



PILOT Application:

34 Crump Blvd., Memphis TN 38106

Administered by:
Center City Revenue Finance Corporation

Dear Members of the Board,

Thank you for the opportunity to present the enclosed PILOT application for 34 E.H. Crump Blvd Mixed-Use development.

The site is owned by James Little of JEL Developments. 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 downtown market and Crump Av. corridor by clearing an underutilized parcel and adding approximately 2,700sf of ground floor commercial space, 29 new market rate residential units, and 2 Live-Work Units.

The proposed development faces both Crump Blvd. and Virginia Ave. and is located near the I-55/Crump Blvd. interchange—currently undergoing renovations by TDOT. The proposed development improves the street presence of Crump Blvd.—a major, under-utilized corridor into Downtown-- while bringing an appropriate level of commercial activation and residential density to the site.

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 cursive script, appearing to read 'James Little', is written in black ink.

James Little

JEL Developments
james@jeldevelopments.com
6584 Poplar Av. Suite 325
Memphis, TN 38138



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:

JEL Developments 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.**

JEL Developments – Formally launched in 2022, JEL Developments is a locally owned boutique development firm pursuing infill new construction and redevelopment projects. Prior to starting JEL Developments, James was Vice -President and Head of Construction for Faropoint, an institutional private equity real estate firm. The company acquires and manages last-mile distribution centers, office, and retail assets throughout the United States with a portfolio value of over \$1 billion. During his tenure, he worked on acquisitions, asset management, and operations of the company's portfolio throughout each market. Previously, James was a Regional Construction Project Manager at The Kroger Co., managing large renovation and construction projects throughout the Kroger Delta Region.

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3. Proposed Project description

- a) *Location:*

*Project Address: 34 E.H. Crump Blvd., Memphis Tennessee 38106
Parcel ID: 012053 00011C
Parcel ID: 012053 00003*

34 Crump is located on two parcels in between W. Virginia Avenue and E.H. Crump Boulevard.

- b) *Intended Use:*

The proposed 34 Crump project will be a mixed-use development including approximately 2,700sf of ground floor commercial space, 29 new market rate residential units, and 2 Live-Work Units. The developer is working with an experienced team of project managers, architects, contractors, and consultants to deliver a project that meets the demands of a

growing downtown Memphis. The target rents will be market rate for both the apartments and retail.

c) *Economic and Environmental impact:*

The existing site is a vacant lot adjacent to Crump Blvd. near the I-55/Crump Interchange. The proposed development will bring 2,700sf of ground floor commercial space, 29 new market rate residential units, and 2 Live-Work Units. It will also include 28 off-street parking spaces. By activating the currently vacant site this project will activate and spur growth along Crump Blvd. The project development will spend approximately \$1,285,000 with local MWBE certified contractors and professionals.

d) *The square footage of the building/ land area to be renovated:*

- a. **New off-street parking: Approx. 28 spaces**
- b. **New commercial: Approx. 2,700 sf**
- c. **New Residential: Approx. 29 Residential Units and 2 Live-Work Units (26,000 sf)**
- d. **Total: Appx. 30,000 sf / 0.60 ac.**

e) Attached are 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 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 ground floor commercial space will be leased as NNN. Commercial tenants will be marketed to and determined over the course of project design & construction. Upper and lower floor multi-family residential units will be leased at market rate with full occupancy expected within six (6) months from substantial completion.

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. Commercial Retail leases are expected to be signed during the construction phase, transition to tenant improvements, and have tenants occupy the property immediately thereafter. 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 the public alleyway. 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 at the public alley.**

4. Site Control

- a) *Name the property owner at the time of application:*
JEL Developments, 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. JEL Developments (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: **Through the PILOT program, the applicant can make an investment that will create activation along Crump Blvd. a major, under-utilized commercial corridor into downtown Memphis.***

- 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. **Architecture:** cnct. design, PLLC
 - b. **Structural Engineering:** TBD
 - c. **Civil Engineering:** TBD
 - d. **M, P, E & FP:** TBD
- b) *Contractor for Project:* TBD
- c) *Other Professionals:*
 - a. **Project Management**
cnct. development, LLC
 - b. **Landscape Design;** TBD
 - c. **Legal: Apperson Crump PLLC**
- 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) **Ben Schulman**
Director of Real Estate
Memphis Medical District Collaborative
656 Madison Ave, Memphis, TN 38103
(901) 552-4781
- b) **Leonid Faerovich**
Senior Vice President - Head of Asset Management
Faropoint
5 Marine View Plaza | 4th fl.
Hoboken, NJ 07030
(901)283-4184
- c) **Mike Boehm**
Regional Director of Construction
The Kroger Co.
800 Ridge Lake Blvd, Memphis, TN 38119
(901)359-1523

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.*

JEL Developments, LLC (or its assignees)

- a. *State the tax parcel number for all Property involved with the project and the current assessed value of the Property.*
 - a. **0 E.H. Crump Blvd | Parc. ID: 012053 00011C | Assessed Value: \$6,320**
 - b. **25 W. Virginia Ave | Parc. ID: 012053 00003 | Assessed Value: \$750**
- 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:

James Little
james@jeldevelopments.com
JEL Developments, LLC

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.



