

City of Memphis, Shelby County, TN
 Project 2 - Barrett
 Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact		
Total Capital Investment	\$	8,631,631
Building - Real Property (construction/renovation)	\$	1,200,000
Economic Impact Multiplier ⁶		1.8064
Economic Impact	\$	2,167,680
Equipment Purchase/Set-up - Personal Property	\$	7,431,631
Economic Impact Multiplier ⁷		1.7100
Economic Impact	\$	12,708,089
Total Economic Impact	\$	14,875,769
Sales Tax Revenue ³	\$	70,106
Other Tax Revenue ⁴	\$	21,452
Total Tax Revenue	\$	91,558

Project 2 - Barrett

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.11	Real Property - New & Existing Facility*			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 14,027,821			
Year 1	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 2	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 3	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 4	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 5	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 6	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 7	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 8	\$ 230,617	25%	\$ 57,654	\$ 172,963
Year 9		25%	\$ -	\$ -
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 1,844,936		\$ 461,232	\$ 1,383,704

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.271481	Real Property - New & Existing Facility*			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 14,027,821			
Year 1	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 2	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 3	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 4	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 5	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 6	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 7	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 8	\$ 183,567	25%	\$ 45,892	\$ 137,675
Year 9		25%	\$ -	\$ -
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
Total	\$ 1,468,536		\$ 367,136	\$ 1,101,400

Total Real Property Taxes Abated: \$ 2,485,104

Payments Made in Lieu of Taxes: \$ 828,368

**CRC value of existing the building is \$12,827,821, which represents the value of 50.35% of the square footage to be occupied by the project. Construction investment is \$1,200,000.*

Project 2 - Barrett

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	\$ 7,431,631				
Year 1	\$ 80,636	0.88	25%	\$ 20,159	\$ 60,477
Year 2	\$ 68,724	0.75	25%	\$ 17,181	\$ 51,543
Year 3	\$ 57,728	0.63	25%	\$ 14,432	\$ 43,296
Year 4	\$ 45,816	0.50	25%	\$ 11,454	\$ 34,362
Year 5	\$ 34,820	0.38	25%	\$ 8,705	\$ 26,115
Year 6	\$ 22,908	0.25	25%	\$ 5,727	\$ 17,181
Year 7	\$ 18,326	0.20	25%	\$ 4,582	\$ 13,744
Year 8	\$ 18,326	0.20	25%	\$ 4,582	\$ 13,744
Year 9		0.20	25%	\$ -	\$ -
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	\$ 347,284			\$ 86,822	\$ 260,462

Total Personal Property Taxes Abated: \$ 467,785

Payments Made in Lieu of Taxes: \$ 155,931

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	\$ 7,431,631				
Year 1	\$ 64,185	0.88	25%	\$ 16,046	\$ 48,139
Year 2	\$ 54,703	0.75	25%	\$ 13,676	\$ 41,027
Year 3	\$ 45,951	0.63	25%	\$ 11,488	\$ 34,463
Year 4	\$ 36,469	0.50	25%	\$ 9,117	\$ 27,352
Year 5	\$ 27,716	0.38	25%	\$ 6,929	\$ 20,787
Year 6	\$ 18,234	0.25	25%	\$ 4,559	\$ 13,675
Year 7	\$ 14,587	0.20	25%	\$ 3,647	\$ 10,940
Year 8	\$ 14,587	0.20	25%	\$ 3,647	\$ 10,940
Year 9		0.20	25%	\$ -	\$ -
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	\$ 276,432			\$ 69,109	\$ 207,323

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Payback Summary		
Length of PILOT (years)		8
Total Taxes Forgone	\$	2,952,889
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	2,952,889
Tax Revenues From Construction	\$	91,558
Tax Revenues From Operations During PILOT Period	\$	2,209,176
Property Tax Revenues Received During PILOT Period	\$	984,299
Total Tax Revenues Received During PILOT Period	\$	3,285,033
Benefit/Cost Ratio		1.11

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
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Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000) (Less Application Fee)	\$ 144,644
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 10,366
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 13,023
Total Fees	\$ 171,033