

# City of Memphis and County of Shelby, Tennessee Payment-In-Lieu-of Tax (PILOT) Application

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## *About The Application*

The Payment-in-Lieu-of Tax (PILOT) Application provides the City and County with specific information on the project. The information requested in the Application is designed to address the criteria developed within Memphis and Shelby County PILOT Policy. The information serves as the basis for fiscal analysis and overall project evaluation. This evaluation is provided to the Industrial Development Board members and serves as a source document during Memphis and Shelby County deliberations.

## *The Application And The Lease Agreement*

Specific information from the Application (like value of new investment and employment commitments) along with the application itself is incorporated into the PILOT Lease Agreement. The Lease Agreement is a binding contract, it is therefore important that each question on the application be answered in full and as realistically as possible.

## *When Is The Application Final?*

The answer to this question is very simple: When you tell us, "It's final". It is not uncommon for a property owner to submit numerous Applications as drafts for informational and evaluative purposes only. As conversations continue, the property owner will submit a finalized version of the Application that includes all of the commitments agreed to during the discussions.

## *Who Is Authorized To Sign The Application?*

Because the Application itself is non-binding, its signature need not be the property owner or even an individual duly authorized to sign on behalf of the property owner. However, if an agreement is reached, the Application will be an attachment to the Lease Agreement and its content will be binding through the authorized signature required on the Lease Agreement.

## *Who Is Authorized To Approve The Lease?*

The City of Memphis and Shelby County have given the Industrial Development Board the responsibility of representing Memphis and Shelby County in all discussions regarding PILOT incentives. All conversations between the Industrial Development Board and the property owner should be entered into with the understanding that any and all elements of the Lease are subject to the approval of the Industrial Development Board.

## *How Many Copies of the Application will the Industrial Development Board Need?*

**Submit one (1) original copy and nineteen (19) duplicated copies of the Application. The Application must be submitted fourteen (14) days prior to the Board meeting to be considered at the next Board meeting. All applications should be mailed to the Industrial Development Board, 125 N. Main Street, Room 468, Memphis, Tennessee 38103.**

1. Applicant Information:

Applicant must complete an Application for PILOT and attach an application fee. The application shall include the following information:

- A. Name, address, and telephone number of Applicant
- B. Company's Name
- C. Company's Representative to be contacted
- D. Federal Employer Identification Number of Applicant

2. Sponsor Information:

- A. Name, address, and telephone number of Sponsor
- B. Company's Name
- C. Company's Representative to be contacted
- D. Federal Employer Identification Number

3. Describe the principal business of each Applicant and its legal status. Provide the same information for the corporate parent of any Sponsor that is subsidiary corporation. Briefly describe each Applicant's corporate or other legal structure and (if a corporation) identify its state of incorporation. If Applicant is a foreign corporation, is it registered to do business in Tennessee?

4. Name of Company Counsel, Engineers, Architects, or other professionals who will be involved in the Project (please include addresses and telephone numbers).

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

A. Has Applicant or Sponsor of the Project obtained Payment-lieu-of-tax incentive for any Project by this Board or any other Board or community?

B. Does Applicant or Sponsor have present plans to incur indebtedness or other financial obligations which would materially affect its financial condition other than the financing required by the Project?

C. Does Applicant or Sponsor of the Project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting Applicant or Sponsor of the Project or of any other materially significant corporate event in any way affecting Applicant or Sponsor of the Project?

6. Project Location:

- A. Street address
- B. Tax parcel identification number
- C. Vicinity map (please attach with general location of site shown)
- D. Legal description (Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description)
- E. Who owns the real property at this time?
- F. Does Applicant have an option to purchase the property if not already owned by Applicant?
- G. Are there presently outstanding any options or liens with regard to the property?

7. Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided.

8. Tax Information: (Attach a copy of latest property tax statement from Shelby County Assessor's Office (include both real and tangible personal property and the tax parcel identification number).

9. Capital Investment:

- A. Land (acreage and cost)
- B. Site Preparation (cost)
- C. Real Property (Building - square footage and cost) or Tenant Improvement Cost and square footage
- D. Personal Property (Tangible personal property -- Groups 1,2,3 and 5 and cost) See Assessor's website at [www.assessor.shelby.tn.us](http://www.assessor.shelby.tn.us) under Tangible Personal Property for Groups.

Briefly describe the above-listed investments (i.e., building square footage, types of personal property, type of site development planned for this location, and other improvements).

10. Project Construction Phase:

- A. Is property zoned appropriately for the Project? If not, what is the current zoning and what zoning will be required?
- B. Is property subdivided? Will subdivision be necessary?
- C. Construction Employment Estimates: Start and completion date, number of construction jobs, and estimated total construction payroll (if available).
- D. Describe any required off-site infrastructure requirements (water, sanitary sewer, streets, storm sewer, etc.).

