



PILOT Application:

2010 Court Ave, Memphis TN 38104

Administered by:
Center City Revenue Finance Corporation

Dear Members of the Board,

Thank you for the opportunity to present the enclosed PILOT application for the multi-family development at 2010 Court Ave.

The site is owned by Alfredo Cerpa of Cerpa Construction, LLC. Extensive due diligence, budgeting, and schematics have been performed to determine the viability of the project. With the assistance of the CCRFC, the development team believes this project will greatly benefit the Midtown market and the Overton Square neighborhood by infilling an underutilized parcel and adding 10 new residential units with off-street parking.

We appreciate your deepest consideration for the approval of the proposed PILOT, and we look forward to partnering with the DMC to bring this project to fruition.

Sincerely,

A handwritten signature in black ink that reads 'Alfredo Cerpa' in a cursive script.

Alfredo Cerpa
Cerpa Construction, LLC
ac@cerpaconstruction.com
1201 Sycamore View Rd.
Memphis, TN 38134

|1



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:

Cerpa Construction LLC (or its assignees)

Representative:

John Halford, **cnct.** design, PLLC
john@cnctmemphis.com

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.

Cerpa Construction LLC – Formally launched in 2017, Cerpa Construction LLC is a locally owned MWBE construction & development firm pursuing infill new construction and redevelopment projects while also providing contracting services for clients. Their most recent development is the Greenfield Arena, an indoor soccer facility located at 2675 Summer Ave, which has successfully reinvigorated a former industrial parcel of 4.25 acres on an overlooked stretch of Summer Ave. that is now seeing a significant influx of new development.

|2

3. Proposed Project description

- a. **Location:** Project Address: 2010 Court Ave., Memphis, Tennessee 38104; Parcel ID: 017061 00011
- b. **Intended Use:** The proposed 2010 Court Ave. project will be a multi-family residential development of 10 new market rate residential units. The developer is working with an experienced team of project managers, architects, subcontractors, and consultants to deliver a project that meets the demands of a growing Midtown.
- c. **Economic and Environmental impact:** The existing site is a single family residential lot adjacent to other multi-family and industrial properties. The proposed development will bring 10 new market rate residential units and off-street parking spaces to this property in Midtown. By growing the activation of this site, this project will further continue the growth of the Midtown and Overton Square neighborhoods. The project is spearheaded by a MWBE developer and contractor.
- d. **The square footage of the building/ land area to be renovated:**
 - i. New Residential: 10 Residential Units
 - ii. New off-street parking: Approx. 9 spaces + 1 accessible space
 - iii. Total: Appx. 7,828 sf
- e. **Attach the conceptual plans and renderings.** Please See Attached 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 new building is being designed by Tennessee licensed architects and engineers, and it will meet all applicable building code requirements.



- g. State the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?** The multi-family residential units will be leased at market rate with full occupancy expected within six (6) months from substantial completion. We expect this project to appeal to people who are professionals working in the Downtown and Midtown areas.
- h. If the project is speculative, how long is full occupancy expected to take and who will manage the project?** Residential multi-family units are expected to be leased as traditional leases at market rates with full occupancy conservatively expected within six (6) months from substantial completion. Property management services will be provided by a third-party management company.
- i. Are changes needed to the public space around the project (for example; sidewalks, lighting and planting)?** Improvements will be required to the sidewalk, new or re-located curb cuts, and new street trees. New architectural lighting is anticipated to be included in the project's design. New landscaping is expected to be included at ground level adjacent to public sidewalks and alongside the building and parking area.

4. Site Control

- a. Name the property owner at the time of application:**
Cerpa Construction LLC & Simpson Construction LLC (or its assignees)

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:**

There are no existing liens on the property. Cerpa Construction LLC (or its assignees) will use bank financing to complete the construction.

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:

Former use of the site was a small single-family house adjacent to an industrial facility.



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:

i. Closing of the loan or contributing financing availability.

Upon PILOT approval & prior to the Commencement of Construction (see attached project schedule).

ii. First expenditure of funds with regard to the project.

