

Jobs PILOT Term Sheet  
Ebrofrost North America, Inc.  
April 19, 2017

Ebrofrost North America, Inc. ("Applicant") is seeking a seven-year Jobs PILOT to enable the company to create 16 Net New Jobs and invest \$25,914,467 in the City of Memphis at 2360 Prospect Street.

The total project investment includes \$7,050,000 to renovate 38,086 square feet of an existing 85,021 square foot building, \$3,750,000 to build 18,714 square feet of new space, \$250,000 in soft costs and \$13,845,000 for new personal property.

The Applicant is requesting Community Reinvestment Credit for the portion of the existing property to be occupied valued at \$1,019,467.

The Applicant will hire 16 new employees with an average base salary of \$48,477, excluding overtime and benefits.

The project site is to be owned by Riviana Foods, Inc. and leased to the Applicant. Parcel 049068 00001C (2360 Prospect Street) is 6.49 acres and contains the existing warehouse. Parcel 049069 00006Z (0 Prospect Street) is 0.085 acres and vacant. In addition, approximately 0.873 acres of vacant land in adjacent Parcel 049059 00057 (865 East Bodley Avenue) will be included in the project site and remapped by the Shelby County Assessor to reflect the purchase by Riviana Foods, Inc.

All of the Applicant's qualified personal property will be included in the PILOT. All of the real estate will be placed in the PILOT but the applicant's benefit and PILOT payments will be calculated proportionally based on the amount of improved space occupied by the Applicant, estimated to be 54.8% of the property upon completion of construction.

Ebrofrost North America, Inc. is a wholly owned subsidiary of Ebrofrost Holding GmbH, the largest rice and second largest pasta manufacturer in the world. This facility will be the equivalent of three similar operations in Europe that process and distribute IQF (Individually Quick Frozen) rice, pasta and grain products.

The Applicant has opportunities to place this project in Missouri, Minnesota and Canada but would like to co-locate with its sister company, Riviana Foods, and access Memphis's central distribution advantages. In addition to warehouse space, the Applicant will need to build a clean processing area and a flash freezing area as part of the manufacturing operation. The Payment-In-Lieu-Of-Tax program will allow the Applicant to renovate an existing facility in Memphis that fits their needs, construct vital new manufacturing components and hire new employees.

Staff projects \$1,581,690 in local total tax revenues to be received during the PILOT term of this project and a \$2,037,178 benefit to the Applicant.

The 7-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-7 25%	Personal Property	Year 1-7 25%
Real Property	Year 1-7 25%	Real Property	Year 1-7 25%

**PILOT Evaluation Matrix**

CATEGORY	DATA	POINTS	YEARS
Net New Jobs	16	3.2	
Wages	\$48,477	20.5	
Capital Investment Including CRC	\$25,914,467	13.0	
<b>Sub-total</b>		<b>36.7</b>	<b>3</b>
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	Yes		2
MWBE/LOSB	No		0
Headquarters	No		0
<b>Sub-total</b>			<b>4</b>
<b>Total</b>			<b>7-Years</b>

**Ramp-Up Period**

The applicant shall meet all commitments within two years of closing on the PILOT Lease.

### Project Budget Detail

Applicant is investing \$10,800,000 in renovation and construction but will only occupy a portion of the completed project. The total investment is eligible for consideration in the Evaluation Matrix on Page 3 and both eligible real and personal property will be placed in the PILOT. However, real property benefit and PILOT payments will be calculated based only on the portion of the real estate occupied by the applicant (estimated to be 54.8% as demonstrated below).

REAL PROPERTY INCLUDED IN PILOT	INVESTMENT	USED FOR BENEFIT CALCULATION
Community Reinvestment Credit	\$1,019,467	\$1,019,467
Hard Construction and Site Work	\$10,800,000	54.8% \$5,918,400
Sub-Total	\$11,819,467	\$6,937,867
PERSONAL PROPERTY INCLUDED IN PILOT	INVESTMENT	USED FOR BENEFIT CALCULATION
New	\$13,845,000	\$13,845,000
Transferred*	NONE	NONE
Sub-Total	\$13,845,000	\$13,845,000
<b>Total</b>	<b>\$25,664,467</b>	<b>\$20,782,867</b>

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

INVESTMENT NOT INCLUDED IN PILOT	INVESTMENT
Real Property	NONE
Other Personal Property	NONE
Fees & Soft Costs	\$250,000
Sub-Total	\$250,000
<b>Total</b>	<b>\$25,914,467</b>

