

**Community Builder PILOT Term Sheet**  
**William R. Moore College of Technology**  
**May 16, 2018**

William R. Moore College of Technology (“Applicant”) and the Greater Memphis Automobile Dealers Association are partnering to launch a new auto-technician school to train mechanics. At full capacity, the school will support 90 students.

The Applicant is seeking a 15-year Community Builder PILOT to redevelop a vacant and blighted building on Mendenhall south of Fox Plaza Drive.

The project will include exterior façade restoration, HVAC replacement, maintenance shop refurbishment and installation of shop equipment. Six classrooms, an auditorium and a computer lab will be added to the building.

The \$2,396,000 investment will support workforce development and create four jobs with an average annual wage of \$56,750.

Parcel 074001 A00006 (2785 South Mendenhall) is 3.88 acres and the building is 24,530 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, create the workforce training program and improve the overall neighborhood quality of life consistent with the Community Builder PILOT policies. The project’s Census Tract is severely distressed due to unemployment. Fifty-six percent of the 38115 Zip Code households have incomes less than \$35,000 annually.

The project is supported by Power Center CDC.

Staff projects \$456,929 in local total tax revenues to be received during the PILOT term of this project and a \$656,647 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	\$450,000
Renovation of Existing Structure	\$1,380,000
Sub-Total	\$1,830,000
PERSONAL PROPERTY	
New	\$566,000
Transferred*	\$0
Sub-Total	\$566,000
<b>Total Investment in PILOT</b>	<b>\$2,396,000</b>

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$1,000,000
Fees & Soft Costs	\$0
Sub-Total	\$1,000,000
<b>Total Capital Investment</b>	<b>\$3,396,000</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	\$345,000
+	15%	Real/Personal Property Savings	\$98,497
=	<b>Total</b>		<b>\$443,497</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 Project must remain a technical training school throughout 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.