

|  |                                  |
|--|----------------------------------|
| <b>Company/Applicant:</b>                | <u>Barrett Expansion Project</u> |
| <b>Capital Investment:</b>               | <u>\$ 4,900,000</u>              |
| <b>Jobs:</b>                             | <u>35</u>                        |
| <b>Annual Average Wage:</b>              | <u>\$ 42,600</u>                 |
| <b>Recommended PILOT Length: (Years)</b> | <u>5</u>                         |
| <b>Tax Incentive:</b>                    | <u>\$ 685,979</u>                |
| <b>Local Tax Benefit:</b>                | <u>\$ 1,034,075</u>              |
| <b>Benefit/Cost Ratio:</b>               | <u>1.51</u>                      |

**City of Memphis, Shelby County, TN  
Barrett Expansion Project  
Tax Incentive Eligibility Analysis**

| <b>Category</b>       | <b>Project Data</b>                       | <b>Points</b> |
|-----------------------|---|---------------|
| Job Creation          | 35  | 7.0           |
| Wages*                | \$42,600                                  | 26.0          |
| Capital Investment    | \$4,900,000                               | 4.9           |
| CRC                   | \$4,851,311                               | 4.9           |
| Location              | City of Memphis                           | 10            |
| <b>Total</b>          |   | <b>53</b>     |
| Special Circumstances | Not to exceed 25%<br>of Total Points (13) | <b>0</b>      |
| <b>Grand Total</b>    |   | <b>53</b>     |

**Length of tax incentive: 5**

**\*Wages Calculation**

|                                     |    |        |
|-------------------------------------|----|--------|
| Shelby County Annual Average Wage   | \$ | 49,534 |
| Target Wages - 75% of Annual Wage   | \$ | 37,151 |
| Project Wages                       | \$ | 42,600 |
| Project wages as a % of Target Wage |    | 115    |

|  |      |
|--|------|
| Meets Target of 75% of Annual Average Wage | 10   |
| Extra Points                               | 16.0 |
| Total Points                               | 26.0 |

| <u>Special Circumstances:</u> | <u>Points</u> |
|-------------------------------|---------------|
| Targeted Industry             | 0             |
| Headquarters                  | 0             |
| Fortune 500/Industry Leader   | 0             |
| Major Employer                | 0             |
| Minority/Women-Owned Business | 0             |
| Benefit to Cost Ratio Bonus   | 0             |
| Total                         | <u>0</u>      |

**City of Memphis, Shelby County, TN**  
**Barrett Expansion Project**  
**Economic Impact and Benefit/Cost Analysis**

| <u>Annual Impact of Operations</u>                       | <u>Operation</u> |
|--|------------------|
| Employment, Direct (New full-time equivalent jobs)       | 35               |
| Wages & Benefits, Direct                                 | 2,324,918        |
| Employment Multiplier <sup>1</sup>                       | 1.9564           |
| Total Employment   | 68               |
| Employment, Indirect                                     | 33               |
| Annual Average Wage <sup>2</sup>                         | \$ 49,534        |
| Wages, Indirect  | \$ 1,634,622     |
| Total Wages  | \$ 3,959,540     |
| Sales Tax Revenue <sup>3</sup>                           | \$ 44,723        |
| Other Tax Revenue <sup>4</sup>                           | \$ 12,701        |
| Residential/Commercial Property Tax Revenue <sup>5</sup> | \$ 63,376        |
| Total Tax Revenue  | \$ 120,800       |

**City of Memphis, Shelby County, TN**  
**Barrett Expansion Project**  
**Economic Impact and Benefit/Cost Analysis**

**One Time Expansion Impact**

|   |    |           |
|---|----|-----------|
| Total Capital Investment                      | \$ | 4,900,000 |
| Building - Real Property (Improvements)       | \$ | 400,000   |
| Economic Impact Multiplier <sup>6</sup>       |    | 1.9805    |
| Economic Impact                               | \$ | 792,200   |
| Equipment Purchase/Set-up - Personal Property | \$ | 4,500,000 |
| Economic Impact Multiplier <sup>7</sup>       |    | 1.7302    |
| Economic Impact                               | \$ | 7,785,900 |
| Total Economic Impact                         | \$ | 8,578,100 |
| Sales Tax Revenue <sup>3</sup>                | \$ | 41,544    |
| Other Tax Revenue <sup>4</sup>                | \$ | 11,798    |
| Total Tax Revenue                             | \$ | 53,342    |

