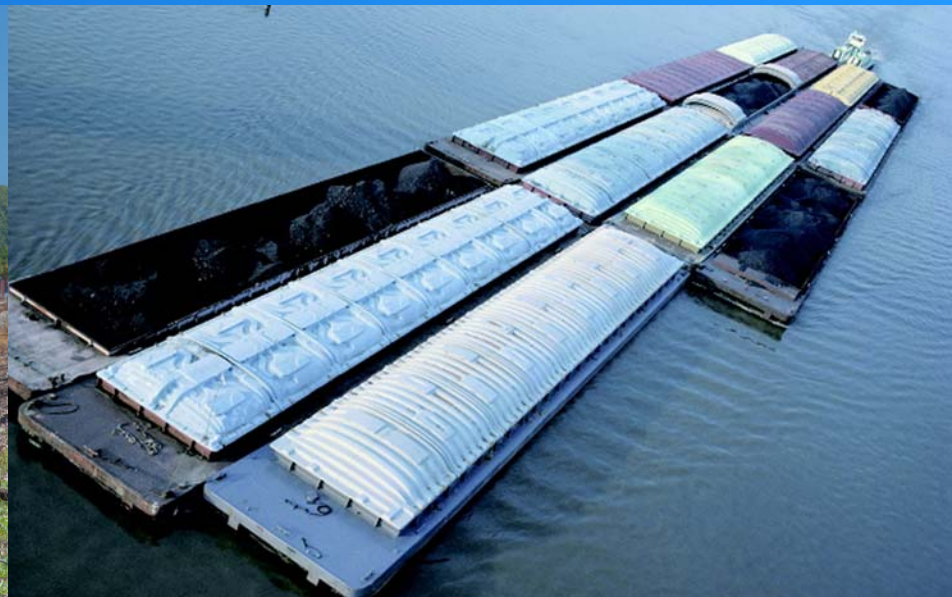




Economic Development Update

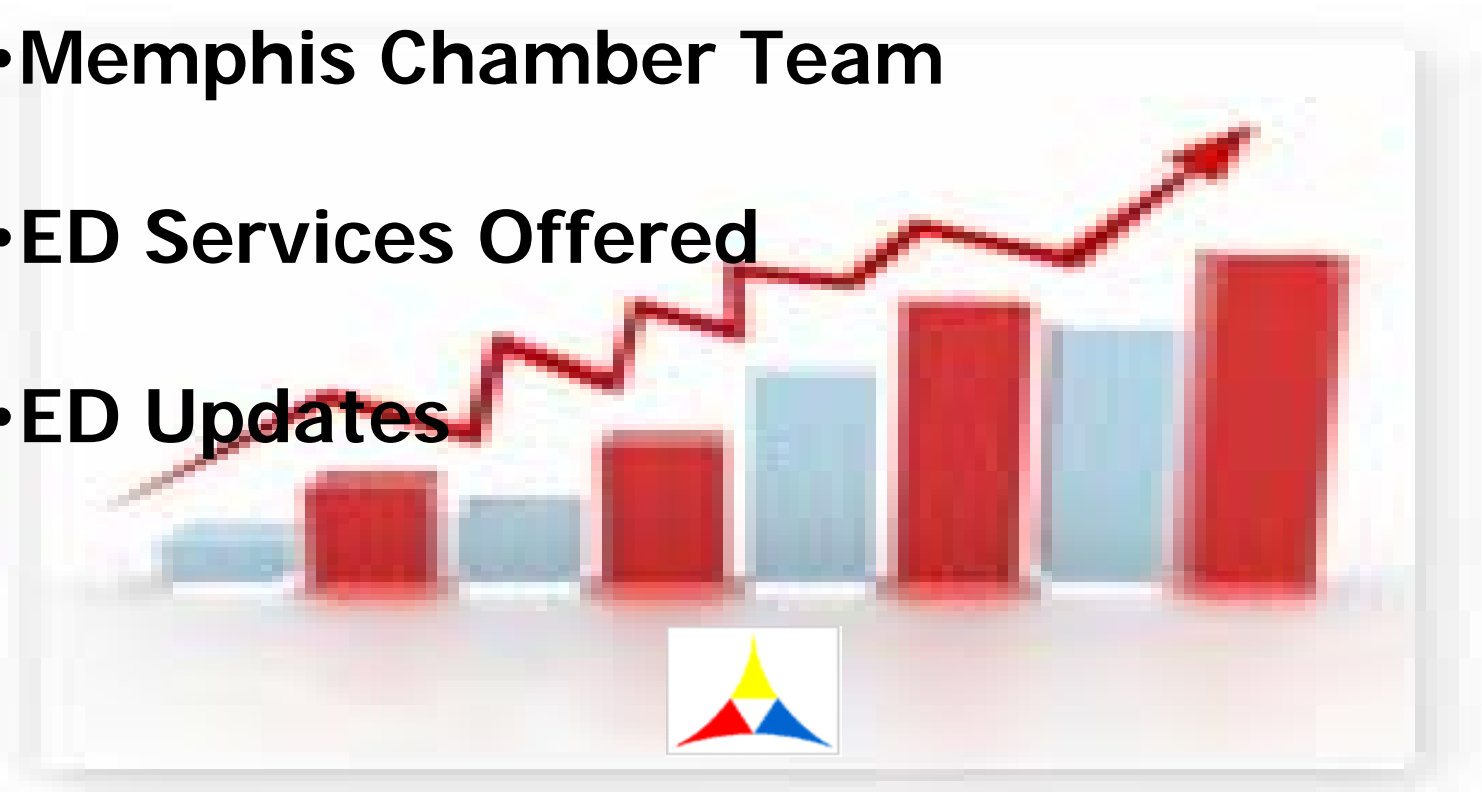


Presented by Memphis Light Gas and Water December 6, 2012



AGENDA

- **Advantages**
- **MLGW & Economic Development**
- **Memphis Chamber Team**
- **ED Services Offered**
- **ED Updates**





THE FOUR Rs: RUNWAY, ROAD, RAIL AND RIVER



An aerial photograph of the Memphis International Airport. The central focus is the large, modern terminal building with a distinctive white cylindrical tower. To the left, several runways and taxiways are visible, with a few aircraft parked at gates. To the right, there are large parking lots filled with cars and a multi-lane highway with several overpasses. The surrounding area is a mix of paved surfaces, green grass, and some smaller airport buildings.

