

PAYMENT-IN-LIEU-OF-TAX APPLICATION



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

100 Peabody Place, Suite 1100
Memphis, TN 38103
(901) 341-2100

Please submit your application online at www.growth-engine.org

APPLICATION FOR PILOT

ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF CITY OF MEMPHIS AND SHELBY COUNTY, TENNESSEE

Applicant

Company Name: William R. Moore College of Technology
Company Contact: Mr. Stanley "Skip" Redmond
Mailing Address: 1200 Poplar Ave
City: Memphis State: Tennessee Zip: 38104
Telephone: (901) 726-1977 Fax: 901-726-1978
Federal Employer Identification Number: 62-0497613
Applicant's Legal Structure: 501(C)3 (Note Attached)

If any outside consultants will be representing the applicant (accounting firm, law firm or site consultant) in applying for this PILOT, please provide the following:

Company Name NA
Contact Name:
Mailing Address:
City: State: Zip:
Telephone: Fax:

Project Location

- A. Address: 2785 Mendenhall, Memphis, TN
B. Tax Parcel Numbers: 074001 A00006
C. City of Memphis: [X]Yes []No
D. New Market Tax Credit Eligible Site: [X]Yes []No

Project Description

Please see attached "Project Summary".

Project - Real Property Investment

- [] Building a new sq. ft. facility
[X] Purchasing an existing facility, and [X] Making renovations or additions
[] Leasing sq. ft. of an existing facility and [] Making renovations or additions

Category	Capital Investment
Purchase Price of Land/Building	\$450,000
New Construction/Site Improvements	\$0
Renovation of Existing Structure	\$1,380,000
Soft Costs	\$0
TOTAL	\$1,830,000

Project - Personal Property Investment

Group	New	Relocated ²
1 – Furniture, Fixtures, General Equipment & All Other Property Not Listed in Another Group	\$566,000	\$0
2 – Computers, Copiers, Fax Machines, Peripherals & Tools	\$	\$0
3 -- Molds, Dies & Jigs	\$0	\$0
4 – Aircraft, Towers & Boats ¹	\$0	\$0
5 – Manufacturing Machinery	\$0	\$0
6 – Billboards, Tanks & Pipelines	\$0	\$0
7 – Scrap Property ¹	\$0	\$0
8 – Raw Material & Supplies ¹	\$0	\$0
9 – Vehicles ¹	\$1,000,000	\$0
TOTAL	\$1,566,000	\$0

¹Vehicles, towers, scrap and inventory are not eligible for a PILOT agreement, but the value of these items may be included in the determination of the PILOT benefit. ²Depreciated value.

Items to be submitted with this application

NA Tax Compliance – Provide documentation demonstrating payment of all municipal, county, state, and federal taxes due for all properties owned by the Applicant located within Shelby County.

X Application Fee (\$3,000.00)

Other

X Applicant Financial Information – Staff will need to review audited financial statements for the most recent three fiscal years.

This Application is made in order to induce EDGE to grant financial incentives to Applicant. Applicant represents and warrants that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to EDGE in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the EDGE Jobs PILOT Program Policies and Procedures. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by EDGE in connection with this Application, whether or not the financial incentives are granted or the Project is consummated.

Date: _____

Applicant: _____

PROJECT EMPLOYMENT

Position	# of Full-time Jobs ¹	Average Annual Base Pay ²		Annual Overtime/ Incentive Pay ³		Annual Benefits ⁴		Annual Total Compensation	
		Each	Total	Each	Total	Each	Total	Each	Total
Director	1	75,000	\$75,000	\$0	\$0	\$19,500	\$19,500	\$94,500	\$94,500
Program Assistant Director	1	45,000	\$45,000	\$0	\$0	\$11,700	\$11,700	\$56,700	\$56,700
Instructors	2	53,500	\$107,000	\$0	\$0	\$13,910	\$27,820	\$67,410	\$134,820
Total	4		\$227,000		\$0		\$59,020		\$286,020
Average			\$56,750		\$0		\$14,755		\$71,505

Definitions:

¹Permanent jobs or combination of permanent positions that provide employment of 1,600 hours or more within a year that is employed directly by the Applicant or employed by a contract employer on behalf of the Applicant.