08/16/2022

PILOT Request		
Requested PILOT Term (years)	10.0	3,000
Project Type	New Construction	15,800
Located in the CBID?	Yes	18,800
Current Amounts		
Base Appraisal	\$18,800	
Base Assessment	\$7,520	
Annual City Tax on Base Assessment	\$203	
Annual County Tax on Base Assessment	\$255	
Annual RE Taxes on Base Assessment	\$458	
Project Costs		
Acquisition Cost	\$20,500	\$4,580.91
Hard Costs	\$4,910,625	
Soft Costs	\$497,279	
Total Project Costs w/o PILOT fee	\$5,428,404	
Hard Costs Investment Check - 90.5%	YES	
Public grants eligible for PILOT fee basis reduction	\$0	
PILOT fee basis	\$5,428,404	
PILOT fee	\$54,284	
Total Project Costs w/ PILOT fee	\$5,482,688	
Valuation & CBID Assessment		
Base Appraisal	\$18,800	
Percentage of Hard Costs	\$3,928,500	
Estimated Appraisal after Improvements	\$3,947,300	
Estimated Assessment after Improvements	\$1,578,920	
Estimated Annual CBID Assessment after Improvements	\$10,198	
Annual RE Taxes		\$106,380
<i>Hypothetical annual taxes without PILOT*</i>		
Estimated Hypothetical Annual City Tax without PILOT*	\$42,657	
Estimated Hypothetical Annual County Tax without PILOT*	\$53,525	
Estimated Hypothetical Total Annual Taxes without PILOT*	\$96,182	
<i>Estimated annual taxes with PILOT</i>		
Estimated Annual City Tax with PILOT	\$10,817	\$34,587.08
Estimated Annual County Tax with PILOT	\$13,573	
Estimated Total Annual Taxes with PILOT	\$24,389	
Estimated Annual Benefit	\$71,793	
Cumulative RE Taxes		
<i>Hypothetical cumulative taxes without PILOT*</i>		
Estimated Hypothetical Cumulative City Tax without PILOT*	\$426,567	
Estimated Hypothetical Cumulative County Tax without PILOT*	\$535,254	
Estimated Hypothetical Total Cumulative Taxes without PILOT*	\$961,821	
<i>Estimated cumulative taxes with PILOT</i>		
Estimated Cumulative City Tax with PILOT	\$108,166	
Estimated Cumulative County Tax with PILOT	\$135,725	
Estimated Total Cumulative Taxes with PILOT	\$243,891	
Estimated Cumulative Benefit over 10-Year PILOT	\$717,930	
Estimated Cumulative Increase in Taxes due to PILOT	\$239,310	

**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".*

INDEX OF EXHIBITS:

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

EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

Vicinity Map

- 1 34 Crump Blvd.
- 2 Crescent Bluff I Apartments
- 3 Crescent Bluff II Apartments
- 4 Ghost River Brewery + Taproom
- 5 Medicine Factory
- 6 Loflin Yard
- 7 Carolina Watershed
- 8 South Point Grocery
- 9 Central Station
- 10 Memphis Farmers Market
- 11 South Line Apartments
- 12 South Bluffs
- 13 Tom Lee Park
- 14 River Tower at South Bluffs
- 15 Artesian Condos
- 16 Martyrs Park
- 17 South Junction Apartments



EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

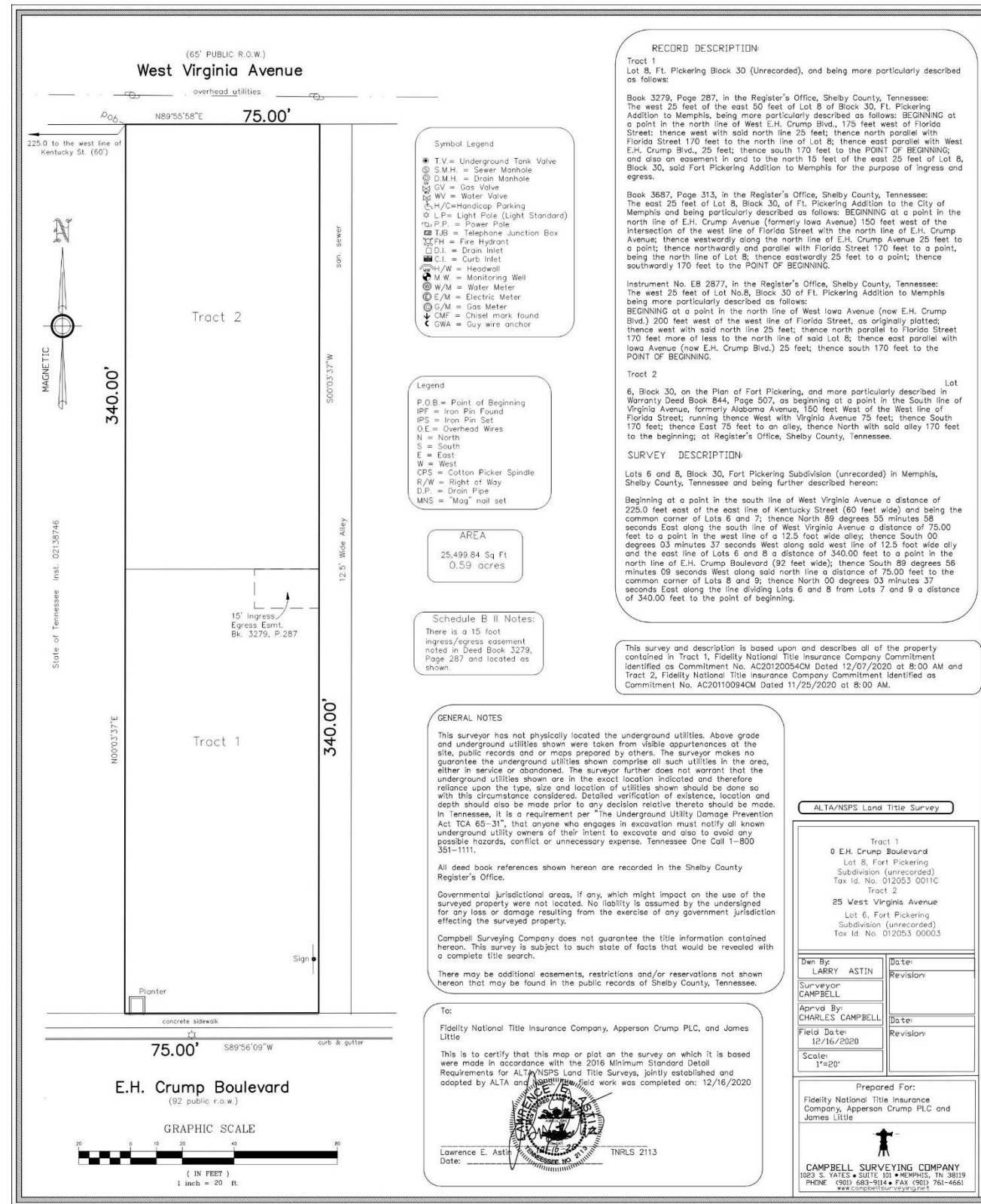


EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

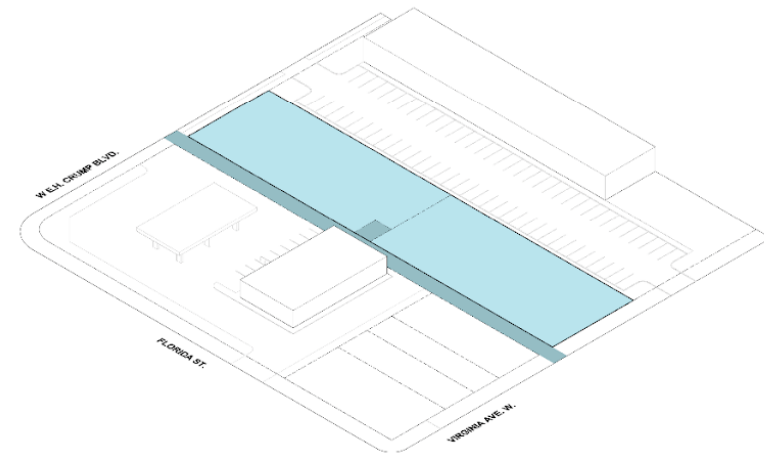


EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

Diagrams

Site Constraints

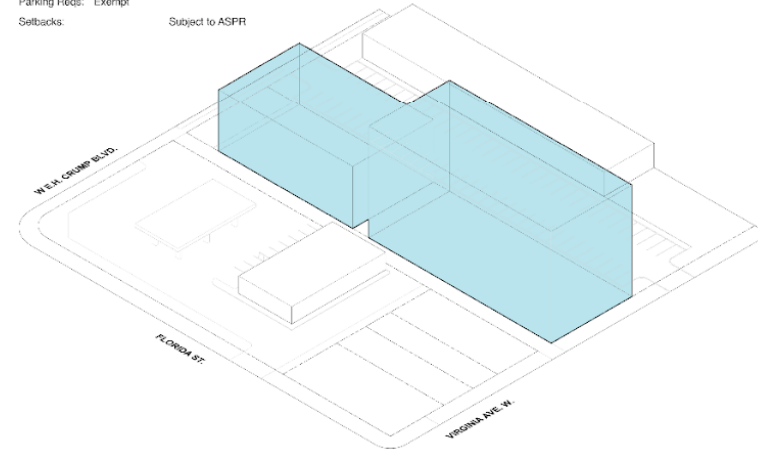
2 Parcels (25 W. Virginia Ave. & 0 W. E.H. Crump Blvd.)
Crump Blvd. and Virginia St. Frontage
Unpaved Public Alley
15 ft Ingress/Egress Easement



Zoning

Gateway Commercial (South Parcel)
Max. Height: 50 ft
Max. Density: UDC Article 3
Parking Req: UDC Chapter 4.5
Setbacks: 30 ft - Front
15 ft - Proposed Front Setback
15 ft - Rear

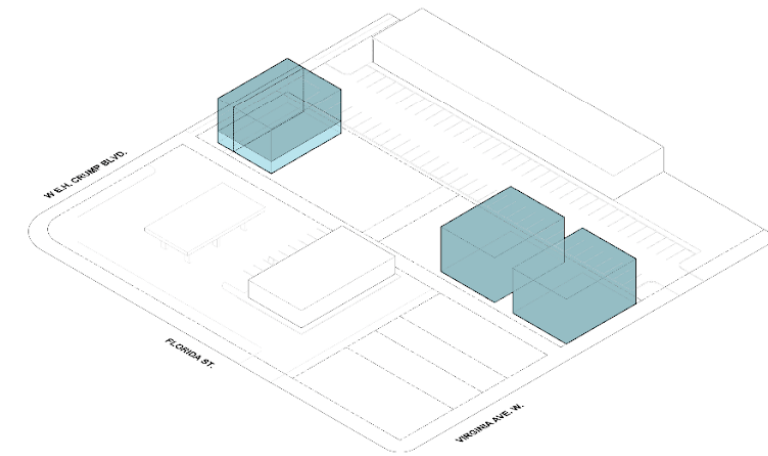
Bluffview Residential (North Parcel)
