

**Community Builder PILOT Term Sheet**  
**JD USA Shopping Center DBA The Whitehaven Landing**  
**May 16, 2018**

The Whitehaven Landing is being established by Andrew Kim (managing partner of Beet Capital) and Ki Kim and Kyung Kim (owners of 1232 East Shelby Drive), collectively known as JD USA Shopping Center ("Applicant") to create a family entertainment anchored retail shopping center.

The Applicant is seeking a 15-year Community Builder PILOT to redevelop a vacant supermarket building at the northwest corner of Faronia Road and East Shelby Drive.

The project will consist of a 37,000 square foot indoor trampoline park, 12,016 square feet of retail space and 17,432 square feet of flex space positioned for office or retail use (excluding common area). The anchor tenant is will be Altitude Trampoline Park operated through a franchise agreement with the building's ownership group.

The \$4,458,009 investment will create 30 part-time trampoline park positions, 30 part-time positions with other retailers, 40 full-time positions with businesses occupying the flex-space and four management positions. This will equate to 89 Full-Time-Equivalent jobs at an average annual wage of \$22,804.

Parcel 079060 00003 (1232 East Shelby Drive) is 7.63 acres and the building is 74,000 square feet. Both real and personal property investments on this site will be included in the PILOT.

Financial assistance is needed to remove blight, complete redevelopment of the building and improve the overall neighborhood quality of life consistent with the Community Builder PILOT policies. The project's Census Tract is severely distressed based on poverty, unemployment and income. Forty-six percent of the 38116 Zip Code households have incomes less than \$35,000 annually.

The project is supported by the Greater Whitehaven Economic Redevelopment Corporation.

Staff projects \$433,205 in local total tax revenues to be received during the PILOT term of this project and a \$1,073,229 benefit to the Applicant.

The 15-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Real Property	Year 1-15 25%	Real Property	Year 1-15 25%
Personal Property	Year 1-15 25%	Personal Property	Year 1-15 25%

### Project Budget Detail

REAL PROPERTY	
Purchase Price	\$0
Hard Construction and Site Work	\$2,405,228
Sub-Total	\$2,405,228
PERSONAL PROPERTY	
New	\$723,081
Transferred*	\$0
Sub-Total	\$723,081
COMMUNITY REINVESTMENT CREDIT	
Value of Existing Land and Building	\$1,329,700
<b>Total Investment in PILOT</b>	<b>\$4,458,009</b>

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$120,215
Fees & Soft Costs	\$0
Sub-Total	\$120,215
<b>Total Capital Investment</b>	<b>\$4,578,224</b>

\*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 (MWBEs) shall be an amount equal to or greater than:

		Basis	\$ LBP
	25%	Construction/Site Work	\$601,307
+	15%	Real/Personal Property Savings	\$160,984
=	<b>Total</b>		<b>\$762,291</b>

Per Section X(c)(ii) of the Community Builder PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network and the Greater Memphis Alliance for a Competition Workforce, and give consideration to individuals referenced by those organizations for open positions.

### Initiation and Ramp Up Period

The Applicant shall close on all real property PILOT Leases within five years of approval and meet all commitments related to the project within one year of the first real property PILOT lease closing.

## Terms & 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 of a PILOT to the real property used for Applicant's project is subject to Board Counsel's review and approval of the environmental impact study for said real property to be produced or procured by Applicant.
2. Applicant will have five (5) years from the date of the Board's approval to initiate the Project by conveyance of all real property to EDGE. Applicant will also have a one (1) year ramp-up from the initial closing to meet all obligations imposed on the Project. The Applicant must maintain an anchor tenant in 37,000 square feet of the Project suitable to the EDGE Board of Directors during the Term of the PILOT.
3. Applicant may close the Project in phases. The first phase must be greater than one-third (1/3) of the project based on size and scope presented in this Term Sheet.
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 Community Builder PILOT Program and Procedures of the Board (the "PILOT Policies").
6. The award is subject to the negotiation and execution of a PILOT lease agreement requiring the payment of base rent in the amount of \$100.00 per year plus the PILOT payment.
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 a PILOT lease agreement, have been negotiated and delivered.
8. The Applicant shall receive Community Reinvestment Credit for the Project.