

**Jobs PILOT Term Sheet**

**RDX, LLC**

**August 19, 2020**

RDX, LLC ("Applicant") is seeking a six-year Jobs PILOT to enable the company to create 15 Net New Jobs with an average wage of \$44,172 and invest \$8,699,485 to construct a new custom office and terminal facility on the site of the former Mall of Memphis.

The total project investment includes purchase of vacant land for \$1,400,000, construction of an 11,680 square foot office building and ancillary truck terminal improvements at a cost of \$7,099,485, and \$200,000 in new personal property.

Parcel 073022 000373 (4504 American Way) is 41.9 acres. Only real property improvements will be included in the PILOT.

RDX is an integrated trucking and transportation company providing nationwide third-party freight and logistics services. Founded in 2011, by two first generation Americans working as truck drivers themselves, RDX and its related companies have grown to more than \$23,000,000 in annual revenues. RDX currently employs 19 people in its leased facility located in Bartlett, Tennessee. The operation supports 85 drivers and 80 trucks.

RDX continues to grow and has been evaluating locations to move its operation into a facility that can accommodate more employees and vehicles. The company needs to be south of I-240 to improve efficiency with access to warehouses, reduce driver hours and reduce fuel consumption. The new facility needs to house all administrative, sales, dispatch and training functions. If financially feasible, the company desires to build and own a facility designed for their specific needs.

This project would complete the revitalization of the former Mall of Memphis site.

Estimated annual City and County property taxes will be \$94,477 during the PILOT term and \$247,437 after. The location produces \$32,436 today in property taxes. Staff projects \$809,628 in total local tax revenues to be received during the PILOT term of this project and a \$937,025 benefit to the Applicant.

The 6-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Real Property	Year 1-6 25%	Real Property	Year 1-6 25%

**PILOT Evaluation Matrix**

CATEGORY	DATA	POINTS	YEARS
Net New Jobs	15	3.0	
Wages	\$44,172	13.8	
Capital Investment	\$8,699,485	4.4	
<b>Sub-total</b>		<b>21.2</b>	<b>2</b>
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	Yes		2
MWBE Owned	No		0
Headquarters	No		0
<b>Sub-total</b>			<b>4</b>
<b>Total</b>	<b>6-Years</b>		

Ramp-Up Period

The Applicant will have a two (2) year Ramp-Up Period within which to achieve its project commitments. This two (2) 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.

### Project Budget Detail

REAL PROPERTY	
Purchase Price	\$1,400,000
Hard Construction and Site Work	\$7,099,485
Sub-Total	\$8,499,485
PERSONAL PROPERTY	
New	\$200,000
Transferred*	\$0
Sub-Total	\$200,000
<b>Total Investment in PILOT</b>	<b>\$8,699,485</b>

INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$0
Sub-Total	\$0
<b>Total Capital Investment</b>	<b>\$8,699,485</b>

*\*Personal property relocated from a facility outside of Shelby County is considered at its depreciated, current value.*

### Local Business Participation

Spending with City of Memphis or Shelby County certified minority and women business enterprises (MWBEs) shall be an amount equal to or greater than:

				<b>*Minimum For Bonus Opportunity</b>	
		<b>Basis</b>	<b>\$ LBP</b>	<b>1 Added Year</b>	<b>2 Added Years</b>
	25%	Construction/Site Work	\$1,774,871	\$2,484,820	\$3,193,418
+	15%	Real & Personal Property Savings	\$140,554	\$273,299	\$437,278
=	<b>Total</b>		<b>\$1,915,425</b>	<b>\$2,758,119</b>	<b>\$3,630,696</b>

### Identified Labor Source

Per section X (C) (ii) of the Jobs PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce Investment Network (WIN) and give due consideration to individuals referred by those organizations for open positions.

## 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 receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
3. 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.
4. 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. The term of the land lease must exceed the length of the PILOT benefit term.
5. Only real property improvements will be included in the PILOT.
6. The award is subject to 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.