11. A. Project Employment -- Current Employment

- Full-time, Part-time, Seasonal and Contract Employees
- Total Annual Payroll

B. Project Employment -- Additional/New Employment

- Full-time, Part-time, Seasonal and Contract Employees
- Total Annual Wage Per Position
- Total Annual Payroll
- Positions transferred from Company's other operations

12. Discuss any environmental impacts created by the Project (attach or furnish a Phase I Environmental Audit addressed to the Industrial Development Board).

A satisfactory environmental report will be required for all projects where title to real property is proposed to be conveyed to the Board. No conveyances of real property to the Board will be permitted unless the Board receives environmental indemnities satisfactory to the Board.

13. Justification for PILOT Request - substantiate and more fully describe the justification for this request. Include the amount of the PILOT requested and show how it will contribute to the plans and policies of the Memphis and Shelby County Strategic Economic Development Plan.

14. Financial information – Attach copies of the last two fiscal years' audited financial statements. If a publicly-held corporation, the latest annual report. If a privately-held corporation, a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the

Applicant's latest approved/audited financial statement.

15. The Industrial Development Board (IDB) may request Applicant to provide substantiation of the economic feasibility of the overall project to assist in determining the long-term benefit to Memphis and Shelby County.
16. Attach a copy of the Jobs Plus Participating Agreement if the Applicant is interested in participating in the Jobs Plus Optional Program.

Applicant shall complete all forms and information detailed in items 1 through 15 above and submit them to the Industrial Development Board, Office of Economic Development, Memphis/Shelby County Government, 125 N. Main Street, Room 468, Memphis, Tennessee 38103. All forms and information must be received fourteen (14) days prior to the scheduled monthly IDB meeting.

**APPLICATION FOR PILOT  
CITY OF MEMPHIS AND SHELBY COUNTY**

1. Applicant:

Company's Name:

Mailing Address:

Telephone: \_\_\_\_\_ Fax:

Federal Employer Identification Number

Company representative to be contacted:

Name and Title:

Mailing Address:

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Telephone: \_\_\_\_\_ Fax:

2. Sponsor (if applicable):

Company's Name:

Mailing Address:

Telephone: \_\_\_\_\_ Fax:

Federal Employer Identification Number

Company representative to be contacted:

Name and Title:

Mailing Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

3. Describe the principal business of each Applicant or Sponsor and its legal status. Provide the same information for the corporate parent of any Applicant or Sponsor. Briefly describe each Applicant's or Sponsor's corporate or other legal structure and (if a corporation) identify its state of incorporation. If Applicant is a foreign corporation, is it registered to do business in Tennessee?

4. Name of Counsel, Engineers, Architects, or other professionals who will be involved in the Project (Please include addresses and telephone numbers):

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

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? \_\_\_\_\_

B. Does Applicant or Sponsor have present plans to incur indebtedness or other financial obligations which would materially affect its financial condition other than the financing applied hereby?

C. Does Applicant or Sponsor of the Project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting Applicant or Sponsor of the Project or of any other materially significant corporate event in any way affecting Applicant or Sponsor of the Project?

**(If the answer to any of the above is yes, please attach a detailed explanation)**

6. Project Location:

A. Street Address

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B. Tax Parcel Identification Number: \_\_\_\_\_

C. Vicinity Map (please attach with general location of site shown)

D. Legal Description\_\_\_\_\_

(Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description).

E. Who owns the real property at this time?\_\_\_\_\_

F. Does Applicant have an option to purchase the property if not already owned by Applicant?

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

7. Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

8. Tax Information: (Attach a copy of latest property tax statement from Shelby County Assessor's Office (include both real and tangible personal property).

A. Real Property:

Tax parcel ID number or numbers\_\_\_\_\_

Current Assessment

Current Tax

B. Tangible Personal Property:

Tax parcel ID number or numbers

Current Assessment\_\_\_\_\_

Current Tax

9. Capital Investment:

Capital Investment for Real Property PILOT Lease Purposes is the cost of the Project less the cost of land and tangible personal property.

Capital Investment for Personal Property PILOT Lease Purposes is the total cost of the tangible personal property installed at the Project.