²Annual base wage must exceed \$12 per hour to be included, please show payments as annual average wages.

³Include paid overtime, paid holidays and vacation pay. Do not include discretionary bonus or stock options.

⁴Include health insurance, dental insurance, 401K plans, paid sick leave, bonus compensation, etc.

JOBS CREATED & Salaries:

Number Students / Year:	90
Estimated Graduates:	30
Estimated Industry Placement:	20
Median Income:	\$38,470 (i.e., \$18.50 per hour)
New salaries added to city annually:	\$769,400

Notes:

- Moore Tech's annual graduation rate is 80%+; Average industry placement rate is 95%+.
- Average income for new works in the auto-tech industry in Memphis is \$40,000-\$60,000 because of high demand. The annual salary can grow to as much as \$100,000+ / annually with training and experience.



William R. Moore College of Technology
NON-PROFIT ESTABLISHED 1939

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Moore Tech – GMADA EDGE PILOT PROPOSAL April 2018

Requestors: William R. Moore College of Technology (Moore Tech)
Greater Memphis Auto Dealer Association (GMADA)

Property: 2785 Mendenhall

Parcel: 074001 A00006

I. Project Summary

The William R. Moore College of Technology (Moore Tech) and its partner, the Greater Memphis Automobile Dealers Association (GMADA) have partnered to rehabilitate a currently blighted auto dealership and maintenance facility located at 2785 Mendenhall in an effort to launch a new auto-technician school that will train Memphians to enter the field of auto maintenance. At full capacity, the auto-technician school will support 90 students each year with an estimated minimal graduation rate of 30 students/year, 20 of whom are estimated to find industry job placement within 18 months.

II. Mission

The mission of Moore Tech is to provide the student with the training and skills necessary to become successful in business and industry. It is the goal of the college to provide students with a working knowledge of the skills needed to enter employment in the program area of their choice.

III. School Demographics

In the fall of 2016, Moore Tech enrolled 350 students. 46.5% of our students are African American, 44.5% are Caucasian, 6.5% are Hispanic, and 2.5% are classified as "Other" (Asian or claiming two races). The students most predominantly hail from Memphis' poorest neighborhoods, particularly in North Memphis, where the campus is located.

Traditionally, Moore Tech has served recent high-school students (full-time day students) or older, employed students (part-time evening classes). With the expansion of our programs, we now serve high-school students, beginning their junior year, via signed agreements with the Shelby County School System.

Nearly all of our students hail from low- and moderate-income homes, and most of our students are eligible for Federal grant dollars, such as the Pell grant program, reserved for those students most at need for financial assistance. No student graduates from Moore Tech with student loan debt.



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IV. Program

Memphis has made strides in offering pathways to train work-ready employees ready to contribute to Memphis's auto-technician industry, which requires industry-specific training focused on maintenance and repair. These careers can lead to fulfilling, well-paying, and growth-oriented careers, allowing individuals to break the chain of poverty and create long-term savings and stability.

The Memphis auto industry services most of the population in Memphis through dealerships, privately-owned businesses, and even in fleet maintenance for companies like FedEx. However, GMADA estimates an average 100 open positions each year in service centers across the region. The lack of personnel slows service, placing a burden on Memphians who then face obstacles travel to work or school, pick up groceries, or visit a doctor's office.

In response, Moore Tech and GMADA partnered to create its auto tech school via a \$1,500,000 challenge grant. GMADA has purchased the Mendenhall facility, rehabilitate the facility, and purchase with Moore Tech educational equipment. Moore Tech now will fill the new school with students and programming.

Several preliminary goals have been completed: along with the purchase of the space, a director has been hired (see below), and we have identified additional instructors who will join us when the school opens. At this time, we are finalizing our plans to rehabilitate the building and populate the space with industry-standard tools and equipment (completed in 2018).

When the school opens, we will enroll students via our marketing efforts as well as our partnerships with local Shelby County high schools (in the case of our dual enrollment programs). When students have begun their work, they will take an integrated course load to learn the basics of auto tech industry maintenance and later advanced techniques. They also will benefit from our onsite educational transition counselors who will help guide each student in their transmission from high school into college and into industry.

