

Jobs PILOT Term Sheet
Power Transport
December 19, 2018

Power Transport (“Applicant”) is seeking an eight-year Jobs PILOT to enable the company to create 26 net new jobs and invest \$1,675,000 at 3036 Directors Row, Memphis, Tennessee.

The project investment includes an estimated real property purchase price of \$625,000 (\$211,800 land and \$413,200 building value), \$1,000,000 for building renovations and \$50,000 for soft costs.

The Applicant will hire a total of 26 net new employees with an average salary of \$62,807 excluding benefits.

Parcel 060222 100015 (3036 Directors Row) is 8.45 acres and contains 81,470 square feet of flex warehouse space. The applicant plans to reuse a portion of the buildings for storage and logistics activities, demolish a portion of the buildings to create additional truck staging space and renovate the remainder for corporate office functions.

The applicant will occupy 100% of this property for the Project. Only real property at this location will be included in the PILOT. Community Reinvestment Credit has been requested.

Power Transport is a transportation and logistics company with a fleet of more than 125 trucks on the road. Currently located in Memphis, the company services 27 other markets in the Southeast and Midwest United States. The company has outgrown current facilities, is planning to add 26 direct permanent employees along with new contract drivers, and is exploring options in the Mid-South region for expansion.

While vehicle maintenance will remain at its current facility on Viscount, this PILOT will help Power Transport restore a site in the airport area for its corporate office activities. Additionally, this project will activate a property that has been vacant for almost eight years and substantially underutilized for more than 15 years.

Staff projects \$860,634 in local total tax revenues to be received during the PILOT term of this project and an estimated \$245,552 benefit to the Applicant.

The 8-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Real Property	Year 1-8 25%	Real Property	Year 1-8 25%

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	YEARS
Jobs Retained and Created	26	5.2	
Wages	\$62,807	34.8	
Capital Investment	\$1,675,000	0.8	
Sub-total		40.8	4
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	Yes		2
MWBE	No		0
Headquarters	No		0
Sub-total			4
Total (Maximum Allowed 15-Years)			8-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	\$625,000
Hard Construction and Site Work	\$1,000,000
Sub-Total	\$1,625,000
PERSONAL PROPERTY	
New	\$0
Transferred from Outside Shelby County*	\$0
Sub-Total	\$0
Total Investment in PILOT	\$1,625,000

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$50,000
Sub-Total	\$50,000
Total Capital Investment	\$1,675,000

*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:

				*Minimum For Bonus Opportunity	
		Basis	\$ LBP	1 Added Year	2 Added Years
	25%	Construction/Site Work	\$250,000	\$350,000	\$450,000
+	15%	Real & Personal Property Savings	\$36,833	\$69,062	\$107,429
=	Total		\$286,833	\$419,062	\$557,429

**The minimum required spending is based on 35% of Construction/Site Work and 25% of total PILOT Savings for one additional year and 45% of Construction/Site Work and 35% of total PILOT Savings for two additional years. The maximum allowable PILOT term is 15-years.*

Identified Labor Source

Per section X (C) (ii) of the Expansion 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 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. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
3. 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.
4. 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.
5. 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.
6. 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.
7. The Applicant shall receive Community Reinvestment Credit for the Project.