields sites, including people of color, low-income residents, unemployed residents, children and individuals with a disability. The following data is reported in EJ Screen for the census tracts corresponding to the target areas:

Area	620 S. Lauderdale	1217 Florida	758 National	333 N Claybrook	TN	US
Census Tract	47157004500	47157011700	47157001300	47157002500		
People of Color	92%	93%	94%	60%	27%	40%
Low Income	84%	68%	69%	53%	34%	30%
Unemployment	11%	24%	8%	5%	5%	5%
< HS Education	18%	24%	37%	14%	12%	12%
Under age 5	14%	12%	6%	5%	6%	6%
Over age 64	21%	26%	13%	5%	16%	16%

Items in **bold** are > the national %. Items highlighted are more than twice the national %.

- **Low-income persons**: Memphis is one of the poorest cities in the nation, with the percentage of low-income individuals and families in the targeted tracts more than twice the overall US rate.
- **People of Color**: Memphis has a minority population (75%) far greater than the national and state averages (40% and 27%, respectively). Given the city’s preponderance of brownfields, residents are disproportionately exposed to environmental hazards.
- **Unemployment Rate**: Memphis’ rate is 9% (nearly twice the state and US rate of 5%).
- **Less Than High School Education**: While the US percentage is at 12%, the rates in the census tracts in Memphis are all higher, with census tract of the former Highland Heights Dry Cleaners reporting the highest at 37%.

¹ In 2014, Memphis ranked first in overall poverty rate (20.3%) and child poverty rate (30.8%) among the 52 Metropolitan Statistical Areas with populations greater than one million. See Elena Delavega, “2015 Memphis Poverty Fact Sheet” ([pdf](#)), data from the American Community Survey.

² According to an index by the Economic Innovation Group, which uses data from the American Community Survey. See EIG, “Defining Economic Distress” ([pdf](#)).

³ 2015 FBI uniform crime report.

⁴ Census.gov 5-year ACS 2016-2020

Establishing an RLF will provide much needed capital to facilitate the removal of contamination preparing the properties for commercial/retail space that will provide living wage jobs, public and recreational space with will support opportunities for healthier life choices, and a childhood development center, which will promote child health and socialization as well as provide good jobs. Through new jobs and increased opportunities for health (and therefore lower healthcare costs), these reuses will strengthen the economic resilience of residents and improve the quality of life, thus lessening the negative impacts to sensitive populations in the city.

(2) *Greater Than Normal Incidence of Disease and Adverse Health Conditions:* All of Memphis is at risk for poorer health outcomes as a result of poor socioeconomic indicators, lack of a built environment that supports health, and a deteriorating physical environment. Many in Memphis struggle to meet the basic needs of food and shelter. CEJST reports the target census tracts as having the highest percentiles in asthma, diabetes, heart disease, and low life expectancy:

Census Tract(s) %iles	620 S. Lauderdale 47157004500	1217 Florida St 47157011700	758 National St 47157001300	333 N Claybrook St 47157002500
Asthma	99	96	97	63
Diabetes	97	99	98	85
Heart Disease	66	99	91	51
Low Life Expectancy	NA	99	NA	77

Items highlighted are in the 80th percentile or higher

Redevelopment of the target sites will remove blight and contamination from the neighborhoods, and will provide living wage jobs, affordable housing, early childhood education, access to healthy foods, and an improved built environment, increased walkability and bike-ability, which is expected to significantly improve the health outcomes for residents.

(3) *Promoting Environmental Justice:* Memphis residents are disproportionately impacted by government policies that sited hazardous operations in close proximity to low-income and minority neighborhoods. According to EPA’s EJScreen, Memphis scores above the 90th percentile in 6 out of 12 measures of environmental justice, including: PM 2.5, Ozone, Air Toxics Cancer Risk, Air Toxics Respiratory HI, Superfund Proximity, and Hazardous Waste Proximity. Those numbers are even higher in the target areas: a review of EJ Screen for the target Census Tracts show significantly high (many 95+ percentile) scores.

