

City of Memphis, Shelby County, TN
OMO Energy & Technology, Inc
Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact

Total Capital Investment	\$	2,503,000
Building - Real Property (improvements)	\$	300,000
Economic Impact Multiplier ⁶		1.8157
Economic Impact	\$	544,710
Equipment Purchase/Set-up - Personal Property	\$	2,203,000
Economic Impact Multiplier ⁷		1.7269
Economic Impact	\$	3,804,361
Total Economic Impact	\$	4,349,071
Sales Tax Revenue ³	\$	20,727
Other Tax Revenue ⁴	\$	6,342
Total Tax Revenue	\$	27,069

OMO Energy & Technology, Inc Shelby County Tax Schedule

Shelby County Tax Rate: \$4.11	Real Property (Existing Building & Renovations)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 662,100			
Year 1	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 2	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 3	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 4	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 5	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 6	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 7	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 8	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 9	\$ 10,885	25%	\$ 2,721	\$ 8,164
Year 10	\$ 10,885	25%	\$ 2,721	\$ 8,164
Total	\$ 108,850		\$ 27,210	\$ 81,640

OMO Energy & Technology, Inc City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.271481	Real Property (Existing Building & Renovations)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 662,100			
Year 1	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 2	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 3	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 4	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 5	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 6	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 7	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 8	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 9	\$ 8,664	25%	\$ 2,166	\$ 6,498
Year 10	\$ 8,664	25%	\$ 2,166	\$ 6,498
Total	\$ 86,640		\$ 21,660	\$ 64,980

Total Real Property Taxes Abated: \$ 146,620
Payments Made in Lieu of Taxes: \$ 48,870

Land valued at \$232,900 not included in PILOT.

OMO Energy & Technology, Inc 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	\$ 2,203,000				
Year 1	\$ 23,903	0.88	25%	\$ 5,976	\$ 17,927
Year 2	\$ 20,372	0.75	25%	\$ 5,093	\$ 15,279
Year 3	\$ 17,113	0.63	25%	\$ 4,278	\$ 12,835
Year 4	\$ 13,581	0.50	25%	\$ 3,395	\$ 10,186
Year 5	\$ 10,322	0.38	25%	\$ 2,581	\$ 7,741
Year 6	\$ 6,791	0.25	25%	\$ 1,698	\$ 5,093
Year 7	\$ 5,433	0.20	25%	\$ 1,358	\$ 4,075
Year 8	\$ 5,433	0.20	25%	\$ 1,358	\$ 4,075
Year 9	\$ 5,433	0.20	25%	\$ 1,358	\$ 4,075
Year 10	\$ 5,433	0.20	25%	\$ 1,358	\$ 4,075
Total	\$ 113,814			\$ 28,453	\$ 85,361

OMO Energy & Technology, Inc 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	\$ 2,203,000				
Year 1	\$ 19,027	0.88	25%	\$ 4,757	\$ 14,270
Year 2	\$ 16,216	0.75	25%	\$ 4,054	\$ 12,162
Year 3	\$ 13,621	0.63	25%	\$ 3,405	\$ 10,216
Year 4	\$ 10,811	0.50	25%	\$ 2,703	\$ 8,108
Year 5	\$ 8,216	0.38	25%	\$ 2,054	\$ 6,162
Year 6	\$ 5,405	0.25	25%	\$ 1,351	\$ 4,054
Year 7	\$ 4,324	0.20	25%	\$ 1,081	\$ 3,243
Year 8	\$ 4,324	0.20	25%	\$ 1,081	\$ 3,243
Year 9	\$ 4,324	0.20	25%	\$ 1,081	\$ 3,243
Year 10	\$ 4,324	0.20	25%	\$ 1,081	\$ 3,243
Total	\$ 90,592			\$ 22,648	\$ 67,944

Total Personal Property Taxes Abated: **\$ 153,305**
Payments Made in Lieu of Taxes: **\$ 51,101**

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

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Payback Summary

Length of PILOT (years)		10
Total Taxes Forgone	\$	299,925
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	299,925
Tax Revenues From Construction	\$	27,069
Tax Revenues From Operations During PILOT Period	\$	1,007,750
Property Tax Revenues Received During PILOT Period	\$	99,971
Total Tax Revenues Received During PILOT Period	\$	1,134,790
Benefit/Cost Ratio		3.78

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
OMO Energy & Technology, Inc**

Estimated Fees

Application Fee	\$ 3,000
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 4,268
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 3,397
5% of PILOT Savings	\$ 14,996
-capped at \$50,000 for less than \$20 Million CapX	
-capped at \$100,000 for \$20-30 Million CapX	
-capped at \$300,000 for more than \$30 Million CapX	
Total Fees	\$ 25,661