Max. Height: 8 Stories / 90 ft
Max. Density: None
Parking Req: Exempt
Setbacks: Subject to ASPR



Construction

Type VB Construction
Max Height: 60 ft
Max Area: 27,000 sf

Occupancy
Business (B): 1st Floor Building C
Residential (R-2): 1st, 2nd, 3rd Floor Building A, B
2nd, 3rd Floor Building C



Parking and Access

Gateway Parking Req: UDC 7.2.7.E.1: The maximum number of parking spaces permitted shall not exceed the minimum parking rates established in Chapter 4.5
Bluffview Parking Req: Exempt

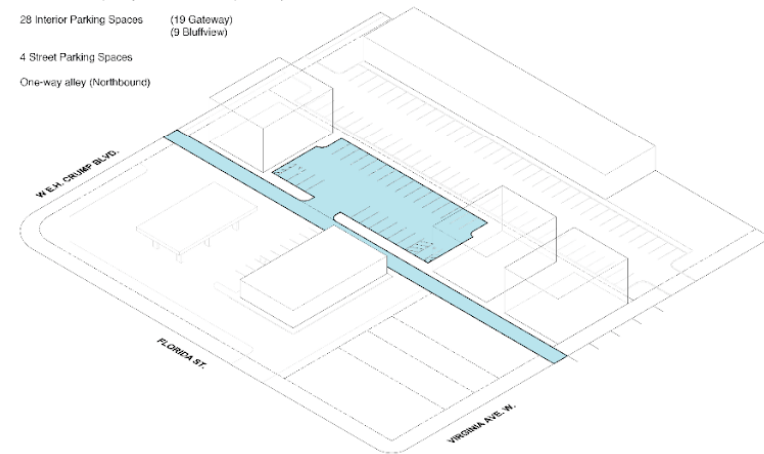
Apartments:	8 Units (1 & 2BR) 1.5 Spaces / Unit = 12 Spaces
Commercial:	2790 GSF
Office:	1 Space / 300 SF = 10 Spaces
Restaurant:	1 Space / 300 SF = 10 Spaces
w/ Patio / 500 SF =	11 Spaces
Total:	22-23 Spaces