Areas	620 S. Lauderdale	1217 Florida	758 National	333 N Claybrook
Environmental Justice Indexes	State %	State %	State %	State %
EJ Index for Particulate Matter 2.5	98	96	96	90
EJ Index for Ozone	98	96	98	91
EJ Index for Diesel Particulate Matter*	99	97	93	89
EJ Index for Air Toxics Cancer Risk*	98	96	96	88
EJ Index for Air Toxics Respiratory HI*	98	96	96	88
EJ Index for Traffic Proximity	95	97	96	92
EJ Index for Lead Paint	98	97	98	93
EJ Index for Superfund Proximity	98	96	97	90
EJ Index for RMP Facility Proximity	88	98	99	88
EJ Index for Hazardous Waste Proxim	99	97	96	91
EJ Index for USTs	99	96	95	89
EJ Index for Wastewater Discharge	95	94	68	66
# of measures that are > 80 th %ile	12/12	12/12	11/12	11/12

Items highlighted are in the 90th percentile or higher

Additionally, Memphis has numerous areas designated as disadvantaged by the Climate and Economic Justice Screening Tool (CEJST) including those in the target areas:

Area of Disadvantage	620 S. Lauderdale	1217 Florida St	758 National St	333 N. Claybrook St
Clean Energy and Energy Efficiency	X	X	X	
Clean Transit	X			X
Sustainable Housing	X		X	X
Legacy Pollution		X	X	
Health Burdens	X	X	X	
Workforce Development	X	X	X	

USDA define areas with low food access (food deserts) as having both low-income (poverty rate over 20% or median family income <80%of the statewide or MSA average) and low-access (distance from a grocery store). Three of our target sites, 620 South Lauderdale Street, 1217 Florida Street, 758 National Street are in low-income neighborhoods located more than ½ mile from a grocery store or supermarket. Eliminating blight in the target neighborhoods, while transforming these sites to community-based reuses will begin to right the historic wrongs that have plagued Memphis’ disadvantaged census tracts.

b. Community Engagement

i. Program Involvement: and ii. Program Roles: This application is the culmination of a process that began in June 2022. Convened by the non-profit CDC, The Works, Inc., it was recognized that there was a definitive need to convene a multi-party stakeholder group, referred to as the Memphis Brownfields Advisory Board, for addressing contaminated property which was impeding urban core revitalization objectives set forth in Memphis 3.0. Meeting quarterly, the Board will assist with addressing Memphis’ brownfield redevelopment needs by evaluating information and bringing forth prospective RLF sites, collaborating on site prioritization given proposed site reuse and community impacts, as well as identifying and coordinating resources and facilitating communication with constituent neighborhoods.

Entity Name	Function/Mission	Contact	Involvement / Role
The Works, Inc	Non-profit CDC active in urban core for affordable housing, social services, neighborhood revitalization	Mike Larrivee, 901-383-3549 mike@theworkscdc.org	Chairs, convenes and facilitates Advisory Board; prospective borrower/subgrantee
Community Redevelopment Agency (CRA)	Non-profit redevelopment arm of local government	Vivian Ekstrom, 901-482-8315 vivian.ekstrom@cramemphis.org	Facilitates redevelopment by acquiring property; prospective borrower/subgrantee
Shelby County Landbank	Functions as broker for tax sale delinquent properties	Esther Wood 901-222-1150 esther.wood@shelbycountyttn.gov	Linkage for acquisitions via tax sale
Klondike Smokey City	Non-profit CDC active in Klondike Smokey City area	Mrs. Morris 901-527-9491 ms.qgm@att.com	Liaison for community; community developer of brownfields; prospective borrower/subgrantee
Binghampton Development Corporation	Non-profit CDC active in Binghampton TIF district	Andy Kizzee 901-236-4657 andy@bdcmemphis.org	Liaison for community; community developer of brownfields; prospective borrower/subgrantee
Soulsville Foundation	Non-profit CDC active in South Memphis area	Pat Mitchell Worley 901-261-6345 pat.mitchell-worley@soulsvillefoundation.org	Liaison for community; community developer of brownfields; prospective borrower/subgrantee

