



ECONOMIC DEVELOPMENT  
**GROWTH ENGINE**  
FOR MEMPHIS & SHELBY COUNTY

## Jobs PILOT

### Project Summary

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Company/Applicant:	J. M. Smuckers, LLC
Capital Investment:	\$ 8,880,000
Jobs:	25
Annual Average Wage:	\$ 43,244
PILOT Length: (years)	6
Tax Incentive:	\$ 739,855
Local Tax Benefit:	\$ 1,462,267
Benefit/Cost Ratio:	1.98

**City of Memphis, Shelby County, TN**  
**J. M. Smuckers, LLC**  
**Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	25	5.0
Wages*	\$43,244	15.2
Capital Investment	\$8,880,000	4.4
Location: City of Memphis - 10 Points	Yes	10.0
Location: New Market Tax Credit Eligible census tract - 20 Points	20	20.0
Headquarters - 20 Points	No	0.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
<b>Total</b>		<b>64.6</b>

**Length of tax incentive: (years)**

**6**

**\*Wages Calculation**

Target Wages	\$	38,000
Project Wages	\$	43,244

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	5.2
Total Points	15.2

**City of Memphis, Shelby County, TN**  
**J. M. Smuckers, LLC**  
**Economic Impact and Benefit/Cost Analysis**

<b>Annual Impact of Operations</b>		
Employment, Direct (full-time equivalent jobs)		25
Wages & Benefits, Direct	\$	1,351,375
Employment Multiplier <sup>1</sup>		2.9248
Total Employment		73
Employment, Indirect		48
Shelby County Annual Average Wage <sup>2</sup>	\$	53,932
Wages, Indirect	\$	2,588,736
Total Wages	\$	3,940,111
Indirect Local Sales Tax Revenue <sup>3</sup>	\$	44,947
Indirect Local Other Tax Revenue <sup>4</sup>	\$	13,259
Indirect Residential/Commercial Property Tax Revenue <sup>5</sup>	\$	53,075
Total Indirect Tax Revenue	\$	111,281
Direct Property Tax Paid on Existing Property*	\$	74,716

*\*Based on the current assessment of property utilized by this project.*

**City of Memphis, Shelby County, TN**  
**J. M. Smuckers, LLC**  
**Economic Impact and Benefit/Cost Analysis**

One Time Expansion Impact		
Total Capital Investment	\$	8,880,000
Building - Real Property (construction/renovation)	\$	3,280,000
Economic Impact Multiplier <sup>6</sup>		1.8157
Economic Impact	\$	5,955,496
Equipment Purchase/Set-up - Personal Property	\$	5,600,000
Economic Impact Multiplier <sup>7</sup>		1.7269
Economic Impact	\$	9,670,640
Total Economic Impact	\$	15,626,136
Indirect Local Sales Tax Revenue <sup>3</sup>	\$	76,957
Indirect Local Other Tax Revenue <sup>4</sup>	\$	22,702
Total Indirect Tax Revenue	\$	99,659

**J. M. Smuckers, LLC**

**Shelby County Tax Schedule**

Shelby County Tax Rate: \$4.05	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
<b>Value</b>	<b>\$ 3,280,000</b>			
Year 1	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 2	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 3	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 4	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 5	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 6	\$ 53,136	25%	\$ 13,284	\$ 39,852
Year 7		25%	\$ -	\$ -
Year 8		25%	\$ -	\$ -
Year 9		25%	\$ -	\$ -
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
<b>Total</b>	<b>\$ 318,816</b>		<b>\$ 79,704</b>	<b>\$ 239,112</b>

**City of Memphis Tax Schedule**

City of Memphis Tax Rate: \$3.1959	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
<b>Value</b>	<b>\$ 3,280,000</b>			
Year 1	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 2	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 3	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 4	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 5	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 6	\$ 41,930	25%	\$ 10,483	\$ 31,447
Year 7		25%	\$ -	\$ -
Year 8		25%	\$ -	\$ -
Year 9		25%	\$ -	\$ -
Year 10		25%	\$ -	\$ -
Year 11		25%	\$ -	\$ -
Year 12		25%	\$ -	\$ -
Year 13		25%	\$ -	\$ -
Year 14		25%	\$ -	\$ -
Year 15		25%	\$ -	\$ -
<b>Total</b>	<b>\$ 251,580</b>		<b>\$ 62,898</b>	<b>\$ 188,682</b>

Total Real Property Taxes Abated: \$ 427,794

Payments Made in Lieu of Taxes: \$ 142,602

J. M. Smuckers, LLC

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
<b>Value</b>	<b>\$ 5,600,000</b>				
Year 1	\$ 60,762	0.88	25%	\$ 15,191	\$ 45,571
Year 2	\$ 51,786	0.75	25%	\$ 12,947	\$ 38,839
Year 3	\$ 43,500	0.63	25%	\$ 10,875	\$ 32,625
Year 4	\$ 34,524	0.50	25%	\$ 8,631	\$ 25,893
Year 5	\$ 26,238	0.38	25%	\$ 6,560	\$ 19,678
Year 6	\$ 17,262	0.25	25%	\$ 4,316	\$ 12,946
Year 7		0.20	25%	\$ -	\$ -
Year 8		0.20	25%	\$ -	\$ -
Year 9		0.20	25%	\$ -	\$ -
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
<b>Total</b>	<b>\$ 234,072</b>			<b>\$ 58,520</b>	<b>\$ 175,552</b>

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.1959	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
<b>Value</b>	<b>\$ 5,600,000</b>				
Year 1	\$ 47,248	0.88	25%	\$ 11,812	\$ 35,436
Year 2	\$ 40,268	0.75	25%	\$ 10,067	\$ 30,201
Year 3	\$ 33,825	0.63	25%	\$ 8,456	\$ 25,369
Year 4	\$ 26,846	0.50	25%	\$ 6,712	\$ 20,134
Year 5	\$ 20,403	0.38	25%	\$ 5,101	\$ 15,302
Year 6	\$ 13,423	0.25	25%	\$ 3,356	\$ 10,067
Year 7		0.20	25%	\$ -	\$ -
Year 8		0.20	25%	\$ -	\$ -
Year 9		0.20	25%	\$ -	\$ -
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
<b>Total</b>	<b>\$ 182,013</b>			<b>\$ 45,504</b>	<b>\$ 136,509</b>

Total Personal Property Taxes Abated: \$ 312,061  
 Payments Made in Lieu of Taxes: \$ 104,024

*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**  
**J. M. Smuckers, LLC**  
**Economic Impact and Benefit/Cost Analysis**

**Payback Summary**

Length of PILOT (years)		<b>6</b>
Total Taxes Forgone	\$	739,855
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	739,855
Tax Revenues From Construction	\$	99,659
Tax Revenues From Operations During PILOT Period	\$	667,686
New Property Tax Revenues Received During PILOT Period (Payments made in Lieu of Tax)	\$	246,626
Existing Property Tax Revenue Received During PILOT Period	\$	448,296
Total Tax Revenues Received During PILOT Period	\$	1,462,267
Benefit/Cost Ratio		1.98

**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**  
**J. M. Smuckers, LLC**

<b>Estimated Fees</b>	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000) (Less Application Fee)	\$ 33,993
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 6,825
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 8,778
<b>Total Fees</b>	<b>\$ 52,596</b>