



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Jobs PILOT

Project Summary

Company/Applicant:	<u>DHL Supply Chain Memphis Campus</u>
Capital Investment:	<u>\$ 85,718,770</u>
Jobs:	<u>255</u>
Annual Average Wage:	<u>\$ 37,448</u>
PILOT Length: (years)	<u>13</u>
Tax Incentive:	<u>\$ 19,761,517</u>
Local Tax Benefit:	<u>\$ 21,668,293</u>
Benefit/Cost Ratio:	<u>1.10</u>

**City of Memphis, Shelby County, TN
DHL Supply Chain Memphis Campus
Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	255	51.0
Wages*	\$37,448	0.0
Capital Investment	\$85,718,770	42.9
Location: City of Memphis - 10 Points	Yes	10.0
Location: New Market Tax Credit Eligible census tract - 20 Points	Yes	20.0
Headquarters - 20 Points	No	0.0
MWBE - 10 Points	No	0.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		133.9

Length of tax incentive: (years) **13.0**

***Wages Calculation**

Target Wages	\$	40,400
Project Wages	\$	37,448

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

**City of Memphis, Shelby County, TN
DHL Supply Chain Memphis Campus
Economic Impact and Benefit/Cost Analysis**

Annual Impact of Operations	
Employment, Direct (full-time equivalent jobs)	255
Wages & Benefits, Direct	\$ 11,936,550
Direct Effect Employment Multiplier ¹	2.0395
Employment, Indirect	265
Total Employment	520
Shelby County Annual Average Wage ²	\$ 56,287
Wages, Indirect	\$ 14,916,055
Total Wages	\$ 26,852,605
Sales Tax Revenue ³	\$ 392,115
Other Tax Revenue ⁴	\$ 66,660
Residential/Commercial Property Tax Revenue ⁵	\$ 616,080
Total Tax Revenue	\$ 1,074,855

**City of Memphis, Shelby County, TN
DHL Supply Chain Memphis Campus
Economic Impact and Benefit/Cost Analysis**

One Time Expansion Impact		
Total Capital Investment	\$	79,970,054
Building - Real Property (construction)	\$	66,094,732
Economic Impact Multiplier ⁶		1.8251
Economic Impact	\$	120,629,495
Equipment Purchase/Set-up - Personal Property	\$	13,875,322
Economic Impact Multiplier ⁷		1.7436
Economic Impact	\$	24,193,011
Total Economic Impact	\$	144,822,506
Sales Tax Revenue ³	\$	947,008
Other Tax Revenue ⁴	\$	160,991
Total Tax Revenue	\$	1,107,999

DHL Supply Chain Memphis Campus

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.05	Real Property - Land	Real Property - Existing Building			
	Projected Current Taxes Paid on Land (Not included in PILOT Incentive)	Projected Taxes on Building During the PILOT Period	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Appraised Value	\$ 5,748,716	\$ 66,094,732			
Year 1	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 2	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 3	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 4	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 5	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 6	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 7	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 8	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 9	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 10	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 11	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 12	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 13	\$ 93,129	\$ 1,070,735	25%	\$ 267,684	\$ 803,051
Year 14			25%	\$ -	\$ -
Year 15			25%	\$ -	\$ -
Total	\$ 1,210,677	\$ 13,919,555		\$ 3,479,892	\$ 10,439,663

City of Memphis Tax Schedule

City of Memphis Tax Rate Tax Rate: \$3.19599	Real Property - Land	Real Property - Existing Building			
	Projected Current Taxes Paid on Land (Not included in PILOT Incentive)	Projected Taxes on Building During the PILOT Period	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Appraised Value	\$ 5,748,716	\$ 66,094,732			
Year 1	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 2	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 3	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 4	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 5	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 6	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 7	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 8	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 9	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 10	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 11	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 12	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 13	\$ 73,491	\$ 844,952	25%	\$ 211,238	\$ 633,714
Year 14			25%	\$ -	\$ -
Year 15			25%	\$ -	\$ -
Total	\$ 955,383	\$ 10,984,376		\$ 2,746,094	\$ 8,238,282

Total Current Taxes Paid on Land During the PILOT Period:	\$ 2,166,060
Total Payments Made in Lieu of Tax During the PILOT Period:	\$ 6,225,986
Total Real Property Taxes Abated:	\$ 18,677,945

DHL Supply Chain Memphis Campus

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.05	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value	\$ 13,875,322				
Year 1	\$ 148,355	0.88	25%	\$ 37,089	\$ 111,266
Year 2	\$ 126,439	0.75	25%	\$ 31,610	\$ 94,829
Year 3	\$ 106,209	0.63	25%	\$ 26,552	\$ 79,657
Year 4	\$ 84,293	0.50	25%	\$ 21,073	\$ 63,220
Year 5	\$ 64,062	0.38	25%	\$ 16,016	\$ 48,046
Year 6	\$ 42,146	0.25	25%	\$ 10,537	\$ 31,609
Year 7	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 8	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 9	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 10	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 11	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 12	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 13	\$ 33,717	0.20	25%	\$ 8,429	\$ 25,288
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 807,523			\$ 201,880	\$ 605,643

City of Memphis Tax Schedule

City of Memphis Tax Rate Tax Rate: \$3.19599	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value	\$ 13,875,322				
Year 1	\$ 117,072	0.88	25%	\$ 29,268	\$ 87,804
Year 2	\$ 99,777	0.75	25%	\$ 24,944	\$ 74,833
Year 3	\$ 83,813	0.63	25%	\$ 20,953	\$ 62,860
Year 4	\$ 66,518	0.50	25%	\$ 16,630	\$ 49,888
Year 5	\$ 50,554	0.38	25%	\$ 12,639	\$ 37,915
Year 6	\$ 33,259	0.25	25%	\$ 8,315	\$ 24,944
Year 7	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 8	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 9	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 10	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 11	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 12	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 13	\$ 26,607	0.20	25%	\$ 6,652	\$ 19,955
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 637,242			\$ 159,313	\$ 477,929

New Personal Property Tax/Payments Made in Lieu of Tax: \$ 361,193

Total Personal Property Taxes Abated: \$ 1,083,572

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
DHL Supply Chain Memphis Campus
Economic Impact and Benefit/Cost Analysis**

Payback Summary

Length of PILOT (years)		13
Total Taxes Abated	\$	19,761,517
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	19,761,517
Tax Revenues From Construction	\$	1,107,999
Tax Revenues From Operations During PILOT Period	\$	13,973,115
Property Tax/Payments Made in Lieu of Tax During PILOT Period	\$	6,587,179
Total Tax Revenues Received During PILOT Period	\$	21,668,293
Benefit/Cost Ratio		1.10

<p>Projected Costs:</p> <p><i>Hard Costs</i> (land, infrastructure, etc.) None.</p> <p><i>Opportunity Costs</i> 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.</p> <p>Benefit/Cost Ratio: The sum of tax revenues from construction, operations and property during the PILOT period divided by the total taxes forgone.</p>
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City of Memphis, Shelby County, Tennessee
DHL Supply Chain Memphis Campus

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000)	\$ 300,000
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 30,282
Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 23,896
Total Fees	\$ 357,178