Soft cost expenditures have begun as well as acquisition funds.

iii. Anticipated construction will begin.

See attached project schedule.

iv. Anticipated completion date.

See attached project schedule.

|4

7. Project Team:

a. Architects and Engineers:

- i. Architecture: **cnct. design, PLLC**
- ii. Structural Engineering: **JH Design, PLLC**
- iii. Civil Engineering: **The Reeves Firm**
- iv. M, P, E & FP: **Building Systems Group**

b. Contractor for Project: **Cerpa Construction LLC**

c. Other Professionals:

- i. Project Management: **cnct. development, LLC**
- ii. Legal: **TBD**

d. Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board: No.

8. References:

- a. David Hill
Owner / President
Hill Services Inc.
tdh@hillishere.com
(901) 388-7500



- b. Paulo Aur
Co-Owner
American Paper Optics
paulo@3dglasesonline.com
(901) 381-1515
- c. Rhomes Aur
CEO
First Horizon Advisors
(901) 758-3101
- d. Darrell Simpson
Owner
Simpson Construction LLC
simpsonconstruct@aim.com
(901) 553-4933

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.**

Cerpa Construction LLC (or its assignees)

- b. **State the tax parcel number for all Property involved with the project and the current assessed value of the Property.**

Address: 2010 Court Ave. & 0 Court Ave.
Parc. ID: 017061 00011 & 017061 00012
Assessed Value: \$157,000 & \$ 4,600

- c. **Are there any assessments presently under appeal?**
No
- d. **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

|5



11. Applicant Affirmation:

This application is made in order to induce the Memphis Center City Revenue Finance Corporation (CCRFC) 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 CCRFC in its consideration of the application is included. The applicant expressly consents to the CCRFC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of MWBE contractors. The applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the CCRFC whether or not the incentive is granted or project completed.

Alfredo Cerpa

11/27/2023

Alfredo Cerpa
Cerpa Construction, LLC
ac@cerpaconstruction.com
1201 Sycamore View Rd.
Memphis, TN 38134



Index of Exhibits:

- A) Architectural Plans & Renderings
- B) Sources & Uses
- C) Cash Flow Proforma
- D) Budget
- E) Project Schedule

2010 Court Avenue
PILOT Presentation
November 2023

9. Vicinity Map
10. Project Description
11. Site Plan
12. Exterior Elevations
13. Exterior Rendering
14. Exterior Precedents
15. Materials
16. Interior Precedents

Vicinity Map

- 1 2010 Court Ave
- 2 Molly's La Casita
- 3 The Blue Monkey
- 4 Crazy Noodle
- 5 TJ Mulligan's
- 6 Turner Dairy
- 7 Saltwater Crab
- 8 Memphis Pizza Cafe
- 9 Bayou
- 10 Golden India
- 11 Babalu
- 12 Boscós
- 13 Lafayette's Music Room
- 14 Local On The Square
- 15 Porch and Parlor
- 16 Ballet Memphis
- 17 The Memphian
- 18 The Second Line
- 19 Chef Kelly English
- 20 Malco Studio on the Square



Project Description

Right off one of the major corridors of Memphis, this proposed multifamily apartment project is adjacent to the entertainment and food district of Overton Square. Nestled between Madison Ave. and Poplar Ave. this proximity is perfect for tenants looking for walkability to urban amenities and ease of vehicular access.

The existing site currently has a rental home tucked between a utility easement/closed alley (East) and a gated private drive entrance (West). The property is at the end of Court Ave. and abutting the Turner Dairy Supply Plant.

This proposal increases the density of this high demand area and replaces the existing rental home with a 10 unit, two-story apartment complex. This building will be oriented North/South and placed on the west side of the property outside the 20 ft. utility easement.



