

<b>Company/Applicant:</b>	<u>ABMF - Retention Project</u>
<b>Capital Investment:</b>	<u>\$ 10,500,000</u>
<b>Jobs:</b>	<u>52</u>
<b>Annual Average Wage:</b>	<u>\$ 73,011</u>
<b>Recommended PILOT Length: (Years)</b>	<u>8</u>
<b>Tax Incentive:</b>	<u>\$ 543,632</u>
<b>Local Tax Benefit:</b>	<u>\$ 2,319,202</u>
<b>Benefit/Cost Ratio:</b>	<u>4.27</u>

**ABMF Retention Project**  
**Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Retention	52	10.2
Wages*	\$73,011	28.8
Capital Investment	\$10,500,000	10.5
CRC		0.0
Location	City of Memphis Frank C. Pidgeon	20.0
<b>Total</b>		<b>70</b>
Special Circumstances	Not to exceed 25% of Total Points (19)	<b>15</b>
<b>Grand Total</b>		<b>85</b>

**Length of tax incentive:**

**8**

**\*Wages Calculation**

Shelby County Annual Average Wage	\$	49,534
Project Wages	\$	73,011
Project wages as a % of Target Wage		147

Meets Target of 100% of Annual Average Wage	10
Extra Points	18.8
Total Points	28.8

**Special Circumstances:**

	<b>Points</b>
Targeted Industry (Manufacturing)	5
Headquarters	0
Fortune 500/Industry Leader	5
Major Employer	0
Minority/Women-Owned Business	0
Benefit to Cost Ratio Bonus	5
Total	<u>15</u>

**City of Memphis, Shelby County, Tennessee**  
**AMBF Retention Project**  
**Economic Impact and Benefit/Cost Analysis**

**Annual Impact of Operations**

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Employment, Direct	52
Wages & Benefits, Direct	\$ 4,723,732
Employment Multiplier <sup>1</sup>	2.7705
Total Employment	144
Employment, Indirect	92
Annual Average Wage <sup>2</sup>	\$ 49,297
Wages, Indirect	\$ 4,535,324
Total Wages	\$ 9,259,056
Sales Tax Revenue <sup>3</sup>	\$ 104,373
Other Tax Revenue <sup>4</sup>	\$ 30,164
Residential/Commercial Property Tax Revenue <sup>5</sup>	\$ 94,158
Total Tax Revenue	\$ 228,695

**City of Memphis, Shelby County, Tennessee**  
**ABMF Retention Project**  
**Economic Impact and Benefit/Cost Analysis**

**One Time Expansion Impact**

Total Capital Investment	\$	10,500,000
Building - Real Property	\$	-
Economic Impact Multiplier <sup>6</sup>		1.9085
Economic Impact	\$	-
Equipment Purchase/Set-up - Personal Property	\$	10,500,000
Economic Impact Multiplier <sup>7</sup>		1.7302
Economic Impact	\$	18,167,100
Total Economic Impact	\$	18,167,100
Sales Tax Revenue <sup>3</sup>	\$	88,843
Other Tax Revenue <sup>4</sup>	\$	38,380
Total Tax Revenue	\$	127,223

**Shelby County, Tennessee  
ABMF Retention Project  
Tax Schedule**

Shelby County Tax Rate: \$4.02	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ -			
Year 1	\$ -	25%	\$ -	\$ -
Year 2	\$ -	25%	\$ -	\$ -
Year 3	\$ -	25%	\$ -	\$ -
Year 4	\$ -	25%	\$ -	\$ -
Year 5	\$ -	25%	\$ -	\$ -
Year 6	\$ -	25%	\$ -	\$ -
Year 7	\$ -	25%	\$ -	\$ -
Year 8	\$ -	25%	\$ -	\$ -
Year 9	\$ -	25%	\$ -	\$ -
Year 10				
Year 11				
Year 12				
Year 13				
Year 14				
Year 15				
<b>Total</b>	\$ -		\$ -	\$ -

