



**PILOT Application:**

**311 S. Main, Memphis TN 38103**

Administered by:  
Center City Revenue Finance Corporation

Dear Members of the Board,

We are pleased to present the enclosed application to the Downtown Memphis Commission (DMC) for a PILOT to enable the revitalization and reimagining of the existing warehouse located at 311 S Main.

311 S Main, LLC, in collaboration with their local development team, have performed due diligence, program, and concept studies to transform 311 S Main, into an urban “hub” designed to house a multiple uses and activities to support and engage the growing South Main Historic District.

Through a partnership with the DMC, 311 S Main will bring approximately 30,000 sf of active commercial and retail space to Memphis’s most prominent commercial corridor. The development team anticipates that this project will not only bring increased activity but also generate opportunities for creatives, entrepreneurs, and local businesses to express their mission and expand their operations.

We appreciate your consideration and look forward to partnering with the DMC to bring this exciting project to Memphis.

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Sincerely,

18 Main, LLC Team

**1. Applicant Background of the applying entity**

*State the name(s) of the applying entity’s representatives and any other financial guarantors of the Project and their addresses and telephone numbers if different from above.*

Applicant:

311 S Main, LLC.

Address:

5384 Poplar Ave #400, Memphis, TN 38119

Representative:

John Halford  
cnct. development, LLC  
676 Marshall Ave Suite 101



Memphis, Tn 38103

2. *Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. Describe the corporate or partnership structure as applicable.*

**311 S Main, LLC (controlled by 18 Main, LLC):**

*Development and related experience:*

*18 Main is rooted in long-term, multi-strategy real estate investment, coupled with investment in operating businesses centered around lifestyle brands, creative office and experiential retail including hospitality and food & beverage.*

*18 Main Founder and Managing Principal Tom Intrator carries deep industry knowledge spanning the syndication, ownership, rehabilitation, financing, and management of commercial real estate. Tom has served as a founding partner of New-York based Hyde Capital, LLC since 2010. Hyde Capital and its subsidiary, The Lennox Companies, have acquired and managed a real estate portfolio in excess of \$300 million across multifamily, retail, and office assets. The group has been active in Memphis since 2013, owning and managing over 1,500 multifamily units in the area, to date. Prior to forming Hyde, Tom worked with Silverback Capital, a real estate investment and development firm in New York City. He is managing member of financial services holding company, J.I. & Sons, LLC and its financial technology platform Vessti.*

*Shay Yadin, Managing Partner of 18 Main, oversees the acquisition, development, and rehabilitation of the firm's real estate portfolio. Applying over a decade of extensive experience in property development as well as real estate law, Shay has worked closely with investors, consultants, contractors, and municipal authorities to develop more than 3 million square feet, valued in excess of \$750M, across retail, office, hospitality, and residential assets nationwide. Previously, Shay worked as a real estate attorney at Goldfarb Seligman LLP and as a senior wealth management and market analyst at Psagot Investment House in Israel. Shay holds a dual bachelor's degree in Law and Business Administration with a focus in real estate as well as a master's degree in Law (LL.M) with a focus in Real Estate Law. Shay is a retired Lieutenant from the Israel Defense Forces.*

3. **Proposed Project description**

- a) *Location:*

**311 S Main Memphis, TN 38103.** The Project is located along the South Main Street Historic district corridor near recently completed projects including the Chisca Hotel renovation, Old Dominick Distillery, and Slider Inn. 311 S Main may include retail, commercial, creative, and traditional office spaces. The development team believes that the project's location is an opportune site for business and life-style hub programs that could support small businesses, creatives and entrepreneurs.



- b) *Intended Use:* **311 S Main will be activated by a mix of programs that may include F&B, office, and lifestyle space. The design intent is to visually connect the upper and lower level through a grand stair element that will double as event space & functional seating. The areas facing Main Street are conceptually planned for retail, casual dining, and an interactive art component. Lifestyle uses (such as workout facilities and entertainment) will be weighted to the back (west) of the building on the ground floor. The second floor will include large open spaces taking advantage of the tall ceiling and light monitors on the second floor.**
- c) *Economic and Environmental impact:* **311 S Main, previously occupied by a privately-owned signage company, has been an underutilized asset along the South Main Corridor for many years. The intent of the project is to introduce a mix of innovative programs under one roof to create an active lifestyle hub within a previously dormant property.**
- d) *The square footage of the building/ land area to be renovated:* **Approximately 30,000sf building / 0.35 Acres**
- e) Attached are the architectural plans, renderings. **See Exhibits.**
- f) *A Letter from certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage:* **The existing building renovation is being designed by Tennessee licensed architects and engineers and will meet all applicable building code requirements. The building has been surveyed by a structural engineer and deemed to be in “good” condition with no major structural repairs necessary at this time. (Report available upon request)**
- g) *State the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?* **The building is being marketed to a variety of potential tenants for retail, creative office, F&B, and fitness. Leases are planned to be NNN and will be rented at market rate inclusive of TI budget.**
- h) *If the project is speculative, how long is full occupancy expected to take and who will manage the project?* **Full occupancy is expected within 6 months of completion of construction. 18Main or its affiliate will be responsible for management of the property.**
- i) *Are changes needed to the public space around the project (for example; sidewalks, lighting and planting)?* **Minor improvements may be required at the sidewalk on Main Street regarding utility access, architectural lighting and landscaping.**
- j) *Other information fully explaining the project and its history.* **Originally, the building at 311 S Main was occupied as the Hemphill Diesel School. The Hemphill Diesel Schools were located in New York, Memphis, and Los Angeles. They were considered the best diesel training available in the US. The building program would have included classrooms, radio-TV, diesel training rooms, school offices, and a wash room. More recently, the building was leased by a signage business. The proposed vision may create a hub for the**



neighborhood through co-mingling a variety of uses. This project type will be new to the site as well as the South Main Historic District. The developers believe this will greatly enhance the experience of living and working in downtown Memphis.

