



Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC) Board of Directors
From: Downtown Memphis Commission (DMC) Staff
Date: June 9, 2016
RE: ServiceMaster- Commercial Office Development Grant

ServiceMaster has decided to consolidate and move its corporate headquarters to 150 Peabody Place, formerly the Peabody Place Retail & Entertainment Center. This decision is not only great for Downtown Memphis in that it brings approximately 1000 employees and contractors to and reactivates a large and vacant building, it also benefits the city, county and state, in that a major company is retained. Due to the high cost of retrofitting the former retail center for office use, ServiceMaster is requesting a grant in the amount of \$1,000,000 to be used for tenant improvements that are permanent in nature. Such funding is essential to the company's decision that its move to Downtown Memphis would be feasible.

The renovation of the former retail center for ServiceMaster's corporate headquarters will result in approximately 340,000 square feet of Class A office space. ServiceMaster's (tenant's) portion of the design and renovation/construction budget is estimated at approximately \$14,795,000. The property owner's (landlord's) building shell improvements are estimated to cost approximately \$12,000,000. ServiceMaster will perform its work separately (contracts etc.) from the property owner's work.

The DMC's Strategic Plan encourages facilitating and accelerating real estate development and incentivizing Downtown development when necessary to increase investment and economic development. A key objective in the plan, and a key initiative of the DMC is to increase and retain office tenants. Supporting ServiceMaster's relocation to Downtown Memphis is consistent with DMC's Strategic Plan and its initiatives.

The DMC staff recommends approval of the \$1,000,000 grant as requested subject to the following conditions:

- Design plans for the project, in its entirety, must be submitted to and approved by the DMC Design Review Board.
- The project must be compliant with all applicable woman and minority-owned business and disadvantaged business mandates, to include the DMC Equal Business Opportunity (EBO) Program.
- If approved, grant funds will be disbursed after the improvements are completed, as evidenced by a use and occupancy permit for the demised premises.



Center City Development Corporation
The Crump Building
114 N. Main Street
Memphis, Tennessee 38103
Attention: Eric Mathews, Chairman

Request for Commercial Office and Development Grant

June 8, 2016

Dear Sirs:

As you may have read, ServiceMaster Global Holdings, Inc., a company traded on the New York Stock Exchange, is seeking to consolidate and move its corporate headquarters to 150 Peabody Place in the heart of downtown Memphis. While this is an attractive location for our corporate headquarters, the building itself presents significant challenges to convert it to office use from its former use as an enclosed urban retail mall and entertainment center. Because of the high cost of retrofitting the space for office use, ServiceMaster requests that CCDC provide a \$1,000,000 direct development grant to be used for tenant improvements to the building that are permanent in nature. Such grant funding is essential to ServiceMaster's final determination that its move to this location is feasible.

ServiceMaster is in the process of working with CCDC staff regarding compliance with your Equal Business Opportunity Program Requirements. ServiceMaster will make a best-faith effort to assure that this project is fully compliant with the EBO Program.

ServiceMaster is excited about the prospect of moving its corporate headquarters downtown. Over the past 87 years, we have built an exceptional services-oriented organization that is trusted and respected. Our global headquarters in downtown Memphis will support local economic development plans and expanded community partnerships. We look forward to the opportunity that this relocation will bring to our company and this city.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. Sparks", with a long horizontal line extending to the right.

David Shannon Sparks
Vice President

DSS:srr
Attachment

Request for Commercial Office and Development Grant

ServiceMaster Global Holdings, Inc., a company traded on the New York Stock Exchange, is seeking to consolidate and move its corporate headquarters to 150 Peabody Place in the heart of downtown Memphis. While this is an attractive location for our corporate headquarters, the building itself presents significant challenges to convert it to office use from its former use as an enclosed urban retail mall and entertainment center. Because of the high cost of retrofitting the space for office use, ServiceMaster requests that CCDC provide a \$1,000,000 direct development grant to be used for tenant improvements to the building that are permanent in nature. Such grant funding is essential to ServiceMaster's final determination that its move to this location is feasible.

