

Jobs PILOT and EDGE Grant Term Sheet

Indigo Ag, Inc.

December 19, 2018

Indigo Ag, Inc. ("Applicant") is seeking a fifteen-year personal property Jobs PILOT and a \$150,000 EDGE Cost Reimbursement Grant ("EDGE Grant") to enable the company to retain 75 employees, create 625 net new jobs and locate its corporate headquarters at 175 Toyota Plaza, Memphis, Tennessee.

EDGE participation will be part of an overall package offered by the State of Tennessee and the Downtown Memphis Commission's Center City Development Corporation (CCDC). In addition to personal property investment, job creation and wages considered by EDGE and the State of Tennessee, CCDC's evaluation is also based on building renovations valued at \$3,915,186.

The Applicant will invest \$948,902 in furniture, fixtures and general equipment and \$350,000 in computers, copiers and other office business tools for a total personal property investment of \$1,298,902 to be placed in the PILOT.

The Applicant will hire 625 net new employees with an average salary of \$92,313 excluding benefits.

The Applicant will occupy 82,028 square feet at 175 Toyota Plaza (Parcel Number 002063 00001C). Only personal property investments at this location will be included in the PILOT.

Currently headquartered in Boston with a significant and growing presence in Memphis, the Applicant is exploring shifting corporate leadership functions and future expansion to Downtown Memphis consistent with the definition of a Corporate Headquarters in the Jobs PILOT Policies and Procedures.

Indigo Ag, Inc. is an agriculture technology company dedicated to harnessing nature to help farmers sustainably feed the planet through commercial products, improved logistics and consulting services. The company specializes in custom seed-coating technologies and commodity trading through a proprietary marketplace.

Staff recommends approval of a 15-year Jobs PILOT for personal property based on the current Jobs PILOT Policies and Procedures and a \$150,000 EDGE Grant to partially offset building renovation costs and new equipment purchases for the Downtown Memphis headquarters space.

Staff projects \$42,304,548 in total local tax revenues to be received during the PILOT term of this project and an estimated \$259,807 benefit to the applicant including the \$150,000 EDGE Grant and \$109,807 in personal property tax savings.

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

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

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	YEARS
Jobs Retained and Created	625	125.0	
Wages	\$92,313	64.3	
Capital Investment	\$1,298,902	0.06	
Sub-total		189.9	18
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	No		0
Headquarters	Yes		2
MWBE	Yes		0
Sub-total			4
Total (Maximum Allowed 15-Years)			15-Years

Ramp-Up Period

The Applicant will have a two (2) year Ramp-Up Period within which to achieve its project commitments. This two (2) year period shall begin upon the date when any property, in whole or in part, is conveyed to EDGE, covered by a PILOT Lease, and begins to enjoy the benefits of the PILOT incentive.

Project Budget Detail

REAL PROPERTY	
Purchase Price	\$0
Hard Construction and Site Work	\$0
Sub-Total	\$0
PERSONAL PROPERTY	
New	\$1,298,902
Transferred from Outside Shelby County*	\$0
Sub-Total	\$1,298,902
Total Investment in PILOT	\$1,298,902

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$0
Sub-Total	\$0
Total Capital Investment	\$1,298,902

**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	\$978,797
+	15%	Personal Property Savings	\$16,471
=	Total		\$995,268

Center City Development Corporation’s support of this project requires 25% of construction spending with certified minority and women owned businesses. Applicant shall provide an annual certificate evidencing compliance with the Center City Development Corporation’s MWBA requirements. EDGE’s LBP policy requires an additional 15% of savings to be spent with City of Memphis and Shelby County certified vendors pursuant to EDGE policies and procedures. The total EBO/LBP requirement is to be met for both organizations concurrently and this is reflected above.

Identified Labor Source

Per section X (C) (ii) of the Fast Track PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network (WIN) and the Greater Memphis Alliance for a Competitive Workforce (GMACW), and give due consideration to individuals referred by those organizations for open positions.

Terms & Conditions

Award of a PILOT and EDGE Grant 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 is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
2. 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.
3. Except as explicitly provided in this term sheet or in a resolution of the Board, the award of a PILOT is subject to the provisions of the Jobs PILOT Policies and Procedures.
4. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year, which agreements shall be in a form substantially similar to EDGE's standard form as approved by the Board at its meeting of March 21, 2018, and consistent with the provisions of this Term Sheet.
5. 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 the PILOT lease agreement, have been negotiated and delivered.
6. The \$150,000 EDGE Cost Reimbursement Grant ("EDGE Grant") will be available upon completion of construction, renovation, tenant improvements and/or purchase of qualified personal property put into service at 175 Toyota Center. The Applicant shall be required to meet the same jobs, wages, capital improvement and MWBE obligations for the EDGE Grant as the Jobs PILOT Term Sheet for the PILOT benefit. If any annual adjustment is made to the PILOT benefit, the same pro-rata adjustment shall be made to the EDGE Grant funds regardless as to whether they have been paid to the applicant or not.
7. The award of matrix points for headquarters is subject to Applicant's maintaining the project as a headquarters, as defined in the Jobs PILOT Policies and Procedures.
8. Center City Development Corporation's support of this project requires 25% of construction spending with certified minority and women owned businesses. Applicant shall provide an annual

certificate evidencing compliance with the Center City Development Corporation's MWBA requirements. EDGE's LBP policy requires an additional 15% of savings to be spent with City of Memphis and Shelby County certified vendors pursuant to EDGE policies and procedures. The total EBO/LBP requirement to be met for both organizations concurrently is \$995,268.

9. The award of matrix points for location in City of Memphis and Headquarters, as each is defined in the Jobs PILOT Policies and Procedures must be maintained to retain the benefit associated with the points.