Elevations

1. Beige brick
2. Black vinyl windows
3. Brick detailing
4. Black fascia
5. Pedestrian entry
6. Vehicular entry with new curb cut
7. New site fence
8. Black gutter and downspout
9. Black cement fiber panels
10. Entry door
11. Black lap siding
12. Exterior lighting
13. Shingle roof
14. Entry overhang
15. Fire connection
16. Board form concrete wall
17. Stair railing



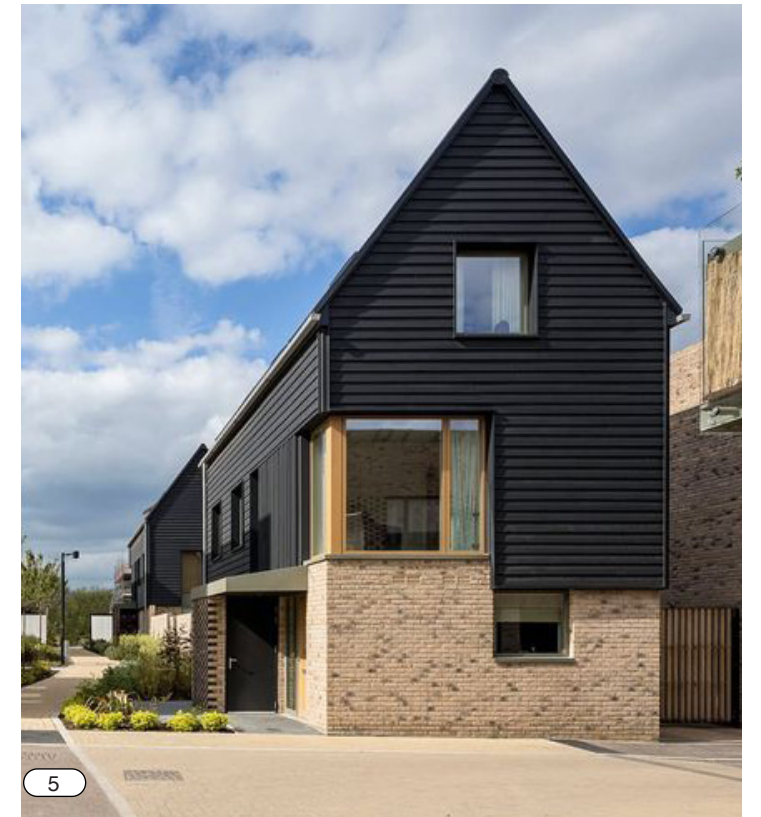
Exterior Rendering



Exterior Precedents

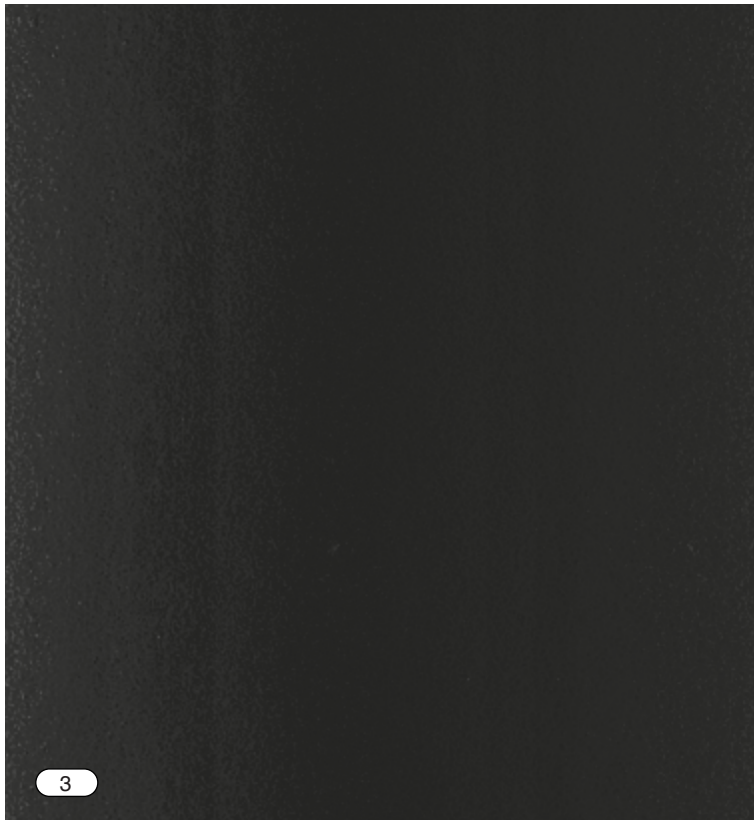
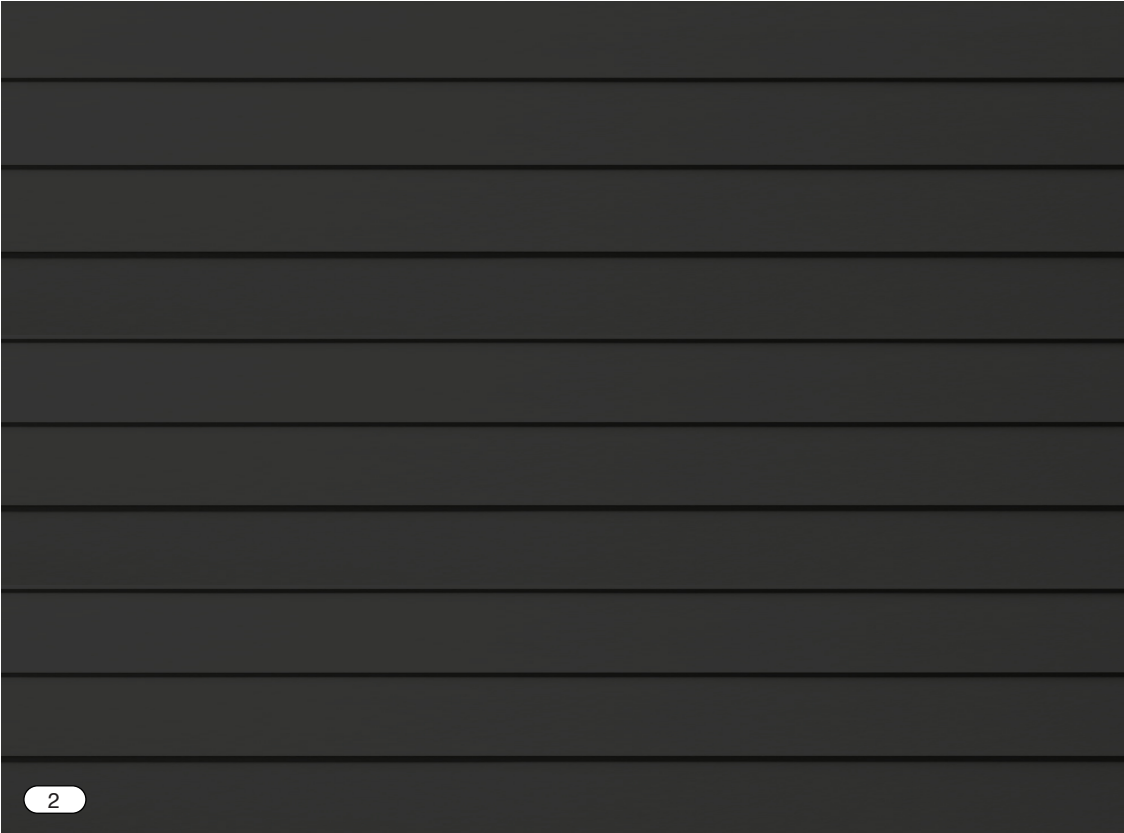
The exterior of this proposal has been designed to fit into the surrounding context of single family homes, while also distinguishing itself as a modern multifamily structure. Masonry and lap siding, materials found throughout the neighborhood, are used for the exterior cladding of this building. Different uses of brick detailing have been used to add depth to the masonry facade.

1. Beige brick building with black metal accents.
2. Repeating brick detailing and depth variation.
3. Modern zero-profile gable.
4. Rhythmic window placement under gable roof.
5. Black lap siding with beige brick.



Materials

- 1. Beige Brick
- 2. Black Lap Siding
- 3. Black Cement Fiber Panels
- 4. Asphalt Shingles
- 5. Concrete



Interiors

Apartments will be designed to accommodate a modern lifestyle while delivering timeless comforts and spatial organization.