#### 4. *Site Control*

- a) *Name the property owner at the time of application:* **311 S Main, LLC.**
- b) *Describe any and all existing financing, options, and liens on the property.* **311 S Main, LLC has purchased the property and will use bank financing to complete the renovations.**

#### 5. *Financial items:*

- a) **Financial Background:**  
*Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements. State the relationship any applicant or grantor has had with any accounting firm of the last five years. To be provided to Board Chairman or Board Attorney as required.*

- b) *Describe any and all existing financing, options, and liens on the property:* **311 S Main, LLC has purchased the property and will use bank financing to complete the renovations.**

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*Attach three years of tax returns if applicant is an individual:* **To be provided to Board Chairman or Board attorney as required.**

*Provide the following information about the loan or proposed loan for the project:* **See attached.**

*Attach information about the financial history of the project and previous attempts to develop, if possible:* **Recent attempts to develop this property have been limited to single business occupancy. The businesses have been private uses whereas the proposed plan would engage the public and contribute to the urban fabric.**

- c) **Financial Projections:**  
*State the estimated Project costs broken down by component (i.e. land, buildings, equipment, soft costs, etc.) attach bid estimates and show amounts to be paid from loans and equity amount. See attached sources and uses.*
- d) *Attach a cash flow pro-forma along with a statement of Sources and Uses of funds for the project. See attached cash flow-proforma*

#### 6. *Project Timeline:*





- a) *State the proposed time schedule for the Project including the dates anticipated for the following:*
  - a. *Closing of the loan or contributing financing availability. **Upon PILOT approval and prior to the Commencement of Construction (see attached project schedule).***
  - b. *First expenditure of funds with regard to the project. **Soft cost expenditures have begun as well as acquisition funds.***
  - c. *Anticipated construction will begin. **See attached project schedule.***
  - d. *Anticipated completion date. **See attached project schedule.***

**7. Project Team:**

- a) *Architects and Engineers:*
  - a. Architect; **PKM Architects**
  - b. Structural Engineer; **TBD**
  - c. HVAC, Plumbing, Fire protection Engineer; **TBD**
  - d. Electrical Engineer; **TBD**
- b) *Contractor for Project: **TBD***
- c) *Other Professionals:*
  - a. Project Management; **cnct. development, LLC**
- d) *Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board: **No.***

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**8. References:**

- a) Ronen Abergel  
Vice President  
Arbor Realty Trust, Inc.  
375 Park Avenue Suite 3401  
(516)506-4228
- b) Blake Pera, CCIM  
Vice Chairman  
ARA Newmark  
555 Perkins Extended, Ste 300  
Memphis, TN 38117  
(901)260-1156
- c) Jonathan Zilber  
Senior Vice President  
Meridian Capital Group – Cleveland Office  
2000 Auburn Drive, Ste. 200  
Beachwood, OH 44122  
(216)413-4201

**9. Items for Lease Preparation:**



- a) *State law requires that title to the projects be conveyed to CCRFC in order for it to grant payments in lieu of taxes; CCRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project. **311 S Main, LLC***
  - a. *State the tax parcel number for all Property involved with the project and the current assessed value of the Property.*
    - a. **002102 00007C Assessed Value: \$204,000**
  - b. *Are there any assessments presently under appeal? **No***
  - c. *Will the Project result in the subdivision of any present tax parcel? **No***

**10. Disclosures:**

- a) *Please disclose whether applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. **No.***
- b) *Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. **No.***
- c) *Please supply detailed information. **N/A***

