

Jobs PILOT Term Sheet  
Performance Food Group, Inc.  
Original Approval: December 15, 2021  
Amended and Restated: September 21, 2022

*This Term Sheet is being amended and restated to address a change in Net New Jobs created, a change in Parcel Number and Property Address, and updated tax ramifications of the approval.*

- Performance Food Group plans to create 25 Net New Jobs within the Ramp-Up Period as opposed to 36 Net New Jobs previously presented. The Applicant is also receiving assistance from the State of Tennessee which has a longer time frame to reach the stated job creation goal and the higher number was initially used in the EDGE Application.*
- The site has been subdivided into three contiguous development sites. Performance Food Group will be locating on only one of these sites (6325 Global Drive) with this Project.*
- Overall tax benefit to the community has been reduced to \$2,115,488 as a result of having 11 fewer jobs in the impact analysis. As well, annual direct property tax collection estimates have been adjusted to reflect the final subdivision of the property and corresponding values.*

Performance Food Group, Inc. ("Applicant" or "PFG"), an NYSE publicly traded company, is seeking a seven-year Jobs PILOT to encourage the company and its landlord (Scannell Properties) to invest approximately \$29,200,000 for the construction of a new build-to-suit distribution facility on Global Drive in the City of Memphis, retain 60 existing Memphis employees and create 25 Net New Jobs with an average wage of \$45,492. The new facility is estimated to be approximately 150,000 square feet in size.

The total Project investment is estimated to include \$21,300,000 for construction, \$4,400,000 for new personal property and \$3,500,000 for soft costs. The Applicant will be a tenant in the building once it is completed and will not maintain an ownership right to the real property.

Parcel 094300 00657 (6325 Global Drive) is 24.31 acres of vacant land appraised at \$843,200 by the Shelby County Assessor or Property. Both real property improvements and new personal property located on the site will be included in the PILOT.

PFG markets and distributes more than 250,000 food and food-related products across the United States through its Foodservice and Vistar divisions. Founded in 1885 as a wholesale distributor in Richmond, Virginia, the company has continually evolved. Today the company employs more than 25,000 people and has annual revenues of more than \$30 billion.

The company's \$9 billion Vistar segment is growing. This segment provides products to hotels, office coffee distributors, theaters, convenience stores, vending companies, restaurants, and retailers. The segment now has more than 100,000 customers. To continue this growth, PFG searched for a new facility in the Central United States and considered multiple properties in both Tennessee and Mississippi for this operation. The new facility will serve customers in multiple states throughout the Midsouth region.

The property under consideration currently produces approximately \$20,791 in City of Memphis and Shelby County property taxes annually. Estimated annual property taxes will average \$162,518 during the PILOT term and \$562,241 after the PILOT terminates. Staff projects \$2,115,488 in total local tax revenues to be received during the PILOT term of this Project and a \$2,976,256 benefit to the Applicant.

The 7-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-7 25%	Personal Property	Year 1-7 25%
Real Property Improvements	Year 1-7 25%	Real Property Improvements	Year 1-7 25%

**PILOT Evaluation Matrix**

CATEGORY	DATA	POINTS	YEARS
Net New Jobs	25	5.0	
Wages	\$45,492	15.1	
Capital Investment	\$29,200,000	14.6	
<b>Sub-total</b>		<b>34.7</b>	<b>3</b>
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	Yes		2
MWBE Owned	No		0
Headquarters	No		0
<b>Sub-total</b>			<b>4</b>
<b>Total</b>	<b>7-Years</b>		



### Project Budget Detail

REAL PROPERTY INVESTMENT IN PILOT	
Purchase Price	\$0
Hard Construction and Site Work	\$21,300,000
Sub-Total	\$21,300,000

PERSONAL PROPERTY INVESTMENT IN PILOT	
New	\$4,400,000
Transferred*	\$0
Sub-Total	\$4,400,000

<b>Total New Capital Investment in PILOT</b>	<b>\$25,700,000</b>
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INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	\$0
Other Personal Property	\$0
Fees & Soft Costs	\$3,500,000
Sub-Total	\$3,500,000

<b>Total Capital Investment</b>	<b>\$29,200,000</b>
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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	\$5,325,000	\$7,455,000	\$9,585,000
+	15%	Real & Personal Property Savings	\$446,438	\$850,359	\$1,339,315
=	<b>Total</b>		<b>\$5,771,438</b>	<b>\$8,305,359</b>	<b>\$10,924,315</b>

\*\* The minimum required spending is based on 35% of Construction/Site Work and 25% of total PILOT Savings for one additional year and 45% of Construction/Site Work and 35% of total PILOT Savings for two additional years. 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 is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
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. Except as explicitly provided in this term sheet or in a resolution of the Board, the award of a PILOT is subject to the provisions of the Jobs PILOT 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 as approved by the Board, 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.