



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

February 12, 2019

VIA U.S. MAIL & E-Mail

Jason G. Yarbro
Butler Snow LLP
PO Box 171443
Memphis, TN 38187

RE: FedEx Logistics, Inc. – Extension and Amendment of PILOT Lease agreement first recorded as HJ 6246 in Shelby County

Dear Mr. Yarbro:

On February 11, 2019, we received your request dated February 6, 2019 for a written determination pursuant to The Industrial Development Corporations Act, codified at T.C.A. § 7-53-305 *et seq.* relating to the Amended and Restated Lease Agreement regarding parcel ID 002128 00026C between Memphis Center City Revenue Finance Corporation (“CCRFC”) and Somera Road – Gibson Memphis, LLC, approving a lease and PILOT agreement to remodel and prepare the referenced parcel for use by FedEx as the headquarters for FedEx Trade Networks.

The specific request is for a written determination that it is in the best interest of the State of Tennessee for CCRFC to permit an assignment and extension of the above PILOT agreement. FedEx estimates that the new headquarters will relocate 323 employees to downtown Memphis and create approximately 339 new jobs within the state. The average annual wage for these 662 jobs is estimated to exceed \$80,000 in an area where the 2018 median household income is estimated to be less than \$17,000.

Under T.C.A. § 7-53-305 PILOT agreements may only extend past 20 years if both the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury find that the agreement is in the best interest of the State of Tennessee. The Comptroller of the Treasury may find an agreement in the best interest of the state when it supports employment in economically distressed areas, brings economic activity that will benefit the area at large, and when it is supported by both the city and the county.

Page 2
Mr. Yarbrow
February 12, 2019

Based on my review of your request letter and supporting documents, I have determined that this project and the resulting investment and new jobs would not occur but for the incentive and that a term of more than twenty years is required for plan completion. As such, the amendment and extension of the PILOT agreement is in the best interest of the State of Tennessee.

Sincerely,



Justin P. Wilson
Comptroller of the Treasury

cc: Commissioner Robert O. Rolfe