**11. Applicant Affirmation:**

311 S Main, LLC.  
5384 Poplar Ave #400, Memphis, TN 38119

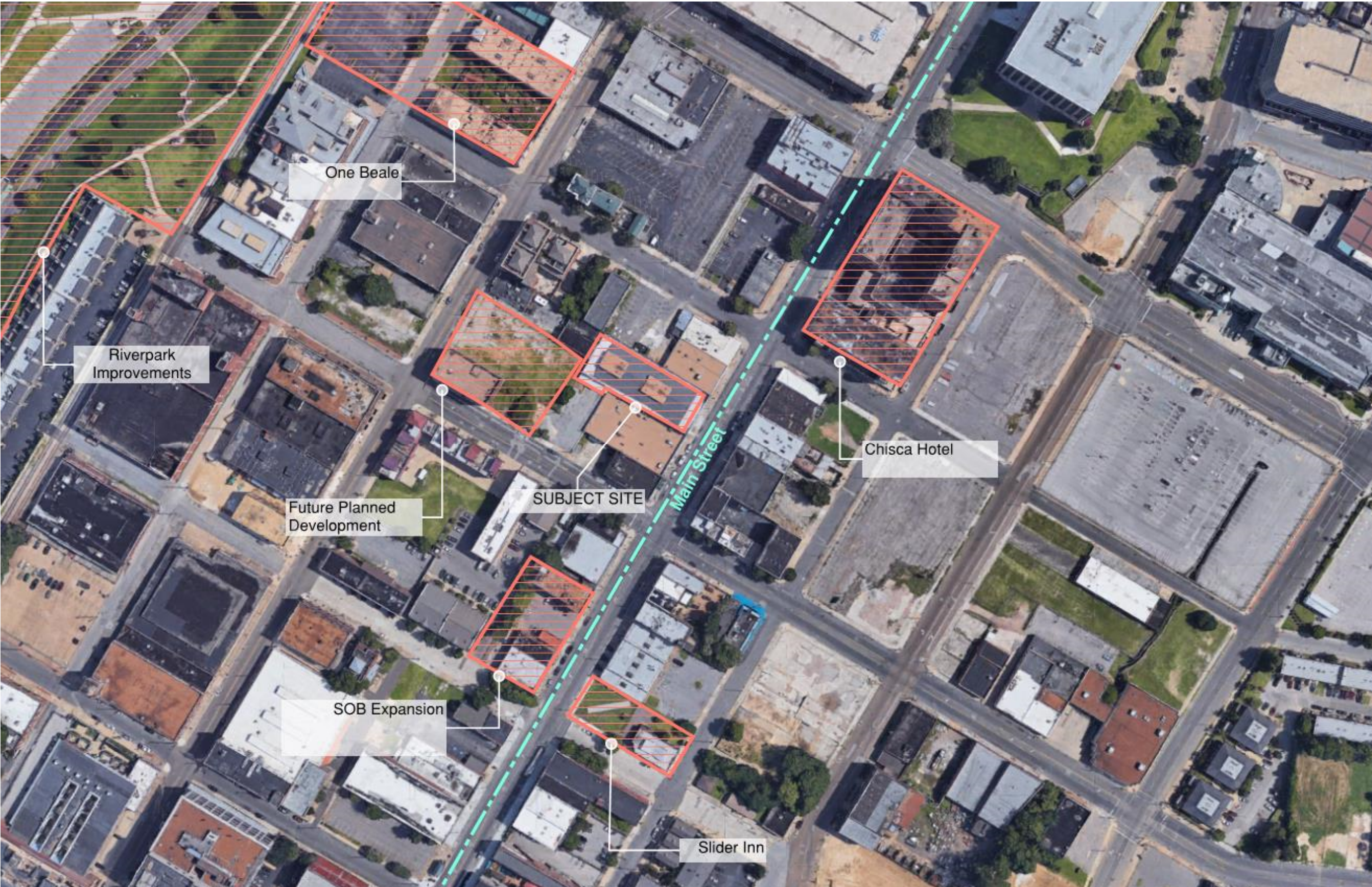


INDEX OF EXHIBITS:

- A) Proposed Project Site Plan
- B) Architectural Plans and Renderings
- C) Sources & Uses
- D) Cash Flow Proforma
- E) PILOT Grading Matrix
- F) Project Schedule