RUNWAY

Memphis International Airport Economic Impact

■ \$28.6 billion annually

■ 1 in 3 jobs locally, nearly 220,156

■ Nearly \$8 billion in annual payroll

Canadian National

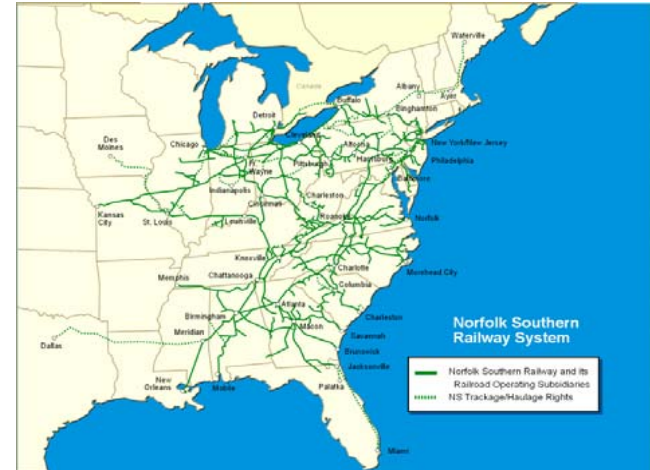


RAIL

BNSF



Norfolk Southern



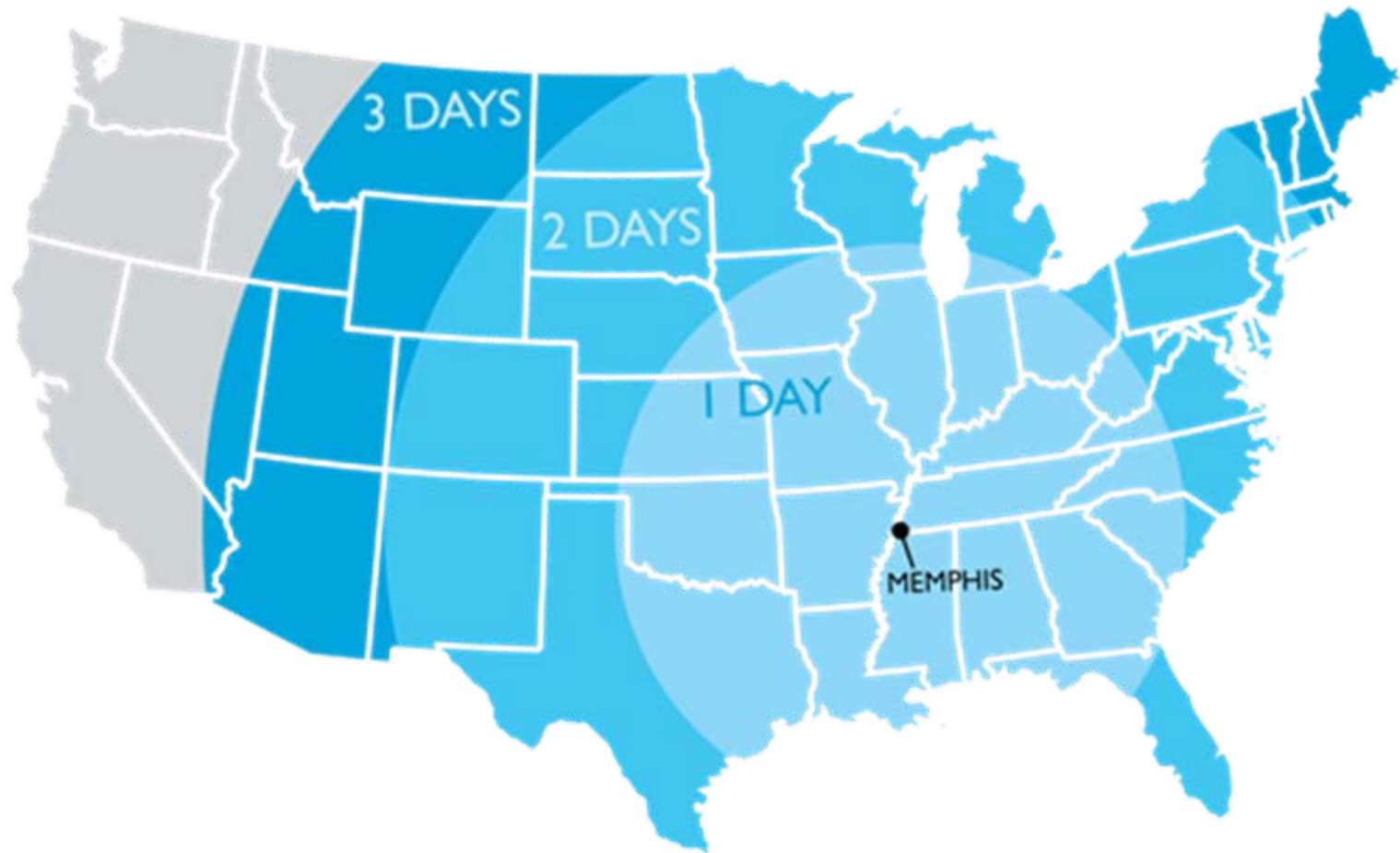
Union Pacific



CSX



ROAD



More major population centers can be reached overnight by truck from Memphis, than any other city in the U.S.

RIVER



**The Port of Memphis is the 4th largest inland port in the U.S.
Largest still water harbor on the Mississippi River**

Why MLGW and Economic Development?