We also will develop an alumni mentor network (also composed of local industry professionals) who will work the students, offer encouragement, and remind the students of the positive aspects of the profession of automotive technical maintenance. To help students find jobs after leaving Moore Tech, we will continue to build internships and maintain our close partnerships with GMADA and its associated dealerships as they meet students who will one day be their employees.

As students graduate and earn degrees and certifications, we will continue to follow-up to learn of their job success and to encourage those graduates to further expand our alumni mentor network.



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V. FACILITY

2785 Mendenhall Current View



Parcel Location



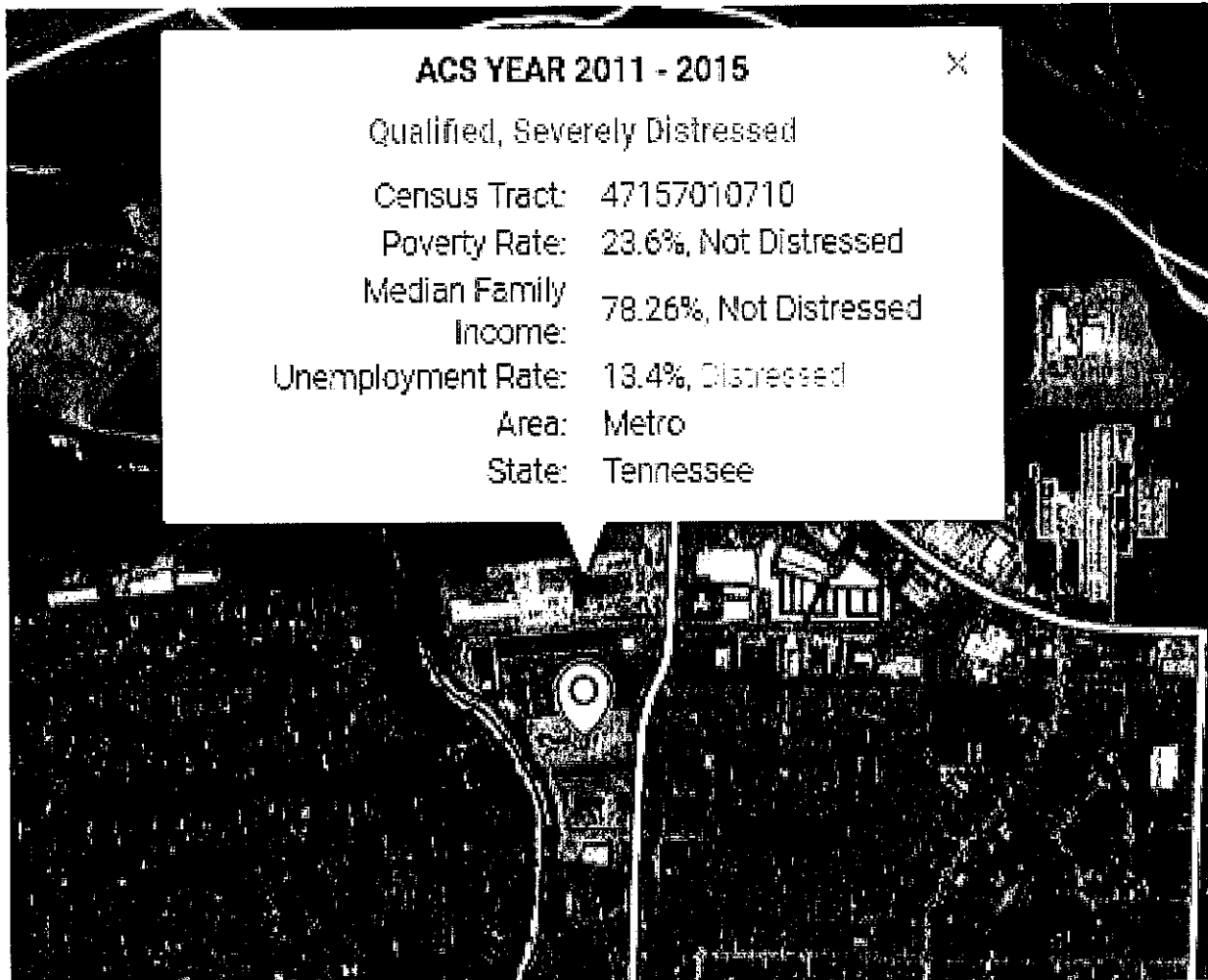


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New Market Tax Credit

The facility is located in a zone designated as "Severely Distressed" as assessed by Cohen Reznick.



