

March 27, 2020

Economic Development Growth Engine
Board of Directors
100 Peabody Place, Ste. 1100
Memphis, TN 38103-3652

Dear EDGE Board of Directors,

DHL Supply Chain appreciates your consideration of our application for PILOT.

About DHL Supply Chain:

DHL Supply Chain is the leading contract logistics provider in North America. Combining value-added and management services with traditional fulfillment and distribution, our customized, integrated logistics solutions drive efficiency, improve quality and create competitive advantage. DHL Supply Chain offers specialist, proven expertise within the Automotive, Consumer, Chemicals, Energy, Engineering & Manufacturing, Life Sciences & Healthcare, Retail and Technology sectors. DHL Supply Chain is a wholly owned entity of Deutsche Post DHL, the world's leading logistics group. Deutsche Post DHL Group is a large multi-national firm with a Fitch long-term credit rating of BBB+ with a stable outlook. For more information, visit www.dhl-usa.com/supplychain.

Project Overview:

DHL Supply Chain ("DHL") is partnering with Siemens Healthineers ("Siemens"), a publicly traded subsidiary of Siemens AG, to provide a solution to support their late evening order cut-offs for critical same day shipments. DHL has been actively engaged in a site selection process for a distribution center to support this solution, considering Tennessee, Mississippi, and Arkansas.

The distribution center will (1) manage global exports; (2) administer reverse logistics for Siemens North American returns; and (3) provide critical parts and components required to maintain all of Siemens diagnostic and imaging medical equipment. Please see attached graphical representations of the shipping/returns areas and pictures of example products to be stored.

The distribution center will require at least 260,000 square feet of capacity to be dedicated to Siemens. In determining the best solution for a distribution center, DHL has been focused on the Memphis region as the center of gravity based on product origination and destination. DHL currently has a distribution campus located in Southaven, MS which makes the location well-suited for labor sharing and training purposes. However, the availability of a PILOT in Shelby County makes Memphis, Tennessee more attractive in the site selection process.

Incentives are a critical part of DHL's site selection process and the PILOT is imperative for Memphis to be chosen as the location for the project. In absence of a PILOT, DHL will go back to the market in the site selection process.

The project will retain 105 jobs that are currently in Memphis, with an estimated annual payroll of over \$3 million. It is estimated that the project will require \$12 million in capital expenditures such as material handling equipment, mechanization and tenant improvements.

Basic Project Information	
Industry	Logistics; Warehouse Distribution
Nature of activities at the Facility	Import/export of medical service equipment
Project Timeline	Target Occupancy: Q3 2020 Product Outbound: Q1 2021
Job & Wage Information	
Full-time Jobs	105
Average Base Hourly Wages	\$17.53
Average Annual Base Pay	\$3.8M
Benefits	Standard benefit package for all full time eligible associates. Benefits include medical, dental and eye coverage. Short and long term disability is offered as well as options to purchase supplemental insurance. Flexible spending plans are offered for medical expense savings and a 401(k) savings plan will be in place. DHL Supply Chain funds 75% of the benefit program and the associates are asked to fund the remaining balance for the program.
Facility Specific Information	
Building Square Footage Requirements	260,000 Sq. Ft.
Total Investment	\$12.4M