- **It benefits our customers**
- **its our Mission**
- **We are losing our customer base**
- **Rates will continue to increase**



Economic Development

- MLGW Partners with Memphis Chamber Team
- Economic Incentives, Programs and Services



Greater Memphis Chamber

**Economic Development Growth Engine
(EDGE)**

Memphis Light Gas and Water

TVA

State Of TN Dept Of ED

Workforce Investment Network

**ECONOMIC
DEVELOPMENT
TEAM**



MLGW Partners With Memphis Chamber Team

- Business Attraction
- Business Expansion
- Business Retention
- Business Start Up

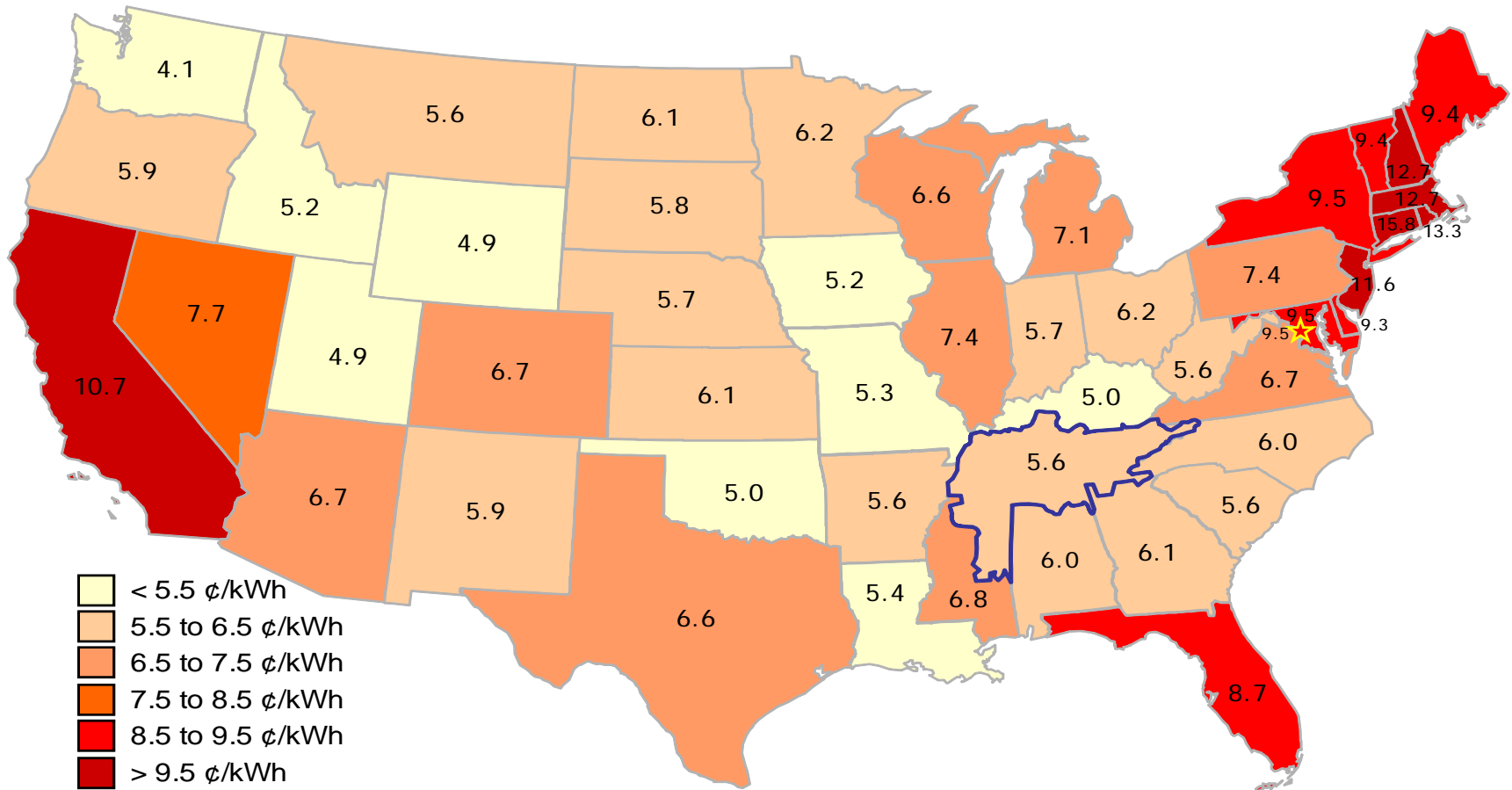
Economic Incentives, Programs and Services

