



**State Systems, Inc. to invest \$1.65 million, add 25 new jobs**

State Systems, Inc. (Applicant) is seeking a 4-year Basic PILOT to enable the company to add 25 net new jobs and invest more than \$1.6 million at a facility located at 1861 Vanderhorn Drive.

The Applicant will invest \$1,250,000 to purchase the Vanderhorn Facility, and an additional \$250,000 in building renovations. The land value of \$114,800 will not be abated.

The applicant will invest \$150,000 in personal property at the Vanderhorn location.

The Applicant will receive \$1,135,200 in Community Reinvestment Credit (CRC) for the use of 100 percent (30,000 sq. ft.) of the Vanderhorn facility, for a total capital investment of \$1,650,000.

The average salary of the 25 new employees will be \$49,081.

The project will create \$412,051 in new tax revenue for Memphis and Shelby County and has a benefit to cost ratio of \$2.94 in new tax revenue for every \$1 of taxes abated.

State Systems, Inc. is a privately owned, total protection company with years of proven experience in designing and fitting clients with engineered systems. State Systems acquired the assets of ESI companies in June of 2015 and have outgrown their current facility.

The new facility will allow State Systems to grow and expand in Memphis and Shelby County.

Founded over 25 years ago in Memphis, Tenn. State Systems seeks to embody its mission of protecting life and property for every client, every day. Long known in the Mid-South for its family owned leadership and life safety systems, the company’s longest standing and best known services have been enhanced by new technology services such as network integration, structured cabling systems and wireless support.

The 4-year PILOT for the Applicant is based on the following terms:

PILOT DATA	DETAILS
Jobs	25 new
Capital Investment	\$1,650,000
Average Annual Pay For New	\$49,081
BENEFIT/COST RATIO	DETAILS
New Tax Revenue	\$412,051
Tax Incentive	\$140,368
Benefit Cost	\$2.94



**Benefit-to-Cost Ratio: \$2.94 of new tax revenue for every \$1 of abated taxes**

City of Memphis - % Paid		Shelby County Terms - % Paid	
Personal Property	Year 1-4 20%	Personal Property	Year 1-4 25%
Real Property	1-4 20%	Real Property	Year 1-4 25%

### Budget

Real Property	Details
New	\$250,000
CRC	\$1,135,200
Sub-Total	\$1,385,200

Personal Property	Details
New	\$150,000
Transferred	0
Sub-Total	\$150,000
<b>Total Investment in PILOT</b>	<b>\$1,535,200</b>

Investment Not Included in PILOT	Details
Other Real Property	\$114,800
Other Personal Property	NONE
Fees & Soft Costs	NONE
Sub-Total	NONE
<b>Total Capital Investment</b>	<b>\$1,650,000</b>



## Diversity Plan

Applicant acknowledges the following good faith efforts to contract with certified minority, women-owned and local small businesses (Certified EBO & LOSB firms) based on the targeted terms outlined below and the attached Diversity Table.

	Total Spending	MWBE/LOS Spending	Percent
Construction	\$250,000	\$62,500	25%
Professional Services	\$160,000	\$40,000	25%
Goods	\$800,000	\$200,000	25%
Non-professional Services	\$400,000	\$100,000	25%
Total	\$1,610,000	\$402,500	25%

Below represents the identified labor source agreement:

We agree to use good faith efforts to hire and maintain an annual average level of 25% of our committed 25 new jobs through the Workforce Investment Network, the Memphis Career Center or local colleges/universities.



## Conditions

Award of a PILOT in accordance with the recommendations of the Economic Development Growth Engine (EDGE) Industrial Development Board of the City of Memphis and County of Shelby, Tennessee staff, as set forth herein, is subject to the following conditions.

1. The award is subject to the review and approval of the Board's counsel.
2. The award of a PILOT to the real property of Applicant is subject to the review and approval of the Applicant's environmental impact study.
3. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
4. The EDGE Board of Directors (the "Board") reserves the right to assign the PILOT, or its rights with respect thereto, to the Memphis and Shelby County Industrial Development Board (the "IDB"), in accordance with the service agreement between the Board and the IDB, if the Board ultimately deems it beneficial.
5. The award is subject to approval of Applicant's diversity plan by the Board following a recommendation of EDGE's consultants.
6. Except as explicitly provided in this term sheet or in a resolution of the Board, the award is subject to the provisions of the PILOT Program and Procedures of the Board (the "PILOT Policies").
7. The award is subject to the negotiation and execution of a PILOT lease agreement requiring the payment of rent in the amount of \$100.00 per year.
8. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE, the IDB or any other affiliate or agent of EDGE unless and until all of the documents for the subject transaction, including a PILOT lease agreement, have been negotiated and delivered.