Website accessed April 2, 2018.



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Tax Assessment

Property Location and Owner Information	2017 Appraisal and Assessment Information
Parcel ID: 074001 A00006	Class: COMMERCIAL
Property Address: 2785 S MENDENHALL RD	Land Appraisal: \$ 422,700
Municipal MEMPHIS	Building Appraisal: \$ 377,300
Jurisdiction:	Total Appraisal: \$ 800,000
Neighborhood 00908B53	*** Total Assessment: \$ 320,000
Number:	Greenbelt Land Appraisal: \$ 0
Tax Map Page: 180D	Homesite Land Appraisal: \$ 0
Land Square	Homesite Building Appraisal: \$ 0
Footage:	Greenbelt Appraisal: \$ 0
Acres: 3.8800	*** Greenbelt Assessment: \$ 0
Lot Dimensions: 3.88AC311.87/266.87X222.76+306.45/	
~	
Subdivision Name: MENDENHALL MORIAH C-P PH 3 REVISED	Click Here for 2016 Values
Subdivision Lot	View: Assessor's GIS Map
Number:	View: GIS Parcel Map
Plat Book and Page: 195-09	*** For Info on Board Values, Please Click
Number of 2	Here.
Improvements:	
Owner Name: AMERICAN WAY MOTORS INC	
In Care Of: DOBBS BROTHERS MANAGEMENT	
Owner Address: 5170 SANDERLIN AVE STE 102	
Owner MEMPHIS, TN 38117 4360	
City/State/Zip:	

Commercial Structure Information	
Land Use:	- AUTO DEALER
Total Living Units:	0
Structure Type:	AUTO DEALER/F-SERVICE
Year Built:	1985
Investment Grade:	
Building Square Footage:	24530

Website Accessed April 2, 2018

1690
56946
5.526



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Planned Facility Rehabilitation and Upgrades

The location will be extensively rehabilitated, including demolition and restoration of the current façade, replacement of current HVAC and heating systems, installation of a security fence and other security features (e.g., exterior lighting), resurfacing of the shop floor, reinstallation of a modern facility lighting system, installation of new hydraulic lifts, and a front-end alignment and operating system. The final facility layout will include a reception area, common areas for students between classes, six classrooms, and auditorium, and one computer laboratory for instruction.

The facility will also be outfitted with industry-standard tools and equipment, including specialized equipment as used per brand of auto dealership (e.g., Honda-specific, Chrysler-specific, etc.).

All facility and equipment plans have been guided by GMADA master technicians as well as national standards as published by NATEF.

Full building plans and equipment lists are available per request.

VI. Timeframe

The auto tech school is scheduled to open in 2018 with students anticipated to enroll during our Winter Trimester. We have hired our director, Martin Gambill, a long-time automotive master technician, instructor, and former director of the auto technician program at Southwest Tennessee Community College. We have identified and have come to an agreement with two additional instructors who will join Moore Tech full-time when the school opens.

The school has received Council on Occupational Education accreditation, and will receive National Automotive Technicians Education Foundation (NATEF) accreditation one year after program start.

VII. Outcomes

At full capacity, the auto-technician school will support 90 students each year with an estimated minimal graduation rate of 30 students/year, 20 of whom will find industry job placement within 18 months. Note that Moore Tech's current industry placement rate is actually higher, at 90%+, meaning our placements will likely be higher than these early estimates.

This program offers students a pathway to a long-term career that will allow them to break the chains of generational poverty. This change in income level will affect their lives, the lives of their families, and the health of these students' communities.

Further, the Memphis automotive industry members who employ these program participants will benefit from having a new source of work-ready employees from Memphis to close the current gap between available jobs and eligible employees.

These new employees will have great control over their own careers, as they will hold degrees and specific auto industry certifications, such as the NATEF certification, a unique service in Memphis.