- A. Land: Acreage \_\_\_\_\_ Cost: \$ \_\_\_\_\_
- B. Site Preparation Cost: \$ \_\_\_\_\_
- C. Real Property (Building): Square Footage \_\_\_\_\_ Cost: \$ \_\_\_\_\_
- D. Personal Property (Please refer to the Assessor's website at [www.assessor.shelby.tn.us](http://www.assessor.shelby.tn.us) for Personal Property Schedule for Groups)

Group 1: Cost \$ \_\_\_\_\_ Group 2: Cost \$ \_\_\_\_\_

Group 3: Cost \$ \_\_\_\_\_ Group 5: Cost \$ \_\_\_\_\_

Briefly describe these investments (i.e., building square footage, types of tangible personal property, real property, type of site development planned for this location, and other improvements):

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#### 10. Project Construction Phase:

A. Is Property Zoned Appropriately? Yes \_\_\_\_\_ No \_\_\_\_\_

Current Zoning:

Required Zoning:

B. Is Property Subdivided? Yes \_\_\_\_\_ No \_\_\_\_\_

Will subdivision be necessary Yes \_\_\_\_\_ No \_\_\_\_\_

#### C. Construction Employment Estimates:

1. Start Date: (Month/Year) \_\_\_\_\_/\_\_\_\_\_

2. Completion Date: (Month/Year \_\_\_\_\_/\_\_\_\_\_

3. Number of Construction Jobs: \_\_\_\_\_

4. Total Construction Payroll:

D. Describe Any Off-Site Infrastructure Requirements:

Water: \_\_\_\_\_  
\_\_\_\_\_

Sanitary Sewer: \_\_\_\_\_  
\_\_\_\_\_

Streets:

-  
-

Storm Sewer:

-  
-  
-

Other:

-  
-

## PROJECT EMPLOYMENT

### DEFINITIONS

**“Annual Base Pay”** - The base wage for a particular position without benefits or any anticipated overtime or bonus pay as stated on annualized terms.

**“Average Annual Basis”** - The total number of Jobs at the Project on the first day of each calendar month during the calendar year divided by 12.

**“Jobs”** - The total of the following whether employed by the Applicant or provided by a Contract Employer on an Average Annual Full-Time Equivalent (FTE) Basis:

- (a) Number of Full-Time Jobs
- (b) One-half the number of Part-Time Jobs and
- (c) One-fourth the number of Seasonal Jobs
- (d) Number of Contract Jobs

**“Contract Job”** - Any employment position that has provided employment of 1,600 hours or more within a year and is committed to support the Project for the term of the PILOT or longer. (See Memphis/Shelby County Industrial Development Board Policy for detailed definition )

**“Full-time Job”** - Any employment position that has provided employment of 1,600 hours or more within a year.

**“Part-time Job”** - Any employment position that has provided not less than 800 hours per year. (Two part-time employees equal one FTE.)

**“Seasonal Job”** - Any employment position that has provided not less than 400 hours per year. (Four seasonal jobs equal one FTE.)

**“Annual Wage”** - The total Annual Base Pay for the position and does not include bonuses, overtime or other benefits.

**11 A. PROJECT EMPLOYMENT - CURRENT EMPLOYEES**

<b>CURRENT POSITIONS</b>	<b>Employees</b>	<b># of Full-Time Jobs</b>	<b># of Part-Time Jobs</b>	<b># of Seasonal Jobs</b>	<b># Of Contract Jobs</b>	<b>Total Annual Payroll</b>

**TOTAL**

**11. B. PROJECT EMPLOYMENT - ADDITIONAL/NEW EMPLOYMENT**

<b>POSITIONS</b>	<b>Employees</b>	<b># of Full-Time Jobs</b>	<b># of Part-Time Jobs</b>	<b># of Seasonal Jobs</b>	<b># Of Contract Jobs</b>	<b>Annual Wage Per Position</b>	<b>Total Annual Payroll</b>	<b># of Positions Transferred from Company's Other Operations</b>

**TOTAL**  
**Operation Start Date** \_\_\_\_\_ **# of Employees**



12. Discuss any environmental impacts created by the project (attach a Phase I Environmental Audit addressed to the Industrial Development Board):

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13. Justification for PILOT Request (substantiate and more fully describe the justification for this request.

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14. Financial Information - Attach copies of the last two fiscal years' audited financial statements. If a publicly-held corporation, the latest annual report. If a privately-held corporation, a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the Applicant's latest approved/audited financial statement.

15. PILOT Incentives Term Recommended by the Mayors (it is the responsibility of the Office of Economic Development's staff to furnish the Board with the Mayors' recommendation letters).

16. Attach a copy of the Participating Agreement if Applicant is interested in the Jobs Plus Optional Program.

This Application is made in order to induce the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee 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 the Board in its consideration of this Application.

Applicant and Sponsor have read and agree to comply with all requirements of the Application Procedures and Policies of the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with this Application, whether or not the financial incentives are granted or the project is consummated..

Applicant \_\_\_\_\_

Date

Sponsor

By \_\_\_\_\_

Date

**CITY OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE**

**PAYMENT-IN-LIEU-OF TAX (PILOT)**

**APPLICATION**

**THE INDUSTRIAL DEVELOPMENT BOARD  
125 N. MAIN STREET, ROOM 468  
MEMPHIS, TENNESSEE 38103  
(901) 576-7107**

Appendix C

**(The Industrial Development Board's Policy, Application and Lease Packets are available in WordPerfect format (3.5 diskette) for a \$5.00 fee)**