**EXHIBIT A**  
**PROPOSED PROJECT SITE PLAN**



\*SUBJECT TO CHANGE PER FINAL PROJECT DESIGN

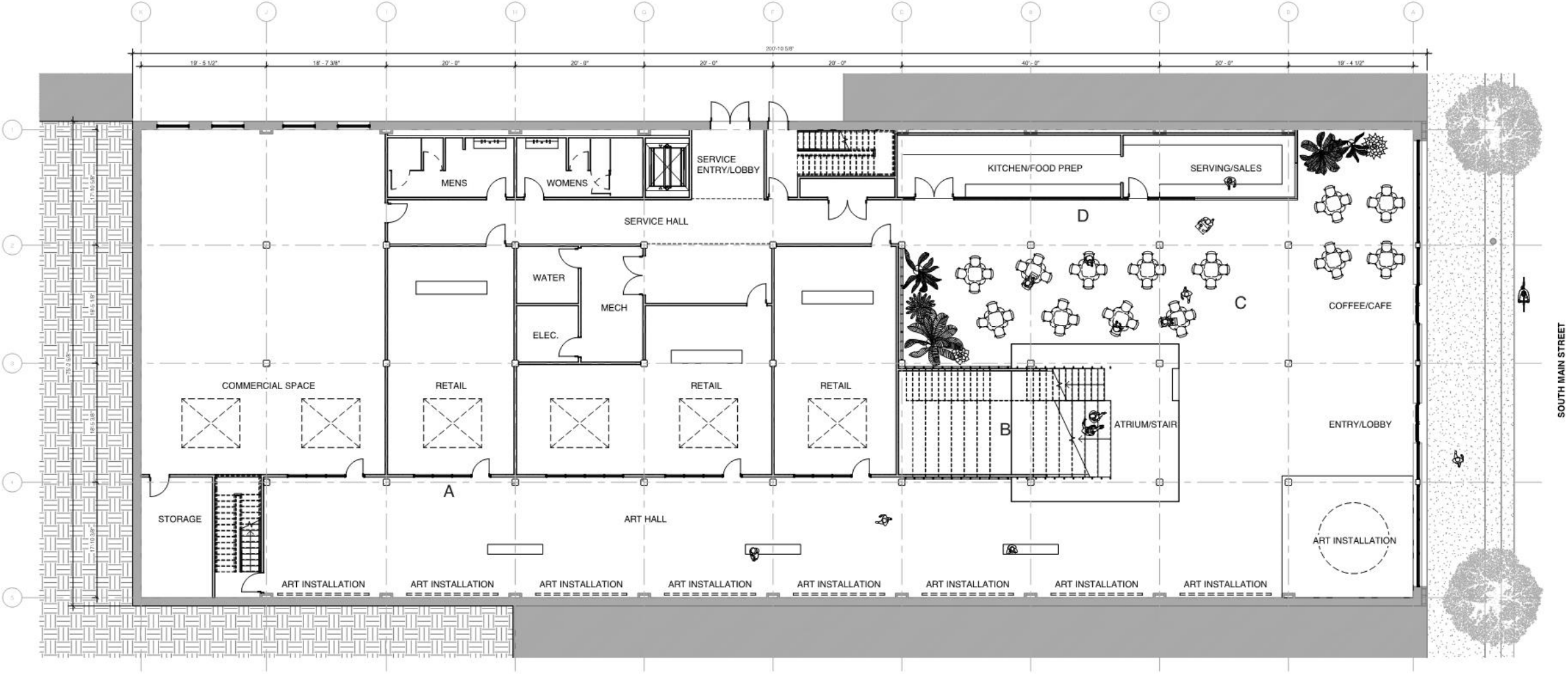


**EXHIBIT B**  
**ARCHITECTURAL PLANS AND RENDERINGS**





**EXHIBIT B**  
**ARCHITECTURAL PLANS AND RENDERINGS**



A



B



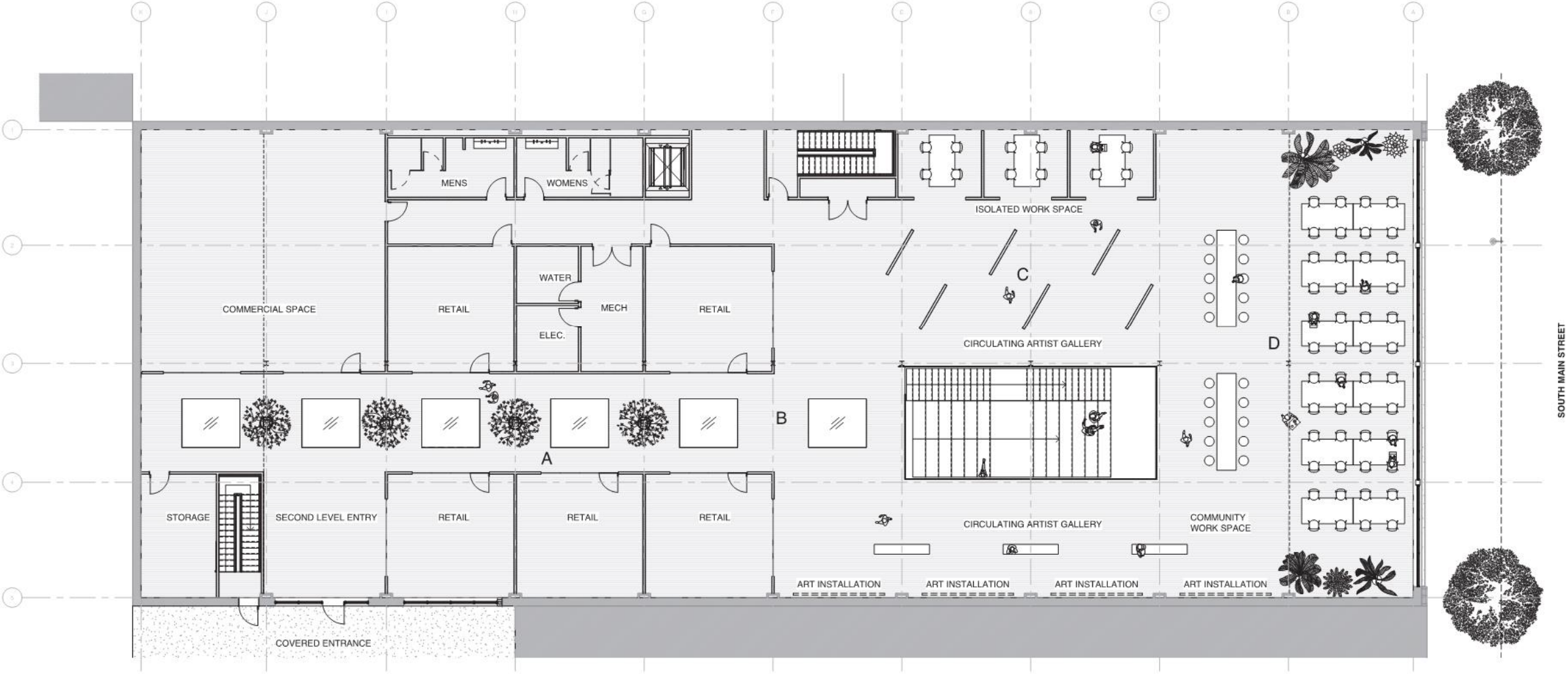
C



D

\*SUBJECT TO CHANGE PER FINAL PROJECT DESIGN

EXHIBIT B  
ARCHITECTURAL PLANS AND RENDERINGS



A



B



C

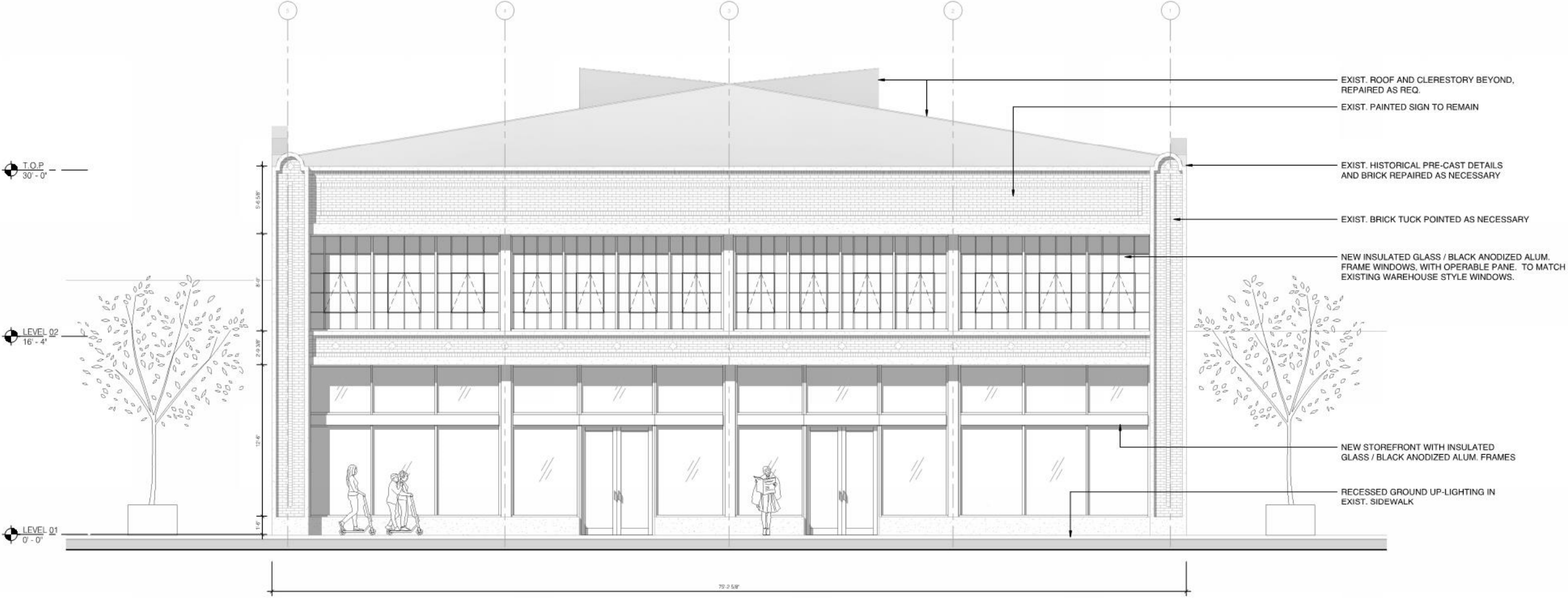


D

\*SUBJECT TO CHANGE PER FINAL PROJECT DESIGN