Simple colors and natural textures will act as a backdrop for a variety of design styles. Large windows and access to outdoors will provide fresh air, daylight, and views to the adjacent Overton Square.





Exhibit B: Sources & Uses

SOURCES OF FUNDS:

Project Debt	\$1,260,402
Rate	8.50%/yr
Amortization	30 years
Owner's Equity in Project	\$315,100
Total Sources of Funds	<u>\$1,575,502</u>

USES OF FUNDS:

Detail of Project Costs:	
Land & Building Purchase	\$200,000
Construction Costs	\$1,146,000
* Soft Costs	\$94,868
** Financing Fees	\$120,526
PILOT Fee	\$14,109
Total Project Costs	\$1,575,502
Other Uses:	N/A
Total Uses of Funds	<u>\$1,575,502</u>

|17

PROPERTY OF CNCT. DEVELOPMENT. DO NOT DISTRIBUTE.

Exhibit C: Cash Flow Proforma

PROPERTY OF CNCT. DEVELOPMENT. DO NOT DISTRIBUTE.

WITHOUT PILOT:

Pro Forma Cash Flow

	rsf	S/rsf (mo)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12
REVENUE:														
Residential Space Revenue														
Total Residential Square Footage	6,820 sf		N/A											
Total Number of Units	10 units		N/A											
Vacancy Assumptions	95%		N/A											
Average Revenue per Square Foot	\$2.10		N/A											
Yearly Subtotal Residential Space Revenue	12 mo		N/A	\$81,492	\$162,983	\$166,243	\$169,568	\$172,959	\$176,418	\$179,946	\$183,545	\$187,216	\$190,961	\$194,780
Total Projected Revenue (mo)			N/A	\$81,492	\$162,983	\$166,243	\$169,568	\$172,959	\$176,418	\$179,946	\$183,545	\$187,216	\$190,961	\$194,780
EXPENSES:														
Operating Expenses														
Management/Leasing Fees	5.0%		N/A	\$4,075	\$8,149	\$8,394	\$8,645	\$8,905	\$9,172	\$9,447	\$9,731	\$10,022	\$10,323	\$10,633
Insurance	4.0%		N/A	\$3,260	\$6,519	\$6,715	\$6,916	\$7,124	\$7,338	\$7,558	\$7,784	\$8,018	\$8,258	\$8,506
Maintenance	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Utilities	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Legal/Accounting	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Taxes	19.1%		N/A	\$31,123	\$31,123	\$31,745	\$32,380	\$33,028	\$33,688	\$34,362	\$35,050	\$35,750	\$36,466	\$37,195
Total Projected Expenses	31.1%		N/A	\$40,902	\$50,681	\$51,890	\$53,129	\$54,399	\$55,701	\$57,035	\$58,403	\$59,804	\$61,241	\$62,714
NET OPERATING INCOME:			N/A	\$40,590	\$112,302	\$114,353	\$116,438	\$118,559	\$120,717	\$122,911	\$125,143	\$127,412	\$129,720	\$132,066
DEBT SERVICE:			N/A	-\$58,148	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297
DEBT SERVICE RATIO:			N/A	0.70	0.97	0.98	1.00	1.02	1.04	1.06	1.08	1.10	1.12	1.14
NET CASH FLOW:			-\$315,100	-\$17,559	-\$3,995	-\$1,944	\$141	\$2,263	\$4,420	\$6,614	\$8,846	\$11,115	\$13,423	\$15,770
RETURN ON OWNER'S EQUITY (YR 3):				-5.57%	-1.27%	-0.62%	0.04%	0.72%	1.40%	2.10%	2.81%	3.53%	4.26%	5.00%
CASH FLOW (OWNER EQUITY) IN 1ST YEAR														
				LEASE UP 50% OCCUPANCY IN YEAR 1	100% OCCUPANCY STABILIZED									

18

PROPERTY OF CNCT. DEVELOPMENT. DO NOT DISTRIBUTE.

