

PAYMENT-IN-LIEU-OF-TAX APPLICATION



**100 Peabody Place, Suite 1100
Memphis, TN 38103
(901) 341-2100**

Economic Development Growth Engine Industrial Development Board - Payment-in-Lieu-of-Tax (PILOT) Program

Memphis and Shelby County governments, through the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (“EDGE”), offer the payment-in-lieu-of-tax (“PILOT”) incentive to companies expanding or locating in this community in order to stimulate business growth and foster job creation. Companies that obtain a PILOT through EDGE and/or its affiliated entities can pay reduced Memphis and Shelby County real property taxes and/or personal property taxes for three or more years, depending on the project criteria established by EDGE and listed in the EDGE PILOT Program Policies and Procedures.¹

About the PILOT Application

The Payment-in-Lieu-of-Tax Application provides EDGE with specific information about the Project. The information serves as the basis for fiscal analysis and overall Project evaluation.

Pre-Application Meeting

Applicants should meet with a member of the EDGE staff prior to the submission of a full PILOT Application. This meeting is to familiarize all parties with the Project and serves to inform the Applicant about the PILOT policies as well as the general submittal process. Basic application information containing estimates on the number of jobs, wages, benefits, capital investment, and potential location, should be prepared by the Applicant for this meeting.

Please note that any document provided by the Applicant to the EDGE staff or Board is subject to public disclosure pursuant to the Tennessee Public Records Act, codified at Tennessee Code Annotated section 10-7-503, et seq.

When is the Application Final?

It is not uncommon for an Applicant to submit Application drafts for informational and evaluative purposes only. As conversations continue, the Applicant will submit a final version of the Application that includes all of the terms agreed to during the discussions.

Who is Authorized to Approve the PILOT Agreement and Lease Agreement?

The City of Memphis and Shelby County have delegated to EDGE the power to represent Memphis and Shelby County in discussions regarding PILOT incentives. All conversations between the EDGE and/or its agents and the Applicant should be entered into with the understanding that any and all elements of the PILOT are subject to the approval of the Board of Directors of EDGE.

¹ PILOT terms are generally limited to a maximum of fifteen (15) years. In addition to approval by EDGE, PILOT terms exceeding fifteen years require approval of the Shelby County Board of Commissioners and, if the Project is located in whole or in part within the City of Memphis, approval by the Memphis City Council. PILOT terms longer than twenty (20) years also require approval by the Tennessee Commissioner of Economic and Community Development and the Comptroller of the Treasury. See Tenn. Code Ann. § 7-53-304(b)(1).

What Other Documents are Required for the Application?

In addition to other documentation required as set forth in this Application form for specific types of companies and for Applicants seeking Special Incentives, all Applicants must provide the following:

- Completed Application form;
- Vicinity Map of the Project location;
- Property tax record from the Shelby County Assessor's Office for the real property of the Project location, if real property benefits are being sought;
- Audited financial statements for the most recent three (3) years;
- Documentation demonstrating compliance with and payment of all municipal, county, state, and federal taxes due for all properties owned by the Applicant within Shelby County;
- Certification demonstrating Applicant's compliance with Title VI of the 1964 Civil Rights Act; and
- Diversity Plan.

There is an Application Fee as described in the PILOT Program Policies and Procedures. EDGE staff will assist the Applicant in determining the fee in the Pre-Application Meeting.

How Many Copies of the Application Will the Industrial Development Board Need?

Submit one (1) electronic copy (email or CD) of the Application. The Application must be submitted at least twenty-one (21) calendar days prior to the Board meeting to be considered at the next Board meeting.

All applications should be submitted to:

**EDGE Industrial Development Board
100 Peabody Place, Suite 1100
Memphis, Tennessee 38103**

or

application@growth-engine.org

**APPLICATION FOR PILOT
ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF
CITY OF MEMPHIS AND SHELBY COUNTY, TENNESSEE**

1. Applicant – *Any entity with legal or economic responsibility for the project proposed to be conveyed to EDGE in a PILOT Agreement and Lease Agreement.*

Company Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Federal Employer Identification Number: _____

Company Representative/Contact for this PILOT Application:

Name: _____ Title: _____

Mailing Address: (if different than company address) _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Description of Principal Business: _____

Legal Structure: _____ If corporation, state where incorporated: _____

If foreign corporation, is it registered to do business in Tennessee? ☐ Yes ☐ No

2. Sponsor (if applicable) – *In a three-party PILOT transaction, the Sponsor is usually the fee owner of the real property upon which the Project will be located):*