1) Provide information that describes the applicant/business and details its current financial condition. The information should include:

a) General Information (including historical information) that describes the business;

ServiceMaster Global Holdings, Inc. is a leading provider of essential residential and commercial services, operating through an extensive service network of more than 8,000 company-owned locations and franchise and license agreements. Our mission is to simplify and improve the quality of our customers' lives by delivering services that help them protect and maintain their homes or businesses, typically their most highly valued assets. Over the past 87 years, we have built leading market positions across the majority of the markets we serve, as measured by customer-level revenue. Our portfolio of well-recognized brands includes Terminix (termite and pest control), American Home Shield (home warranties), ServiceMaster Restore (disaster restoration), ServiceMaster Clean (janitorial), Merry Maids (residential cleaning), Furniture Medic (furniture repair) and AmeriSpec (home inspections). We serve our residential and commercial customers through an employee base of approximately 13,000 company associates.

b) The number of full-time employees (FTE's), current and for the past three (3) years, including average annual staffing levels (FTEs);

Employees and contractors in excess of 1,000 to be relocated to downtown headquarters.

- 2) Provide background information about the applicant and guarantors, including business experience, if any, and all other relevant information that this organization may need to consider while reviewing the application. Describe the corporate or partnership structure as applicable. <http://investors.servicemaster.com/sec-filings>**
- 3) Applications must include the following materials.**

- a) **Current photo(s) of the lease space – attached.**
 - b) **Address of lease space – 150 Peabody Place, Memphis, TN**
 - c) **Rendering or sketch of proposed lease space – attached**
 - d) **Architectural floor plans, including square footage, dimensions/measurements - attached**
 - e) **Estimated TI items and costs - \$14.7m**
- 4) **Is the applicant/business a certified Women or Minority Business Enterprise? No.**
 - 5) **Estimate the number of days/months for completion of TIS and occupancy of the lease space. Approximately 8 to 9 months. Occupancy projected by 2/1/2018.**
 - 6) **Give three credit references for you, personally, and three for your business. These are to be from business professionals (not from relatives). NA**
 - 7) **Disclose whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please indicate if you have ever filed for bankruptcy. Supply detailed information.**

In the ordinary course of conducting business activities, ServiceMaster becomes involved in judicial, administrative and regulatory proceedings involving both private parties and governmental authorities as outlined in our SEC filings.

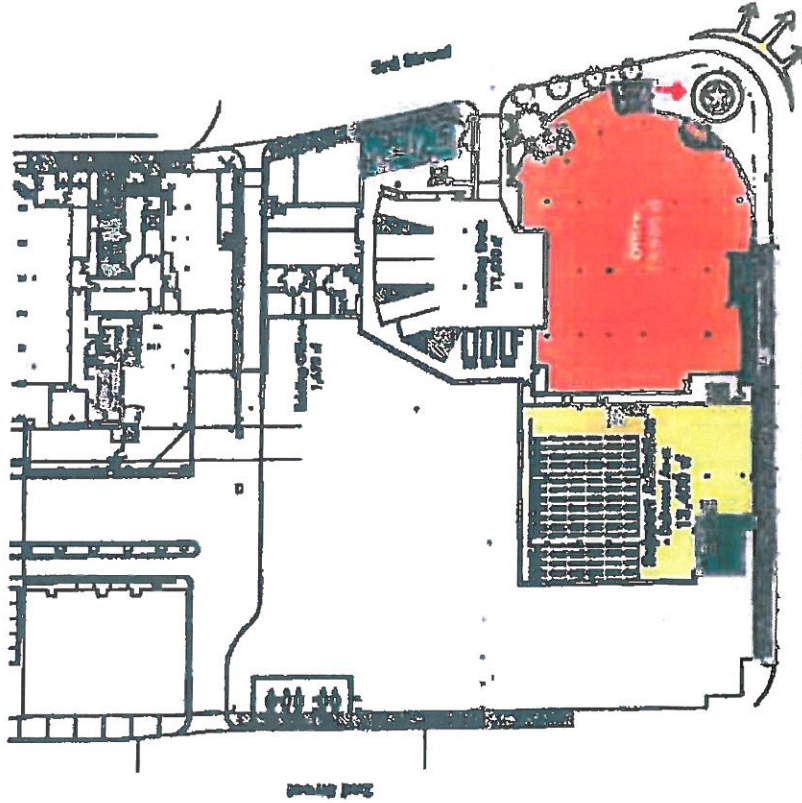
- 8) **Completed, signed, and dated application, which states the name, address, and telephone numbers and email address of the applying entity. Provide the name(s) of the applying entity's representative(s) and any other financial guarantors of the business and their addresses and telephone numbers if different from above.**