- Tax Incentives
- Workforce development
- Building and Site database
- **Utility Credits and Energy Incentives**

Site Selection Drivers

- Labor Costs
- Transportation services
- State and Local Incentives
- **Energy Costs**
- Location

Larger Industrial Customers – > 5 MW Industrial Customers



12 months ended Jul-10

National Average = 6.7 Cents per kWh

Industrial

Source: EIA-826 Monthly Database and internal TVA data
Note: States bordering TVA have been adjusted to remove TVA distributors.
TVA rates do not include all growth credits.

JDR 10/2010

MLGW - One Of Top Utilities For Economic Development

- MLGW and TVA provide some of the “lowest” electric rates along with reliability
- Strategically “located” along three gas pipelines
- “Low” cost/high quality water source

Utility Incentives Can work

Natural Gas

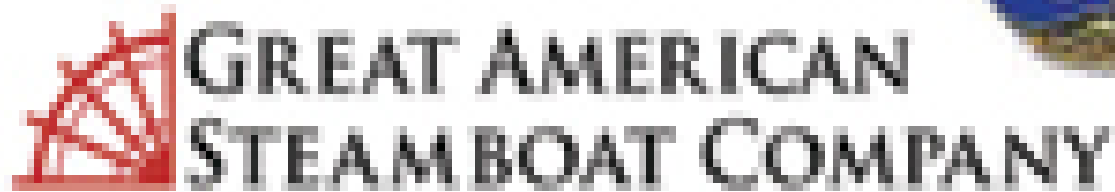
- Interruptible Gas Rates
- Economic Development Discount Rider

Electric

- Small Manufacturing Credit Program/ Discount Manufacturing Rates
- Time Of Day Rates
- Interruptible Rate Program
- Financial Incentives for Green Generation
- **Energy Right Solution for Business**
- **Revenue Allowance Program**
- **TVA Valley Investment Initiative Program (VII)**

2011 Success

- 
- Memphis #3 in 2011 for Job creation
 - Memphis/Shelby County & Economic Development secured \$1.1 billion in Capital Investment and 3,700 new jobs



Business Recruiting:

Adds jobs, diversifies and enhances existing business base

Expansion/Relocation Successes

- One of *Inc.*'s "Best Places for Doing Business in America"
- One of *Expansion Management's* top 15 U.S. metro areas for European-based company expansions
- Consistently ranked as one of the U.S.' top 10 real estate markets
- Available space
- Lots of variety
- Some of the lowest rents & purchase costs



 **Electrolux**

 **MITSUBISHI
ELECTRIC**
Changes for the Better



NUCOR
It's our Nature.™

 **Riviana**®

2012 Located Projects

Project Name	Job Sector	Jobs (new or retained)	Capital Investment
Benchmark Brands	specialty health products retailer	100 new-130 retained	\$8-\$10 million over next 3-5 years
New Breed	logistics	456 new/retained	\$3.6 Million
Bioventus	Bio/Pharm/Med	44 new	\$14 Million
FedEx	data center/flight Simulator	Retained 333	\$235 Million
NIKE	NIKE expansion	1,662 retained 250 new	\$301 Million
Praxair	produces and sells specialty industrial gases	15 new	\$46.4 Million
Total-To-Date	New jobs: 1,139	Retained: 3,720	\$673,388,918

How Can You Help?

- **Being alert to expansion or consolidating plans**
- **Be alert to your suppliers/customers considering expansion or relocation**
- **Buy Local as much as possible**

QUESTIONS

- **My Contact information:**

Al Sanders

Economic Development Representative

Phone Number: (901) 543-3562.

