



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Fast Track PILOT

Project Summary

Company/Applicant:	<u>Memphis Record Pressing - Logistics Operations</u>
Capital Investment:	<u>\$ 7,500,000</u>
CRC Value:	<u>\$ 3,517,632</u>
Jobs:	<u>111</u>
Annual Average Wage:	<u>\$ 36,128</u>
PILOT Length: (years)	<u>10</u>
Tax Incentive:	<u>\$ 1,214,891</u>
Local Tax Benefit: (all sources)	<u>\$ 4,944,991</u>
Benefit/Cost Ratio:	<u>4.07</u>

City of Memphis, Shelby County, TN
Memphis Record Pressing - Logistics Operations
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations		
Employment, Direct (full-time equivalent jobs)		111
Wages & Benefits, Direct	\$	5,012,760
Direct Effect Employment Multiplier ¹		2.0747
Employment, Indirect		119
Total Employment		230
Shelby County Annual Average Wage ²	\$	59,114
Wages, Indirect	\$	7,034,566
Total Wages	\$	12,047,326
Sales Tax Revenue ³	\$	176,915
Other Tax Revenue ⁴	\$	30,076
Residential/Commercial Property Tax Revenue ⁵	\$	237,149
Total Tax Revenue	\$	444,140

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Economic Impact and Benefit/Cost Analysis

One-Time Expansion Impact		
Total Capital Investment	\$	7,500,000
Building - Real Property (improvements)	\$	2,000,000
Economic Impact Multiplier ⁶		1.8251
Economic Impact	\$	3,650,200
Equipment Purchase/Set-up - Personal Property	\$	5,500,000
Economic Impact Multiplier ⁷		1.7436
Economic Impact	\$	9,589,800
Total Economic Impact	\$	13,240,000
Sales Tax Revenue ³	\$	84,292
Other Tax Revenue ⁴	\$	14,330
Total Tax Revenue	\$	98,622

Memphis Record Pressing - Logistics Operations

Shelby County 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	\$ 676,194	\$ 4,841,438			
Year 1	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 2	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 3	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 4	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 5	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 6	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 7	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 8	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 9	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Year 10	\$ 9,334	\$ 66,831	25%	\$ 16,708	\$ 50,123
Total	\$ 93,340	\$ 668,310		\$ 167,080	\$ 501,230

Total Payments Made on Land During the PILOT Period:

\$ 166,720

Total Payments Made in Lieu of Tax During the PILOT Period:

\$ 298,430

Total Real Property Taxes Abated:

\$ 895,280

City of Memphis Tax Schedule

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	\$ 676,194	\$ 4,841,438			
Year 1	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 2	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 3	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 4	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 5	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 6	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 7	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 8	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 9	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Year 10	\$ 7,338	\$ 52,540	25%	\$ 13,135	\$ 39,405
Total	\$ 73,380	\$ 525,400		\$ 131,350	\$ 394,050

Memphis Record Pressing - Logistics Operations

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	\$ 5,500,000				
Year 1	\$ 50,109	0.88	25%	\$ 12,527	\$ 37,582
Year 2	\$ 42,706	0.75	25%	\$ 10,677	\$ 32,029
Year 3	\$ 35,873	0.63	25%	\$ 8,968	\$ 26,905
Year 4	\$ 28,471	0.50	25%	\$ 7,118	\$ 21,353
Year 5	\$ 21,638	0.38	25%	\$ 5,410	\$ 16,228
Year 6	\$ 14,235	0.25	25%	\$ 3,559	\$ 10,676
Year 7	\$ 11,388	0.20	25%	\$ 2,847	\$ 8,541
Year 8	\$ 11,388	0.20	25%	\$ 2,847	\$ 8,541
Year 9	\$ 11,388	0.20	25%	\$ 2,847	\$ 8,541
Year 10	\$ 11,388	0.20	25%	\$ 2,847	\$ 8,541
Total	\$ 238,584			\$ 59,647	\$ 178,937

Total Payments Made in Lieu of Tax During the PILOT Period: \$ 59,647

Total Personal Property Taxes Abated: \$ 178,937

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	\$ 5,500,000				
Year 1	\$ 39,393	0.88	25%	\$ 9,848	\$ 29,545
Year 2	\$ 33,574	0.75	25%	\$ 8,394	\$ 25,180
Year 3	\$ 28,202	0.63	25%	\$ 7,051	\$ 21,151
Year 4	\$ 22,383	0.50	25%	\$ 5,596	\$ 16,787
Year 5	\$ 17,011	0.38	25%	\$ 4,253	\$ 12,758
Year 6	\$ 11,191	0.25	25%	\$ 2,798	\$ 8,393
Year 7	\$ 8,953	0.20	25%	\$ 2,238	\$ 6,715
Year 8	\$ 8,953	0.20	25%	\$ 2,238	\$ 6,715
Year 9	\$ 8,953	0.20	25%	\$ 2,238	\$ 6,715
Year 10	\$ 8,953	0.20	25%	\$ 2,238	\$ 6,715
Total	\$ 187,566			\$ 46,892	\$ 140,674

Total Payments Made in Lieu of Tax During the PILOT Period: \$ 46,892

Total Personal Property Taxes Abated: \$ 140,674

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
Memphis Record Pressing - Logistics Operations
Economic Impact and Benefit/Cost Analysis

Payback Summary	Total
Length of PILOT (years)	10
Total Taxes Abated	\$ 1,214,891
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 1,214,891
Tax Revenues From Construction	\$ 98,622
Tax Revenues From Operations During PILOT Period	\$ 4,441,400
Payments Made in Lieu of Tax During PILOT Period*	\$ 404,969
Total Tax Revenues Received During PILOT Period	\$ 4,944,991
Benefit/Cost Ratio	4.07

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.*