



Project Summary

Company/Applicant:	<u>Sylvamo Corporation</u>
New Capital Investment:	<u>\$ 14,500,000</u>
CRC Value:	<u>\$ 7,455,683</u>
Jobs:	<u>300</u>
Annual Average Wage:	<u>\$ 179,234</u>
PILOT Length: (years)	<u>15</u>
Tax Incentive:	<u>\$ 4,077,536</u>
Local Tax Benefit:	<u>\$ 35,569,630</u>
Benefit/Cost Ratio:	<u>8.72</u>

**City of Memphis, Shelby County, TN
Sylvamo Corporation
Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	300	60.0
Wages*	\$179,234	148.8
Capital Investment	\$14,500,000	7.3
CRC Value (Land & Building)	\$7,455,683	3.7
Location: City of Memphis - 10 Points	Yes	10.0
Location: New Market Tax Credit Eligible census tract - 20 Points	No	0.0
Headquarters - 20 Points	Yes	20.0
MWBE - 10 Points	No	0.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		259.8

Length of tax incentive: (years)

15.0

***Wages Calculation**

Target Wages	\$	40,400
Project Wages	\$	179,234

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	138.8
Total Points	148.8

City of Memphis, Shelby County, TN
Sylvamo Corporation
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	
Employment, Direct (full-time equivalent jobs)	300
Wages & Benefits, Direct	\$ 69,901,260
Direct Effect Employment Multiplier ¹	2.3706
Employment, Indirect	411
Total Employment	711
Shelby County Annual Average Wage ²	\$ 59,114
Wages, Indirect	\$ 24,306,622
Total Wages	\$ 94,207,882
Sales Tax Revenue ³	\$ 1,383,443
Other Tax Revenue ⁴	\$ 235,185
Residential/Commercial Property Tax Revenue ⁵	\$ 649,047
Total Tax Revenue	\$ 2,267,675

**City of Memphis, Shelby County, TN
Sylvamo Corporation
Economic Impact and Benefit/Cost Analysis**

One Time Expansion Impact	
Total Capital Investment	\$ 14,500,000
Building/Land - Real Property	\$ 7,500,000
Economic Impact Multiplier ⁶	1.8268
Economic Impact	\$ 13,701,000
Equipment Purchase/Set-up - Personal Property	\$ 7,000,000
Economic Impact Multiplier ⁷	1.7382
Economic Impact	\$ 12,167,400
Total Economic Impact	\$ 25,868,400
Sales Tax Revenue ³	\$ 166,945
Other Tax Revenue ⁴	\$ 28,381
Total Tax Revenue	\$ 195,326

Sylvamo Corporation

Shelby County Tax Schedule

City of Memphis Tax Schedule

Shelby County Tax Rate: \$3.451	Real Property - Land	Real Property - Existing Building & Improvements			
	Projected Current Taxes Paid on Land (Not included in PILOT Incentive)	Projected Taxes on Building During the PILOT Period	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Appraised Value	\$ 2,072,119	\$ 12,883,564			
Year 1	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 2	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 3	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 4	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 5	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 6	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 7	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 8	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 9	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 10	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 11	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 12	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 13	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 14	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Year 15	\$ 28,604	\$ 177,845	25%	\$ 44,461	\$ 133,384
Total	\$ 429,053	\$ 2,667,671		\$ 666,918	\$ 2,000,753

City of Memphis Tax Rate Tax Rate: \$2.713049	Real Property - Land	Real Property - Existing Building & Improvements			
	Projected Current Taxes Paid on Land (Not included in PILOT Incentive)	Projected Taxes on Building During the PILOT Period	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Appraised Value	\$ 2,072,119	\$ 12,883,564			
Year 1	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 2	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 3	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 4	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 5	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 6	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 7	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 8	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 9	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 10	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 11	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 12	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 13	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 14	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Year 15	\$ 22,487	\$ 139,815	25%	\$ 34,954	\$ 104,861
Total	\$ 337,306	\$ 2,097,224		\$ 524,306	\$ 1,572,918

Total Payments Made on Land During the PILOT Period: **\$ 766,359**

Total Payments Made in Lieu of Tax During the PILOT Period: **\$ 1,191,224**

Total Real Property Taxes Abated: **\$ 3,573,671**

Sylvamo Corporation

Shelby County Tax Schedule

Shelby County Tax Rate: \$3.451	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value	\$ 7,000,000				
Year 1	\$ 63,774	0.88	25%	\$ 15,944	\$ 47,831
Year 2	\$ 54,353	0.75	25%	\$ 13,588	\$ 40,765
Year 3	\$ 45,657	0.63	25%	\$ 11,414	\$ 34,243
Year 4	\$ 36,236	0.50	25%	\$ 9,059	\$ 27,177
Year 5	\$ 27,539	0.38	25%	\$ 6,885	\$ 20,654
Year 6	\$ 18,118	0.25	25%	\$ 4,529	\$ 13,588
Year 7	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 8	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 9	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 10	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 11	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 12	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 13	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 14	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Year 15	\$ 14,494	0.20	25%	\$ 3,624	\$ 10,871
Total	\$ 376,124			\$ 94,031	\$ 282,093

City of Memphis Tax Schedule

City of Memphis Tax Rate Tax Rate: \$2.713049	Personal Property - All Categories				
	Full Taxes	Depreciation Rate	% of taxes paid	Payments Made in Lieu of Tax	Taxes Abated
Value	\$ 7,000,000				
Year 1	\$ 50,137	0.88	25%	\$ 12,534	\$ 37,603
Year 2	\$ 42,731	0.75	25%	\$ 10,683	\$ 32,048
Year 3	\$ 35,894	0.63	25%	\$ 8,973	\$ 26,920
Year 4	\$ 28,487	0.50	25%	\$ 7,122	\$ 21,365
Year 5	\$ 21,650	0.38	25%	\$ 5,413	\$ 16,238
Year 6	\$ 14,244	0.25	25%	\$ 3,561	\$ 10,683
Year 7	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 8	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 9	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 10	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 11	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 12	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 13	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 14	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Year 15	\$ 11,395	0.20	25%	\$ 2,849	\$ 8,546
Total	\$ 295,695			\$ 73,924	\$ 221,771

Total Payments Made in Lieu of Tax During the PILOT Period: **\$ 167,955**

Total Personal Property Taxes Abated: **\$ 503,865**

For the purpose of this analysis all personal property is included into one group using a standard depreciation table.

**City of Memphis, Shelby County, TN
Sylvamo Corporation
Economic Impact and Benefit/Cost Analysis**

Payback Summary	
Length of PILOT (years)	15
Total Taxes Abated	\$ 4,077,536
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 4,077,536
Tax Revenues From Construction	\$ 195,326
Tax Revenues From Operations During PILOT Period	\$ 34,015,125
Payments Made in Lieu of Tax During PILOT Period*	\$ 1,359,179
Total Tax Revenues Received During PILOT Period	\$ 35,569,630
Benefit/Cost Ratio	8.72

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.

*Taxes paid on land not included in this total as taxes were already being paid at 100% before PILOT.

**City of Memphis, Shelby County, TN
Sylvamo Corporation**

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000)	\$ 203,877
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 14,105
Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 11,089
Total Fees	\$ 232,070