Company Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Federal Employer Identification Number: _____

Company Representative/Contact:

Name: _____ Title: _____

Mailing Address: (if different than company address) _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Description of Principal Business: _____

Legal Structure: _____ If corporation, state where incorporated: _____

If foreign corporation, is it registered to do business in Tennessee? ☐ Yes ☐ No

3. Name outside professionals who will be involved in the Project on behalf of the Applicant and/or Sponsor.

Applicant's Legal Counsel:

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

4. Does Applicant or Sponsor of the Project have an application pending or intend to apply for a PILOT or industrial revenue bond financing for this project with any other board or community?:

☐ Yes ☐ No

- A. Has Applicant or Sponsor of the Project obtained payment-in-lieu-of-tax incentive for any project by this Board or any other Board or community in Tennessee? If yes, please list projects and communities:

5. Project Location:

A. Street Address: _____

B. Vicinity Map – please attach with general location of site shown.

C. Location Detail – please attach site information from the Shelby County Assessor's website showing the parcel(s) involved, their parcel numbers and other details.

D. Current owner of the real property: _____

E. If not already owned by Applicant, does the Applicant have an option to purchase the property?

☐ Yes ☐ No

F. Are there presently outstanding any options or liens with regard to the property?

☐ Yes ☐ No

If yes, list:

6. Project Summary – describe the proposed project, including the company (i.e., corporate structure, products/NAICS codes, history, locations), the activities to be performed at the PILOT location, the facilities to be constructed/purchased/leased for the Project (if any), the personal property to be utilized for the Project (if any), other locations under consideration for this Project, and the need for assistance through the PILOT program..

Tax Information of Project Location if real property benefit is being sought: (Attach a copy of the latest property tax record from Shelby County Assessor's Office on the real property Project location).
www.assessor.shelby.tn.us

Tax Parcel ID number or numbers: _____

Current Assessed Value: _____

Current Annual Tax: _____

7. If any part of this Project involves the relocation/movement of existing Shelby County operations from one location to another, please provide the following:

	Moving From	Moving To
Address		
Parcel ID Number		
Square Feet Owned/Leased		
Number Employees		

Please describe the relocation/expansion including which operations will be relocating, when they will be relocating and the type and extent of the expansion.

8. Capital Investment:

New Capital Expenditure - Real Property

Category	Square Feet	Capital Investment
Land		\$
Site Preparation & Off-Site Improvements		\$
New Construction – Hard Costs		\$
Renovation of Existing Structure – Hard Costs		\$
Soft Costs		\$
TOTAL		\$

New Capital Expenditure – Personal Property¹

Group	Capital Investment
1 – Furniture, Fixtures, General Equipment & All Other Property Not Listed in Another Group	\$
2 – Computers, Copiers, Fax Machines, Peripherals & Tools	\$
3 -- Molds, Dies & Jigs	\$
4 – Aircraft ² , Towers & Boats ²	\$
5 – Manufacturing Machinery	\$
6 – Billboards, Tanks & Pipelines	\$
7 – Scrap Property ²	\$
8 – Raw Material ² & Supplies ²	\$
9 – Vehicles ²	\$
TOTAL	\$

Personal Property Moved to Project Site from Outside of Shelby County

Group	Depreciated Value
1 – Furniture, Fixtures, General Equipment & All Other Property Not Listed in Another Group	\$
2 – Computers, Copiers, Fax Machines, Peripherals & Tools	\$
3 -- Molds, Dies & Jigs	\$
4 – Aircraft ² , Towers & Boats ²	\$
5 – Manufacturing Machinery	\$
6 – Billboards, Tanks & Pipelines	\$
7 – Scrap Property ²	\$
8 – Raw Material ² & Supplies ²	\$
9 – Vehicles ²	\$
TOTAL	\$

Notes:

- ¹ For more information see the Shelby County Assessor of Property's website.
² Not eligible for inclusion in the EDGE PILOT Program.

9. Project Construction:

A. Current zoning of Project Location: _____

Required Zoning: _____

B. Describe any off-site and/or publicly owned infrastructure requirements:

Water: _____

Sanitary Sewer: _____

Streets: _____

Storm Sewer: _____

Other: _____

PROJECT EMPLOYMENT

Please complete Section 11. In determining the number of jobs for this Project, please use the following definitions:

Average Annual Basis – If employment varies during the year calculate the annual average number of jobs based upon summing the total number of jobs employed by the Project on the first day of each calendar month during the calendar year then dividing by 12.

