

Company/Applicant:	<u>Project Victory - Northridge Retention/Expansion</u>
Capital Investment:	<u>\$ 301,000,000</u>
Jobs: (Retained and New)	<u>1,912</u>
Annual Average Wage:	<u>\$ 35,000</u>
Recommended PILOT Length: (Years)	<u>15</u>
Tax Incentive:	<u>\$ 57,828,256</u>
Local Tax Benefit:	<u>\$ 105,308,761</u>
Benefit/Cost Ratio:	<u>1.82</u>

City of Memphis, Shelby County, TN
Project Victory - Northridge Retention/Expansion
Tax Incentive Eligibility Analysis

Category	Project Data	Points
Job Retention (1,662 Retained)	1662	166.2
News Jobs Created (250 New)	250	30.0
Wages*	\$35,000	0.0
Capital Investment	\$301,000,000	301.0
CRC	\$0	0.0
Location	City of Memphis	10
Total		507
Special Circumstances (Not to exceed 25% of Total)	127	15
Grand Total		522

Length of tax incentive: **15**

***Wages Calculation**

Shelby County Annual Average Wage	\$	51,267
Target Wages - 75% of Annual Wage	\$	38,450
Project Wages	\$	35,000
Project wages as a % of Target Wage		91

Meets Target of 100% of Annual Average Wage	-
Extra Points	-
Total Points	-

Special Circumstances:

	Points
Targeted Industry (logistics/distribution)	5
Headquarters	0
Fortune 500/Industry Leader	5
Major Employer	5
Minority/Women-Owned Business	0
Benefit to Cost Ratio Bonus	0
Total	15

City of Memphis, Shelby County, TN
Project Victory - Northridge
Economic Impact and Benefit/Cost Analysis

<u>Annual Impact of Operations</u>	<u>Operation</u>
Employment, Direct (New full-time equivalent jobs)	1,912
Wages & Benefits, Direct	80,304,000
Employment Multiplier ¹	1.9564
Total Employment	3,741
Employment, Indirect	1,829
Shelby County Annual Average Wage ²	\$ 51,267
Wages, Indirect	\$ 93,767,343
Total Wages	\$ 174,071,343
Sales Tax Revenue ³	\$ 1,966,136
Other Tax Revenue ⁴	\$ 566,247
Residential/Commercial Property Tax Revenue ⁵	\$ 3,364,718
Total Tax Revenue	\$ 5,897,101

City of Memphis, Shelby County, TN
Project Victory - Northridge Retention/Expansion
Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact

Total Capital Investment	\$	298,000,000
Building - Real Property (building & fees)	\$	164,000,000
Economic Impact Multiplier ⁶		1.9805
Economic Impact	\$	324,802,000
Equipment Purchase/Set-up - Personal Property	\$	134,000,000
Economic Impact Multiplier ⁷		1.7302
Economic Impact	\$	231,846,800
Total Economic Impact	\$	556,648,800
Sales Tax Revenue ³	\$	2,921,438
Other Tax Revenue ⁴	\$	841,374
Total Tax Revenue	\$	3,762,812

Project Victory - Northridge Retention/Expansion Shelby County Tax Schedule

Shelby County Tax Rate: \$4.02	Real Property (Building Only)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value*	\$ 131,000,000			
Year 1	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 2	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 3	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 4	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 5	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 6	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 7	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 8	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 9	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 10	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 11	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 12	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 13	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 14	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Year 15	\$ 2,106,480	25%	\$ 526,620	\$ 1,579,860
Total	\$ 31,597,200		\$ 7,899,300	\$ 23,697,900

Project Victory - Northridge Retention/Expansion City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.11	Real Property (Building Only)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value*	\$ 131,000,000			
Year 1	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 2	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 3	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 4	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 5	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 6	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 7	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 8	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 9	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 10	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 11	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 12	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 13	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 14	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Year 15	\$ 1,629,640	10%	\$ 162,964	\$ 1,466,676
Total	\$ 24,444,600		\$ 2,444,460	\$ 22,000,140

Total Real Property Taxes Abated: \$ 45,698,040
Payments Made in Lieu of Taxes: \$ 10,343,760

**Does not include site prep.*

**Project Victory - Northridge Retention/Expansion
Shelby County Tax Schedule**

Shelby County Tax Rate: \$4.02	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 134,000,000				
Year 1	\$ 1,422,115	0.88	25%	\$ 355,529	\$ 1,066,586
Year 2	\$ 1,212,030	0.75	25%	\$ 303,008	\$ 909,022
Year 3	\$ 1,018,105	0.63	25%	\$ 254,526	\$ 763,579
Year 4	\$ 808,020	0.50	25%	\$ 202,005	\$ 606,015
Year 5	\$ 614,095	0.38	25%	\$ 153,524	\$ 460,571
Year 6	\$ 404,010	0.25	25%	\$ 101,003	\$ 303,007
Year 7	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 8	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 9	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 10	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 11	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 12	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 13	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 14	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Year 15	\$ 323,208	0.20	25%	\$ 80,802	\$ 242,406
Total	\$ 8,387,247			\$ 2,096,813	\$ 6,290,434

**Project Victory - Northridge Retention/Expansion
City of Memphis Tax Schedule**

City of Memphis Tax Rate: \$3.11	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 134,000,000				
Year 1	\$ 1,100,194	0.88	10%	\$ 110,019	\$ 990,175
Year 2	\$ 937,665	0.75	10%	\$ 93,767	\$ 843,898
Year 3	\$ 787,639	0.63	10%	\$ 78,764	\$ 708,875
Year 4	\$ 625,110	0.50	10%	\$ 62,511	\$ 562,599
Year 5	\$ 475,084	0.38	10%	\$ 47,508	\$ 427,576
Year 6	\$ 312,555	0.25	10%	\$ 31,256	\$ 281,299
Year 7	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 8	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 9	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 10	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 11	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 12	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 13	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 14	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Year 15	\$ 250,044	0.20	10%	\$ 25,004	\$ 225,040
Total	\$ 6,488,643			\$ 648,861	\$ 5,839,782

Total Personal Property Taxes Abated: \$ 12,130,216
Payments Made in Lieu of Taxes: \$ 2,745,674

**City of Memphis, Shelby County, Tennessee
Project Victory - Northridge Retention/Expansion
Economic Impact and Benefit/Cost Analysis**

Payback Summary

Length of PILOT (years)		15
Total Taxes Forgone	\$	57,828,256
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	57,828,256
Tax Revenues From Construction	\$	3,762,812
Tax Revenues From Operations During PILOT Period	\$	88,456,515
Property Tax Revenues Received During PILOT Period	\$	13,089,434
Total Tax Revenues Received During PILOT Period	\$	105,308,761
Benefit/Cost Ratio		1.82

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
Project Victory - Northridge Retention/Expansion

Estimated Fees

Application Fee (Graduated Scale)	\$ 4,000
Closing Fees (5% of Total Taxes Forgone) (Maximum of \$300,000) (Less Application Fee)	\$ 296,000
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 50,000
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 50,000
Total Fees	\$ 400,000