



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

Project Summary - Jobs PILOT

Company/Applicant:	Performance Food Group
Capital Investment:	\$ 29,200,000
Jobs:	25
Annual Average Wage:	\$ 45,492
PILOT Length: (years)	7
Tax Incentive:	\$ 2,976,256
Local Tax Benefit:	\$ 2,115,488
Benefit/Cost Ratio:	0.71

**City of Memphis, Shelby County, TN
Performance Food Group
Tax Incentive Eligibility Analysis**

Category	Project Data	Points
Job Creation	25	5.0
Wages*	\$45,492	15.1
Capital Investment	\$29,200,000	14.6
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
MWBE - 10 Points	No	0.0
Local Business Participation Plan - 10 Points Up to 20 additional points for exceptional plans	Yes	10.0
Total		74.7

Length of tax incentive: (years)

7

***Wages Calculation**

Target Wages	\$	40,400
Project Wages	\$	45,492

Meets Target Wage? Yes, 10 Points; No, Zero Points	10
Extra Points: 1 Points for Each Additional \$1,000 above target	5.1
Total Points	15.1

City of Memphis, Shelby County, TN
Performance Food Group
Economic Impact and Benefit/Cost Analysis

Annual Impact of Operations	
Employment, Direct (full-time equivalent jobs)	25
Wages & Benefits, Direct	\$ 1,421,625
Direct Effect Employment Multiplier ¹	2.0747
Employment, Indirect	27
Total Employment	52
Shelby County Annual Average Wage ²	\$ 62,797
Wages, Indirect	\$ 1,687,199
Total Wages	\$ 3,108,824
Sales Tax Revenue ³	\$ 43,003
Other Tax Revenue ⁴	\$ 7,870
Residential/Commercial Property Tax Revenue ⁵	\$ 54,087
Total Tax Revenue	\$ 104,960

City of Memphis, Shelby County, TN
Performance Food Group
Economic Impact and Benefit/Cost Analysis

One-Time Expansion Impact	
Total Capital Investment	\$ 29,200,000
Building/Land - Real Property (Construction)	\$ 24,800,000
Economic Impact Multiplier ⁶	1.8268
Economic Impact	\$ 45,304,640
Equipment Purchase/Set-up - Personal Property	\$ 4,400,000
Economic Impact Multiplier ⁷	1.7382
Economic Impact	\$ 7,648,080
Total Economic Impact	\$ 52,952,720
Sales Tax Revenue ³	\$ 328,559
Other Tax Revenue ⁴	\$ 60,126
Total Tax Revenue	\$ 388,686

Performance Food Group

Shelby County Tax Schedule

Shelby County Tax Rate: \$3.451	Real Property - Land	Real Property - Building			
	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	\$ 843,200	\$ 21,300,000			
Year 1	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 2	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 3	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 4	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 5	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 6	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
Year 7	\$ 11,640	\$ 294,025	25%	\$ 73,506	\$ 220,519
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	\$ 81,477	\$ 2,058,176		\$ 514,544	\$ 1,543,632

City of Memphis Tax Schedule

City of Memphis Tax Rate: \$2.713049	Real Property - Land	Real Property - Building			
	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	\$ 843,200	\$ 21,300,000			
Year 1	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 2	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 3	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 4	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 5	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 6	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
Year 7	\$ 9,151	\$ 231,152	25%	\$ 57,788	\$ 173,364
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	\$ 64,054	\$ 1,618,062		\$ 404,516	\$ 1,213,547

Total Payments Made on Land During the PILOT Period: \$ 145,531

Total Payments Made in Lieu of Tax During the PILOT Period: \$ 919,060

Total Real Property Taxes Abated: \$ 2,757,179

Performance Food Group

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	\$ 4,400,000				
Year 1	\$ 40,087	0.88	25%	\$ 10,022	\$ 30,065
Year 2	\$ 34,165	0.75	25%	\$ 8,541	\$ 25,624
Year 3	\$ 28,699	0.63	25%	\$ 7,175	\$ 21,524
Year 4	\$ 22,777	0.50	25%	\$ 5,694	\$ 17,082
Year 5	\$ 17,310	0.38	25%	\$ 4,328	\$ 12,983
Year 6	\$ 11,388	0.25	25%	\$ 2,847	\$ 8,541
Year 7	\$ 9,111	0.20	25%	\$ 2,278	\$ 6,833
Year 8		0.20	25%	\$ -	\$ -
Year 9		0.20	25%	\$ -	\$ -
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 163,536			\$ 40,884	\$ 122,652

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	\$ 4,400,000				
Year 1	\$ 31,515	0.88	25%	\$ 7,879	\$ 23,636
Year 2	\$ 26,859	0.75	25%	\$ 6,715	\$ 20,144
Year 3	\$ 22,562	0.63	25%	\$ 5,640	\$ 16,921
Year 4	\$ 17,906	0.50	25%	\$ 4,477	\$ 13,430
Year 5	\$ 13,609	0.38	25%	\$ 3,402	\$ 10,206
Year 6	\$ 8,953	0.25	25%	\$ 2,238	\$ 6,715
Year 7	\$ 7,162	0.20	25%	\$ 1,791	\$ 5,372
Year 8		0.20	25%	\$ -	\$ -
Year 9		0.20	25%	\$ -	\$ -
Year 10		0.20	25%	\$ -	\$ -
Year 11		0.20	25%	\$ -	\$ -
Year 12		0.20	25%	\$ -	\$ -
Year 13		0.20	25%	\$ -	\$ -
Year 14		0.20	25%	\$ -	\$ -
Year 15		0.20	25%	\$ -	\$ -
Total	\$ 128,566			\$ 32,141	\$ 96,424

Total Payments Made in Lieu of Tax During the PILOT Period: **\$ 73,025**

Total Personal Property Taxes Abated: **\$ 219,076**

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
Performance Food Group
Economic Impact and Benefit/Cost Analysis

Payback Summary	
Length of PILOT (years)	7
Total Taxes Abated	\$ 2,976,256
Hard Costs	\$ -
Total Taxes Forgone and Hard Costs	\$ 2,976,256
Tax Revenues From Construction	\$ 388,686
Tax Revenues From Operations During PILOT Period	\$ 734,717
Payments Made in Lieu of Tax During PILOT Period*	\$ 992,085
Total Tax Revenues Received During PILOT Period	\$ 2,115,488
Benefit/Cost Ratio	0.71

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
Performance Food Group**

Estimated Fees	
Application Fee	\$ 3,000
Closing Fees - 5% of Total Taxes Forgone (Maximum of \$300,000)	\$ 148,813
Shelby County Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 6,133
Memphis Personal Property Fees for PILOT (5% of Taxes Abated) (Maximum \$50,000)	\$ 4,821
Total Fees	\$ 162,767