Entity Name	Function/Mission	Contact	Involvement / Role
City of Memphis	Local Government Unit representing engineering, public works and affordable housing development	Ashley Cash, 901-636-7300 Ashley.cash@memphistn.gov	Represents City government; prospective borrower/subgrantee; federal housing subsidy grantor; engineering and public works
Economic Development Growth Engine (EDGE)	RLF Grantee; Economic Development Entity for City of Memphis and Shelby County	Adrienne Johnson 901-341-2106 ajohnson@growth-engine.org	Award RLF loans/subgrants and oversee RLF cleanups
Division of Planning and Development	Joint Local Government Unit Planning and Development	John Zeanah, 901-576-7167 john.zeanah@memphistn.gov	Represents City / County government; prospective borrower/subgrantee
Blight Authority of Memphis (BAM)	Local Government Unit	Brandi Jones, 901-636-9300 brandi@blightauthoritymemphis.org	Provides access to resources to combat blight
ICMA	TAB Service Provider	Clark Henry, 910-386-1540 chenry@icma.org	Provides Technical Assistance for implementing EPA grants
TDEC	State of TN Environmental Regulatory entity	Paula Middlebrooks, 615-532-0926 paula.middlebrooks@tn.gov	State Brownfields Coordinator; provide access to state reg. asst.
LISC	Provides financing gap investments for CDC redevelopment	Kathy Cowan 901-218-4021 KCowan@lisc.org	Provides financing mechanisms for development
Community LIFT	Provides investments for CDCs	Luther Mercer 901-359-9677 luther@communitylift.org	Provides financing mechanisms for development
ComCap Partners	Provides financing for non-profits/ CDCs	Albert Brown 901-274-5666 abrown@comcap-partners.com	Provides financing mechanisms for development; prospective borrower
University of Memphis - CAESAR	University of Memphis	Scott Shaufnacker 901-678-4315 scott.s@memphis.edu	Mapping for outreach and inventory efforts; spatial data analysis
Tom Currell	Consultant	Tom Currell 802-383-8254 tom@currellpm.com	Affordable Housing consultant working in targeted areas
Belz Enterprises	Developer and property owner	John Dudas 901-484-1318 john.dudas@belz.com	Provides developer perspective; prospective borrower
Frank Smith, Inc.	Developer and property owner	Jenny Jordan 901-299-6898	Provides developer perspective; prospective borrower

iii. Incorporating Community Input: As discussed above, Memphis has created a robust multi-stakeholder process to address brownfields with the Memphis Brownfields Advisory Board. EDGE will be working within the collaborative framework that has already been established to facilitate brownfields cleanup and redevelopment within the city's urban core as it is imperative that the RLF program is plugged into this stakeholder group. We will have a community liaison from The Works, Inc. on our Finance Committee to inform the committee's decisions from the community's prospective. Moreover, for every EPA funded cleanup, we will be conducting neighborhood engagement activities. Our environmental consultants will participate in site-specific community meetings to explain cleanup alternatives, site data, and anticipated cleanup results. Should a prospective developer be identified, we will require their participation so as to solicit feedback on prospective reuse. Such meetings will go to where the community is located,

making use of neighborhood community centers and/or churches to convene these meetings. In the event of a COVID resurgence, such meetings can be held remotely via Zoom.

3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS

a. Program Description and Marketing Strategy

i. Program Management: EDGE launched a loan program, Inner City Economic Development (ICED), in 2014. EDGE has issued 81 ICED loans to provide financing for small business owners in urban core neighborhoods for façade and streetscape improvements. As such, we have staff and systems already in place which will be expanded to support the EPA RLF program. We have partnered with the Tennessee Small Business Development Center (TSBDC) to assist our prospective borrowers with completing the financial statements required for ICED loan applications. TSBDC will serve a similar role within the EPA RLF program. Our ICED program is staffed with two underwriters, two loan officers, Attorney Monice Hagler oversees loan closings and initial draws, and two loan servicers periodically check with borrowers to prevent default if necessary. Loan application review and approval is completed by our Finance Committee, an independent review panel comprised of five members of the local banking industry. If the borrower defaults, a collection process via attorney Hagler is initiated.

