

Fast Track PILOT Term Sheet
International Distributors USA, Inc.
November 16, 2016

International Distributors USA, Inc. ("Applicant") is seeking a ten-year Fast Track PILOT to enable the company to create 40 Net New Jobs and invest \$6,475,334 in the City of Memphis at 4770 Hickory Hill Road and 0 East Shelby Drive.

The total project investment includes the \$5.7 million purchase of a 510,000 square foot warehouse facility, \$500,000 in new personal property and \$275,334 in relocated racking, equipment and office furniture. The Applicant is requesting Community Reinvestment Credit.

The Applicant will hire or relocate 40 employees with an average base salary of \$37,106, excluding overtime and benefits.

Parcel 093600 00234 (4770 Hickory Hill Road) is 19.79 acres and contains a warehouse that is approximately 510,000 square feet. Parcel 093600 00231 (0 East Shelby Drive) is 1.20 acres with parking as the only improvement. Both real property and personal property investments at these locations will be included in the PILOT.

IDUSA is an importer of automotive parts and supplies. The company distributes these products under the name Premium Guard to retailers and manufacturers throughout the United States and around the globe. Since 1996, IDUSA has focused on designing, manufacturing and distributing products for automotive, diesel, power-sports and specialty filter markets. Today, IDUSA has almost 2,000 filtration part numbers and is positioning themselves for continued growth in aftermarket automotive products.

IDUSA has outgrown its distribution facilities in Olive Branch, Mississippi. The Payment-In-Lieu-Of-Tax program will allow the Applicant to purchase an existing facility in Memphis that fits their needs, triple the size of their operation and hire new employees.

Staff projects \$1,931,960 in local total tax revenues to be received during the PILOT term of this project and a \$1,268,905 benefit to the Applicant.

The 10-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-10 25%	Personal Property	Year 1-10 25%
Real Property	Year 1-10 25%	Real Property	Year 1-10 25%

PILOT Evaluation

CATEGORY	DATA
Total Jobs	40
Average Wages	\$37,106
Capital Investment	\$6,475,334
Local Business Participation	Standard

Ramp-Up Period

The applicant shall meet all commitments within two years of receiving PILOT benefits.



Project Budget Detail

REAL PROPERTY	
Purchase Price	\$5,700,000
Hard Construction and Site Work	\$0
Sub-Total	\$5,700,000
PERSONAL PROPERTY	
New	\$500,000
Transferred*	\$275,334
Sub-Total	\$775,334
Total Investment in PILOT	\$6,475,334

**Personal property relocated from a facility outside of Shelby County is considered at its depreciated, current value.*

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	NONE
Other Personal Property	NONE
Fees & Soft Costs	NONE
Sub-Total	NONE
Total Capital Investment	\$6,475,334

Local Business Participation

Spending with City of Memphis certified minority and women business enterprises (MWBEs) and Shelby County certified locally-owned small businesses (LOSBs) shall be an amount equal to or greater than:

				*Minimum For Bonus Opportunity	
		Basis	\$ LBP	1 Added Year	2 Added Years
	25%	Construction/Site Work	\$0	\$0	\$0
+	15%	Real & Personal Property Savings	\$190,336	\$348,207	\$530,862
=	Total		\$190,336	\$348,207	\$530,862

**The minimum required spending is based on 35% of Construction/Site Work and 25% of total PILOT Savings for one additional year and 45% of Construction/Site Work and 35% of total PILOT Savings for two additional years.*

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. Except as explicitly provided in this term sheet or in a resolution of the Board, the award is subject to the provisions of the Fast Track PILOT Policies.
6. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year.
7. 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 the PILOT lease agreement, have been negotiated and delivered.