WITH PILOT:

Pro Forma Cash Flow

			<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr 10</u>	<u>Yr 11</u>	<u>Yr 12</u>
REVENUE:	rsf	\$/rsf (mo)												
Residential Space Revenue														
Total Residential Square Footage	6,820 sf		N/A											
Total Number of Units	10 units		N/A											
Vacancy Assumptions	95%		N/A											
Average Revenue per Square Foot	\$2.10		N/A											
Yearly Subtotal Residential Space Revenue	12 mo		N/A	\$81,492	\$162,983	\$166,243	\$169,568	\$172,959	\$176,418	\$179,946	\$183,545	\$187,216	\$190,961	\$194,780
Total Projected Revenue (mo)			N/A	\$81,492	\$162,983	\$166,243	\$169,568	\$172,959	\$176,418	\$179,946	\$183,545	\$187,216	\$190,961	\$194,780
EXPENSES:														
Operating Expenses														
Management/Leasing Fees	5.0%		N/A	\$4,075	\$8,149	\$8,394	\$8,645	\$8,905	\$9,172	\$9,447	\$9,731	\$10,022	\$10,323	\$10,633
Insurance	4.0%		N/A	\$3,260	\$6,519	\$6,715	\$6,916	\$7,124	\$7,338	\$7,558	\$7,784	\$8,018	\$8,258	\$8,506
Maintenance	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Utilities	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Legal/Accounting	1.0%		N/A	\$815	\$1,630	\$1,679	\$1,729	\$1,781	\$1,834	\$1,889	\$1,946	\$2,004	\$2,065	\$2,127
Taxes	6.8%		N/A	\$5,597	\$11,194	\$11,529	\$11,875	\$12,232	\$12,598	\$12,976	\$13,366	\$13,767	\$14,180	\$14,605
Total Projected Expenses	18.8%		N/A	\$15,376	\$30,752	\$31,674	\$32,624	\$33,603	\$34,611	\$35,649	\$36,719	\$37,821	\$38,955	\$40,124
NET OPERATING INCOME:			N/A	\$66,116	\$132,232	\$134,569	\$136,943	\$139,356	\$141,807	\$144,297	\$146,826	\$149,396	\$152,005	\$154,656
DEBT SERVICE:			N/A	-\$58,148	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297	-\$116,297
DEBT SERVICE RATIO:			N/A	1.14	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.31	1.33
NET CASH FLOW:			-\$315,100	\$7,967	\$15,935	\$18,272	\$20,646	\$23,059	\$25,510	\$28,000	\$30,530	\$33,099	\$35,709	\$38,359
RETURN ON OWNER'S EQUITY (YR 3):				2.53%	5.06%	5.80%	6.55%	7.32%	8.10%	8.89%	9.69%	10.50%	11.33%	12.17%
			CASH FLOW (OWNER EQUITY) IN 1ST YEAR	LEASE UP 50% OCCUPANCY IN YEAR 1	100% OCCUPANCY STABILIZED									



Exhibit D: Budget

Project Name **2010 Court**
 Project Address 2010 Court Ave
 Memphis, TN 38104
 Use/Zoning Multifamily Apartment
 Site Area 11,600 SF
 Building Area 7,550 SF
 Parking Lot 5,300 SF
 Units 10

