

Jobs PILOT Term Sheet
Bluff City Law NBCUniversal TV Series
August 21, 2019

NBCUniversal (“Applicant”) has committed to filming the network television series “Bluff City Law” in the City of Memphis and Shelby County. As part of a State and local partnership to secure the series, the City and County Administrations agreed to seek \$1.4 million for the first year of filming. The Applicant has currently ordered nine (9) episodes for Year 1, in addition to the pilot. All will be filmed in and around Memphis and Shelby County.

Applicant is a wholly-owned subsidiary of Comcast Corporation, which will be the “Sponsor.” NBCUniversal was formed in 2004 with a merger of NBC and Vivendi Universal Entertainment. In 2011 Comcast acquired 51% of NBCUniversal, and in 2013 acquired the remaining 49% from General Electric for approximately \$16.7 billion. NBC was formed in 1926 by the Radio Corporation of America (RCA) and currently operates 10 networks in addition to NBC – including Bravo, CNBC, E!, MSNBC, Oxygen, Telemundo, and USA.

Bluff City Law is a new hour-long legal and family drama, following Attorney Sydney Strait (Caitlin McGee) as she rejoins her father Elijah’s (Jimmy Smits) celebrated Memphis law firm specializing in landmark civil rights cases, after barely speaking to him for years. Other members of the cast include Jayne Atkinson, Stony Blyden, MaameYaa Boafo, Michael Luwoye, Scott Shepard, and Barry Sloane. Michael Aguilar, Dean Georgaris, and David Janollari are the Executive Producers. The show premieres on September 23, 2019, at 10:00 pm Eastern time.

To provide the City and County assistance, EDGE is proposing a 4-year PILOT tax abatement for six (6) Comcast property tax bills – one (1) State assessed utility property and five (5) Memphis and Shelby County personal property bills. Comcast will pass the savings to the Applicant. The PILOT will be applied to:

- TTP 000455 (State Assessed Property)
- P015730
- P058000
- P058001
- P071695
- P243804

Television, film, music videos and related projects are economic contributors in Memphis and Shelby County, and the State of Tennessee.

For the nine (9) additional episodes Applicant expects total cost to be \$41 million. That includes 332 crew and 34 cast, with a payroll of \$22 million including benefits. Applicant anticipates spending \$11.5 million on Tennessee-based personnel and approximately \$9 million with Tennessee vendors. The show is expected to generate over 10,300 hotel room nights in Shelby

County, Tennessee. If the initial order is successful it is anticipated that another 6 episodes will be ordered for this season, bringing the total spending for Season 1 of Bluff City Law to more than \$68 million.

According to a 2019 report for the Tennessee Department of Economic and Community Development, from 2007-2018 the Tennessee Entertainment Commission incentivized 68 production projects and provided non-financial assistance to 2,700+ more. Combined, they accounted for more than 3,300 direct full-time equivalent jobs and \$191 million of new income. In addition, there were more than 4,900 indirect jobs, with \$281 million in new income.

For FY 2019 the Memphis & Shelby County Film/TV Commission reports assisting 71 projects with at least \$8 million in local spending.

Staff projects local tax revenues from the first 10 episodes of Bluff City Law of \$26,532,163, and a first year benefit to the Applicant of \$1,403,751.

The 4-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal & Utility Property	Year 1-4 25%	Personal & Utility Property	Year 1-4 25%
Real Property Improvements	N/A	Real Property Improvements	N/A

Project Summary

CATEGORY	DATA
Total Jobs	366
Total Payroll	\$22,000,000
Capital Investment	\$41,000,000
Year 1 Episodes Including Pilot	10

Ramp-Up Period

The Applicant will have a one (1) year Ramp-Up Period within which to achieve its project commitments. This one (1) 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.

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 the Applicant producing at least 9 episodes of “Bluff City Law” in Memphis and Shelby County. The Applicant shall be entitled to one calendar year’s benefit for each nine (9) shows with completed production in Memphis and Shelby County up to a maximum of thirty-six (36) shows of which creates four (4) years of benefit regardless of the period for production. The award of the annual benefit (75% of the assessed value of the personal property) will be in arrears. For an abundance of clarity, if thirty-six episodes are completed in two years, the Applicant will receive the full four (4) year benefit.
3. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
4. 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.
5. 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.
6. 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.
7. 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.
8. The award is subject to Board waiver of all conflicting Jobs PILOT Policies and Procedures found in Article III, Sections A, B, C, and J; Article V; Article VII B-1 and B-2; and Article X.