## Barrett Expansion Project Shelby County Tax Schedule

| Shelby<br>County Tax<br>Rate: \$4.02 | Real Property       |                    |                               |                   |
|--------------------------------------|---------------------|--------------------|-------------------------------|-------------------|
|                                      | Full Taxes          | % of taxes<br>paid | Taxes Paid after<br>Abatement | Taxes Abated      |
| <b>Value</b>                         | <b>\$ 5,251,311</b> |                    |                               |                   |
| Year 1                               | \$ 84,441           | 25%                | \$ 21,110                     | \$ 63,331         |
| Year 2                               | \$ 84,441           | 25%                | \$ 21,110                     | \$ 63,331         |
| Year 3                               | \$ 84,441           | 50%                | \$ 42,221                     | \$ 42,220         |
| Year 4                               | \$ 84,441           | 50%                | \$ 42,221                     | \$ 42,220         |
| Year 5                               | \$ 84,441           | 75%                | \$ 63,331                     | \$ 21,110         |
| Year 6                               |                     | 25%                | \$ -                          | \$ -              |
| Year 7                               |                     | 25%                | \$ -                          | \$ -              |
| Year 8                               |                     | 25%                | \$ -                          | \$ -              |
| Year 9                               |                     | 25%                | \$ -                          | \$ -              |
| Year 10                              |                     | 25%                | \$ -                          | \$ -              |
| Year 11                              |                     | 25%                | \$ -                          | \$ -              |
| Year 12                              |                     | 25%                | \$ -                          | \$ -              |
| Year 13                              |                     | 25%                | \$ -                          | \$ -              |
| Year 14                              |                     | 25%                | \$ -                          | \$ -              |
| Year 15                              |                     | 25%                | \$ -                          | \$ -              |
| <b>Total</b>                         | <b>\$ 422,205</b>   |                    | <b>\$ 189,993</b>             | <b>\$ 232,212</b> |

## Barrett Expansion Project City of Memphis Tax Schedule

| City of<br>Memphis Tax<br>Rate: \$3.1889 | Real Property       |                    |                               |                   |
|--|---------------------|--------------------|-------------------------------|-------------------|
|  | Full Taxes          | % of taxes<br>paid | Taxes Paid after<br>Abatement | Taxes Abated      |
| <b>Value</b>                             | <b>\$ 5,251,311</b> |                    |                               |                   |
| Year 1                                   | \$ 66,984           | 10%                | \$ 6,698                      | \$ 60,286         |
| Year 2                                   | \$ 66,984           | 10%                | \$ 6,698                      | \$ 60,286         |
| Year 3                                   | \$ 66,984           | 50%                | \$ 33,492                     | \$ 33,492         |
| Year 4                                   | \$ 66,984           | 50%                | \$ 33,492                     | \$ 33,492         |
| Year 5                                   | \$ 66,984           | 75%                | \$ 50,238                     | \$ 16,746         |
| Year 6                                   |                     | 10%                | \$ -                          | \$ -              |
| Year 7                                   |                     | 10%                | \$ -                          | \$ -              |
| Year 8                                   |                     | 10%                | \$ -                          | \$ -              |
| Year 9                                   |                     | 10%                | \$ -                          | \$ -              |
| Year 10                                  |                     | 10%                | \$ -                          | \$ -              |
| Year 11                                  |                     | 10%                | \$ -                          | \$ -              |
| Year 12                                  |                     | 10%                | \$ -                          | \$ -              |
| Year 13                                  |                     | 10%                | \$ -                          | \$ -              |
| Year 14                                  |                     | 10%                | \$ -                          | \$ -              |
| Year 15                                  |                     | 10%                | \$ -                          | \$ -              |
| <b>Total</b>                             | <b>\$ 334,920</b>   |                    | <b>\$ 130,618</b>             | <b>\$ 204,302</b> |

