



**ECONOMIC DEVELOPMENT  
GROWTH ENGINE**  
FOR MEMPHIS & SHELBY COUNTY

## Fast Track PILOT

### Project Summary

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<b>Company/Applicant:</b>	<u>RedDot Corp</u>
<b>Capital Investment:</b>	<u>\$ 14,260,000</u>
<b>CRC Value:*</b>	<u>\$ 9,000,000</u>
<b>Jobs:</b>	<u>84</u>
<b>Annual Average Wage:</b>	<u>\$ 34,211</u>
<b>PILOT Length: (years)</b>	<u>10</u>
<b>Tax Incentive:</b>	<u>\$ 1,946,886</u>
<b>Local Tax Benefit: (all sources)</b>	<u>\$ 4,494,383</u>
<b>Benefit/Cost Ratio:</b>	<u>2.31</u>

*\*CRC Value represents the purchase price of the land and existing building, which is included in the capital investment total.*

**City of Memphis, Shelby County, TN**  
**RedDot Corp**  
**Economic Impact and Benefit/Cost Analysis**

<b>Annual Impact of Operations</b>		
Employment, Direct (full-time equivalent jobs)		84
Wages & Benefits, Direct	\$	3,592,155
Direct Effect Employment Multiplier <sup>1</sup>		2.3539
Employment, Indirect		114
<b>Total Employment</b>		<b>198</b>
Shelby County Annual Average Wage <sup>2</sup>	\$	62,797
Wages, Indirect	\$	7,158,858
<b>Total Wages</b>	<b>\$</b>	<b>10,751,013</b>
Sales Tax Revenue <sup>3</sup>	\$	157,879
Other Tax Revenue <sup>4</sup>	\$	28,892
Residential/Commercial Property Tax Revenue <sup>5</sup>	\$	181,733
<b>Total Tax Revenue</b>	<b>\$</b>	<b>368,504</b>

**City of Memphis, Shelby County, TN**  
**RedDot Corp**  
**Economic Impact and Benefit/Cost Analysis**

<b>One-Time Expansion Impact</b>		
Total Capital Investment	\$	5,260,000
Building - Real Property (improvements)	\$	1,000,000
Economic Impact Multiplier <sup>6</sup>		1.8268
Economic Impact	\$	1,826,800
Equipment Purchase/Set-up - Personal Property	\$	4,260,000
Economic Impact Multiplier <sup>7</sup>		1.7382
Economic Impact	\$	7,404,732
<b>Total Economic Impact</b>	<b>\$</b>	<b>9,231,532</b>
Sales Tax Revenue <sup>3</sup>	\$	135,565
Other Tax Revenue <sup>4</sup>	\$	24,808
<b>Total Tax Revenue</b>	<b>\$</b>	<b>160,373</b>

# RedDot Corp

## 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
<b>Appraised Value</b>	<b>\$ 810,500</b>	<b>\$ 9,189,500</b>			
Year 1	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 2	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 3	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 4	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 5	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 6	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 7	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 8	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 9	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
Year 10	\$ 11,188	\$ 126,852	25%	\$ 31,713	\$ 95,139
<b>Total</b>	<b>\$ 111,880</b>	<b>\$ 1,268,520</b>		<b>\$ 317,130</b>	<b>\$ 951,390</b>

**Total Payments Made on Land During the PILOT Period:**

**\$ 199,840**

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

**\$ 566,450**

**Total Real Property Taxes Abated:**

**\$ 1,699,330**

## City of Memphis Tax Schedule

City of Memphis 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
<b>Appraised Value</b>	<b>\$ 810,500</b>	<b>\$ 9,189,500</b>			
Year 1	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 2	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 3	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 4	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 5	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 6	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 7	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 8	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 9	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
Year 10	\$ 8,796	\$ 99,726	25%	\$ 24,932	\$ 74,794
<b>Total</b>	<b>\$ 87,960</b>	<b>\$ 997,260</b>		<b>\$ 249,320</b>	<b>\$ 747,940</b>

# RedDot Corp

## 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
<b>Value</b>	<b>\$ 4,260,000</b>				
Year 1	\$ 38,811	0.88	25%	\$ 9,703	\$ 29,108
Year 2	\$ 33,078	0.75	25%	\$ 8,270	\$ 24,808
Year 3	\$ 27,785	0.63	25%	\$ 6,946	\$ 20,839
Year 4	\$ 22,052	0.50	25%	\$ 5,513	\$ 16,539
Year 5	\$ 16,759	0.38	25%	\$ 4,190	\$ 12,569
Year 6	\$ 11,026	0.25	25%	\$ 2,757	\$ 8,269
Year 7	\$ 8,821	0.20	25%	\$ 2,205	\$ 6,616
Year 8	\$ 8,821	0.20	25%	\$ 2,205	\$ 6,616
Year 9	\$ 8,821	0.20	25%	\$ 2,205	\$ 6,616
Year 10	\$ 8,821	0.20	25%	\$ 2,205	\$ 6,616
<b>Total</b>	<b>\$ 184,795</b>			<b>\$ 46,199</b>	<b>\$ 138,596</b>

## 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
<b>Value</b>	<b>\$ 4,260,000</b>				
Year 1	\$ 30,512	0.88	25%	\$ 7,628	\$ 22,884
Year 2	\$ 26,005	0.75	25%	\$ 6,501	\$ 19,504
Year 3	\$ 21,844	0.63	25%	\$ 5,461	\$ 16,383
Year 4	\$ 17,336	0.50	25%	\$ 4,334	\$ 13,002
Year 5	\$ 13,176	0.38	25%	\$ 3,294	\$ 9,882
Year 6	\$ 8,668	0.25	25%	\$ 2,167	\$ 6,501
Year 7	\$ 6,935	0.20	25%	\$ 1,734	\$ 5,201
Year 8	\$ 6,935	0.20	25%	\$ 1,734	\$ 5,201
Year 9	\$ 6,935	0.20	25%	\$ 1,734	\$ 5,201
Year 10	\$ 6,935	0.20	25%	\$ 1,734	\$ 5,201
<b>Total</b>	<b>\$ 145,281</b>			<b>\$ 36,321</b>	<b>\$ 108,960</b>

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

**\$ 82,520**

**Total Personal Property Taxes Abated:**

**\$ 247,556**

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

5% Shelby

\$

6,930

5% Shelby

\$

5,448

**City of Memphis, Shelby County, Tennessee**  
**RedDot Corp**  
**Economic Impact and Benefit/Cost Analysis**

Payback Summary	Total
Length of PILOT (years)	<b>10</b>
Total Taxes Abated	\$ 1,946,886
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 1,946,886
Tax Revenues From Construction	\$ 160,373
Tax Revenues From Operations During PILOT Period	\$ 3,685,040
Payments Made in Lieu of Tax During PILOT Period*	\$ 648,970
Total Tax Revenues Received During PILOT Period	\$ 4,494,383
<b>Benefit/Cost Ratio</b>	<b>2.31</b>

**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.