



Basic PILOT Term Sheet: Benchmark Education Company, LLC

Staff recommends a 4-year PILOT for Benchmark Education Company, LLC (“Applicant”). The PILOT will enable the Applicant to add 60 net new jobs and invest \$500,000 in Personal Property and \$650,000 Real Property improvements.

The PILOT will enable the Applicant to move its current operation from West Nyack, N.Y., to a new location at 3955 East Holmes Road. The new location would serve as a fulfillment, warehousing and customer services operation for the Applicant.

The Applicant will receive a \$3,511,625 Community Reinvestment Credit (CRC) for the use of 23 percent of the 3955 E. Holmes Road facility.

The average annual salary of the new employees will be \$33,593.

The Project will create \$1,026,244 in new tax revenue for Memphis and Shelby County.

The Project will generate a Benefit/Cost ratio of \$2.35 in new tax revenue for every \$1.00 of abated taxes.

The Applicant is an educational publishing company that has been in business for more than 16 years. The Applicant provides classroom-tested solutions that help differentiate instructions and help every student achieve success.

The 4-year PILOT for the Applicant is based on the following information.

**Company: Benchmark Education Company, LLC | Address: 3955 E. Holmes Rd Memphis, TN
Parcel #094100 00153| PILOT Type: Standard | PILOT Term: 4 years | Property: Real & Personal Property |
Ramp-up: 2 years |
Economic Development Growth Engine (EDGE) Industrial Development Board of the City of Memphis and County of
Shelby, Tennessee
Address: 100 Peabody Place. Ste. 1100, Memphis, TN 38103| Phone: (901) 341-2100 | Website: www.growth-engine.org**

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PILOT Terms

City of Memphis - % Paid		Shelby County Terms - % Paid	
Personal Property	Year 1-4 15%	Personal Property	Year 1-4 25%
Real Property	Year 1-4 15%	Real Property	Year 1-4 25%

PILOT Evaluation Matrix

Category	Data	Points
Net New Jobs	60	11.0
Average Wages	\$33,593	0.0
Capital Investment	\$1,150,000	1.2
CRC	\$3,511,625	3.5
Location	City of Memphis (10) New Market Tax Credit (10)	20
Total		36
Special Circumstances (Not to exceed 25% of total points)	9	5
Grand Total		41

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Budget

Real Property		Details
New		\$650,000
CRC		\$3,511,625 (23% of building)
Sub-Total		\$4,161,625
Personal Property		
New		\$500,000
Transferred		
Sub-Total		\$500,000
Total Investment in PILOT		\$4,661,625

Investment Not Included in PILOT	Details
Other Real Property	
Other Personal Property	
Fees & Soft Costs	
Sub-Total	
Total Capital Investment	\$4,661,625

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Special Considerations	Years	Special Circumstances	Points
Environmental Plan		Targeted Industry (Distribution)	5
Prisoner Re-entry		Headquarters	
Diversity Plan		Fortune 500/Industry Leader	
		Major Employer	
		Minority/Women-owned	
		Benefit to Cost Ratio Bonus	
Years		Total Points	5

Benefit To Cost Ratio Summary

Payback Summary	
Length of PILOT	4
Tax Revenues	
Tax Revenues From Construction	\$14,862
Tax Revenues From Operations During PILOT Period	\$897,864
Property Tax Revenues Received During PILOT Period	\$113,518
Total Tax Revenues Received During PILOT Period	\$1,026,244
Total Taxes Forgone	\$436,732
Benefit/Cost Ratio	\$2.35

Benefit-to-Cost Ratio: \$2.35 of new tax revenue for every \$1 of abated taxes.

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Diversity Plan

Applicant acknowledges the following good faith efforts to contract with certified minority, women-owned and local small businesses (Certified EBO & LOSB firms) based on the targeted terms outlined below and the attached Diversity Table.

	Total Spending	MWBE/LOSB Spending	Percent
Construction	\$0	\$0	0.0%
4-Year Totals (Evenly Allocated)			
Professional Services	\$20,000	\$5,000	25%
Goods	\$50,000	\$12,500	25%
Non-professional Services	\$120,000	\$30,000	25%
Total	\$190,000	\$47,500	25%

Below represents the identified labor source agreement:

The Applicant agrees to use good faith efforts to hire and maintain an annual average level of 25% of its committed 60 net new jobs through the Workforce Investment Network, the Memphis Career Center or local colleges/universities.

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Conditions

Award of a PILOT in accordance with the recommendations of the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (the "EDGE") staff, as set forth herein, is subject to the following conditions.

1. The award is subject to the review and approval of the Board's counsel of all PILOT closing documents.
2. The award of a PILOT to the real property of Applicant is subject to the review and approval of the Applicant's environmental impact study.
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. The award is subject to approval of Applicant's diversity plan by the Board following a recommendation of EDGE's consultants.
6. Except as explicitly provided in this term sheet or in a resolution of the Board, the award is subject to the provisions of the PILOT Program and Procedures of the Board (the "PILOT Policies").
7. The award is subject to the negotiation and execution of a PILOT lease agreement requiring the payment of rent in the amount of \$100.00 per year.
8. 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 a PILOT lease agreement, have been negotiated and delivered.

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