

Jobs PILOT Term Sheet
Sylvamo Corporation
Approved - April 21, 2021
Amended and Restated – July 28, 2021

Sylvamo Corporation (“Sylvamo” or “Applicant”) was approved for a fifteen-year Jobs PILOT to encourage the company to select Memphis as its corporate headquarters location and employ 300 people with an average salary with bonuses of \$179,235 (“Project”).

Sylvamo has chosen Primacy I at 6077 Primacy Parkway as the location for the Project.

Parcel 081004 00017 (6077 Primacy Parkway) is 7.98 acres and contains a 129,104 square foot office building. Sylvamo will occupy 86,940 square feet of the building or 67.34%. Real property improvements occupied by the Applicant (67.34%) will receive PILOT benefit on a proportional basis and all new personal property will receive PILOT benefit.

The current value of the space to be occupied is \$7,455,683 (\$2,072,119 land and \$5,383,564 building). Community Reinvestment Credit will be awarded.

The total project investment of \$14,500,000 at the chosen location includes \$7,500,000 to complete tenant improvements and \$7,000,000 for personal property.

Sylvamo is a wholly-owned subsidiary of International Paper Company that is being spun-off into an independent, publicly traded company with an estimated \$3.3 billion in sales and seven domestic/international mills with a capacity to produce 3.5 million short tons of printing and writing paper, making it one of the industry’s largest competitors.

Sylvamo’s products will be used in copiers, printers and for digital imaging. End-use applications include advertising and promotional materials, greeting cards, books and direct mail. Products also include envelopes, tablets, business forms and file folders.

The property to be occupied currently produces \$183,829 in City of Memphis and Shelby County property taxes annually. Estimated annual property taxes will average \$141,703 during the PILOT term and \$394,640 after the term expires. Staff projects \$35,569,630 in total local tax revenues to be received during the PILOT term of this project and a \$4,077,536 benefit to the Applicant.

The 15-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-15 25%	Personal Property	Year 1-15 25%
Real Property Improvements	Year 1-15 25%	Real Property Improvements	Year 1-15 25%

PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	YEARS
Jobs Created	300	60.0	
Wages	\$179,235	148.8	
Capital Investment	\$14,500,000	7.3	
Community Reinvestment Credit	\$7,455,683	3.7	
Sub-total		219.8	21
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	No		0
MWBE	No		0
Headquarters	Yes		2
Sub-total			4
Total (Maximum Allowed 15-Years)			15-Years



Project Budget Detail

REAL PROPERTY INVESTMENT IN PILOT	
Purchase Price	\$0
Hard Construction and Site Work	\$7,500,000
Sub-Total	\$7,500,000

PERSONAL PROPERTY INVESTMENT IN PILOT	
New	\$7,000,000
Transferred*	\$0
Sub-Total	\$7,000,000

Total New Capital Investment in PILOT	\$14,500,000
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INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$0
Sub-Total	\$0

Total Capital Investment	\$14,500,000
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COMMUNITY REINVESTMENT CREDIT INCLUDED IN THE PILOT	
Value of Existing Land and Building	\$7,455,683

Total Capital Investment + CRC Value for Scoring Matrix	\$21,955,683
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**Personal property relocated from a facility outside of Shelby County is considered at its depreciated, current value.*

Ramp-Up Period

The Applicant will have a two (2) year Ramp-Up Period within which to achieve its Project commitments. This two (2) year period shall begin upon the date when any property, in whole or in part, is conveyed to EDGE, covered by a PILOT Lease, and begins to enjoy the benefits of the PILOT incentive.

Local Business Participation

Spending with City of Memphis or Shelby County certified minority and women business enterprises (MWBES) shall be an amount equal to or greater than:

				Minimum for Bonus Opportunity**	
		Basis	\$ LBP	1 Added Year	2 Added Years
	25%	Construction/Site Work	\$1,875,000	\$2,625,000	\$3,375,000
+	15%	Real & Personal Property Savings	\$611,630	\$1,019,384	\$1,427,138
=	Total		\$2,486,630	\$3,644,384	\$4,802,138

***In no event shall the Term exceed fifteen (15) years.*

Identified Labor Source

Per section X (C) (ii) of the Jobs PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce MidSouth and its American Job Center (successor to the Workforce Investment Network or WIN), and give due consideration to individuals referred by those organizations for open positions.

Terms & Conditions

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

1. The award of a PILOT to the real property used for Applicant's Project is subject to Board Counsel's review and approval of the environmental impact study for said real property to be produced or procured by Applicant.
2. The award of a PILOT is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby, which have been received.
3. 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.
4. The award of a PILOT is subject to the provisions of the Jobs PILOT Policies and Procedures Effective June 1, 2019 ("Policies and Procedures").
5. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year, which agreements shall be in a form substantially similar to EDGE's standard form, and consistent with the provisions of this Term Sheet.
6. 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 the PILOT lease agreement, have been negotiated and delivered.
7. The Applicant shall receive Community Reinvestment Credit for the Project.
8. The Applicant has satisfied the conditions imposed by Condition no. 8 in the Board's original Jobs PILOT Term Sheet, dated April 21, 2021.
9. EDGE acknowledges that Sylvamo anticipates that a wholly-owned subsidiary of Sylvamo will ultimately be the PILOT Applicant under the PILOT lease agreements with EDGE and will employ the Project jobs. If a subsidiary structure is used, Sylvamo shall be a sponsor for all obligations contracted by the subsidiary.