Just like our ICED loan program, projects are required to show a direct benefit to the neighborhood in which they are located, demonstrate community support in the form of a support letter from a CDC operating in the neighborhood and complete pre-application review meeting to finalize eligibility. Once passing these thresholds, prospective borrowers/subgrantees will be invited to submit a formal application. Completed applications will be reviewed by EDGE staff/consultants for completeness. EDGE staff will collaborate with applicants to cure any deficiencies. Loan requests will be presented to EDGE's Finance Committee for approval, with periodic reports on new loans and loan activity to the EDGE Board. The interest rate will be set at prime rate, as determined by the Wall Street Journal two days prior to closing. Loans will have a ten-year term, which may be adjusted on a case-by-case system. To protect the RLF funds, EDGE will seek the best collateral position possible and personal guarantees will be required for any person with a 20 percent or greater ownership interest. EDGE will use a fee schedule no greater than our other loan programs. Loan closing documents will include that all EPA RLF program requirements will be met, including reporting requirements and Davis-Bacon Act compliance.

ii. Revolution of the RLF: EDGE has systems and staff in place to provide for long-term loan servicing. We have maintained the ICED program for over eight years and it's anticipated to continue in perpetuity. By capping the loan terms to ten years and having rates pegged to the prime rate, we will ensure that our fund revolves. As part of our loan application process, we will secure a commitment from our borrowers to provide project metrics well beyond the completion of funded projects. We will continue to collect data regarding number of employees, leveraged funding, etc. We view such investments as long term and commit our resources to their continued success. Funds for the RLF will be maintained in a specific account, including all repayments, interest, fees, and other transactions. The fund activities will be reported to the Finance Committee and will be subject to the EDGE annual audit process.

iii. Marketing Strategy: The projects being targeted are those that are located within the Memphis urban core, are guided by the Memphis 3.0 plan, and have demonstrated community support. The pre-application marketing conducted to date, via the Memphis Brownfields Advisory Board, has

already identified 65 such sites. These sites contain a mix of for-profit private developers as well as neighborhood non-profit community developers. The prospective borrowers/subgrantees have all expressed interest in the RLF opportunity. The sites are in varying stages of readiness, as two have begun negotiating entry into the State voluntary cleanup program, but all are anticipated to be ready to commence with cleanup activities within the next six months to a year. We anticipate up to five projects funded with the RLF. The Memphis Brownfields Advisory Board provides a powerful element for borrower/subgrantee identification. Such efforts provide EDGE with a ready pipeline of RLF target projects. EDGE will support program marketing by using in-house staff to develop a dedicated page on our website, as well as social media and print promotion.

b. Description of Tasks / Activities and Outputs

Task 1: Program Management
i. Program Implementation: Activities are those necessary for implementation and management of the grant, including vetting borrower/sub-grantee and site eligibility with EPA, fulfilling reporting requirements. Travel is to attend EPA conferences relative to brownfields cleanup financing. Non-EPA Grant expenditures include in-kind contributions in the form of EDGE personnel performing programmatic oversight of the RLF grant including general program management and contractor procurement. Estimated at 150 hours/yr for a value of \$48,860
ii. Anticipated Project Schedule: Duration of the Cooperative Agreement Performance Period
iii. Task/Activity Lead: EDGE Program Manager with the assistance of a procured grant manager. Travel is for EDGE Program Manager.
iv. Outputs: Conferences attended; ACRES reporting; quarterly reports; MBE/WBE Reports; Financial Reports; Request for proposals issued for contracted support and grant closeout documentation.
Task 2: Community Outreach
i. Program Implementation: EPA funded activities to be completed include engaging community stakeholders via quarterly Memphis Brownfields Advisory Board meetings, a community liaison attending the EDGE’s Finance Committee meetings, and conducting site-specific community neighborhood meetings for EPA funded cleanups. Costs associated with this task include development of meeting notices/materials, distribution of materials and information to residents surrounding the funded sites. Non-EPA Grant resources will include in-kind contributions in the form of EDGE Program Manager’s participation in the Advisory Board and site-specific community meetings as well as overseeing our partners with implementation of this task. Estimated at 138 hours/yr for a total value of \$45,000
ii. Anticipated Project Schedule: Four Quarterly Advisory Board meetings/year (20) and Monthly Finance Committee meetings (60). Site specific neighborhood meetings as needed to engage residents with EPA funded work (minimum of one per funded site).
iii. Task/Activity Lead(s): EDGE Program Manager overseeing community engagement efforts; The Works, Inc. convening /facilitating the Advisory Board meetings and serving as a community liaison on the Finance Committee; environmental consultant participating in neighborhood meetings.
iv. Outputs: Advisory Board and Finance Committee meetings; Site-specific neighborhood meetings; meeting minutes; and handouts and other meeting materials.
Task 3: Marketing
i. Program Implementation: EPA funding will be used to print program marketing material in the form of a program guide. Non-EPA Grant resources will include in-kind contributions in the form of EDGE personnel conducting activities necessary to expand our existing outreach efforts for business attraction and retention to include developing an EPA RLF companion landing page on our existing programs website and meeting with prospective applicants. EDGE in-house marketing director estimated 20 hours/yr for a total of \$4,665.

