



Jobs PILOT Term Sheet  
Peroxychem, LLC  
November 15, 2017

Peroxychem, LLC (“Applicant”) is seeking a seven -year Jobs PILOT to enable the Applicant to create 15 net new Jobs. The Applicant commits to investing \$9.6 million at 335 Stiles Drive, Memphis, Tennessee.

The total project investment includes \$2.7 million to construct a 108,000 square-foot facility. Additionally, the Applicant will invest \$4.3 million to purchase manufacturing machinery, supplies, and other personal property to be used in connection with the project.

The Applicant will also invest \$2.4 million in soft costs which will not be abated.

The average annual base salary of 15 Net New Jobs is \$56,667 excluding benefits.

Parcel 069074-00014Z (335 Stiles Drive) is comprised of 100 acres. The applicant will sub-divide a portion of the parcel.

The Applicant is a global manufacturer and supplier of hydrogen peroxide, peracetic acid, persulfates, and other technologies. The Applicant employs more than 500 people throughout the world. The Applicant has facilities in North America, Europe and Asia and supplies customized chemistries for electronics, energy, environmental, food safety, paper and polymer.

The Jobs PILOT will enable the Applicant to construct a new production facility. The facility will make Peracetic Acid: a disinfectant used in many bacterial control applications from food and beverage to wastewater treatment.

EDGE Staff projects \$788,868 in local total tax revenues to be received during the PILOT term and a \$692,253 benefit to the Applicant.

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

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-7 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	Year(s)
Net New Jobs	15	3	
Weighted Wages	\$56,667	28.7	
Capital Investment	\$9,602,700	4.8	
Sub-total		36.5	3.65
Location: City of Memphis	Yes		1.0
Local Business Participation Minimum	Yes		1.0
New Market Tax Credit	Yes		2.0
MBE Owned	No		0.0
Headquarters	No		0.0
Sub-total			4.0
<b>Total</b>			<b>7-Years*</b>

*\* Per section III (I) 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	\$2,763,265
Renovation of Existing Structure	\$0
Sub-Total	\$2,763,265
PERSONAL PROPERTY	
New	\$4,426,343
Transferred	NONE
Sub-Total	\$4,426,265
<b>Total Investment in PILOT</b>	<b>\$7,189,608</b>

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	NONE
Other Personal Property	NONE
Fees & Soft Costs	\$2,413,092
Sub-Total	
<b>Total Capital Investment</b>	<b>\$9,602,700</b>



**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	\$690,816	\$967,143	\$1,243,469
+	15%	Real Property Savings	\$103,838	\$173,063	\$242,289
			<b>\$794,654</b>	<b>\$1,140,206</b>	<b>\$1,485,758</b>

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.



ECONOMIC DEVELOPMENT  
**GROWTH ENGINE**  
FOR MEMPHIS & SHELBY COUNTY

## 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 and New Markets Tax Credit awards are subject to Applicant maintaining its Project in a New Market Tax Credit location in Memphis, Tennessee.
8. The local business participation award is subject to Applicant meeting the minimum requirements of the Local Business Participation program.
9. The PILOT award is subject to i) Applicant obtaining a survey and working with the Shelby County Assessor's Office to obtain separate parcel number for the portion of 335 Stiles Drive, Memphis, Tennessee that is to be used for PILOT purposes and ii) Applicant transferring the property to the EDGE via quitclaim deed for improvements only.