**EXHIBIT B**  
**ARCHITECTURAL PLANS AND RENDERINGS**



\*SUBJECT TO CHANGE PER FINAL PROJECT DESIGN



EXHIBIT B  
ARCHITECTURAL PLANS AND RENDERINGS





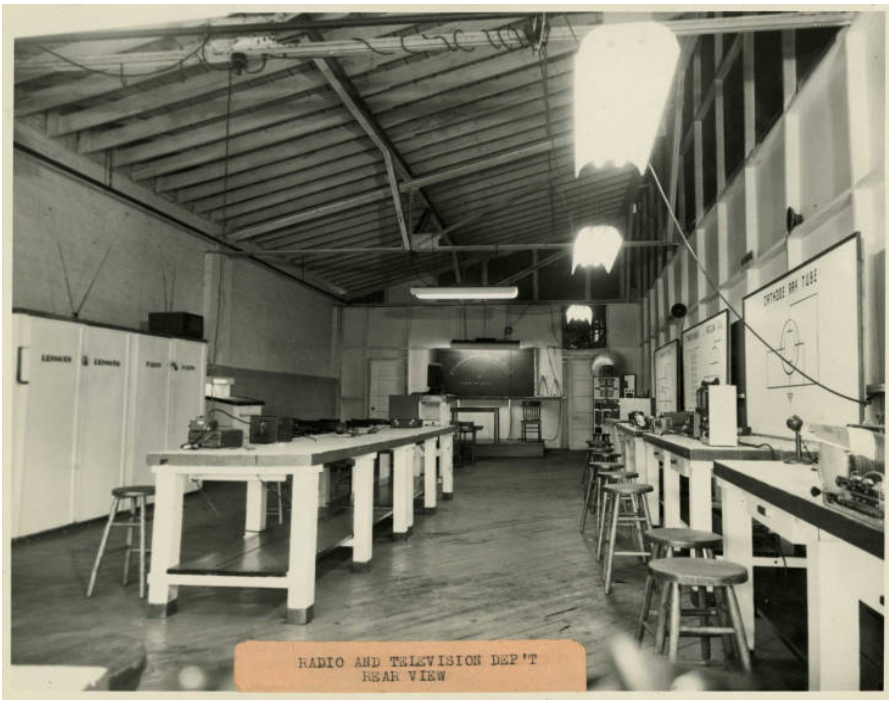
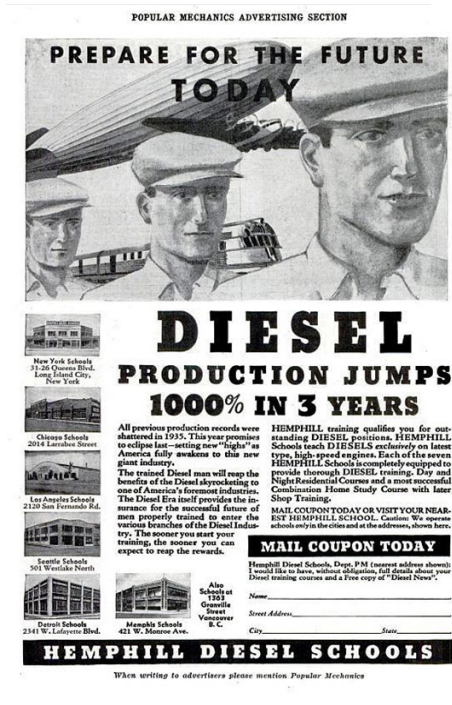
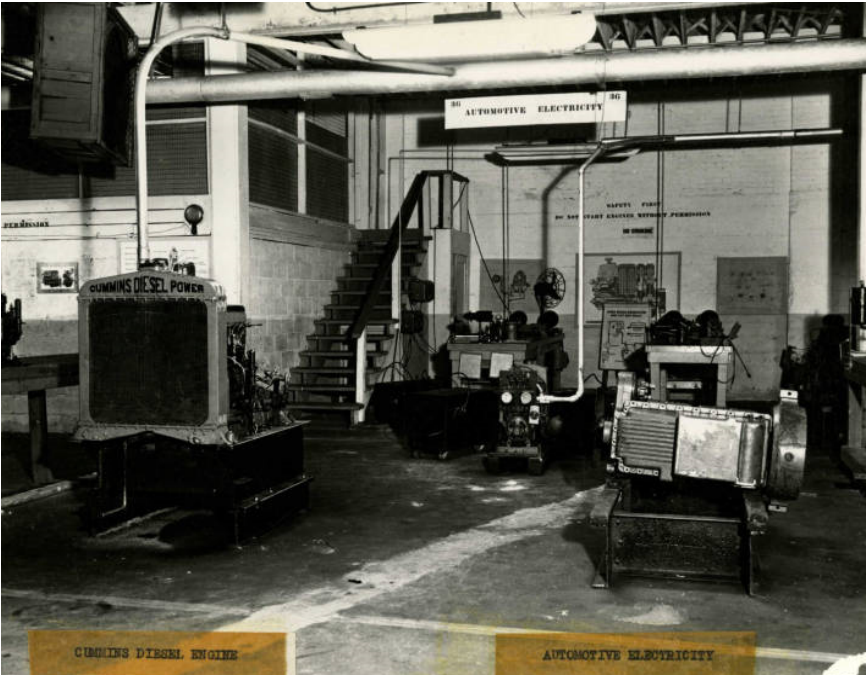
**EXHIBIT B**  
**ARCHITECTURAL PLANS AND RENDERINGS**



\* SUBJECT TO CHANGE PER FINAL PROJECT DESIGN



**EXHIBIT B**  
**ARCHITECTURAL PLANS AND RENDERINGS**



Typical classroom (2<sup>nd</sup> floor)