**Total Real Property Taxes Abated:** \$ 436,514  
**Payments Made in Lieu of Taxes:** \$ 320,611

## Barrett Expansion Project Shelby County Tax Schedule

| Shelby<br>County Tax<br>Rate: \$4.02 | Personal Property   |                      |                       |                               |                   |
|--------------------------------------|---------------------|----------------------|-----------------------|-------------------------------|-------------------|
|                                      | Full Taxes          | Depreciation<br>Rate | % of<br>taxes<br>paid | Taxes Paid after<br>Abatement | Taxes Abated      |
| <b>Value</b>                         | <b>\$ 4,500,000</b> |                      |                       |                               |                   |
| Year 1                               | \$ 47,758           | 0.88                 | 25%                   | \$ 11,940                     | \$ 35,818         |
| Year 2                               | \$ 40,703           | 0.75                 | 25%                   | \$ 10,176                     | \$ 30,527         |
| Year 3                               | \$ 34,190           | 0.63                 | 25%                   | \$ 8,548                      | \$ 25,642         |
| Year 4                               | \$ 27,135           | 0.50                 | 25%                   | \$ 6,784                      | \$ 20,351         |
| Year 5                               | \$ 20,623           | 0.38                 | 25%                   | \$ 5,156                      | \$ 15,467         |
| Year 6                               |                     | 0.25                 | 25%                   | \$ -                          | \$ -              |
| Year 7                               |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 8                               |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 9                               |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 10                              |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 11                              |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 12                              |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 13                              |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 14                              |                     | 0.20                 | 25%                   | \$ -                          | \$ -              |
| Year 15                              |                     |                      |                       |                               | \$ -              |
| <b>Total</b>                         | <b>\$ 170,409</b>   |                      |                       | <b>\$ 42,604</b>              | <b>\$ 127,805</b> |

## Barrett Expansion Project City of Memphis Tax Schedule

| City of<br>Memphis Tax<br>Rate: \$3.1889 | Personal Property   |                      |                       |                               |                   |
|--|---------------------|----------------------|-----------------------|-------------------------------|-------------------|
|  | Full Taxes          | Depreciation<br>Rate | % of<br>taxes<br>paid | Taxes Paid after<br>Abatement | Taxes Abated      |
| <b>Value</b>                             | <b>\$ 4,500,000</b> |                      |                       |                               |                   |
| Year 1                                   | \$ 37,884           | 0.88                 | 10%                   | \$ 3,788                      | \$ 34,096         |
| Year 2                                   | \$ 32,288           | 0.75                 | 10%                   | \$ 3,229                      | \$ 29,059         |
| Year 3                                   | \$ 27,122           | 0.63                 | 10%                   | \$ 2,712                      | \$ 24,410         |
| Year 4                                   | \$ 21,525           | 0.50                 | 10%                   | \$ 2,153                      | \$ 19,372         |
| Year 5                                   | \$ 16,359           | 0.38                 | 10%                   | \$ 1,636                      | \$ 14,723         |
| Year 6                                   |                     | 0.25                 | 10%                   | \$ -                          | \$ -              |
| Year 7                                   |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 8                                   |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 9                                   |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 10                                  |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 11                                  |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 12                                  |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 13                                  |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 14                                  |                     | 0.20                 | 10%                   | \$ -                          | \$ -              |
| Year 15                                  |                     |                      |                       |                               |                   |
| <b>Total</b>                             | <b>\$ 135,178</b>   |                      |                       | <b>\$ 13,518</b>              | <b>\$ 121,660</b> |

**Total Personal Property Taxes Abated:** \$ 249,465  
**Payments Made in Lieu of Taxes:** \$ 56,122



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

**Payback Summary**

|  |    |           |
|--|----|-----------|
| Length of PILOT (years)                            |    | 5         |
| Total Taxes Forgone                                | \$ | 685,979   |
| Hard Costs   | \$ | -         |
| Total Taxes Forgone and Hard Costs                 | \$ | 685,979   |
| Tax Revenues From Construction                     | \$ | 53,342    |
| Tax Revenues From Operations During PILOT Period   | \$ | 604,000   |
| Property Tax Revenues Received During PILOT Period | \$ | 376,733   |
| Total Tax Revenues Received During PILOT Period    | \$ | 1,034,075 |
| Benefit/Cost Ratio                                 |    | 1.51      |

**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.

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

**City of Memphis, Shelby County, Tennessee  
Barrett Expansion Project**

**Estimated Fees**

|   |                  |
|---|------------------|
| Application Fee (Graduated Scale)   | \$ 3,000         |
| Closing Fees (5% of Total Taxes Forgone)<br>(Maximum of \$300,000) (Less Application Fee)   | \$ 31,299        |
| City of Memphis Personal Property Fees for PILOT<br>(5% of Taxes Abated) (Maximum \$50,000) | \$ 6,083         |
| Shelby County Personal Property Fees for PILOT<br>(5% of Taxes Abated) (Maximum \$50,000)   | \$ 6,390         |
| <b>Total Fees</b>   | <b>\$ 46,772</b> |