ServiceMaster Global Holdings, Inc. – 860 Ridge Lake Blvd., Memphis, TN 38120
Contact – Shannon Sparks – Vice President – (901) 597-8942 &
shannon.sparks@servicemaster.com

Robert C. Liddon – Legal Representative – 165 Madison Ave., Suite 2000, Memphis, TN 38103 – (901) 577-2269 & rliddon@bakerdonelson.com

The following statements must be included along with a dated signature of the applicant or

L245 TOTALS	
Office	19,700 sf
Support Activities	13,400 sf
Leasing Desk	11,430 sf
Existing Offices	1,678 sf
	<hr/>
	46,608 sf



Podbody Plaza

Lower Level

Podbody Plaza © 2004 Skidmore, OWINGS & Merrill LLP. All rights reserved. 100 Park Avenue, New York, NY 10022

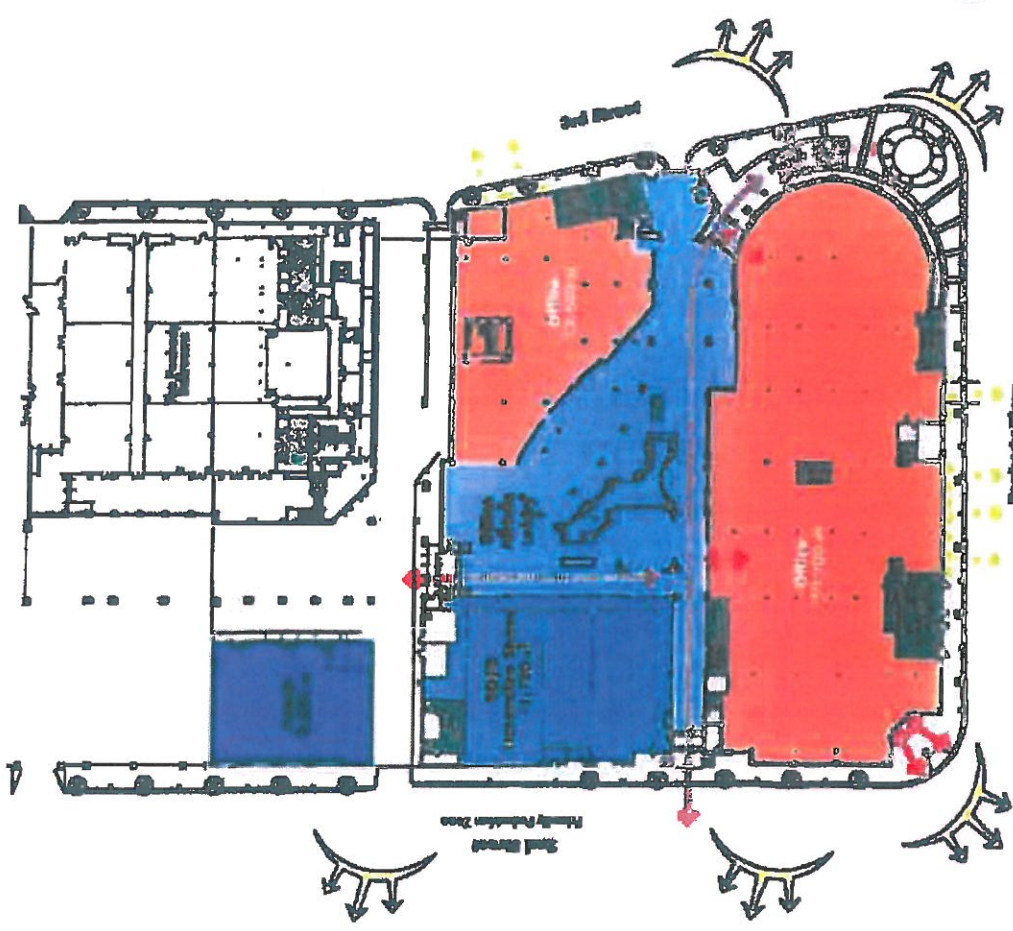
- Fixed Circulation Elements
- Retail/Entertainment/Restaurants
- Atrium Lobby
- Office Space
- Support Activities
- Proposed Streetfront Line
- ↔ Major Entry or Access
- ↗ Views
- Potential Window Opening for Views and Daylight