ii. Anticipated Project Schedule: Website page and Program Guide developed in Year 1. Program marketing is expected to be performed throughout the duration of the Cooperative Agreement performance period in order to maintain momentum of the RLF after EPA Closeout.
iii. Task/Activity Lead(s): EDGE Program Manager for outreach and EDGE Marketing Director for web page, print and social media efforts.
iv. Outputs: Meetings with prospective borrowers / subgrantees; development of website pages and Program Guide.
Task 4: Fund Management
i. Program Implementation: EPA funding will include loans and subgrants to fund remediation efforts. Non-EPA Grant resources will include in-kind contributions in the form of EDGE personnel modifying existing ICED loan documents to create EPA RLF applications and agreements; underwriting activities; loan servicing; working with the borrower/sub-grantee to ensure compliance with loan and sub-grant terms; reviewing expenditure eligibility; processing disbursements; and legal services for subgrant and loan closings. EDGE personnel in-kind fund management estimated 165 hours/ year for a total of \$57,860
ii. Anticipated Project Schedule: Development of loan documents - Year 1. Loan underwriting and funding disbursements - latter part of Year 1 to Year 5. Loan servicing - Year 2 to beyond grant performance period.
iii. Task/Activity Lead(s): EDGE Program Manager with the assistance of EDGE staff and of outsourced legal counsel for program documents and closings.
iv. Outputs: Loan/sub-grant initial screening forms and applications received and processed; loan/sub-grants awarded and closed; and loans serviced.
Task 5: Qualified Environmental Professional (QEP)
i. Program Implementation: EPA funding will be for a QEP to serve as EDGE's representative for overseeing EPA funded cleanup activities and for serving as a liaison with TDEC and EPA regulatory staff to ensure clean ups result in a TDEC issued No Further Action Letter. Activities conducted under this task will include the oversight of the borrower/subgrantee cleanup activities; performance of technical reviews for drawdown requests; deliverables submitted to document cleanup progress and completion; development of ABCAs/Decision Memos; and Davis Bacon Act (DBA) compliance.
ii. Anticipated Project Schedule: Year 2 to Year 5
iii. Task/Activity Lead(s): Procured QEP
iv. Outputs: ABCAs, Decision Memos, Administrative Records, DBA compliance documentation, NFAs

Additional information:

ii. Identifying Additional Sites: We have identified four priority sites whose collective cleanup costs exceed the available funding associated with this award. In the unlikely event that funding remains after completion of the priority cleanup sites, the Memphis Brownfields Advisory Board framework will deploy the multi-stakeholder network to identify additional sites to be advanced for RLF cleanup. As the board is organized around spearheading community revitalization within the City's urban core, all sites with which they will float for EDGE's consideration will be within Memphis' underserved communities.