PAdd - 1936

Radio TV Room

otive Electricity

\* SUBJECT TO CHANGE PER FINAL PROJECT DESIGN

**EXHIBIT C**  
**SOURCES & USES**

**SOURCES OF FUNDS:**

Project Debt	\$5,325,531	75%
Owner's Equity in Project	\$1,775,177	
Total Sources of Funds	<u>\$7,100,708</u>	

**USES OF FUNDS:**

Detail of Project Costs:	
Land & Building Purchase	\$1,000,000
Construction Costs	\$4,858,223
* Soft Costs	\$607,985
** Financing Fees	\$634,501
Total Project Costs	\$7,100,708
Other Uses:	N/A
Total Uses of Funds	<u>\$7,100,708</u>

\* includes professional fees: architecture, engineering, & geotechnical

\*\* includes PILOT fee, legal, insurance, and interest during construction



EXHIBIT D  
CASH FLOW PROFORMA

WITH PILOT:

Pro Forma Cash Flow

			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
REVENUE:	rsf	\$/rsf (mo)															
Commercial Space Revenue:																	
First Floor Commercial	13,620 sf	\$1.50	\$0	\$0	\$20,430	\$21,043	\$21,464	\$21,893	\$22,331	\$22,778	\$23,233	\$23,698	\$24,172	\$24,655	\$25,148	\$25,651	\$26,164
Second Floor Commercial	13,620 sf	\$1.50	\$0	\$0	\$20,430	\$21,043	\$21,464	\$21,893	\$22,331	\$22,778	\$23,233	\$23,698	\$24,172	\$24,655	\$25,148	\$25,651	\$26,164
Total Commercial Square Footage	27,240 sf																
Vacancy Assumptions	95%																
Average Revenue per Square Foot	\$1.50																
Total Yearly Projected Revenue			\$0	\$0	\$465,809	\$479,783	\$489,379	\$499,167	\$509,150	\$519,333	\$529,720	\$540,314	\$551,120	\$562,143	\$573,386	\$584,853	\$596,550
EXPENSES:																	
Operating Expenses																	
Cleaning	\$1.0 /PSF		\$0	\$0	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
Insurance	2.0%		\$0	\$0	\$9,316	\$9,503	\$9,693	\$9,886	\$10,084	\$10,286	\$10,492	\$10,701	\$10,915	\$11,134	\$11,356	\$11,584	\$11,815
RE Taxes	6.4%		\$11,853	\$11,853	\$29,670	\$30,264	\$30,869	\$31,486	\$32,116	\$32,758	\$33,414	\$34,082	\$34,763	\$35,459	\$36,168	\$36,891	\$37,629
Utilities	\$1.0 /PSF		\$7,500	\$7,500	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
General & Admin	\$0.5 /PSF		\$0	\$0	\$14,337	\$14,624	\$14,916	\$15,215	\$15,519	\$15,829	\$16,146	\$16,469	\$16,798	\$17,134	\$17,477	\$17,826	\$18,183
Rds/Gnds/Sec.	\$0.5 /PSF		\$0	\$0	\$14,337	\$14,624	\$14,916	\$15,215	\$15,519	\$15,829	\$16,146	\$16,469	\$16,798	\$17,134	\$17,477	\$17,826	\$18,183
Repair & Maintenance	\$1.0 /PSF		\$0	\$0	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
Total Projected Expenses					\$153,682	\$156,756	\$159,891	\$163,089	\$166,351	\$169,678	\$173,071	\$176,533	\$180,063	\$183,665	\$187,338	\$191,085	\$194,906
CAM Reimbursement					-\$117,812	-\$120,168	-\$122,571	-\$125,023	-\$127,523	-\$130,073	-\$132,675	-\$135,328	-\$138,035	-\$140,796	-\$143,612	-\$146,484	-\$149,414
NET OPERATING INCOME:			\$0	\$0	\$429,938	\$443,195	\$452,059	\$461,100	\$470,322	\$479,729	\$489,323	\$499,110	\$509,092	\$519,274	\$529,659	\$540,252	\$551,057
DEBT SERVICE:			\$317,250	\$317,250	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288
DEBT SERVICE RATIO:	(1.42)																
NET CASH FLOW:			-\$317,250	-\$317,250	\$127,651	\$140,908	\$149,771	\$158,813	\$168,035	\$177,441	\$187,036	\$196,822	\$206,804	\$216,986	\$227,372	\$237,965	\$248,770
PROJECT CAP RATE (YR 3):	6.05%																

\*SUBJECT TO CHANGE PER FINAL PROJECT DESIGN



EXHIBIT D  
CASH FLOW PROFORMA

WITHOUT PILOT:

Pro Forma Cash Flow

			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
REVENUE:	rsf	\$/rsf (mo)															
Commercial Space Revenue:																	
First Floor Commercial	13,620 sf	\$1.50	\$0	\$0	\$20,430	\$21,043	\$21,464	\$21,893	\$22,331	\$22,778	\$23,233	\$23,698	\$24,172	\$24,655	\$25,148	\$25,651	\$26,164
Second Floor Commercial	13,620 sf	\$1.50	\$0	\$0	\$20,430	\$21,043	\$21,464	\$21,893	\$22,331	\$22,778	\$23,233	\$23,698	\$24,172	\$24,655	\$25,148	\$25,651	\$26,164
Total Commercial Square Footage	27,240 sf																
Vacancy Assumptions	95%																
Average Revenue per Square Foot	\$1.50																
Total Yearly Projected Revenue			\$0	\$0	\$465,809	\$479,783	\$489,379	\$499,167	\$509,150	\$519,333	\$529,720	\$540,314	\$551,120	\$562,143	\$573,386	\$584,853	\$596,550
EXPENSES:																	
Operating Expenses																	
Cleaning	\$1.0 /PSF		\$0	\$0	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
Insurance	2.0%		\$0	\$0	\$9,316	\$9,503	\$9,693	\$9,886	\$10,084	\$10,286	\$10,492	\$10,701	\$10,915	\$11,134	\$11,356	\$11,584	\$11,815
RE Taxes	16.0%		\$11,853	\$11,853	\$74,336	\$75,822	\$77,339	\$78,885	\$80,463	\$82,072	\$83,714	\$85,388	\$87,096	\$88,838	\$90,615	\$92,427	\$94,275
Utilities	\$1.0 /PSF		\$7,500	\$7,500	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
General & Admin	\$0.5 /PSF		\$0	\$0	\$14,337	\$14,624	\$14,916	\$15,215	\$15,519	\$15,829	\$16,146	\$16,469	\$16,798	\$17,134	\$17,477	\$17,826	\$18,183
Rds/Gnds/Sec.	\$0.5 /PSF		\$0	\$0	\$14,337	\$14,624	\$14,916	\$15,215	\$15,519	\$15,829	\$16,146	\$16,469	\$16,798	\$17,134	\$17,477	\$17,826	\$18,183
Repair & Maintenance	\$1.0 /PSF		\$0	\$0	\$28,674	\$29,247	\$29,832	\$30,429	\$31,038	\$31,658	\$32,292	\$32,937	\$33,596	\$34,268	\$34,953	\$35,653	\$36,366
Total Projected Expenses					\$198,348	\$202,315	\$206,361	\$210,488	\$214,698	\$218,992	\$223,372	\$227,839	\$232,396	\$237,044	\$241,785	\$246,620	\$251,553
CAM Reimbursement					-\$117,812	-\$120,168	-\$122,571	-\$125,023	-\$127,523	-\$130,073	-\$132,675	-\$135,328	-\$138,035	-\$140,796	-\$143,612	-\$146,484	-\$149,414
NET OPERATING INCOME:			\$0	\$0	\$385,273	\$397,637	\$405,589	\$413,701	\$421,975	\$430,415	\$439,023	\$447,803	\$456,759	\$465,895	\$475,212	\$484,717	\$494,411
DEBT SERVICE:			\$317,250	\$317,250	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288	-\$302,288
DEBT SERVICE RATIO:			(1.27)														
NET CASH FLOW:			-\$317,250	-\$317,250	\$82,985	\$95,349	\$103,302	\$111,413	\$119,687	\$128,127	\$136,735	\$145,516	\$154,472	\$163,607	\$172,925	\$182,429	\$192,123
PROJECT CAP RATE (YR 3):			5.43%														

## EXHIBIT E

### PILOT GRADING MATRIX

#### Appendix I – PILOT Grading

*A project must meet at least one primary qualification category in order to be eligible for any applicable secondary qualifications and/or additional term accumulation. Exceptions for projects that further the priorities of the CCRFC may be granted at the discretion of the CCRFC board.*

PRIMARY QUALIFICATION		SECONDARY QUALIFICATION	
RESIDENTIAL			
2 to 5 Units:	1 Year	2 to 5 Units:	.5 Year
6 to 10 Units:	2 Years	6 to 10 Units:	1 Year
11 to 15 Units:	3 Years	11 to 15 Units:	1.5 Years
16 to 25 Units:	4 Years	16 to 25 Units:	2 Years
26 to 50 Units:	5 Years	26 to 50 Units:	2.5 Years
51 Units +:	6 Years	51 + Units:	3 Years
OFFICE			
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf + :	3 Years
EDUCATION			
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf + :	3 Years
HOTEL			
2 to 10 Rooms:	1 Year	2 to 10 Rooms:	.5 Year
11 to 25 Rooms:	2 Years	11 to 25 Rooms:	1 Year
26 to 50 Rooms:	3 Years	26 to 50 Rooms:	1.5 Years
51 to 100 Rooms:	4 Years	51 to 100 Rooms:	2 Years
101 to 200 Rooms:	5 Years	101 to 200 Rooms:	2.5 Years
201 Rooms + :	6 Years	201 Rooms + :	3 Years
INDUSTRIAL			
Below 50,000 sf:	1 Year	Below 50,000 sf:	.5 Year
50,000 to 150,000:	2 Years	50,000 to 150,000:	1 Year
150,001 to 250,000:	3 Years	150,001 to 250,000:	1.5 Years
250,001 to 350,000:	4 Years	250,001 to 350,000:	2 Years
350,001 to 500,000:	5 Years	350,001 to 500,000:	2.5 Years
500,001 sf + :	6 Years	500,001 sf + :	3 Years
PARKING STRUCTURES			
200 to 300 cars:	1 Year	200 to 300 cars:	.5 Year
301 to 400 cars:	2 Years	301 to 400 cars:	1 Year
401 to 500 cars:	3 Years	401 to 500 cars:	1.5 Years
501 to 600 cars:	4 Years	501 to 600 cars:	2 Years
601 to 700 cars:	5 Years	601 to 700 cars:	2.5 Years
701 cars + :	6 Years	701 cars + :	3 Years



## EXHIBIT E

### PILOT GRADING MATRIX

RETAIL	
15,000 to 20,000 sf:	4 Years
20,001 to 30,000 sf:	5 Years
30,001 sf + :	6 Years
Below 5,000 sf:	.5 Year
5,000 to 9,999 sf:	1 Year
10,000 to 14,999 sf:	1.5 Years
15,000 to 20,000 sf:	2 Years
20,001 to 30,000 sf:	2.5 Years
30,001 sf + :	3 Years
TOTAL PROJECT DEVELOPMENT COST	
\$1 – 5 Million:	1 Year
\$5+ – 10 Million:	2 Years
\$10+ – 15 Million:	3 Years
\$15+ – 20 Million:	4 Years
\$20+ Million:	5 Years
CCRFC Priorities	
General Location	
Located in CBID (Appendix II):	3 Years
Located outside CBID, but inside CCRFC boundaries (Appendix II):	1 Year
Core & Historic	
<i>Project may only qualify for one of the following five:</i>	
Construction of a new structure in the Downtown Core:	1 Year
Renovation of an existing structure in the Downtown Core:	2 Years
Renovation of a structure listed as non-contributing property in a National Register or Landmarks Commission Historic District:	3 Years
Renovation of a structure listed as significant or contributing in a National Register or Memphis Landmarks Commission Historic District:	4 Years
Renovation of a structure listed individually on the National Register of Historic Places:	5 Years
Community-based Initiatives & Economically Distressed Areas	
<i>Project may qualify for up to two of the following:</i>	
Fronting the Main to Main Multi-Modal Connector Route (Appendix II):	3 Years
Located within the boundaries of the Edge Neighborhood (Appendix II):	3 Years
Located within the boundaries of the South City Impact Area (Appendix II):	3 Years
Located within the boundaries of the Pinch Neighborhood (Appendix II):	4 Years
Located in a Census Tract with a Poverty Rate over 20 percent*	2 Years
Located in a Census Tract earning 80 or less of Area Median Income (AMI)*	2 Years
Design & Energy	
<i>Project may qualify for one or more of the following:</i>	
Including permanent public art (qualification determined by the DMC Design Review Board):	1 Year
Including enhanced architectural lighting (qualification determined by the DMC Design Review Board):	1 Year
Leadership in Energy and Environmental Design (LEED) Certification:	4 Years