Full-time Job – Any job position that provides employment of 1,600 hours or more within a year that is employed directly by the Applicant or employed by a contract employer on behalf of the Applicant.

Full-Time Equivalent (FTE) – A combination of permanent job positions that together provide 1,600 or more hours of employment within a year. For example, two jobs that provide 800 hours of employment each equal one Full-Time Equivalent Job.

Annual Wage – The total annual pay for a job position including budgeted, regularly occurring paid overtime, paid vacation, and paid holidays.

PILOT Job Eligibility Notes:

Benefits – Generally, non-wage compensation provided to Project employees in addition to their normal wages or salaries, must include at a minimum medical benefits where the employer pays at least 50% of the cost of the medical insurance premium for those jobs to be considered as a PILOT Project job in determining PILOT eligibility and compliance.

Wages – Generally, the wage received by an employee or Contract Employee must be at least \$10 per hour for that job to be considered as a PILOT Project job in determining PILOT eligibility and compliance.

Jobs – New jobs must be employed within the Ramp Up Period of the PILOT, customarily two (2) years. If jobs created beyond the Ramp Up Period are to be considered, additional copies of Section 11 must be submitted showing the annual average basis jobs for each additional year of ramp up.

These terms and definitions are subject to any qualifications and exceptions set forth in the EDGE PILOT Program Policies and Procedures.

11. PROJECT EMPLOYMENT

[illegible]

**Includes paid overtime, paid holidays and vacation pay. Does not include discretionary bonus or stock options.*

***Includes health insurance, dental insurance, 401K plans, paid sick leave, bonus compensation, etc.*

12. CURRENT EMPLOYMENT – if applicable (expansions/relocations within Shelby County)

Position	# of Workers	Average Annual Base Pay*		Annual Overtime/ Incentive Pay		Annual Benefits**		Annual Total Compensation	
		Each	Total	Each	Total	Each	Total	Each	Total
Total									
Average									

*Includes paid overtime, paid holidays, and vacation pay. Does not include discretionary bonus or stock options.

**Includes health insurance, dental insurance, 401K plans, paid sick leave, bonus compensation, etc.

13. Discuss any environmental impacts created by the Project (attach a Phase I Environmental Audit addressed to EDGE, if a Real Property PILOT benefit is being sought):

14. If the Applicant is seeking a Green Initiative Special Incentive, please attach LEED or other authorized Certificate or Environmental Commitment Plan.

15. Need for the PILOT - For Basic PILOT applicants, please provide a statement (1) demonstrating that the PILOT sought is an important component of an overall plan to achieve the subject economic development/project, and (2) reflecting the competitive nature and advantages of other markets under consideration, if applicable. For Retention PILOT Applicant, please provide a statement (1) demonstrating that its local operations are at substantial risk of suffering a significant decline in local employment without the Retention PILOT and the associated capital expenditure, and (2) reflecting the competitive nature and advantages of other markets under consideration, if applicable.

16. Financial Information – Attach copies of the audited financial statements for the most recent three fiscal years. If a publicly-held corporation, also attach the latest annual report. If a privately-held company, also attach a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the Applicant's latest approved or audited financial statement.
17. Attach documentation demonstrating compliance with and payment of all municipal, county, state, and federal taxes due for all properties owned by the Applicant located within Shelby County.
18. Attach a Diversity Plan as outlined in the EDGE PILOT Program Policies and Procedures.
19. Attach certification demonstrating Applicant's compliance with the Title VI of the 1964 Civil Rights Act (42 U.S.C. § 2000d), as amended.
20. If the Applicant is seeking a Prisoner Work Release and Reentry Special Incentive, please attach a Participation Agreement with one of the Prisoner Work Release and/or Reentry Programs listed in the PILOT Program Overview.

This Application is made in order to induce EDGE to grant financial incentives to Applicant and Sponsor. Applicant and Sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to EDGE in its consideration of this Application.

Applicant and Sponsor have read and agree to comply with all requirements of the EDGE PILOT Program Policies and Procedures. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by EDGE in connection with this Application, whether or not the financial incentives are granted or the Project is consummated.

Applicant: _____ Date: _____

Sponsored by: _____ Date: _____