c. Cost Estimates

Task 1 Program Management:	
Contractual: Grant Management Consultant 5 years est. @\$8,000/year	\$40,000
Travel: One person @ 2 EPA conferences (airfare, lodging, etc) costs est. @ \$1,500/event	\$3,000
<i>Task 1 Subtotal</i>	\$43,000
Task 2 Community Outreach:	
Contractual: Environmental Consultant outreach est. 5 meetings @ \$1,800/mtg	\$9,000

Other: Subaward The Works, Inc. meeting facilitation est. 20 Advisory Board mtgs @\$1,800/mtg and Finance Committee stakeholder liaison for 60 monthly Finance Committee mtgs @\$150/mtg	<u>\$45,000</u> \$54,000
<i>Task 2 Subtotal</i>	
Task 3 Marketing: Supplies: Printing costs for Program Manual 5 years est. @\$875/year	<u>\$4,375</u> \$4,375
<i>Task 3 Subtotal</i>	
Task 4 Fund Management: Personnel: EDGE Program Manager estimated average of 5 hours / month for 12 months at average cost of \$56.18/hour @ \$ 3,371 / year for five years (rounded) Fringe: EDGE Program Manager estimated average Fringe rate of 17% at average cost of \$573 / year for five years (rounded) Loans: Estimated 3 loans at an average est. of \$179,268/loan (rounded) Subgrants: Estimated 2 Subgrants at an average est. \$145,550 / subgrant	\$16,856 \$2,865 \$537,804 <u>\$291,100</u> \$848,625
<i>Task 4 Subtotal</i>	
Task 5 Qualified Environmental Professional (QEP): Contractual: QEP Contractor average of 5 cleanups est. @\$10,000/cleanup	<u>\$50,000</u> \$50,000
<i>Task 5 Subtotal</i>	

The project budget table is presented below:

Budget Categories	Project Tasks					
	Task 1 Programmatic Management	Task 2 Community Outreach	Task 3 Marketing	Task 4 Fund Management	Task 5 QEP	Total
Personnel				\$16,856		\$16,856
Fringe Benefits				\$2,865		\$2,865
Travel	\$3,000					\$3,000
Equipment						\$0
Supplies			\$4,375			\$4,375
Contractual	\$40,000	\$9,000			\$50,000	\$99,000
Other: The Works		\$45,000				\$45,000
Other: Loans				\$537,804		\$537,804
Other: Subgrants				\$291,100		\$291,100
Total Direct Costs	\$43,000	\$54,000	\$4,375	\$848,625	\$50,000	\$1,000,000
Total Indirect Costs	\$0	\$0	\$0	\$0	\$0	\$0
BUDGET TOTAL	\$43,000	\$54,000	\$4,375	\$848,625	\$50,000	\$1,000,000

d. Measuring Environmental Results: EDGE’s contracted grant manager will monitor all work funded under this Program, will be responsible for collecting information from the EDGE Program Manager, and will track outcomes, including the number of Advisory Board and site-specific neighborhood meetings, number of applicants vetted, sites remediated, funding leveraged, and other metrics which will be recorded in ACRES and requisite reporting documents. This will enable EDGE to track, measure, and evaluate progress toward achieving the Program outputs listed in Section 3.b. EDGE will also be tracking Program outcomes and will update ACRES with site-specific metrics once EPA funded projects are redeveloped after the close out of the cooperative agreement per the requirements set forth in the Post-Closure Agreement.

4. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

a. Programmatic Capability

i. Organizational Capacity; ii. Organizational Structure; and iii. Description of Key Staff: As previously mentioned, EDGE has been operating a loan program, ICED, since 2014. To date our staff has issued over \$1.74 million in ICED loans. Current staff have been identified to implement the EPA RLF. The program will be managed by John Lawrence who has 10 years of creating, marketing, and servicing loan programs in the community as well as partnering with environmental engineers to ensure that loan proceeds are being used effectively. Randy Richardson, Acting President and CEO, has 30 years of administrative, real estate development/ management and construction experience. Randy will oversee implementation of the RLF program including ensuring staff, fund management and oversight boards are in place. Trey McKnight will assist with screening loan applicants and marketing the program to eligible property owners.