DIVISION	Cerca Construction	
		\$1,146,000
	<i>Construction Cost Per SF</i>	<i>\$151.79</i>
	<i>Cost Per Residential Unit</i>	<i>\$114,600</i>
	Contingency	\$16,216.98 1.50%
	Contractor's Fee	\$48,650.94 4.50%
	Recap Total	\$1,081,131.97
01 General Requirements	\$98,150.00	\$13.00/SF
		(includes. General Req, Project Req, & Div 01)
02 Existing Conditions	\$0.00	\$0.00/SF
03 Concrete	\$101,925.00	\$13.50/SF
04 Masonry	\$52,850.00	\$7.00/SF
05 Metals	\$22,650.00	\$3.00/SF
06 Woods, Plastics, Composites	\$158,550.00	\$21.00/SF
07 Thermal & Moisture Protection	\$36,277.34	\$4.80/SF
08 Openings	\$83,050.00	\$11.00/SF
09 Finishes	\$105,700.00	\$14.00/SF
10 Specialties	\$16,312.65	\$2.16/SF
11 Equipment	\$17,773.46	\$2.35/SF
12 Furnishings	\$21,547.34	\$2.85/SF
13 Special Construction	\$0.00	\$0.00/SF
14 Conveying Equipment	\$12,416.95	\$1.64/SF
21 Fire Suppression	\$23,616.73	\$3.13/SF
22 Plumbing	\$90,600.00	\$12.00/SF
23 HVAC	\$90,600.00	\$12.00/SF
26 Electrical	\$101,925.00	\$13.50/SF
27 Communications	\$0.00	\$0.00/SF
28 Electronic Safety & Security	\$0.00	\$0.00/SF
31 Earthwork	\$26,425.00	\$3.50/SF
32 Exterior Improvements	\$20,762.50	\$2.75/SF
33 Utilities	\$0.00	\$0.00/SF

PROPERTY OF CNCT. DESIGN, PLLC. DO NOT DISTRIBUTE



Exhibit E: Project Schedule

1. Programming & Concept Phase	07/15/2022 – 05/23/2023
2. Schematic Design Phase	09/25/2023 – 11/25/2023
3. Design Development Phase	12/12/2023 – 12/22/2023
4. Construction Document Phase	12/28/2022 – 01/28/2024
5. Bidding & Negotiation	January 2024
6. Permitting	January 2024
7. Commencement of Construction	February 2024
8. Substantial Completion	Q4 2024
9. Full Occupancy Expected	Q2 2025

cnct design, pllc

12/3/2023

PILOT Request	
Requested PILOT Term (years)	10.0
Project Type	New Construction
Located in the CBID?	No
Current Amounts	
Base Appraisal	\$157,000
Base Assessment	\$62,800
Annual City Tax on Base Assessment	\$2,007
Annual County Tax on Base Assessment	\$2,543
Annual RE Taxes on Base Assessment	\$4,550
Project Costs	
Acquisition Cost	\$200,000
Hard Costs	\$1,146,000
Soft Costs	\$64,868
Total Project Costs w/o PILOT fee	\$1,410,868
Hard Costs Investment Check - 81.2%	YES
Public grants eligible for PILOT fee basis reduction	\$0
PILOT fee basis	\$1,410,868
PILOT fee	\$14,109
Total Project Costs w/ PILOT fee	\$1,424,976
Valuation & CBID Assessment	
Base Appraisal	\$157,000
Percentage of Hard Costs	\$916,800
Estimated Appraisal after Improvements	\$1,073,800
Estimated Assessment after Improvements	\$429,520
Estimated Annual CBID Assessment after Improvements	\$0
Annual RE Taxes	
<i>Hypothetical annual taxes without PILOT*</i>	
Estimated Hypothetical Annual City Tax without PILOT*	\$13,727
Estimated Hypothetical Annual County Tax without PILOT*	\$17,396
Estimated Hypothetical Total Annual Taxes without PILOT*	\$31,123
<i>Estimated annual taxes with PILOT</i>	
Estimated Annual City Tax with PILOT	\$4,937
Estimated Annual County Tax with PILOT	\$6,256
Estimated Total Annual Taxes with PILOT	\$11,194
Estimated Annual Benefit	\$19,929
Cumulative RE Taxes	
<i>Hypothetical cumulative taxes without PILOT*</i>	
Estimated Hypothetical Cumulative City Tax without PILOT*	\$137,274
Estimated Hypothetical Cumulative County Tax without PILOT*	\$173,956
Estimated Hypothetical Total Cumulative Taxes without PILOT*	\$311,230
<i>Estimated cumulative taxes with PILOT</i>	
Estimated Cumulative City Tax with PILOT	\$49,372
Estimated Cumulative County Tax with PILOT	\$62,564
Estimated Total Cumulative Taxes with PILOT	\$111,936
Estimated Cumulative Benefit over 10-Year PILOT	\$199,294
Estimated Cumulative Increase in Taxes due to PILOT	\$66,431

*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".