



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Fast Track

Project Summary

Company/Applicant:	<u>Mark Anthony Brewing Company</u>
Capital Investment:	<u>\$ 1,225,861</u>
CRC Value:	<u>\$ 9,687,712</u>
Jobs:	<u>30</u>
Annual Average Wage:	<u>\$ 37,679</u>
PILOT Length: (years)	<u>10</u>
Tax Incentive:	<u>\$ 2,325,744</u>
Local Tax Benefit:	<u>\$ 1,827,780</u>
Benefit/Cost Ratio:	<u>0.79</u>

City of Memphis, Shelby County, TN
Mark Anthony Brewing Company
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations

Employment, Direct (full-time equivalent jobs)	30
Wages & Benefits, Direct	\$ 1,412,963
Employment Multiplier ¹	1.8210
Total Employment	55
Employment, Indirect	25
Shelby County Annual Average Wage ²	\$ 53,932
Wages, Indirect	\$ 1,348,300
Total Wages	\$ 2,761,263
Sales Tax Revenue ³	\$ 31,002
Other Tax Revenue ⁴	\$ 9,146
Residential/Commercial Property Tax Revenue ⁵	\$ 63,690
Total Tax Revenue	\$ 103,838

City of Memphis, Shelby County, TN
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Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact

Total Capital Investment	\$	1,225,861
Building - Real Property (improvements)	\$	925,861
Economic Impact Multiplier ⁶		1.8157
Economic Impact	\$	1,681,086
Equipment Purchase/Set-up - Personal Property	\$	300,000
Economic Impact Multiplier ⁷		1.7269
Economic Impact	\$	518,070
Total Economic Impact	\$	2,199,156
Sales Tax Revenue ³	\$	10,928
Other Tax Revenue ⁴	\$	3,224
Total Tax Revenue	\$	14,152

Mark Anthony Brewing Company Shelby County Tax Schedule

Shelby County Tax Rate: \$4.05	Real Property (Existing Building & Renovations)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 10,613,573			
Year 1	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 2	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 3	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 4	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 5	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 6	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 7	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 8	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 9	\$ 171,940	25%	\$ 42,985	\$ 128,955
Year 10	\$ 171,940	25%	\$ 42,985	\$ 128,955
Total	\$ 1,719,400		\$ 429,850	\$ 1,289,550

Mark Anthony Brewing Company City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.19	Real Property (Existing Building & Renovations)			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 10,613,573			
Year 1	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 2	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 3	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 4	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 5	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 6	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 7	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 8	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 9	\$ 135,429	25%	\$ 33,857	\$ 101,572
Year 10	\$ 135,429	25%	\$ 33,857	\$ 101,572
Total	\$ 1,354,290		\$ 338,570	\$ 1,015,720

Total Real Property Taxes Abated:	\$ 2,305,270
Payments Made in Lieu of Taxes:	\$ 768,420

**Mark Anthony Brewing Company
Shelby County Tax Schedule**

Shelby County Tax Rate: \$4.05	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 300,000				
Year 1	\$ 3,208	0.88	25%	\$ 802	\$ 2,406
Year 2	\$ 2,734	0.75	25%	\$ 684	\$ 2,050
Year 3	\$ 2,296	0.63	25%	\$ 574	\$ 1,722
Year 4	\$ 1,823	0.50	25%	\$ 456	\$ 1,367
Year 5	\$ 1,385	0.38	25%	\$ 346	\$ 1,039
Year 6	\$ 911	0.25	25%	\$ 228	\$ 683
Year 7	\$ 729	0.20	25%	\$ 182	\$ 547
Year 8	\$ 729	0.20	25%	\$ 182	\$ 547
Year 9	\$ 729	0.20	25%	\$ 182	\$ 547
Year 10	\$ 729	0.20	25%	\$ 182	\$ 547
Total	\$ 15,273			\$ 3,818	\$ 11,455

**Mark Anthony Brewing Company
City of Memphis Tax Schedule**

City of Memphis Tax Rate: \$3.19	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 300,000				
Year 1	\$ 2,526	0.88	25%	\$ 632	\$ 1,894
Year 2	\$ 2,153	0.75	25%	\$ 538	\$ 1,615
Year 3	\$ 1,809	0.63	25%	\$ 452	\$ 1,357
Year 4	\$ 1,436	0.50	25%	\$ 359	\$ 1,077
Year 5	\$ 1,091	0.38	25%	\$ 273	\$ 818
Year 6	\$ 718	0.25	25%	\$ 180	\$ 538
Year 7	\$ 574	0.20	25%	\$ 144	\$ 430
Year 8	\$ 574	0.20	25%	\$ 144	\$ 430
Year 9	\$ 574	0.20	25%	\$ 144	\$ 430
Year 10	\$ 574	0.20	25%	\$ 144	\$ 430
Total	\$ 12,029			\$ 3,010	\$ 9,019

Total Personal Property Taxes Abated: \$ 20,474
Payments Made in Lieu of Taxes: \$ 6,828

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

**City of Memphis, Shelby County, Tennessee
Mark Anthony Brewing Company
Economic Impact and Benefit/Cost Analysis**

Payback Summary

Length of PILOT (years)		10
Total Taxes Forgone	\$	2,325,744
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	2,325,744
Tax Revenues From Construction	\$	14,152
Tax Revenues From Operations During PILOT Period	\$	1,038,380
Property Tax Revenues Received During PILOT Period	\$	775,248
Total Tax Revenues Received During PILOT Period	\$	1,827,780
Benefit/Cost Ratio		0.79

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
Mark Anthony Brewing Company

Estimated Fees

Application Fee	\$ 3,000
PILOT Fee - 5% of PILOT Savings* (Less Application Fee)	\$ 47,000
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 573
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 451
Total Fees	\$ 51,024

*Fees are capped based on the following:

- 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