



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Project Summary

Company/Applicant:	<u>NuVasive, Inc.</u>
Capital Investment:	<u>\$ 116,402,606</u>
Jobs:	<u>15</u>
Annual Average Wage:	<u>\$ 38,000</u>
Recommended PILOT Length: (years)	<u>11</u>
Tax Incentive:	<u>\$ 9,053,864</u>
Local Tax Benefit:	<u>\$ 5,050,295</u>
Benefit/Cost Ratio:	<u>0.56</u>

City of Memphis, Shelby County, TN
NuVasive, Inc.
Tax Incentive Eligibility Analysis

Category	Project Data	Points
Job Creation	15	3.0
Wages*	\$38,000	10.0
Capital Investment	\$116,402,606	58.2
Location: City of Memphis - 10 Points	Yes	10.0
Location: New Market Tax Credit Eligible census tract - 20 Points	Yes	20.0
MWBE - 10 Points	No	0.0
Headquarters	No	0.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		111

Length of tax incentive: (years) **11**

***Wages Calculation**

Target Wages	\$	38,000
Project Wages	\$	38,000

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	-
Total Points	10.0

City of Memphis, Shelby County, TN
NuVasive, Inc.
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations

Employment, Direct (New full-time equivalent jobs)	15
Wages & Benefits, Direct	\$ 656,250
Employment Multiplier ¹	2.6483
Total Employment	40
Employment, Indirect	25
Shelby County Annual Average Wage ²	\$ 52,518
Wages, Indirect	\$ 1,312,950
Total Wages	\$ 1,969,200
Sales Tax Revenue ³	\$ 22,818
Other Tax Revenue ⁴	\$ 8,397
Residential/Commercial Property Tax Revenue ⁵	\$ 34,121
Total Tax Revenue	\$ 65,336

City of Memphis, Shelby County, TN
NuVasive, Inc.
Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact

Total Capital Investment	\$	116,402,606
Building - Real Property (construction/improvements)	\$	668,885
Economic Impact Multiplier ⁶		1.8064
Economic Impact	\$	1,208,274
Equipment Purchase/Set-up - Personal Property	\$	115,733,721
Economic Impact Multiplier ⁷		1.7100
Economic Impact	\$	197,904,663
Total Economic Impact	\$	199,112,937
Sales Tax Revenue ³	\$	960,267
Other Tax Revenue ⁴	\$	353,378
Total Tax Revenue	\$	1,313,645

NuVasive, Inc.
Shelby County Tax Schedule

Shelby County Tax Rate: \$4.37	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 668,885			
Year 1	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 2	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 3	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 4	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 5	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 6	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 7	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 8	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 9	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 10	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 11	\$ 11,692	25%	\$ 2,923	\$ 8,769
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 128,612		\$ 32,153	\$ 96,459

NuVasive, Inc.
City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.40	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 668,885			
Year 1	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 2	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 3	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 4	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 5	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 6	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 7	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 8	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 9	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 10	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 11	\$ 9,097	25%	\$ 2,274	\$ 6,823
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 100,067		\$ 25,014	\$ 75,053

Total Real Property Taxes Abated: \$ 171,512
Payments Made in Lieu of Taxes: \$ 57,167

NuVasive, Inc.
Shelby County Tax Schedule

Shelby County Tax Rate: \$4.37	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 115,733,721				
Year 1	\$ 1,335,197	0.88	25%	\$ 333,799	\$ 1,001,398
Year 2	\$ 1,137,952	0.75	25%	\$ 284,488	\$ 853,464
Year 3	\$ 955,880	0.63	25%	\$ 238,970	\$ 716,910
Year 4	\$ 758,635	0.50	25%	\$ 189,659	\$ 568,976
Year 5	\$ 576,562	0.38	25%	\$ 144,141	\$ 432,421
Year 6	\$ 379,317	0.25	25%	\$ 94,829	\$ 284,488
Year 7	\$ 303,454	0.20	25%	\$ 75,864	\$ 227,590
Year 8	\$ 303,454	0.20	25%	\$ 75,864	\$ 227,590
Year 9	\$ 303,454	0.20	25%	\$ 75,864	\$ 227,590
Year 10	\$ 303,454	0.20	25%	\$ 75,864	\$ 227,590
Year 11	\$ 303,454	0.20	25%	\$ 75,864	\$ 227,590
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 6,660,813			\$ 1,665,206	\$ 4,995,607

NuVasive, Inc.
City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.40	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 115,733,721				
Year 1	\$ 1,038,826	0.88	25%	\$ 259,707	\$ 779,119
Year 2	\$ 885,363	0.75	25%	\$ 221,341	\$ 664,022
Year 3	\$ 743,705	0.63	25%	\$ 185,926	\$ 557,779
Year 4	\$ 590,242	0.50	25%	\$ 147,561	\$ 442,681
Year 5	\$ 448,584	0.38	25%	\$ 112,146	\$ 336,438
Year 6	\$ 295,121	0.25	25%	\$ 73,780	\$ 221,341
Year 7	\$ 236,097	0.20	25%	\$ 59,024	\$ 177,073
Year 8	\$ 236,097	0.20	25%	\$ 59,024	\$ 177,073
Year 9	\$ 236,097	0.20	25%	\$ 59,024	\$ 177,073
Year 10	\$ 236,097	0.20	25%	\$ 59,024	\$ 177,073
Year 11	\$ 236,097	0.20	25%	\$ 59,024	\$ 177,073
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 5,182,326			\$ 1,295,581	\$ 3,886,745

Total Personal Property Taxes Abated: \$ 8,882,352
Payments Made in Lieu of Taxes: \$ 2,960,787

City of Memphis, Shelby County, Tennessee
 NuVasive, Inc.
 Economic Impact and Benefit/Cost Analysis

Payback Summary

Length of PILOT (years)		11
Total Taxes Forgone	\$	9,053,864
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	9,053,864
Tax Revenues From Construction	\$	1,313,645
Tax Revenues From Operations During PILOT Period	\$	718,696
Property Tax Revenues Received During PILOT Period	\$	3,017,954
Total Tax Revenues Received During PILOT Period	\$	5,050,295
Benefit/Cost Ratio		0.56

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
NuVasive, Inc.**

Estimated Fees

Application Fee (Graduated Scale)	\$ 3,000
Closing Fees (5% of Total Taxes Forgone) (Maximum of \$300,000) (Less Application Fee)	\$ 297,000
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