### 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:

				<b>*Minimum For Bonus Opportunity</b>	
		<b>Basis</b>	<b>\$ LBP</b>	<b>1 Added Year</b>	<b>2 Added Years</b>
	25%	Construction/Site Work	\$2,700,000	\$3,780,000	\$4,860,000
+	15%	Real & Personal Property Savings	\$305,577	\$509,295	\$713,012
=	<b>Total</b>		<b>\$3,005,577</b>	<b>\$4,289,295</b>	<b>\$5,573,012</b>

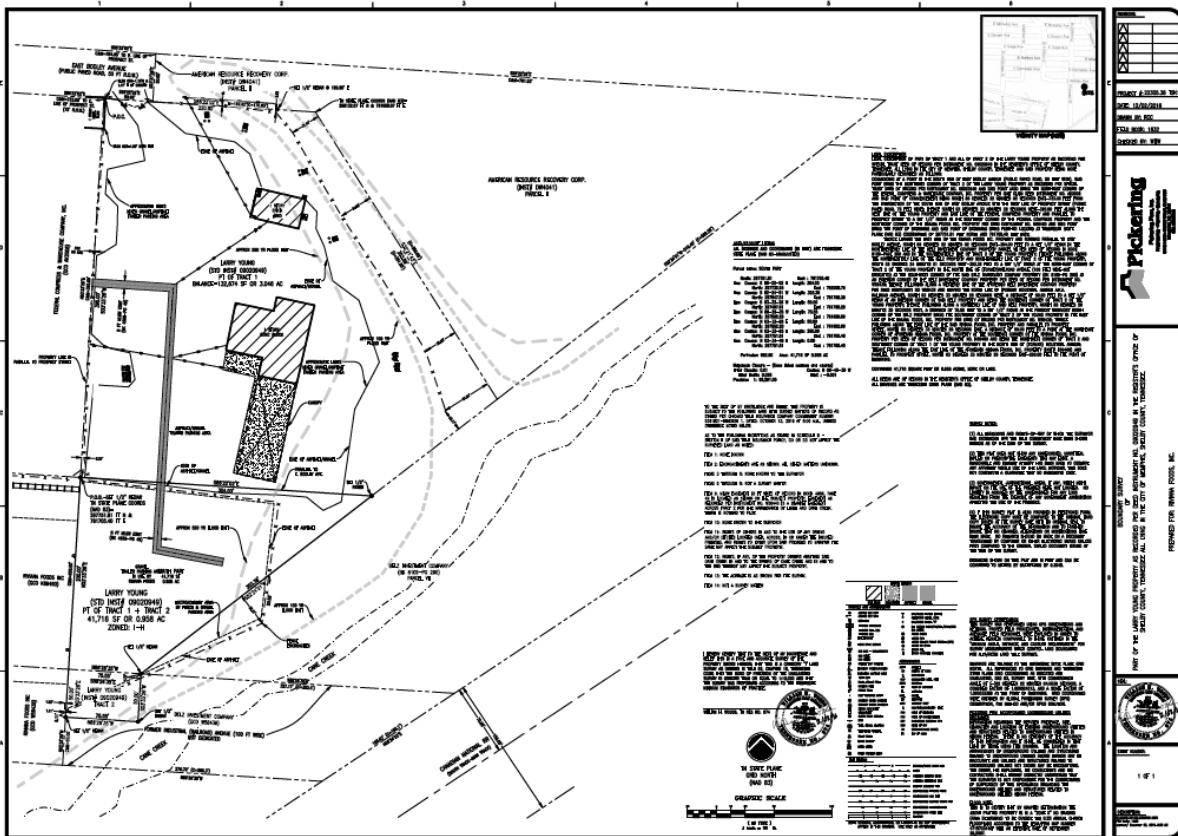
*\*The minimum required spending is based on 35% of Construction/Site Work and 25% of total PILOT Savings for one additional year and 45% of Construction/Site Work and 35% of total PILOT Savings for two additional years.*

Per Section X(c)(ii) of the Jobs PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network and the Greater Memphis Alliance for a Competition Workforce, and give consideration to individuals referenced by those organizations for open positions.

## Site Plan



Survey of Parcels 049069 00006Z and 049059 00057



## 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 phase I 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 Jobs 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.
8. The location award is subject to Applicant maintaining its offices at the proposed site or other New Markets Credits eligible site in Memphis, Tennessee.
9. The local business participation award is subject to Applicant meeting the minimum requirements of the local business participation program.