**City of Memphis, Tennessee  
ABMF Retention Project  
Tax Schedule**

City of Memphis Tax Rate: \$3.1889	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Year 1 Value	\$ -			
Year 1	\$ -	10%	\$ -	\$ -
Year 2	\$ -	10%	\$ -	\$ -
Year 3	\$ -	10%	\$ -	\$ -
Year 4	\$ -	10%	\$ -	\$ -
Year 5	\$ -	10%	\$ -	\$ -
Year 6	\$ -	10%	\$ -	\$ -
Year 7	\$ -	10%	\$ -	\$ -
Year 8	\$ -	10%	\$ -	\$ -
Year 9	\$ -	10%	\$ -	\$ -
Year 10				
Year 11				
Year 12				
Year 13				
Year 14				
Year 15				
<b>Total</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>

**Total Real Property Taxes Abated:** \$ -  
**Payments Made in Lieu of Taxes:** \$ -

**Shelby County, Tennessee  
ABMF Retention Project  
Tax Schedule**

Shelby County Tax Rate: \$4.02	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
<b>Value</b>	<b>\$ 10,500,000</b>				
Year 1	\$ 111,434	0.88	40%	\$ 44,574	\$ 66,860
Year 2	\$ 94,973	0.75	40%	\$ 37,989	\$ 56,984
Year 3	\$ 79,777	0.63	40%	\$ 31,911	\$ 47,866
Year 4	\$ 63,315	0.50	40%	\$ 25,326	\$ 37,989
Year 5	\$ 48,119	0.38	40%	\$ 19,248	\$ 28,871
Year 6	\$ 31,658	0.25	40%	\$ 12,663	\$ 18,995
Year 7	\$ 25,326	0.20	40%	\$ 10,130	\$ 15,196
Year 8	\$ 25,326	0.20	40%	\$ 10,130	\$ 15,196
Year 9	\$ 25,326	0.20	40%	\$ 10,130	\$ 15,196
Year 10					
Year 11					
Year 12					
Year 13					
Year 14					
Year 15					
<b>Total</b>	<b>\$ 505,254</b>			<b>\$ 202,101</b>	<b>\$ 303,153</b>

**City of Memphis, Tennessee  
ABMF Retention Project  
Tax Schedule**

City of Memphis Tax Rate: \$3.1889	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 10,500,000				
Year 1	\$ 88,396	0.88	40%	\$ 35,358	\$ 53,038
Year 2	\$ 75,338	0.75	40%	\$ 30,135	\$ 45,203
Year 3	\$ 63,284	0.63	40%	\$ 25,314	\$ 37,970
Year 4	\$ 50,225	0.50	40%	\$ 20,090	\$ 30,135
Year 5	\$ 38,171	0.38	40%	\$ 15,268	\$ 22,903
Year 6	\$ 25,113	0.25	40%	\$ 10,045	\$ 15,068
Year 7	\$ 20,090	0.20	40%	\$ 8,036	\$ 12,054
Year 8	\$ 20,090	0.20	40%	\$ 8,036	\$ 12,054
Year 9	\$ 20,090	0.20	40%	\$ 8,036	\$ 12,054
Year 10					
Year 11					
Year 12					
Year 13					
Year 14					
Year 15					
<b>Total</b>	<b>\$ 400,797</b>			<b>\$ 160,318</b>	<b>\$ 240,479</b>

**Total Real Property Taxes Abated:** \$ 543,632  
**Payments Made in Lieu of Taxes:** \$ 362,419



**City of Memphis, Shelby County, Tennessee**  
**ABMF Retention Project**  
**Economic Impact and Benefit/Cost Analysis**

**Payback Summary**

Length of PILOT (years)		<b>8</b>
Total Taxes Forgone	\$	543,632
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	543,632
Tax Revenues From Construction	\$	127,223
Tax Revenues From Operations During PILOT Period	\$	1,829,560
Property Tax Revenues Received During PILOT Period	\$	362,419
Total Tax Revenues Received During PILOT Period	\$	2,319,202
Benefit/Cost Ratio		<b>4.27</b>

**Projected Costs:**  
*Hard Costs* (land, infrastructure, etc.)  
 None.

*Opportunity Costs*  
 Local government is requested to forgo for a period of years the opportunity to collect taxes on site improvement, building, and industrial equipment that are a part of the project.

