

PAYMENT-IN-LIEU-OF-TAX APPLICATION



**100 Peabody Place, Suite 1100
Memphis, TN 38103
(901) 341-2100**

Please submit your application online at www.growth-engine.org

APPLICATION FOR PILOT

**ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF
CITY OF MEMPHIS AND SHELBY COUNTY, TENNESSEE**

Applicant

Company Name: LeSaint Logistics
Company Contact: Jeff Pennington
Mailing Address: 868 W Crossroads Parkway
City: Romeoville State: IL Zip: 60446
Telephone: 847-815-8757 Fax: _____
Federal Employer Identification Number: [REDACTED]
Applicant's Legal Structure: LLC

If any outside consultants will be representing the applicant (accounting firm, law firm or site consultant) in applying for this PILOT, please provide the following:

Company Name Cushman & Wakefield | Commercial Advisors
Contact Name: Max Aldrich
Mailing Address: 5101 Wheelis Drive, Suite 300
City: Memphis State: TN Zip: 38117
Telephone: 901-366-6070 Fax: 901-366-4617

Project Location

- A. Address: 5461 Davidson Road, Memphis, TN
- B. Tax Parcel Numbers: 094200 00446
- C. City of Memphis: Yes No
- D. New Market Tax Credit Eligible Site: Yes No

Project Description

Briefly describe the applicant's principal business activities to be conducted at the Project Site: _____

See Attached Exhibit 1 for for Project Description and PILOT Justification

Project - Real Property Investment

- Building a new _____ sq. ft. facility
- Purchasing an existing facility, and Making renovations or additions
- Leasing 640,000 sq. ft. of an existing facility and Making renovations or additions

Category	Capital Investment
Purchase Price of Land	\$
Purchase Price of Building	\$
New Construction/Site Improvements	\$
Renovation of Existing Structure	\$3,833,600
Soft Costs	\$
TOTAL	\$3,833,600

Project - Personal Property Investment

Group	New	Relocated ²
1 – Furniture, Fixtures, General Equipment & All Other Property Not Listed in Another Group	\$ 2,683,147	\$
2 – Computers, Copiers, Fax Machines, Peripherals & Tools	\$408,022	\$
3 -- Molds, Dies & Jigs	\$	\$
4 – Aircraft, Towers & Boats ¹	\$	\$
5 – Manufacturing Machinery	\$	\$
6 – Billboards, Tanks & Pipelines	\$	\$
7 – Scrap Property ¹	\$	\$
8 – Raw Material & Supplies ¹	\$	\$
9 – Vehicles ¹	\$	\$
TOTAL	\$3,091,169	\$

¹Vehicles, towers, scrap and inventory are not eligible for a PILOT agreement, but the value of these items may be included in the determination of the PILOT benefit. ²Depreciated value.

Items to be submitted with this application

Tax Compliance – Provide documentation demonstrating payment of all municipal, county, state, and federal taxes due for all properties owned by the Applicant located within Shelby County.

Application Fee (\$3,000.00)

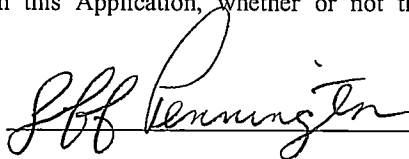
Other

Applicant Financial Information – Staff will need to review audited financial statements for the most recent three fiscal years.

This Application is made in order to induce EDGE to grant financial incentives to Applicant. Applicant represents and warrants that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to EDGE in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the EDGE Jobs PILOT Program Policies and Procedures. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by EDGE in connection with this Application, whether or not the financial incentives are granted or the Project is consummated.

Applicant:



Date:

10/22/19

EXHIBIT 1

LeSaint Logistics – Memphis/Shelby County PILOT Application

LeSaint Logistics Company Overview

The Applicant, LeSaint Logistics (LeSaint) is a nationally acclaimed 3PL, providing expert supply chain solutions for warehousing, fulfillment, inventory management and transportation. Since 1983, LeSaint has been helping companies create value through exceptional supply chain design and execution.

LeSaint Project Description:

LeSaint Logistics has been selected to design and manage the east coast distribution center for Beiersdorf and Coppertone products. This facility will manage the retail fulfillment of BDF product to east coast and international retail outlets. Beiersdorf is an international company with U.S. headquarters in Wilton, CT. The brands under the Beiersdorf name include, Niva, Niva Men, Eucerin, and Aquaphor. With the recent acquisition of Coppertone by Beiersdorf, LeSaint will also manage retail fulfillment for the Coppertone brands of sun protection, and skincare products. The 640,000 square foot facility will also include an embedded value-added services (VAS) contractor. This separate operation will manage and build all retail displays and kitting projects for the two brands. Both the fulfillment and VAS operations will begin implementation in early 2020 with a full go-live date scheduled for the 3rd quarter of 2020.