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Memphis will benefit from these financially healthier and productive citizens and industries, particularly noting that program participants who have stable careers in their hometown are more likely to stay. Also, a proven work-ready workforce can help bring new companies into Memphis, creating new jobs, expanding the tax base, and building our city.

VIII. Technician Pay Estimates

According to current statistics provided by the Department of Labor Bureau of Labor Statistics Occupational Outlook Handbook, the median annual salary for the position of Automotive Service Technicians and Mechanics is \$38,470 (i.e., \$18.50 per hour). According to our partners at GMADA, entry-level technicians could make as much as \$40,000/year and \$60,000/year. Senior-level technicians will command salaries of over \$100,000 / year.

IX. Community Financial Impact

Based on an estimate of 20 new positions filled each year and using only the median salary estimate, the total combined annual salary will be \$770K new salary dollars injected into the Memphis market, annually. This number will accumulate each year as additional positions are filled each year and as these individuals earn greater salaries each year.

X. Auto Tech Program Leadership

Skip Redmond, President

President Stanley ("Skip") Redmond earned his B.A. and M.A. degrees from Georgetown College and his Ed.S. from the University of Arkansas. He has over three decades' experience in education and education administration. As a principal, Skip improved his schools' infrastructure, teacher training, and modernized the curriculum to better prepare the students for college. As a Vice President of Advancement, Skip built an annual giving campaign, a planned giving campaign, and an alumni-giving campaign that resulted in over \$24M funding.

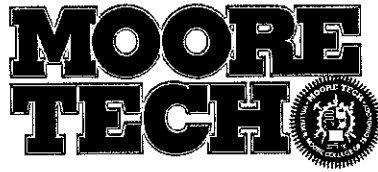
Since his arrival at Moore Tech, the school has modernized its curricula and facilities, including a newly established Welding school and now the auto technician program discussed in this proposal.

David Penna, Chief Administrative Officer

David earned his B.B.A. and M.B.A. from the University of Memphis and has over 30 years' experience in a variety of educational environments. His specialties include working with industry to customize training programs, translating these programs into academic credit courses, and then further translating these new courses into full degree programs. David acts as the lead financial officer of Moore Tech.

Martin Gambill, Director, Automotive Service Technology Program

Martin is an Acura Master Technician, based on his 20+ years' experience as an automotive technician. He also has served as an instructor for the DeSoto County Schools and then director of the auto technician program at Southwest Tennessee Community College. In his role at Moore Tech, Martin oversees all aspects of the auto tech program's curriculum and certification process, the hiring and training of new instructors, and



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the day-to-day operations of all programs. Martin earned his Associate of Occupational Studies degree from the Nashville Auto Diesel College, where he studied automotive and diesel repair.

Karen Treas, Career Placement Officer

Karen has served in several sales and other industry positions. She also currently serves as a Governing Board Member of Ave Maria and served as Co-Chairperson at St. Agnes Academy. At Moore Tech, Karen has led the successful efforts of the school to employ over 90% of all graduates in their industry of choice.

April Turner, Retention Director & Registrar

April is a former high-school teacher who transitioned into the nonprofit educational sphere via multiple program manager and administrative activities. She now works with Moore Tech students to plan, register, and complete their requirements for a Moore Tech degree.

XI. School History

The William R. Moore College of Technology (Moore Tech) is one of America's oldest vocational institutions. Founded in 1909, the college is private, non-profit and is the result of a life-long dream of William R. Moore, a Memphis entrepreneur and business person.

Understanding the importance of earning work skills, Mr. Moore designated that his estate would be used to create one of the nation's first technical schools. As the amount was not enough to build a new school, a group of Memphis leaders took control of the funds and, after thirty years of investing those leaders purchased the land and constructed the school at its current location in 1938.

The first class convened in January of 1939, and Mr. Moore's dream has continued uninterrupted with the school providing technical training to thousands of students in Memphis. Starting in 2014, Moore Tech began a full-scale rebuilding of its curriculum and campus to reflect updated industry needs in Memphis and nationally. The results have been the creation of state-of-art facilities and a new sense that Memphis can meet the needs of several 21st century industries.

More importantly, Moore Tech has achieved strong graduation rates and an elite level of industry placement (90%+) across all its programs, meaning we are as strong as we have ever been in meeting the needs of our students and industry partners.