**Payback:**  
 While there is no mathematical payback period on opportunity cost, the time period can be calculated when local government collects sufficient revenues generated by downstream economic impacts of operations to offset the industrial property taxes forgone by the PILOT.

**Benefit/Cost Ratio:** The sum of tax revenues from construction, operations and property during the PILOT period divided by the total taxes forgone.

**IDB PAYMENT-IN-LIEU-OF-TAX (PILOT) PROJECT SUMMARY  
AB MAURI FLEISHCHMANN'S (ABMF)  
FEBRUARY 2012**

**A. RETENTION PILOT RECOMMENDATION:** Eight-year PILOT agreement on tangible personal property involved in the project.

**B. PROJECT DESCRIPTION:**

AB Mauri Fleischmann's, formerly known as The Fleischmann's Company, operates five manufacturing facilities in the U.S. and Canada. ABMF is a global leader in yeast and bakery ingredient products.

Fleischmann's has operated a manufacturing facility in Memphis for over twenty years. The Memphis facility, located at 2743 Riverport Road, manufactures, sells and distributes wet yeast to the baking industry, food service companies and consumers.

The company currently employees 47 jobs and will create and additional five (5) jobs as a part of this project. ABMF will invest \$10.5 million in new tangible personal property.

**C. PILOT EVALUATION:**

**1. JOB CREATION POINTS AWARDED: 10.2**

Job Retention	47
Job Growth	5
<b>Total</b>	<b>52</b>

**2. WAGES POINTS AWARDED: 28.8**

The annual average wage for the new and retained jobs is \$73,011, which is 147% of Shelby County's annual average wage of \$49,534. (For retention projects, wages must meet 100% of the annual average wage to be considered for scoring purposes.)

**3. CAPITAL INVESTMENT POINTS AWARDED: 10.5**

Capital investment for this project is as follows:

Real Property	\$ 0
Personal Property	\$ 10,500,000
<b>Total Capital Investment</b>	<b>\$ 10,500,000</b>

**IDB PAYMENT-IN-LIEU-OF-TAX (PILOT) PROJECT SUMMARY  
 AB MAURI FLEISHCHMANN'S (ABMF)  
 FEBRUARY 2012  
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**E. ECONOMIC IMPACT OF NEW CAPITAL INVESTMENT:**

**One Time Expansion Impact**

Total Capital Investment	\$	10,500,000
Building - Real Property	\$	-
Economic Impact Multiplier <sup>6</sup>		1.9085
Economic Impact	\$	-
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Total Tax Revenue	\$	127,223

**F. PILOT BENEFITS/TAXES ABATED**

<b>Property Tax Abated</b>	<b>Shelby County</b>	<b>City of Memphis</b>	<b>Total</b>
Real Property	\$0	\$0	\$0
Personal Property	\$303,153	\$240,479	\$543,632
<b>Total</b>	<b>\$303,153</b>	<b>\$240,479</b>	<b>\$543,632</b>

**IDB PAYMENT-IN-LIEU-OF-TAX (PILOT) PROJECT SUMMARY**  
**AB MAURI FLEISHCHMANN'S (ABMF)**  
**FEBRUARY 2012**  
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**G. BENEFIT/COST RATIO**

<b>LOCAL AGREEMENT</b>	<b>TAXES ABATED</b>	<b>TAX REVENUE</b> From Operations and Construction Plus payments in lieu of taxes	<b>BENEFIT/COST RATIO</b>
8 Years: 40% Shelby County Taxes 40% City of Memphis Taxes	\$543,632	\$2,319,202	4.27:1

**H. BOARD FEES:**

Application Fee (Graduated Scale)	\$	4,000
Closing Fees (5% of Total Taxes Forgone) (Maximum of \$300,000) (Less Application Fee)	\$	23,182
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$	12,024
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$	15,178
<b>Total Fees</b>	<b>\$</b>	<b>54,384</b>