



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Jobs PILOT

Project Summary

Company/Applicant:	<u>Blues City Brewery</u>
Capital Investment:	<u>\$ 49,000,000</u>
Jobs:	<u>155</u>
Annual Average Wage:	<u>\$ 56,609</u>
PILOT Length: (years)	<u>12</u>
Tax Incentive:	<u>\$ 3,666,810</u>
Local Tax Benefit:	<u>\$ 10,099,286</u>
Benefit/Cost Ratio:	<u>2.75</u>

**City of Memphis, Shelby County, TN
Blues City Brewery
Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	155	31.0
Wages*	\$56,609	26.2
Capital Investment**	\$49,000,000	24.5
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
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		121.7

Length of tax incentive: (years)

12

***Wages Calculation**

Target Wages	\$	40,400
Project Wages	\$	56,609

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	16.2
Total Points	26.2

City of Memphis, Shelby County, TN
 Blues City Brewery
 Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	
Employment, Direct (full-time equivalent jobs)	155
Wages & Benefits, Direct	\$ 10,967,994
Direct Effect Employment Multiplier ¹	1.6495
Total Employment	256
Employment, Indirect	101
Shelby County Annual Average Wage ²	\$ 56,287
Wages, Indirect	\$ 5,684,987
Total Wages	\$ 16,652,981
Sales Tax Revenue ³	\$ 243,175
Other Tax Revenue ⁴	\$ 65,657
Residential/Commercial Property Tax Revenue ⁵	\$ 374,480
Total Tax Revenue	\$ 683,312

City of Memphis, Shelby County, TN
Blues City Brewery
Economic Impact and Benefit/Cost Analysis

One Time Expansion Impact		
Total Capital Investment	\$	49,000,000
Building - Real Property (construction/renovation)	\$	-
Economic Impact Multiplier ⁶		1.8368
Economic Impact	\$	-
Equipment Purchase/Set-up - Personal Property	\$	49,000,000
Economic Impact Multiplier ⁷		1.7453
Economic Impact	\$	85,519,700
Total Economic Impact	\$	85,519,700
Sales Tax Revenue ³	\$	533,279
Other Tax Revenue ⁴	\$	143,985
Total Tax Revenue	\$	677,264

Blues City Brewery

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.05	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ -			
Year 1	\$ -	25%	\$ -	\$ -
Year 2	\$ -	25%	\$ -	\$ -
Year 3	\$ -	25%	\$ -	\$ -
Year 4	\$ -	25%	\$ -	\$ -
Year 5	\$ -	25%	\$ -	\$ -
Year 6	\$ -	25%	\$ -	\$ -
Year 7	\$ -	25%	\$ -	\$ -
Year 8	\$ -	25%	\$ -	\$ -
Year 9	\$ -	25%	\$ -	\$ -
Year 10	\$ -	25%	\$ -	\$ -
Year 11	\$ -	25%	\$ -	\$ -
Year 12	\$ -	25%	\$ -	\$ -
Year 13	\$ -	25%	\$ -	\$ -
Year 14	\$ -	25%	\$ -	\$ -
Year 15	\$ -	25%	\$ -	\$ -
Total	\$ -		\$ -	\$ -

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.19599	Real Property			
	Full Taxes	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ -			
Year 1	\$ -	25%	\$ -	\$ -
Year 2	\$ -	25%	\$ -	\$ -
Year 3	\$ -	25%	\$ -	\$ -
Year 4	\$ -	25%	\$ -	\$ -
Year 5	\$ -	25%	\$ -	\$ -
Year 6	\$ -	25%	\$ -	\$ -
Year 7	\$ -	25%	\$ -	\$ -
Year 8	\$ -	25%	\$ -	\$ -
Year 9	\$ -	25%	\$ -	\$ -
Year 10	\$ -	25%	\$ -	\$ -
Year 11	\$ -	25%	\$ -	\$ -
Year 12	\$ -	25%	\$ -	\$ -
Year 13	\$ -	25%	\$ -	\$ -
Year 14	\$ -	25%	\$ -	\$ -
Year 15	\$ -	25%	\$ -	\$ -
Total	\$ -		\$ -	\$ -

Total Real Property Taxes Abated:

\$ -

Payments Made in Lieu of Taxes:

\$ -

Blues City Brewery

Shelby County Tax Schedule

Shelby County Tax Rate: \$4.05	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 49,000,000				
Year 1	\$ 523,908	0.88	25%	\$ 130,977	\$ 392,931
Year 2	\$ 446,513	0.75	25%	\$ 111,628	\$ 334,885
Year 3	\$ 375,071	0.63	25%	\$ 93,768	\$ 281,303
Year 4	\$ 297,675	0.50	25%	\$ 74,419	\$ 223,256
Year 5	\$ 226,233	0.38	25%	\$ 56,558	\$ 169,675
Year 6	\$ 148,838	0.25	25%	\$ 37,210	\$ 111,628
Year 7	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 8	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 9	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 10	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 11	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 12	\$ 119,070	0.20	25%	\$ 29,768	\$ 89,302
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 2,732,658			\$ 683,168	\$ 2,049,490

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$3.19599	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Taxes Paid after Abatement	Taxes Abated
Value	\$ 49,000,000				
Year 1	\$ 413,433	0.88	25%	\$ 103,358	\$ 310,075
Year 2	\$ 352,358	0.75	25%	\$ 88,090	\$ 264,268
Year 3	\$ 295,981	0.63	25%	\$ 73,995	\$ 221,986
Year 4	\$ 234,905	0.50	25%	\$ 58,726	\$ 176,179
Year 5	\$ 178,528	0.38	25%	\$ 44,632	\$ 133,896
Year 6	\$ 117,453	0.25	25%	\$ 29,363	\$ 88,090
Year 7	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 8	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 9	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 10	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 11	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 12	\$ 93,962	0.20	25%	\$ 23,491	\$ 70,471
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 2,156,430			\$ 539,110	\$ 1,617,320

Total Personal Property Taxes Abated:	\$ 3,666,810
Payments Made in Lieu of Taxes:	\$ 1,222,278

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
 Blues City Brewery
 Economic Impact and Benefit/Cost Analysis

Payback Summary		
Length of PILOT (years)		12
Total Taxes Forgone	\$	3,666,810
Hard Costs	\$	-
Total Taxes Forgone and Hard Costs	\$	3,666,810
Tax Revenues From Construction	\$	677,264
Tax Revenues From Operations During PILOT Period	\$	8,199,744
Payments Made in Lieu of Tax During PILOT Period	\$	1,222,278
Total Tax Revenues Received During PILOT Period	\$	10,099,286
Benefit/Cost Ratio		2.75

Projected Costs:
Hard Costs (land, infrastructure, etc.)
 None.
Opportunity Costs
 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.
 Benefit/Cost Ratio: The sum of tax revenues from construction, operations and property during the PILOT period divided by the total taxes forgone.

**City of Memphis, Shelby County, Tennessee
Blues City Brewery**

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000)	\$ 183,341
City of Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 50,000
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 50,000
Total Fees	\$ 286,341