



ECONOMIC DEVELOPMENT  
GROWTH ENGINE  
FOR MEMPHIS & SHELBY COUNTY

### Residential PILOT Project Summary

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Company/Applicant:	<u>Broad Avenue Residential Development</u>
Capital Investment:	<u>\$ 69,000,000</u>
Jobs: (FTE)	<u>6</u>
Wages:	<u>\$ 79,953</u>
Recommended PILOT Length: (years)	<u>15</u>
Tax Incentive:	<u>\$ 17,607,750</u>
Local Tax Benefit:	<u>\$ 7,171,313</u>
Benefit/Cost Ratio:	<u>0.41</u>

Broad Avenue Residential Development  
 City of Memphis, Shelby County, TN  
 Tax Incentive Eligibility Analysis - Residential PILOT

Category	Project Data	Years
Units	350	35.0
Location: City of Memphis - 1 Year	Yes	1.0
Location: New Market Tax Credit Eligible Census Tract = 2 Years	Yes	2.0
MWBE - Required Optional additional year for Extraordinary Plan	No	0.0
Required Low & Moderate Income Units - Required Optional additional year for Extraordinary Number of Qualified Units	No	0.0
Environmental Sustainability	No	0.0
Total Years		38

Length of tax incentive: (years)

15

Broad Avenue Residential Development  
 City of Memphis, Shelby County, TN  
 Economic Impact Analysis

**One Time Impact from Construction**

Total Capital Investment*	\$	65,000,000
Real Property - Construction	\$	64,475,000
Final Demand Output Multiplier <sup>1</sup>		1.8368
Total Economic Impact from Construction	\$	118,427,680
Personal Property	\$	525,000
Final Demand Output Multiplier <sup>2</sup>		1.7453
Total Economic Impact from Equipment Purchase & Set-Up	\$	916,283
Total One-Time Economic Impact During Construction Period	\$	119,343,963
Sales Tax Revenue <sup>3</sup>	\$	655,046
Other Tax Revenue <sup>4</sup>	\$	176,862
Total Tax Revenue from Wages Paid During Construction Period	\$	831,908

\*Does not include land value.

Broad Avenue Residential Development  
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 Economic Impact Analysis

Annual Impact of Operations - Apartment Complex

Total Apartment Units		350
Average Monthly Rent Per Unit*	\$	1,000
Monthly Rent Revenue	\$	350,000
Projected Occupancy Rate		95%
Total Rental Monthly Rental Revenue	\$	332,500
Total Annual Revenue		3,990,000
Final Demand Output Multiplier <sup>5</sup>		1.8079
Total Economic Impact from Rental Revenue		7,213,521
Direct Jobs (FTE)		6
Projected Wages & Benefits Paid to Direct Job		347,928
Direct Effect Employment Multiplier		2.0425
Indirect Jobs Supported from Operations		6
Shelby County Annual Average Wage <sup>7</sup>	\$	57,988
Projected Indirect Wages	\$	347,928
Total Jobs Supported (Direct & Indirect )		12
Total Wages - Direct & Indirect	\$	695,856
Sales Tax Revenue <sup>3</sup>	\$	10,161
Other Tax Revenue <sup>4</sup>	\$	2,743
Indirect Residential/Commercial Property Tax Revenue <sup>8</sup>	\$	14,490
Total Tax Revenue	\$	27,394

\*Based on the January average rental rate for Mid-Town Memphis as reported by Rent Jungle.

## Broad Avenue Residential Development

### Shelby County Property Tax Schedules

Shelby County Tax Rate: \$4.05	Real Property			
	Full Taxes	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value*	\$ 54,000,000			
Year 1	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 2	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 3	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 4	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 5	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 6	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 7	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 8	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 9	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 10	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 11	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 12	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 13	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 14	\$ 874,800	25%	\$ 218,700	\$ 656,100
Year 15	\$ 874,800	25%	\$ 218,700	\$ 656,100
Total	\$ 13,122,000		\$ 3,280,500	\$ 9,841,500

### City of Memphis Property Tax Schedules

City of Memphis Tax Rate: \$3.19599	Real Property			
	Full Taxes	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value*	\$ 54,000,000			
Year 1	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 2	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 3	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 4	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 5	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 6	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 7	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 8	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 9	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 10	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 11	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 12	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 13	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 14	\$ 690,334	25%	\$ 172,584	\$ 517,750
Year 15	\$ 690,334	25%	\$ 172,584	\$ 517,750
Total	\$ 10,355,010		\$ 2,588,760	\$ 7,766,250

Total Real Property Taxes Abated: \$ 17,607,750  
 Payments Made in Lieu of Taxes: \$ 5,869,260

## Broad Avenue Residential Development

### Shelby County Property Tax Schedules

Shelby County Tax Rate: \$4.05	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value*	\$ 525,000				
Year 1	\$ 5,613	0.88	100%	\$ 5,613	\$ -
Year 2	\$ 4,784	0.75	100%	\$ 4,784	\$ -
Year 3	\$ 4,019	0.63	100%	\$ 4,019	\$ -
Year 4	\$ 3,189	0.50	100%	\$ 3,189	\$ -
Year 5	\$ 2,424	0.38	100%	\$ 2,424	\$ -
Year 6	\$ 1,595	0.25	100%	\$ 1,595	\$ -
Year 7	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 8	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 9	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 10	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 11	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 12	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 13	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 14	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Year 15	\$ 1,276	0.20	100%	\$ 1,276	\$ -
Total	\$ 33,108			\$ 33,108	\$ -

### City of Memphis Property Tax Schedules

City of Memphis Tax Rate: \$3.19599	Personal Property				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value*	\$ 525,000				
Year 1	\$ 4,430	0.88	100%	\$ 4,430	\$ -
Year 2	\$ 3,775	0.75	100%	\$ 3,775	\$ -
Year 3	\$ 3,171	0.63	100%	\$ 3,171	\$ -
Year 4	\$ 2,517	0.50	100%	\$ 2,517	\$ -
Year 5	\$ 1,913	0.38	100%	\$ 1,913	\$ -
Year 6	\$ 1,258	0.25	100%	\$ 1,258	\$ -
Year 7	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 8	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 9	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 10	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 11	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 12	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 13	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 14	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Year 15	\$ 1,007	0.20	100%	\$ 1,007	\$ -
Total	\$ 26,127			\$ 26,127	\$ -

Total Personal Property Taxes Abated: \$ -  
 Payments Made in Lieu of Taxes: \$ 59,235

City of Memphis, Shelby County, Tennessee  
 Broad Avenue Residential Development  
 Economic Impact and Benefit/Cost Analysis

Payback Summary	
Length of PILOT (years)	15
Total Taxes Forgone	\$ 17,607,750
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 17,607,750
Tax Revenues From Construction	\$ 831,908
Tax Revenues From Operations During PILOT Period	\$ 410,910
Property Tax Revenues & Payments Received During PILOT Period	\$ 5,928,495
Total Tax Revenues Received During PILOT Period	\$ 7,171,313
<b>Benefit/Cost Ratio</b>	<b>0.41</b>

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  
 Broad Avenue Residential Development  
 Economic Impact Analysis

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 7% of Total Taxes Forgone (Maximum of \$300,000)	\$ 300,000
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>\$ 303,000</b>