Screened interior parking to be accessed with public alley

28 Interior Parking Spaces (19 Gateway) (9 Bluffview)

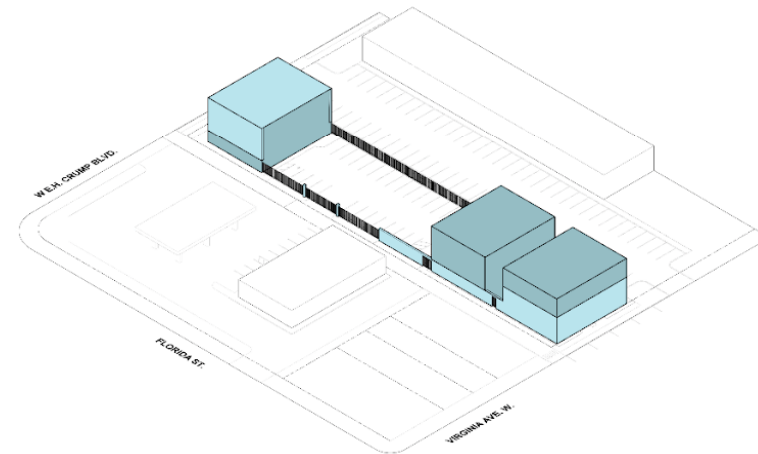
4 Street Parking Spaces

One-way alley (Northbound)



Site Strategy

Selective location and placement of materials
Buildings hold street edge at Crump and Virginia
Courtyard between buildings for light access



Program

31 Apartment Units (15) 2 Bedroom Units (16) 1 Bedroom Units
1-2 Commercial Spaces

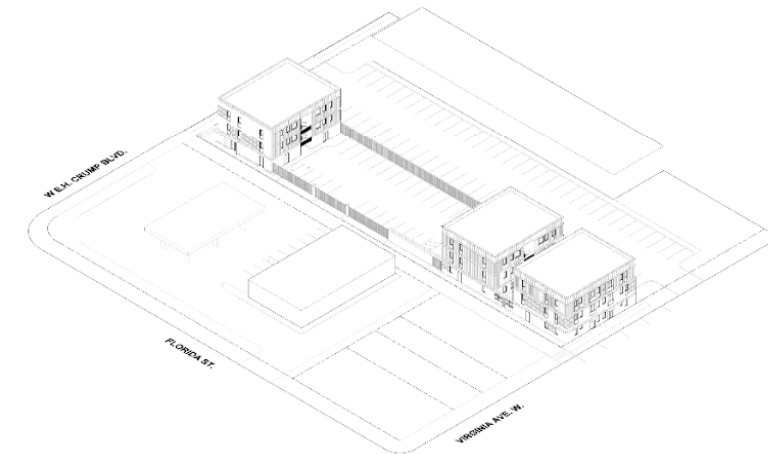


EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

Crump Blvd.

34 Crump Blvd. will be a new, mixed-use development activating a major corridor and gateway into Downtown Memphis.

Brick Masonry will be the primary material addressing Crump Blvd. and Virginia Ave. with black metal detailing, and large glass openings for retail and residential occupants.

Buildings are set back from the street in response to neighboring buildings and to allow for pedestrian circulation and patio activation of retail spaces.



CNC+

SUBJECT TO CHANGE*

CNC+

EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

Virginia Ave.

Live-Work Apartments with entrances directly off Virginia Avenue activate the street and sidewalk. High quality materials, pedestrian lighting, and attention to detail combine to encourage walkability and improve neighborhood safety.



EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



EAST SITE ELEVATION



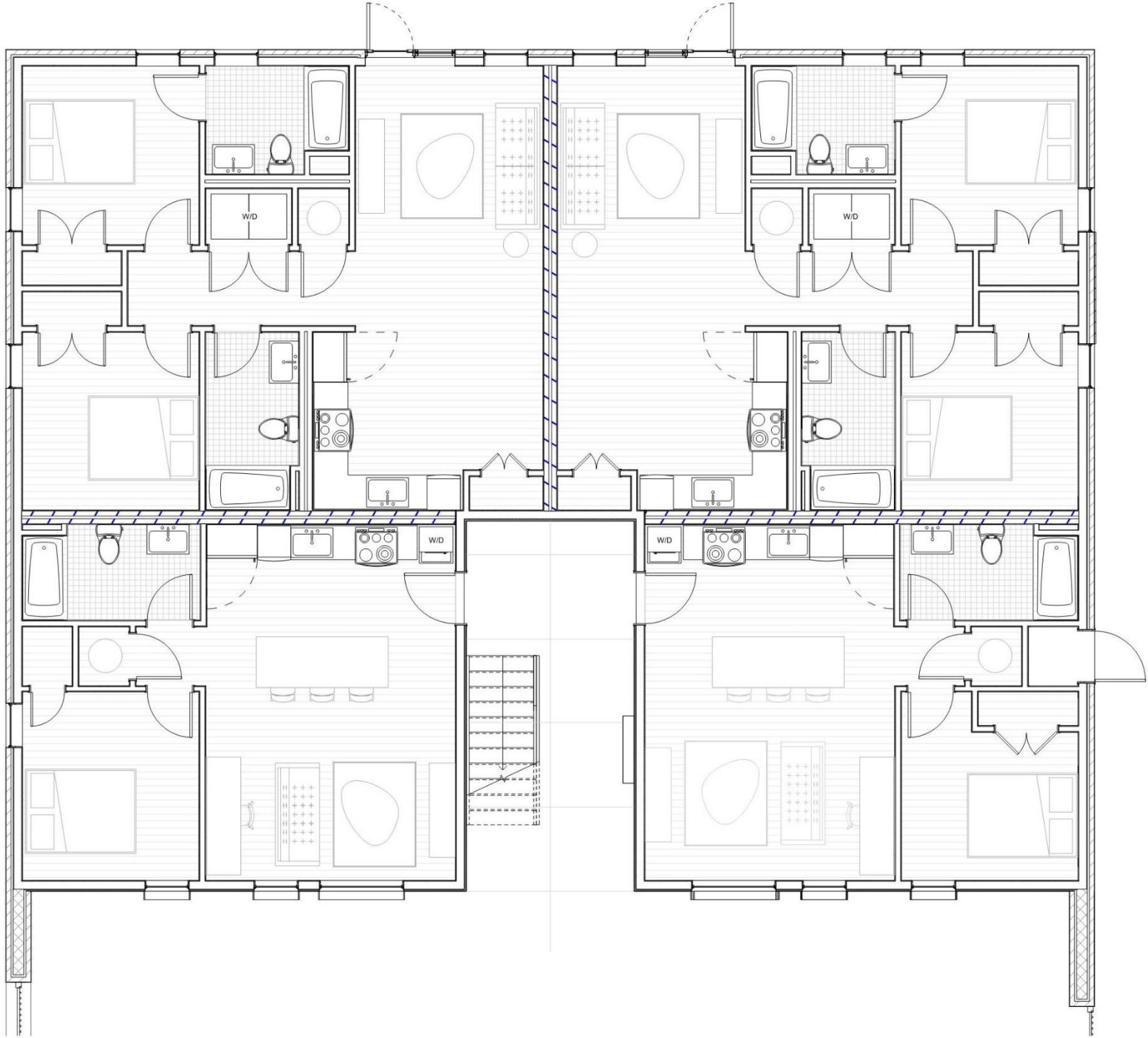
CRUMP BLVD. ELEVATION



VIRGINIA AVE. ELEVATION

SUBJECT TO CHANGE*

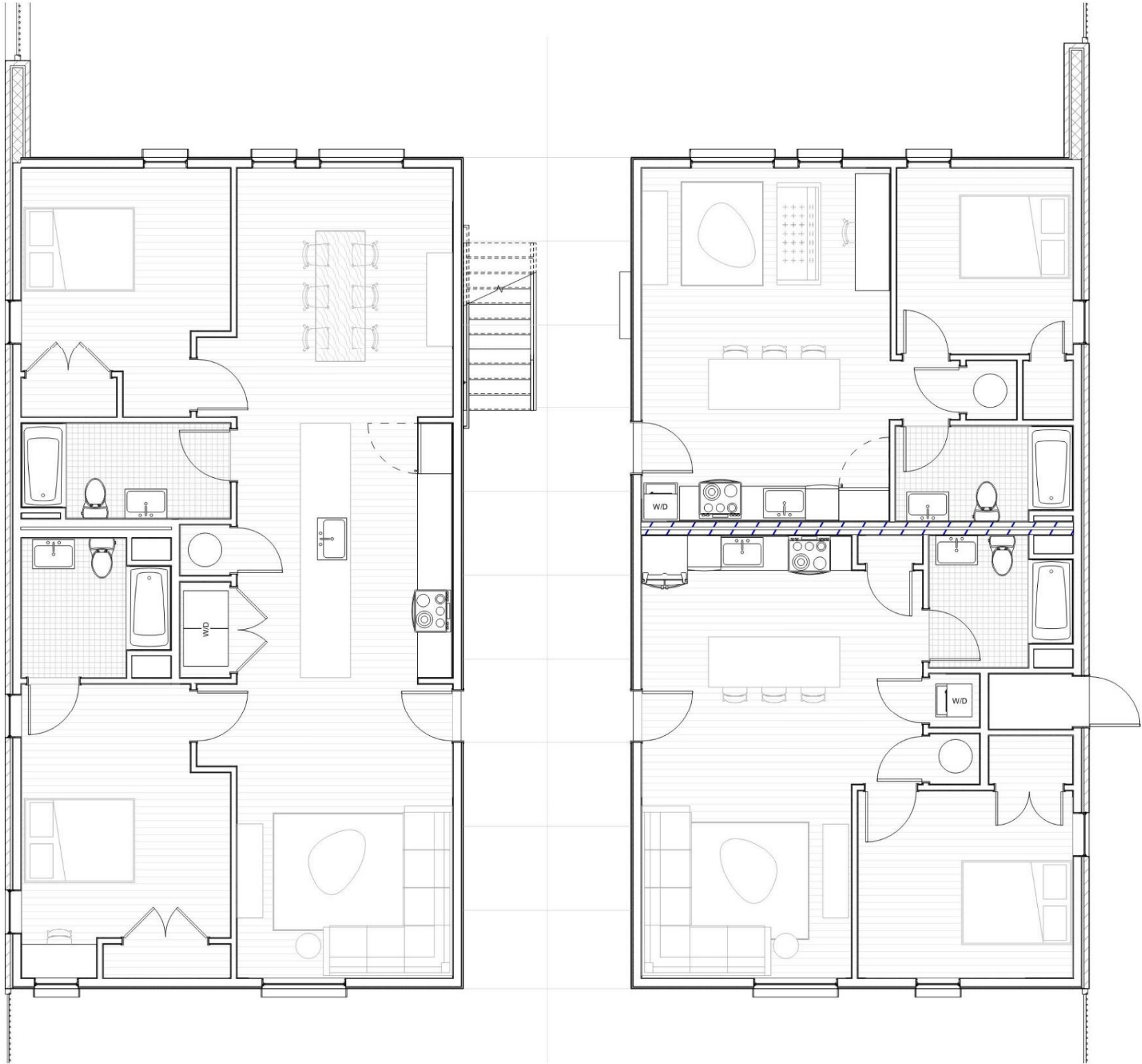
EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