**EXHIBIT E**  
**PILOT GRADING MATRIX**

*Revised August 8, 2017*

Net Zero Energy Building (NZEB) Certification:	4 Years
Memphis Light, Gas and Water (MLGW) Energy Advantage Certification:	1 Years

*\* Applicants may refer to the HUD map to confirm qualification; <https://www.huduser.gov/qct/qctmap.html>.*

**PILOT TERM CALCULATION**

Primary Qualification:	4 Years
Secondary Qualification A:	1 Years
Secondary Qualification B:	
Secondary Qualification C:	
Total Project Development Cost:	2 Years
CCRFC Priorities:	12 Years
<b>PILOT TERM:</b>	19 Years

**EXHIBIT F**  
**PROJECT SCHEDULE MILESTONES**

1. Programming Phase	9/20/2019
2. PILOT Application	10/29/2019
3. PILOT CCRFC Review	11/14/2019
4. Schematic Design	2/01/2020
5. Design Development	5/06/2020
6. Construction Documents	8/15/2020
7. Bidding & Negotiation	10/15/2020
8. Permit Issued	10/05/2020
9. Close on PILOT	10/19/2020
10. Commencement of Construction	11/01/2020
11. Substantial Completion	08/05/2021
12. Full Occupancy Expected	2/06/2022

# 311 PILOT EVALUATION

<b>PILOT Request</b>	
Requested PILOT Term (years)	15.0
Project Type	Rehabilitation
Located in the CBID?	Yes
<b>Current Amounts</b>	
Base Appraisal	\$510,000
Base Assessment	\$204,000
Annual City Tax on Base Assessment	\$6,520
Annual County Tax on Base Assessment	\$8,262
<b>Annual RE Taxes on Base Assessment</b>	<b>\$14,782</b>
<b>Project Costs</b>	
Acquisition Cost	\$1,000,000
Hard Costs	\$4,858,223
Soft Costs	\$607,985
<b>Total Project Costs w/o PILOT fee</b>	<b>\$6,466,207</b>
<b>Hard Costs Investment Check - 75.1%</b>	<b>YES</b>
Public grants eligible for PILOT fee basis reduction	\$0
PILOT fee basis	\$6,466,207
<b>PILOT fee</b>	<b>\$96,993</b>
<b>Total Project Costs w/ PILOT fee</b>	<b>\$6,563,200</b>
<b>Valuation &amp; CBID Assessment</b>	
Base Appraisal	\$510,000
Percentage of Hard Costs	\$2,914,934
Estimated Appraisal after Improvements	\$3,424,934
<b>Estimated Assessment after Improvements</b>	<b>\$1,369,973</b>
<b>Estimated Annual CBID Assessment after Improvements</b>	<b>\$8,840</b>
<b>Annual RE Taxes</b>	
<i>Hypothetical annual taxes without PILOT*</i>	
Estimated Hypothetical Annual City Tax without PILOT*	\$43,784
Estimated Hypothetical Annual County Tax without PILOT*	\$55,484
<b>Estimated Hypothetical Total Annual Taxes without PILOT*</b>	<b>\$99,268</b>
<i>Estimated annual taxes with PILOT</i>	
Estimated Annual City Tax with PILOT	\$15,836
Estimated Annual County Tax with PILOT	\$20,067
<b>Estimated Total Annual Taxes with PILOT</b>	<b>\$35,903</b>
<b>Estimated Annual Benefit</b>	<b>\$63,365</b>
<b>Cumulative RE Taxes</b>	
<i>Hypothetical cumulative taxes without PILOT*</i>	
Estimated Hypothetical Cumulative City Tax without PILOT*	\$656,762
Estimated Hypothetical Cumulative County Tax without PILOT*	\$832,259
<b>Estimated Hypothetical Total Cumulative Taxes without PILOT*</b>	<b>\$1,489,021</b>
<i>Estimated cumulative taxes with PILOT</i>	
Estimated Cumulative City Tax with PILOT	\$237,538
Estimated Cumulative County Tax with PILOT	\$301,012
<b>Estimated Total Cumulative Taxes with PILOT</b>	<b>\$538,551</b>
<b>Estimated Cumulative Benefit over 15-Year PILOT</b>	<b>\$950,471</b>
<b>Estimated Cumulative Increase in Taxes due to PILOT</b>	<b>\$316,824</b>

*\*Staff has concluded that this project would not go forward without a PILOT. Hence, the "Estimated Hypothetical" amounts are fictional/moot numbers used to calculate the benefit of the PILOT to the project. The benefit figure does not represent lost tax revenue to the City or County. Without the PILOT, the property would remain unimproved and the tax assessment would continue to be based upon the unimproved value. With the PILOT, the amount listed above as "Estimated Cumulative Increase in Taxes due to PILOT" would be the approximate benefit over the PILOT term to the City and County from newly generated property tax revenue. That amount does not include any new sales taxes that will be generated by the construction and operation of the project. Furthermore, after the PILOT term has finished, it is expected that the annual taxes will be approximate to the amount listed as "Estimated Hypothetical Total Annual Taxes without PILOT".*