



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

## Residential PILOT

### Project Summary

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<b>Company/Applicant:</b>	The Grove
<b>Capital Investment:</b>	\$ 4,565,520
<b>Jobs:</b> (projected direct & indirect)	5
<b>PILOT Length:</b> (years)	10
<b>Tax Incentive:</b>	\$ 763,200
<b>Local Tax Benefit:</b>	\$ 431,431
<b>Benefit/Cost Ratio:</b>	0.57

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

**Annual Impact From Operations**

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Number of Units	20
Projected Annual Revenue	\$ 574,802
Final Demand Output Multiplier <sup>2</sup>	1.5620
<b>Economic Impact from Annual Rental Revenue</b>	<b>\$ 897,841</b>
Final Demand Employment Multiplier <sup>3</sup>	8.579
<b>Jobs Supported (Direct &amp; Indirect)</b>	<b>5</b>
Annual Average Wage - Real Estate Rental and Leasing	\$ 48,373
Total Wages	\$ 241,865
Indirect Local Sales Tax Revenue <sup>5</sup>	\$ 2,759
Other Local Tax Revenue <sup>6</sup>	\$ 814
Indirect Property Tax Revenue <sup>7</sup>	\$ 9,554
<b>Total Indirect Local Tax Revenue</b>	<b>\$ 13,127</b>

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

**One Time Expansion Impact**

Total Capital Investment	\$	3,840,520
Building - Real Property (improvements)	\$	3,840,520
Economic Impact Multiplier <sup>8</sup>		1.8064
Economic Impact	\$	6,937,515
Equipment Purchase/Set-up - Personal Property	\$	-
Economic Impact Multiplier <sup>9</sup>		1.7100
Economic Impact	\$	-
<b>Total Economic Impact</b>	<b>\$</b>	<b>6,937,515</b>
Indirect Local Sales Tax Revenue <sup>5</sup>	\$	35,329
Other Local Tax Revenue <sup>6</sup>	\$	10,422
<b>Total Indirect Local Tax Revenue</b>	<b>\$</b>	<b>45,751</b>

Shelby County Tax Rate: \$4.05	Real Property - Building			
	Full Taxes	% of taxes paid	Taxes Abated	Taxes Paid after Abatement
<b>Value</b>	<b>\$ 3,510,961</b>			
Year 1	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 2	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 3	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 4	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 5	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 6	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 7	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 8	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 9	\$ 56,878	25%	\$ 42,658	\$ 14,220
Year 10	\$ 56,878	25%	\$ 42,658	\$ 14,220
<b>Total</b>	<b>\$ 568,780</b>		<b>\$ 426,580</b>	<b>\$ 142,200</b>

City of Memphis Tax Rate: \$3.1959	Real Property			
	Full Taxes	% of taxes paid	Taxes Abated	Taxes Paid after Abatement
<b>Value</b>	<b>\$ 3,510,961</b>			
Year 1	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 2	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 3	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 4	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 5	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 6	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 7	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 8	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 9	\$ 44,883	25%	\$ 33,662	\$ 11,221
Year 10	\$ 44,883	25%	\$ 33,662	\$ 11,221
<b>Total</b>	<b>\$ 448,830</b>		<b>\$ 336,620</b>	<b>\$ 112,210</b>

Total Real Property Taxes Abated:  
 Payments Made in Lieu of Taxes:

\$ 763,200  
 \$ 254,410

City of Memphis, Shelby County, Tennessee  
The Grove  
Economic Impact and Benefit/Cost Analysis

**Payback Summary**

Length of PILOT (years)		10
Total Taxes Forgone	\$	763,200
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	763,200
Tax Revenues From Construction	\$	45,751
Tax Revenues From Operations During PILOT Period	\$	131,270
Property Tax Revenues Received During PILOT Period	\$	254,410
Total Tax Revenues Received During PILOT Period	\$	431,431
Benefit/Cost Ratio		0.57

**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  
The Grove**

**Estimated Fees**

Application Fee (Graduated Scale)	\$ 3,000
Closing Fees (5% of Total Taxes Forgone) (Maximum of \$300,000)	\$ 38,160
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	N/A
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	N/A
<b>Total Fees</b>	<b>\$ 41,160</b>