1st Floor Plan (Building A)



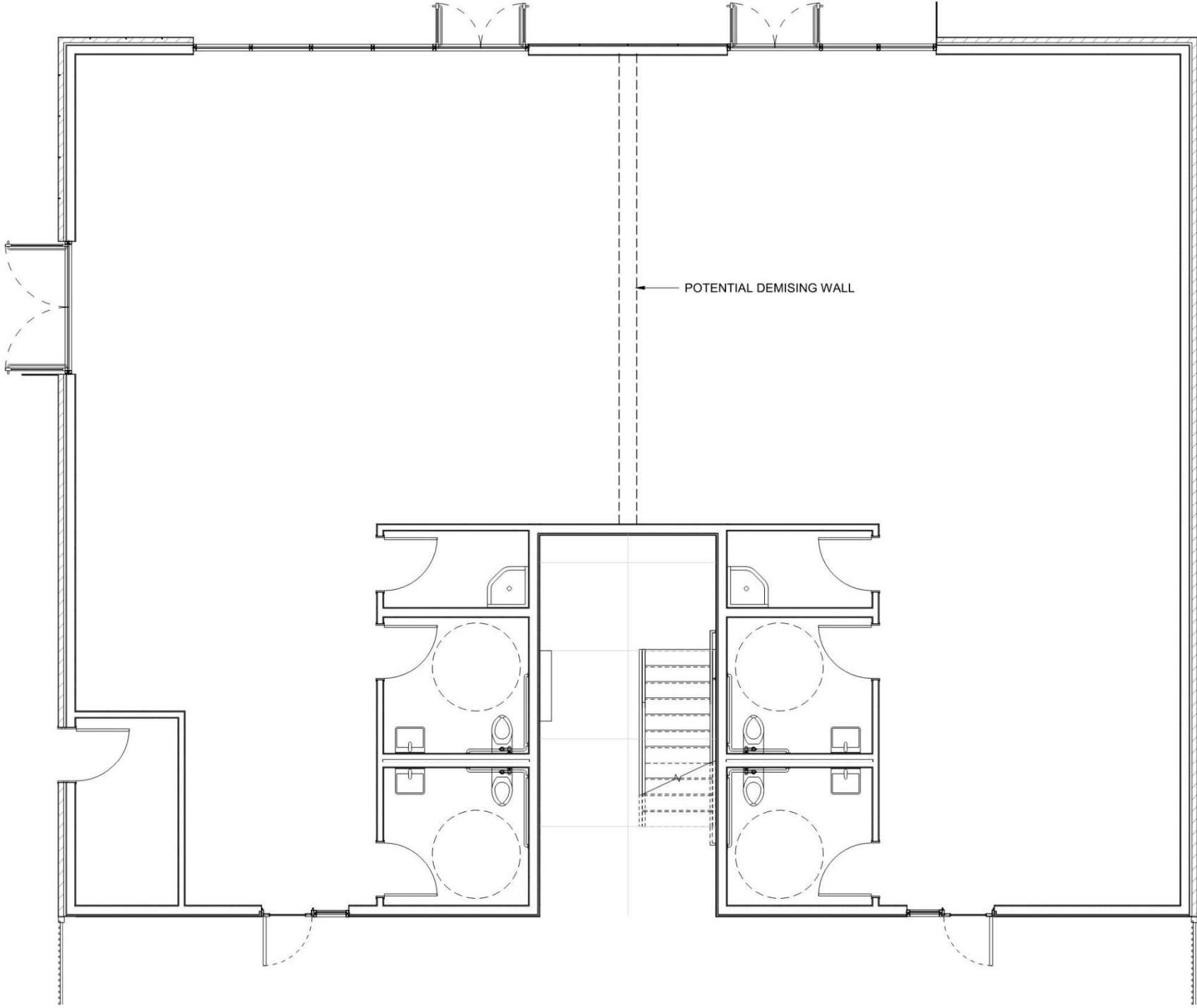
EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