The Memphis DC will receive product from BDF plants in Mexico and Europe, while the Coppertone product will arrive primarily from the Cleveland, TN plant. LeSaint Logistics will be responsible for the safe and secure warehousing of product from this location. As part of the building design LeSaint will be working with local officials to design and manage aerosol products within the Memphis operation that meet state and local requirements. In addition to the facility build out LeSaint will design and install all required IT software and hardware to manage this operation.

The agreement in place between LeSaint and Beiersdorf is for 5 years with two additional five year options and the forecast in future years has significant growth in both services, space and employment.

In addition, LeSaint Logistics will utilize this relationship to market our services to attract other companies to the Memphis market.

LeSaint will lease and occupy approximately 640,000 square feet of warehouse and distribution space, add approximately 50 new jobs with an average base wage of approximately \$37,000 and have capital investment by both the company and the Landlord in real and personal property improvements that will total approximately \$7 million.

LeSaint asks for consideration by the EDGE Board for approval at a called special meeting prior to the next regularly scheduled meeting on November 20, 2019. This need for this expedited approval is due to the fact that significant construction and capital investment is needed to the building in order to meet the LeSaint implementation schedule in early 2020. The need to gain approval for the PILOT and start these renovations in an expedited fashion is of critical importance to this project and to our decision making.

EXHIBIT 1

Need for PILOT Assistance:

The need for assistance through the PILOT program is based upon local competition in North Mississippi. LeSaint will weigh labor costs, expenses, incentives and other considerations when making this decision. Newmark Knight Frank and Cushman & Wakefield, leading global real estate services firms, have been chosen to assist in site selection and negotiating incentives to address access to talent, future growth, and cost containment. The incentives obtained will be a determining factor in the site selection process.

Summary:

LeSaint is excited about the possibility of locating this new large scale warehouse and distribution facility in Memphis/Shelby County. Although there are many advantages to locating this operation in Shelby County, there are also many cost considerations that must be addressed. The EDGE PILOT incentives will be a major factor in deciding where to locate this project.

As a benefit to the City of Memphis and Shelby County, LeSaint believes that this Project will:

1. Create numerous full-time warehouse and distribution jobs in the area.
2. Create significant capital investment in both real and personal property.
3. Increase local and national commerce, and
4. Enhance the city and county tax base.


10/22/19

EXHIBIT 2

PROJECT EMPLOYMENT

Position	# of Full-time Jobs (1)	Average Annual Base Pay (2)		Annual Overtime/ Incentive Pay (3)		Annual Benefits (4)		Annual Total Compensation	
		Each	Total	Each	Total	Each	Total	Each	Total
1st Shift Material Handler	13	29,120	381,472	\$ 1,456	19,074	\$ 8,736	114,442	39,312	514,987
2nd Shift Material Handler	8	32,240	261,144	\$ 1,612	13,057	\$ 9,672	78,343	43,524	352,544
1st Shift Temp	7	36,234	235,518	\$ -	-	\$ -	-	36,234	235,518
2nd Shift Temp	4	36,234	155,804	\$ -	-	\$ -	-	36,234	155,804
1st Shift Inventory Control / CSR	5	31,200	168,480	\$ 1,560	8,424	\$ 9,360	50,544	42,120	227,448
2nd Shift Inventory Control / CSR	4	34,320	123,552	\$ 1,716	6,178	\$ 10,296	37,066	46,332	166,795
1st Shift Group Lead	2	32,219	64,438	\$ 1,611	3,222	\$ 9,666	19,332	43,496	86,992
2nd Shift Group Lead	2	35,339	70,678	\$ 1,767	3,534	\$ 10,602	21,204	47,708	95,416
1st Shift Supervisor	2	50,000	100,000	\$ 2,500	5,000	\$ 12,500	25,000	65,000	130,000
2nd Shift Supervisor	2	52,500	105,000	\$ 2,500	5,000	\$ 13,125	26,250	68,125	136,250
HR Manager	1	70,000	70,000	\$ 2,000	2,000	\$ 17,500	17,500	89,500	89,500
DC Manager	1	80,000	80,000	\$ 4,000	4,000	\$ 20,000	20,000	104,000	104,000
General Manager	1	90,000	90,000	\$ 4,500	4,500	\$ 22,500	22,500	117,000	117,000
Total	52		1,906,088		73,988		432,179		2,412,255
Average			36,656		1,423		8,311		46,390

Definitions:

- (1) Permanent jobs or combination of permanent positions that provide employment of 1,600 hours or more within a year that is employed directly by the Applicant or employed by a contract employer on behalf of the Applicant.
- (2) Annual base wage must exceed \$12 per hour to be included, please show payments as annual average wages.
- (3) Include paid overtime, paid holidays and vacation pay. Do not include discretionary bonus or stock options.
- (4) Include health insurance, dental insurance, 401K plans, paid sick leave, bonus compensation, etc.

[Handwritten Signature]
10/22/19