

Jobs PILOT Term Sheet
Barrett Distribution Centers, LLC
March 21, 2018

Barrett Distribution Centers, LLC ("Applicant") is seeking an eight-year Jobs PILOT to enable the company to create 74 net new jobs and invest \$22,100,307 at 6100 East Holmes Road.

The total project investment includes \$1,200,000 for construction and site improvements and \$7,431,631 for manufacturing machinery. The Applicant is requesting Community Reinvestment Credit for property valued at \$13,468,676 (\$640,855 land and \$12,827,821 building value).

The Applicant will create 74 net new jobs with an average salary of \$44,217 excluding benefits.

Parcel 094200 00507 (6100 East Holmes Road) is 37.46 acres and contains an 823,212 square foot warehouse, of which the Applicant will occupy 414,500 square feet. Only 50.35% of real property (the space occupied by the Applicant) will be included in the PILOT. New personal property investments at this location will be included in the PILOT.

Barrett Distribution Centers, LLC operates third-party warehouse and distribution centers. The company has one other facility in the Memphis market that has taken advantage of, and performed well in, the PILOT program.

This location will provide apparel distribution and order fulfillment for international clothing brands. Activities at this location will include full-carton and individual garment picking, as well as other value-added services.

The company has considered multiple locations in three states for this operation.

Staff projects \$3,285,033 in local total tax revenues to be received during the PILOT term of this project and an estimated \$2,952,889 benefit to the Applicant.

The 8-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-8 25%	Personal Property	Year 1-8 25%
Real Property	Year 1-8 25%	Real Property	Year 1-8 25%

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	YEARS
Net New Jobs	74	14.8	
Wages	\$44,217	16.2	
Capital Investment Including CRC	\$22,100,307	11.1	
Sub-total		42.1	4
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
Sub-total			8
Total			8-Years

Ramp-Up Period

The Applicant shall meet all commitments within two years of receiving PILOT benefits.

Project Budget Detail

REAL PROPERTY	
Purchase Price	\$0
Hard Construction and Site Work	\$1,200,000
Sub-Total	\$1,200,000
PERSONAL PROPERTY	
New	\$7,431,631
Transferred*	\$0
Sub-Total	\$7,431,631
COMMUNITY REINVESTMENT CREDIT	
Value of Existing Land and Building (69.33%)	\$13,468,676
Total Investment in PILOT	\$22,100,307

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$0
Sub-Total	\$0
Total Capital Investment	\$22,100,307

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

Local Business Participation

Spending with City of Memphis or Shelby County certified minority and women business enterprises (MWBs) 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	\$300,000	\$420,000	\$540,000
+	15%	Real & Personal Property Savings	\$442,933	\$830,500	\$1,291,889
=	Total		\$742,933	\$1,250,500	\$1,831,889

**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.*

Identified Labor Source

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 (WIN) and the Greater Memphis Alliance for a Competitive Workforce (GMACW), 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 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 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 and Procedures.
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. Expenditures for a certified Local Business Participant who provides temporary or contract employees shall be restricted. The full payment shall not count toward the Local Business Participation commitment. The PILOT Recipient shall either (i) be credited for documented administrative fee payments to the employment agency; or (ii) be credited with an amount equal to two percent (2%) of the payment to the employment agency.