We have partnered with the Tennessee Small Business Development Center (TSBDC) to assist our prospective borrowers with completing the ICED applications. TSBDC will serve a similar role within the EPA RLF program.

iv. Acquiring Additional Resources: EDGE, as a quasi-public sector entity, already has a procurement system in place to contract for professional services. The RLF program manager will use a standardized process to procure for services. For implementation of the EPA grant, EDGE will issue a Request for Proposals to procure a qualified environmental professional and federal grant manager to ensure we are following applicable local and federal procurement requirements. EDGE uses this system to competitively procure all outside contractors. EDGE will work closely with EPA Regional staff to ensure we use the most appropriate fiscal vehicle, be it a subaward or other mechanism, for engaging our non-profit partner, The Works, Inc., to enable them to continue with convening the Memphis Brownfields Advisory Board.

b. Past Performance and Accomplishments

ii. Has Not Received and EPA Brownfields Grant but has Received Non-Federal Assistance Agreements:

Purpose and Accomplishments: and (2) Compliance with Grant Requirements: In 2012, EDGE was the recipient of a USEDA \$3,655,504 Disaster Relief Opportunity grant. Within a year, it became apparent that eligible borrowers were few, due to the lending restrictions outlined in the grant application. Many borrowers could not assume the risk based on personal credit profiles, matching fund availability and reduced assets coming out of the Great Recession of 2008. Memphis did not rebound from the Recession until 2016.⁵ The structure of the EDA RLF did not account for sudden income or property value losses by borrowers impacted two years after the nation recovered. EDGE was simply not prepared for that when the grant was submitted in late 2011. Recognizing the impediments to successful implementation, EDGE made the responsible decision of returning the funding to USEDA and decided to use its own funds to create the ICED loan program in October 2013. ICED loans serve business owners who cannot get traditional loans because of credit risk or lack of revenue. Eight years after its launch, this program has been deemed a success, with demand often exceeding our annual ICED allocation. Taking our lessons learned with the USEDA funding, we proactively sought the assistance of our community stakeholders in the Memphis Brownfield Advisory Board for this application, who all have a vested interest in making sure a brownfield cleanup program will succeed. We have teed up prospective borrowers and subgrantees whose demand for cleanup funding will exceed the prospective EPA RLF award.

⁵ <https://www.memphisflyer.com/report-memphis-still-distressed-after-recession-recovery>



EPA RLF Grant Proposal

Threshold Documentation

THRESHOLD CRITERIA

1. Applicant Eligibility: Economic Development Growth Engine for Memphis and Shelby County (EDGE) was created by legislation of the Tennessee State Government. It is a quasi-governmental entity that operates as an agent of the Local and County Government and, as such, is an eligible applicant. Documentation applicant edibility for EDGE are located in Attachment 1.

2. Demonstration of Previous RLF Grant Status: EDGE has not had, or been a part of, a cooperative agreement for a Brownfields RLF in the past.

3. Description of RLF Boundaries: City of Memphis, Tennessee

4. Oversight Structure and Legal Authority to Manage a Revolving Loan Fund:

a. **Cleanup Oversight:** In administering an EPA RLF grant, EDGE will comply with all applicable federal and state laws and will ensure that any EPA funded cleanup project protects human health and the environment.

If applicable, sites will be enrolled in TDEC's Brownfield Voluntary Cleanup Oversight and Assistance Program. As this program only accepts a limited number of sites per year, we commit to working with EPA Region 4 personnel with review of proposed site cleanups and associated deliverables. EDGE will procure a Qualified Environmental Professional (QEP) following all applicable local and federal procurement requirements as an initial effort in the implementation of the EPA RLF program. The QEP will be providing technical expertise to oversee EPA RLF funded efforts.

b. **Legal opinion:** See attached legal opinion indicating the ability of EDGE to access and secure sites in the event or an emergency or default of a loan/sub-grant agreement, and the legal authority to perform the actions necessary to manage the EPA RLF.

5. Contractors and Named Subrecipients (other than borrowers and site cleanup subgrantees): The Works, Inc., will be a subrecipient of this application and is eligible as a 501(c)3 non-profit organization.