0 10 20 30 40 50 Feet



Floor Plan L245





LEAD TOTALS	
Hotel	8,500 sf
Office	81,500 sf
Office Athletic Lobby	22,800 sf
NOPI Expansion Space	12,700 sf
	<hr/>
	97,500 sf

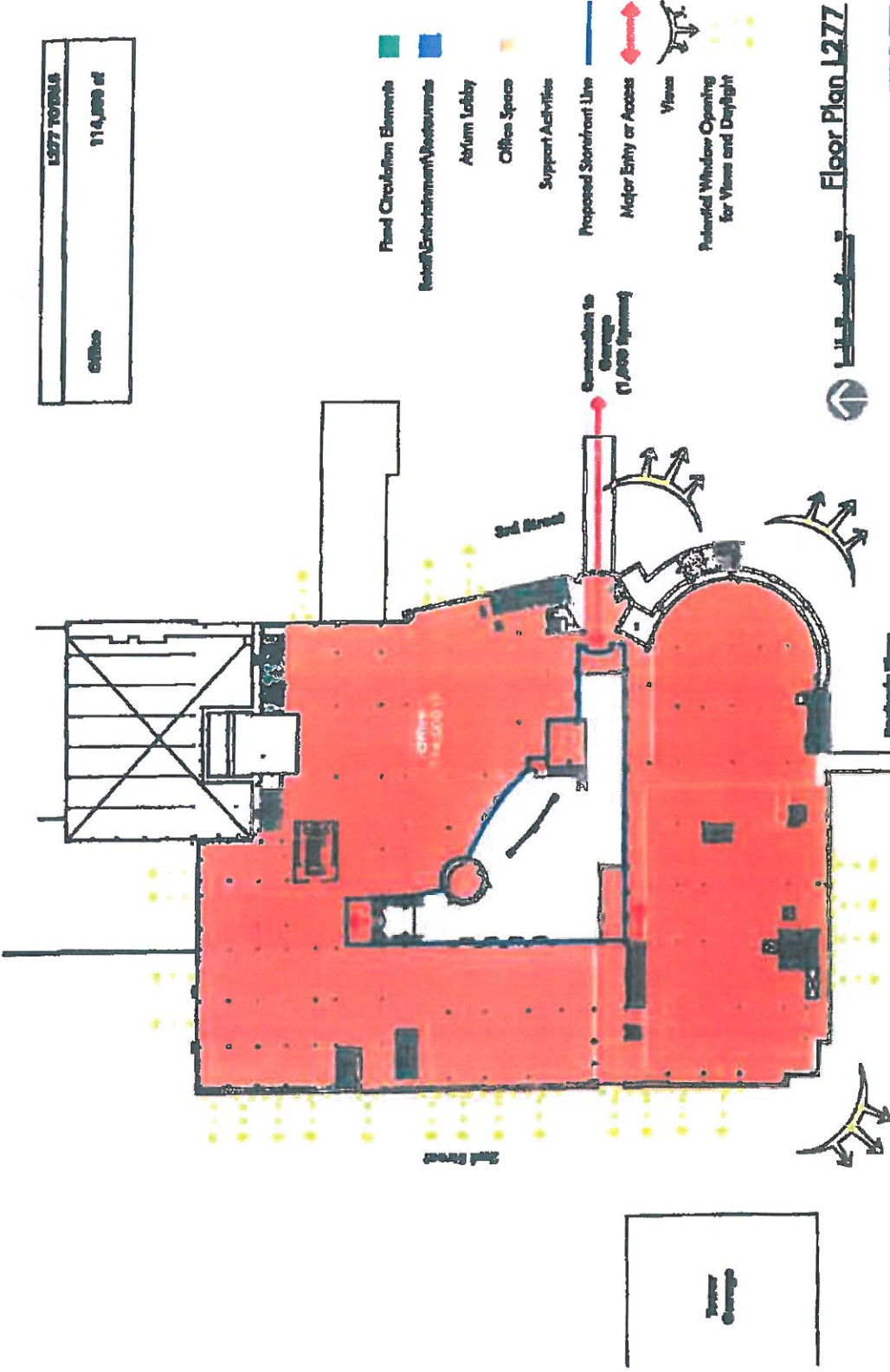
- Right of First Refusal (NOPI) Expansion Space
- Food Circulation Elements
- Retail/Entertainment/Restaurants
- Athletic Lobby
- Office Space
- Support Activities
- Proposed Storefront Line
- Major Entry or Access
- Views
- Potential Window Opening for Views and Daylight

