Memphis-Shelby County Industrial Development Board
Approved April 21, 2010: PAYMENT-IN-LIEU-OF-TAX (PILOT) ELIGIBILITY REQUIRMENTS

I. Benefit to Cost Ratio for the project must exceed 1:1 (For Retention PILOT 2:1)
II. The following guidelines for determining the length of the PILOT Agreement shall be applied

JOB CREATION **Maximum 100 Points**	**WAGES and BENEFITS** **No Maximum**	**CAPITAL INVESTMENT** **No Maximum**	**LOCATION** **Maximum 30 Points**
Firms will be awarded points for each new job contributing to the City/County annual goal of net new jobs. Expansions of existing firms must meet the criteria of either adding 15 new jobs or adding 10% to their workforce, whichever is higher, to be eligible for a PILOT incentive. Only those jobs for which workers are paid $10 or more per hour or are considered in determining a PILOT incentive. Retention PILOT minimum 100 jobs.	Firms are encouraged to pay wages (including paid holidays and vacation) that are comparable to or above the county's annual average wage. Points are based upon level of wages paid. Medical benefits must be provided to be eligible for a PILOT incentive. Firms should match at least 50% of the medical benefit cost.* *May be waived for qualified tourism projects	Firms will invest a minimum of $1,000,000 in Real and/or Personal Property to be eligible for a PILOT incentive, except: Community Reinvestment Credit minimum $500,000. Retention PILOT minimum $10 million	Points will be awarded to firms locating in particular areas of the City of Memphis and Shelby County where industrial and commercial development is beneficial to the overall development of the area.
Criteria Number of Jobs: 15 - 50 **1** point per **5** jobs (maximum **10** pts.) PLUS **1** point for every **10** jobs after the first 50 jobs Example: 500 jobs = 55 points 800 jobs = 85 points 1,000 jobs = 100 points	**Criteria** Average wages that meet the "target" of 75% of the Shelby County annual average wage. Retention PILOT "target" 100% **10 pts** PLUS **2** points for each additional 5% wages are above the "target": Example: 90% 16 pts 100% 20 pts 125% 30 pts 150% 40 pts	**Criteria** For each $1,000,000 of investment **1 pt.** **Community Reinvestment Credit** Existing building per each $1,000,000 based upon Shelby County Assessor's appraised value **1 pt.** Maximum **10pts.** (Maximum applies only to CRC projects)	**Criteria** Within the City of Memphis **10 pts.** **Plus any ONE of the following that applies:** Renewal Community **20 pts.** New Market Tax Credit Area **10 pts.** Other City Target Areas **10 pts.** -Frank Pidgeon Area - State & Federal Designated Brownfields -Urban Economic Revitalization Areas

POINTS	PILOT TERM	The Memphis/Shelby County Industrial Development Board has the discretion to award bonus points for special circumstances. (Special Circumstances points should not exceed 25% of the Matrix Score) 1. Targeted industries (based on the Memphis ED Plan) - Biomedical (research and manufacturing) - Electronics (assembly, repair and manufacturing) - Manufacturing - Information Technology - Logistics, Music and Film, Tourism up to 5 points 2. Regional, District, National, or International Corporate Headquarters up to 5 points 3. Fortune 500/Global 1,000 companies, or Nationally Recognized Industry Leader up to 5 points 4. Major Employers (employing 500+ jobs in Shelby County) up to 5 points 5. Minority/Women-owned Business up to 5 points 6. Benefit to Cost Ratio Exceeds 3 to 1 up to 20 points Benefit to Cost Ratio Must Exceed 1 to 1 after any special circumstance points are considered.
30 or fewer	Not Eligible	
31 – 40	Three (3) years	
41 – 50	Four (4) years	
51 – 60	Five (5) years	
61 – 70	Six (6) years	
71 – 80	Seven (7) years	
81 – 90	Eight (8) years	
91 – 100	Nine (9) years	
101- 110	Ten (10) years	
111 – 120	Eleven (11) years	
121 – 130	Twelve (12) years	
131 – 140	Thirteen (13) years	
141 – 150	Fourteen (14) years	
151 or greater	Fifteen (15) years	
	Maximum	Fifteen (15) year maximum

III. Special Incentives

The length of the PILOT agreement may be extended beyond the number of years indicated by the matrix for projects that meet the criteria for any of the special initiatives listed below. However, the PILOT term can not be extended beyond 15 years, and the benefit to cost ratio must still exceed one to one when any special incentives are applied.

- Leadership in Energy Environmental Design (LEED) Certification

Level of Certification	Potential PILOT Extension
Certified or Silver	1 year
Gold or Platinum	2 years

As an alternative to obtaining LEED Certification, a company may submit an Environmental Commitment Plan. If that Plan clearly shows performance in at least 2 out of 6 key areas of sustainability as defined in the Shelby County IDB PILOT Program Overview, a 1 year extension of the PILOT may be granted.

- Prisoner Re-entry Program (hiring through a city, county or state-approved re-entry plan)

Number of Employees	Potential PILOT Extension
5-15	1 year
16-29	2 years
30 or more	3 years

- Diversity Plan

For a diversity plan that significantly exceeds the basic requirements and goals established by Memphis Shelby County IDB Diversity Program and outlined in the Program Overview, a PILOT may be extended 1 or 2 years. The company must fulfill the diversity plan during the initial PILOT term to receive the extension.

IV. The PILOT payment is based on 10% (for the City of Memphis) and 25% (for Shelby County) of the ordinary taxes on Personal Property and the improved value of the Real Property as provided in the PILOT Lease Agreement. The remaining 90% and 75%, respectively, are forgone by the city and county as an incentive for meeting the PILOT program criteria.

V. Fees for the PILOT agreement will be applied as outlined in the Memphis Shelby County IDB PILOT Program Overview.