

## **GRACELAND PROJECT FACT SHEET**

### **Project Impact**

- The Economic Impact Analysis prepared by Younger & Associates shows that the Project will have the following positive impact on Memphis and Shelby County over 15 years:
  - Over 500 new jobs in Shelby County.
  - Over \$1 billion in economic impact.
  - Over \$32 million in additional tax revenue available for other uses.
- Public participation allows EDGE to develop a modern three star hotel with convention facilities which will be the third largest hotel in Shelby County. It allows for the development of modern facilities and attractions which will blend with and enhance the public improvements recently made to Elvis Presley Boulevard. Without public participation, EPE could only rehab the current hotel and retail strip.

### **Governmental Approvals**

- The Memphis City Council has approved a Master Development Plan and a Minority Owned Business Plan. Initial resolution directs EDGE to enact the Tourist Surcharge and develop the Economic Impact Plan (“EIP”).
- The Tennessee Department of Finance and Administration has issued its Certification of the Tourism Development Zone (“TDZ”) and its certification of the Project as a Qualified Public Use Facility (“QPUF”).
- The State Building Commission has approved the TDZ.
- The Memphis City Council has approved the 5% tourism sales tax surcharge for the TDZ.
- Both the City Council and County Commission have approved the Economic Impact Plan.
- The Commissioner of Economic and Community Development and the State Comptroller has approved the use of the real property Tax Increment Financing (“TIF”) revenues on privately owned land.

### **Financing Structure**

- Elvis Presley Enterprises (“EPE”) has requested EDGE, as a conduit issuer, to issue its \$84,000,000 Direct Note Obligations, Series 2015A (the “Obligations”) to Highbridge Principal Strategies, LLC or an affiliate thereof.
- The proceeds of the Obligations will be used to finance the construction of a 450 room hotel on property owned by EPE.
- EPE expects to apply to EDGE at a later date for the issuance of an additional \$40,000,000 in obligations to finance construction of 200,000 – 300,000 square feet of improvements on the west side of Elvis Presley Boulevard including new visitor attractions and retail outlets replacing the current strip center at an estimated cost of \$30,000,000.00 - \$40,000,000.00.

- The Obligations will be secured primarily by the revenues derived from project revenues, TDZ Sales Tax Increment, the real estate TIF, and the Tourism Surcharge. No recourse to EDGE, the City of Memphis, Shelby County, or the taxpayers.
- The Obligations will be primarily repaid from revenues derived from:
  - Project revenues.
  - TDZ Sales Tax Increment. A Tourism Development Zone on the Graceland site allows the capture of incremental sales tax, *excluding* local sales tax used for education purposes. The TDZ will not encompass any area outside of the Graceland property, so increases in sales taxes generated in the rest of Whitehaven will be available for other uses. The incremental sales tax will be collected beginning on March 31, 2016 and continue until the earlier of 3/31/2046 or the repayment of the Obligations.
  - Tourism Surcharge. A 5% tourism sales tax surcharge will be charged on purchases within the Graceland site and used on the Project. The Tourism Surcharge may only be generated at the Project site, and may only be used at the Project site. The Tourism Surcharge will terminate automatically upon the termination of the TDZ.
  - Real Property Tax Increment. Incremental real property taxes will be captured for use on the Project. As with the TDZ, only the Graceland property will be subject to the TIF, so increases in property taxes generated by improvements to the rest of Whitehaven will be available for other uses. Collection of the real property TIF will begin as soon as there is an increment and continue until 12/31/2029.
  - Anticipated Annual Incremental Incentive Funds:

TDZ Sales Tax Increment:

- State portion:	\$2,124,000
- <u>City/County portion:</u>	<u>340,000*</u>
Total	2,464,000
Tourism Surcharge:	3,200,000
Real Property TIF:	1,064,693*

\*City/County Portion of Incentives. Does not include any portion of taxes set aside for educational purposes.

- The schools portion of the sales tax will not be affected by the TDZ Sales Tax Increment.
- The TDZ and the TIF district will comprise 120 acres owned by EPE.
- The proceeds from the Obligations will flow from the Corporate Trustee to EPE.
- Return of Investment: The Project will provide the City and County with a 2X Return on Investment on the investment on incremental tax revenues. The City and County portion of the incentives for the Project is \$908,100 per year. The Younger & Associates Economic Impact Analysis shows that the Project creates over \$2 Million per year in new tax revenue not captured by the TDZ or TIF. The \$2 million per year in new tax revenue is available to be used for other purposes.

### **Flow of Funds**

- The Shelby County Trustee will collect the local real estate TIF revenues on behalf of the City and County. The Shelby County Trustee will pay such TIF incremental revenues to the Corporate Trustee. The Corporate Trustee will transfer them to the Obligation holder to repay of the Obligations.
- The State of Tennessee will collect the TDZ Sales Tax Increment revenues and transfer them to the City. The City will transfer such revenues to the Corporate Trustee. The Corporate Trustee will pay the revenues to the Obligations holder for repayment of the Obligation.
- The City of Memphis will collect the 5% TDZ Tourism Surcharge and transfer it to the Corporate Trustee. The Corporate Trustee will pay the revenues to the Obligations holder for repayment of the Obligations.