**Preliminary Project estimates based on data known at date of distribution, subject to change.*

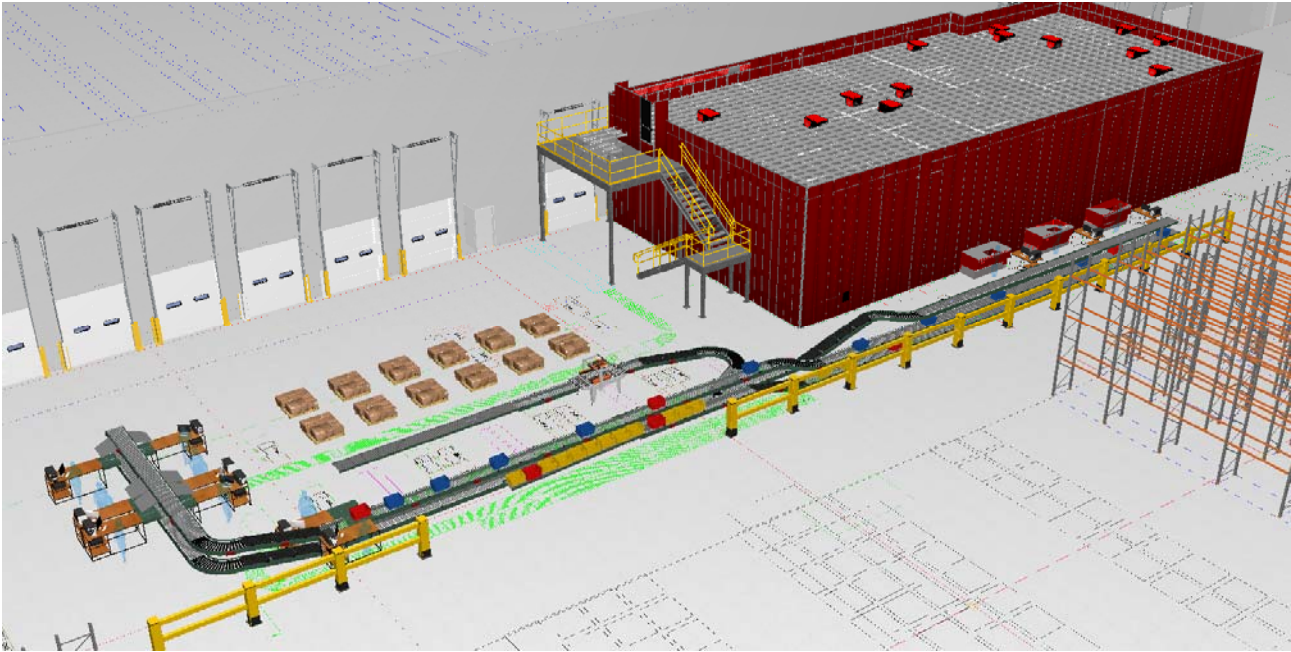
Feel free to reach out if you should need any additional information or have questions.

Sincerely,

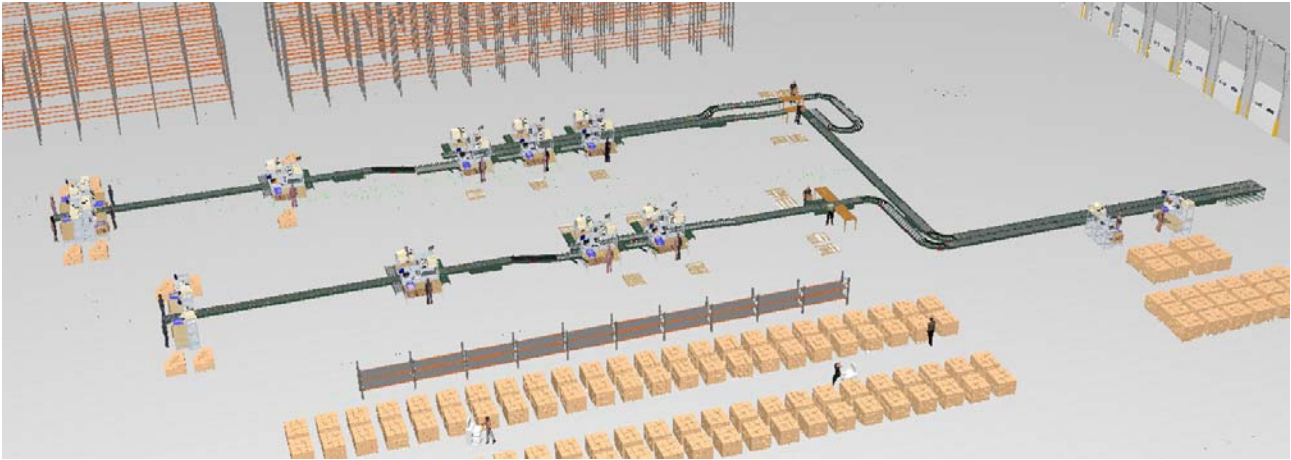
Karmin McWilliams

Karmin McWilliams
Manager, Tax Credits & Site Selection

Graphical 3D Design of Shipping Area of proposed DC:



Graphical 3D Design of Return Area of proposed DC:



Examples of inventory to be maintained in the warehouse:

Note: DHL's solution will have replacement parts of the units, not the units themselves



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Luminos Agile Max



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