Floor Plan L260

2nd Street Level

Scale: 1/8" = 1'-0" (1/4" = 1'-0")

1277 TOTALS
Office
114,000 sq



Fixed Circulation Elements

Retail/Entertainment/Restaurants

Atrium Lobby

Office Space

Support Activities

Proposed Storefront Line

Major Entry or Access

Views

Potential Windows Opening for Views and Daylight

Garage
 (7,000 sq ft)

1st Street

2nd Street



North Arrow

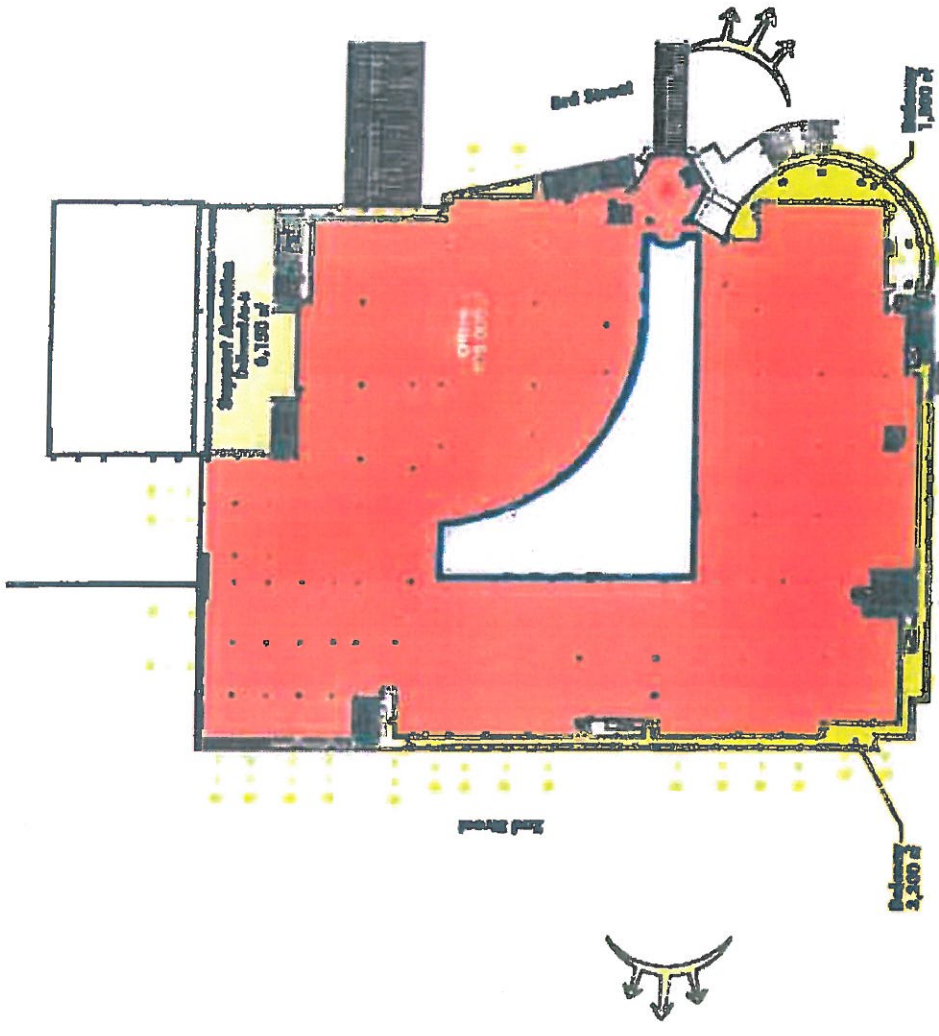
Floor Plan 1277



Parking Bridge Level

Architect: [unreadable] © 2011 [unreadable]

