



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Jobs PILOT Term Sheet
Amazon.com.dedc, LLC
October 18, 2017

Amazon.com.dedc, LLC. ("Applicant") is seeking a fifteen-year Jobs PILOT to enable the Applicant to create 600 Net New Jobs, as that term is defined in the "Jobs Payment-in-Lieu-of-Taxes Program Policies and Procedures" adopted June 15, 2016 (the "Jobs PILOT Policies and Procedures") by the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE"). The Applicant commits to investing \$62.9 million at 3292 Holmes Road, Memphis, Tennessee.

The total project investment includes \$39.6 million to construct a 615,440 square-foot facility. Additionally, the Applicant will invest \$23.3 million to purchase equipment and other personal property to be used in connection with the project.

The average base salary of 600 Net New employees is \$28,912 excluding benefits.

Parcel 094100 00289 (3292 Holmes Road) is comprised of 83.3 acres of vacant land.

Amazon.com.dedc, LLC is a subsidiary of Amazon.com, Inc. ("Amazon"). Founded on July 5, 1994, as an online book retailer, Amazon has expanded across the years to sell almost everything and is now one of the most valuable companies in the world. Amazon is a publicly traded company with more than \$135 billion in revenue in 2016.

Amazon and its subsidiaries, including Applicant, operate more than 50 fulfillment centers, 23 sortation centers, and employ more than 90,000 full time employees throughout the United States

The PILOT will enable the Applicant to cause a new receive center to be constructed to support the North American fulfillment network. The facility will collect and repackage products for distribution to fulfillment centers across the United States.

EDGE Staff projects \$36,851,947 in local total tax revenues to be received during the PILOT term and a \$15,194,936 benefit to the Applicant.



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

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-15 25%	Personal Property	Year 1-15 25%
Real Property	Year 1-15 25%	Real Property	Year 1-15 25%

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	Year(s)
Net New Jobs	600	120	
Weighted Wages	\$28,912	0	
Capital Investment	\$62,999,206	31.5	
Sub-total		151.5	15.1
Location: City of Memphis	Yes		1.0
Local Business Participation Minimum	Yes		1.0
New Market Tax Credit	No		0.0
MBE Owned	No		0.0
Headquarters	No		0.0
Sub-total			2.0
Total			15-Years*

* Per section III (l) of the Jobs PILOT Policies and Procedures no project shall receive a PILOT term beyond a total of fifteen (15) years



Ramp-Up Period

The Ramp-Up Period (as that term is defined in the PILOT Policies and Procedures) is two years from the effective date of the first PILOT Lease Agreement entered into in connection with this Term Sheet.

Project Budget Detail

REAL PROPERTY	
New Construction/ Site Improvements	\$39,698,406
Renovation of Existing Structure	\$0
Sub-Total	\$39,698,406
PERSONAL PROPERTY	
New	\$23,300,800
Transferred	NONE
Sub-Total	\$23,300,800
Total Investment in PILOT	\$62,999,206

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	NONE
Other Personal Property	NONE
Fees & Soft Costs	NONE
Sub-Total	
Total Capital Investment	\$62,999,206



Local Business Participation (LBP)

Spending with City of Memphis and Shelby County certified minority and women business enterprises (MWBES) 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	\$9,924,602	\$13,894,442	\$17,864,283
+	15%	Real Property Savings	\$2,279,240	\$3,798,734	\$5,318,228
			\$12,203,842	\$17,693,176	\$23,182,510

Per section X (C) (2) of the Jobs PILOT Policies and Procedures unless waived in the resolution, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network and the Greater Memphis Alliance for a Competitive Workforce, and give due consideration to individuals referred by those organizations for open positions.



Conditions

Award of a PILOT in accordance with the recommendations of the EDGE 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 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.
5. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE 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.
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 Jobs PILOT Policies and Procedures.
7. The location award is subject to Applicant maintaining its Project in Memphis, Tennessee.
8. The local business participation award is subject to Applicant meeting the minimum requirements of the Local Business Participation program.