



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Expansion PILOT

Project Summary

Company/Applicant:	Onyx Medical LLC
Capital Investment:	\$ 10,999,800
Jobs:	146
Annual Average Wage:	\$ 54,939
PILOT Length: (years)	9
Tax Incentive:	\$ 1,465,053
Local Tax Benefit:	\$ 6,440,266
Benefit/Cost Ratio:	4.40

**City of Memphis, Shelby County, TN
Onyx Medical LLC
Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	146	29.2
Wages*	\$54,939	26.9
Capital Investment**	\$7,000,000	3.5
Location: City of Memphis - 10 Points	Yes	10.0
Location: New Market Tax Credit Eligible census tract - 20 Points	No	0.0
Headquarters - 20 Points	Yes	20.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		99.6

Length of tax incentive: (years) 9

***Wages Calculation**

Target Wages	\$	38,000
Project Wages	\$	54,939

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	16.9
Total Points	26.9

**Includes \$300,000 land purchase.

City of Memphis, Shelby County, TN
 Onyx Medical LLC
 Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	
Employment, Direct (full-time equivalent jobs)	146
Wages & Benefits, Direct	\$ 10,026,368
Employment Multiplier ¹	2.6687
Total Employment	390
Employment, Indirect	244
Shelby County Annual Average Wage ²	\$ 53,289
Wages, Indirect	\$ 13,002,516
Total Wages	\$ 23,028,884
Sales Tax Revenue ³	\$ 258,557
Other Tax Revenue ⁴	\$ 79,118
Residential/Commercial Property Tax Revenue ⁵	\$ 315,506
Total Tax Revenue	\$ 653,181

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

One Time Expansion Impact		
Total Capital Investment	\$	6,700,000
Building - Real Property (construction/renovation)	\$	2,500,000
Economic Impact Multiplier ⁶		1.8064
Economic Impact	\$	4,516,000
Equipment Purchase/Set-up - Personal Property	\$	4,200,000
Economic Impact Multiplier ⁷		1.7100
Economic Impact	\$	7,182,000
Total Economic Impact	\$	11,698,000
Sales Tax Revenue ³	\$	56,115
Other Tax Revenue ⁴	\$	17,171
Total Tax Revenue	\$	73,286

Onyx Medical LLC

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.11	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 5,954,500			
Year 1	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 2	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 3	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 4	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 5	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 6	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 7	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 8	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 9	\$ 97,892	25%	\$ 24,473	\$ 73,419
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 881,028		\$ 220,257	\$ 660,771

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.271481	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 5,954,500			
Year 1	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 2	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 3	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 4	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 5	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 6	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 7	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 8	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 9	\$ 77,920	25%	\$ 19,480	\$ 58,440
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 701,280		\$ 175,320	\$ 525,960

Total Real Property Taxes Abated:	\$ 1,186,731
Payments Made in Lieu of Taxes:	\$ 395,577

Onyx Medical LLC

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.11	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 4,200,000				
Year 1	\$ 45,572	0.88	25%	\$ 11,393	\$ 34,179
Year 2	\$ 38,840	0.75	25%	\$ 9,710	\$ 29,130
Year 3	\$ 32,625	0.63	25%	\$ 8,156	\$ 24,469
Year 4	\$ 25,893	0.50	25%	\$ 6,473	\$ 19,420
Year 5	\$ 19,679	0.38	25%	\$ 4,920	\$ 14,759
Year 6	\$ 12,947	0.25	25%	\$ 3,237	\$ 9,710
Year 7	\$ 10,357	0.20	25%	\$ 2,589	\$ 7,768
Year 8	\$ 10,357	0.20	25%	\$ 2,589	\$ 7,768
Year 9	\$ 10,357	0.20	25%	\$ 2,589	\$ 7,768
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 206,627			\$ 51,656	\$ 154,971

Total Personal Property Taxes Abated: \$ 278,322

Payments Made in Lieu of Taxes: \$ 92,774

For the purpose of this analysis all personal property is included into one group using a standard depreciation table.

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.271481	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 4,200,000				
Year 1	\$ 36,274	0.88	25%	\$ 9,069	\$ 27,205
Year 2	\$ 30,915	0.75	25%	\$ 7,729	\$ 23,186
Year 3	\$ 25,969	0.63	25%	\$ 6,492	\$ 19,477
Year 4	\$ 20,610	0.50	25%	\$ 5,153	\$ 15,457
Year 5	\$ 15,664	0.38	25%	\$ 3,916	\$ 11,748
Year 6	\$ 10,305	0.25	25%	\$ 2,576	\$ 7,729
Year 7	\$ 8,244	0.20	25%	\$ 2,061	\$ 6,183
Year 8	\$ 8,244	0.20	25%	\$ 2,061	\$ 6,183
Year 9	\$ 8,244	0.20	25%	\$ 2,061	\$ 6,183
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 164,469			\$ 41,118	\$ 123,351

City of Memphis, Shelby County, Tennessee
 Onyx Medical LLC
 Economic Impact and Benefit/Cost Analysis

Payback Summary

Length of PILOT (years)		9
Total Taxes Forgone	\$	1,465,053
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	1,465,053
Tax Revenues From Construction	\$	73,286
Tax Revenues From Operations During PILOT Period	\$	5,878,629
Property Tax Revenues Received During PILOT Period	\$	488,351
Total Tax Revenues Received During PILOT Period	\$	6,440,266
Benefit/Cost Ratio		4.40

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
Onyx Medical LLC

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000) (Less Application Fee)	\$ 70,253
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 6,168
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 7,749
Total Fees	\$ 87,170