LEAS TOTALS	
Office Support Activities	100,000 of 6,150 of
Interior Balcony	6,150 of



- Exterior Balcony
- Fixed Circulation Elements
- Recreation/Entertainment/Restaurants
- Active Lobby
- Office Space
- Support Activities
- Proposed Storefront Line
- Major Entry or Access
- Views
- Potential Windows Opening for Views and Daylight

North Arrow

Scale: 1" = 10'-0"

Floor Plan L294

Upper Level

Architect: [Faint text]

Scale: 1" = 10'-0"

Equal Business Opportunity Program Requirements

A project that is awarded a tenant improvements (TI) grant from the Downtown Memphis Commission shall include best faith efforts to reach no less than 20% participation by women and/or minority-owned businesses (MBE) in the project's development cost of the TI. According to the estimates provided in the application, the minimum level of inclusion for the project shall be approximately \$2.9 million. Documentation of compliance with the EBO Program is a closing requirement. If the best faith efforts requirements of the EBO Program are not met, the CCDC will not award the TI grant.

Utilization: Grant recipients are required to utilize minority-owned businesses that are certified in order to receive credit for the utilization of a minority-owned business. Grant recipients must document all minority-owned businesses to be utilized, their percentage of utilization, and their intended use of funds. Such information should be submitted with the application on EBO Form A - Proposed Utilization Plan.

After an application is approved, the grant recipient shall be required to attend a conference with the DMC prior to executing their plan. The primary purpose of this conference is to finalize the minority-owned business participation as outlined in EBO Form B – Business Utilization Plan.

Post-Award Change: Any grant recipient who determines that a minority-owned business identified on EBO Form B – Business Utilization Plan cannot perform shall request approval from the DMC to contract with an alternate by submitting EBO Form C – Explanation of Changes to Original Utilization Plan. Such request will be reviewed and approved only after adequate documentation for the proposed change is presented.

Monthly Certification: Each month the grant recipient shall submit EBO Form D – Monthly Business Utilization Record of Payments Report, certifying all payments made to minority-owned businesses.

Unavailability: If grant recipient efforts to obtain minority-owned business participation are unsuccessful due to the unavailability of the minority-owned business, the grant recipient will submit a statement of unavailability on EBO Form E - Solicitation Certification Form.

Credit for Minority Participation in Joint Venture: A joint venture consisting of a minority owned entity and non-minority-owned entity will be credited with the minority-owned entity's participation on the basis of the percentage of the dollar amount of the work to be performed by the minority-owned entity.

The DMC will maintain a database of minority-owned businesses. The database will be made available to assist developers in identifying minority-owned businesses with capabilities relevant to contracting requirements, joint venture and partnering opportunities. If the grant recipient utilizes a minority-owned business that is not listed on the DMC database, the grant recipient is responsible for assuring the certification of the minority owned business.

Applicant agrees to make a best faith effort to comply with the Downtown Memphis Commission's EBO Program in the manner set out above.

Signature:

SERVICEMASTER GLOBAL HOLDINGS, INC.

By: Jeremy Chapman

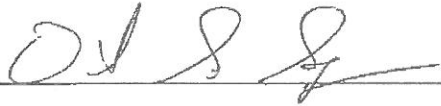
Title: VP Supply Management

Date: June 8, 2016

applicant's representatives:

This application is made in order to induce the Memphis Center City Development Corporation (CCDC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show best faith efforts with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed. The applicant certifies that the grant requested is a key factor in the decision to locate within the CBID.

**Applicant
Signature:**



Date:

6/8/2016

The applicant certifies that the grant requested is a key factor in the decision to locate within the CBID.

**Applicant
Signature:**



Date:

6/8/2016