1st Floor Plan (Building B)

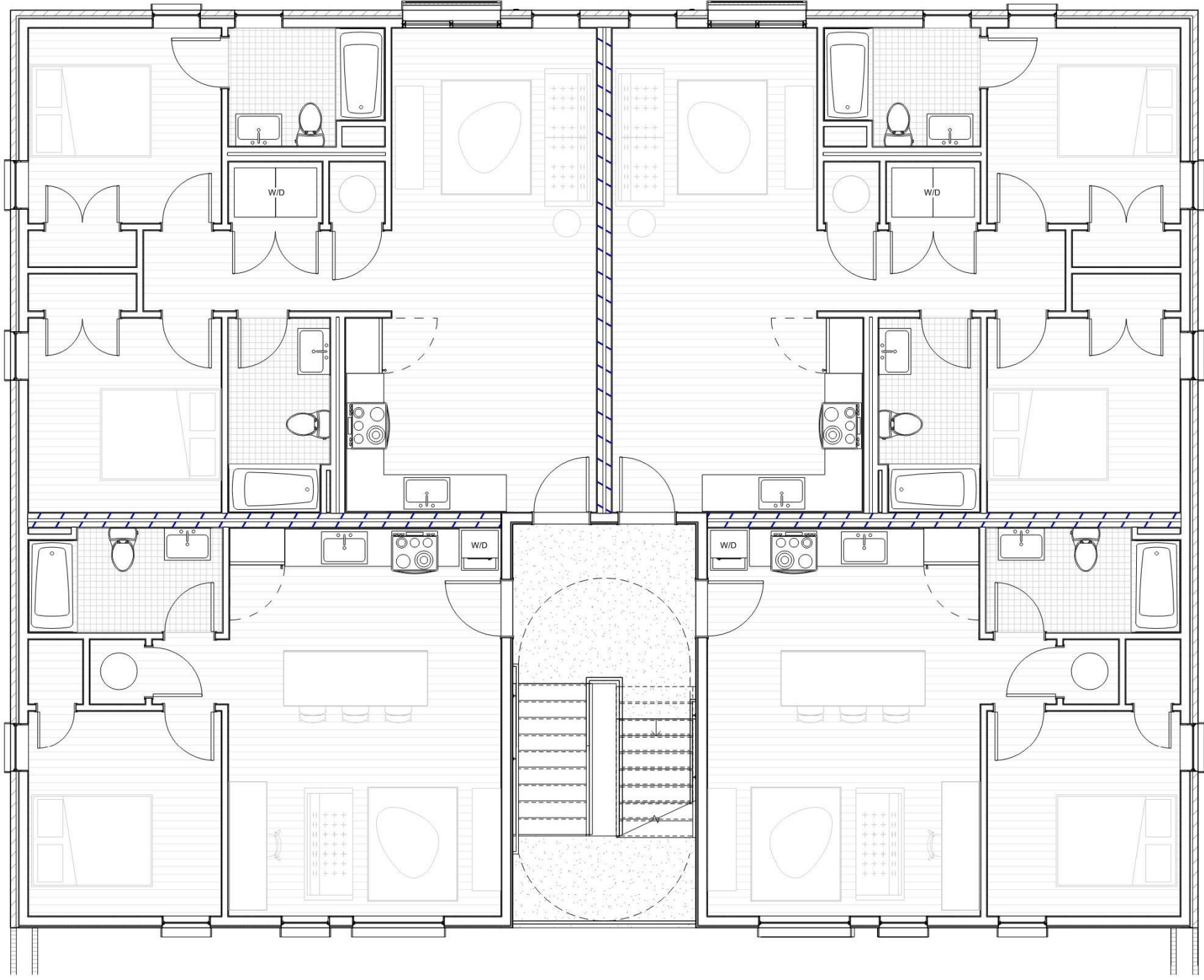


EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



1st Floor Plan (Building C)

EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



Typical 2nd & 3rd Floor Plan (Building A, B, & C)

EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

Exterior

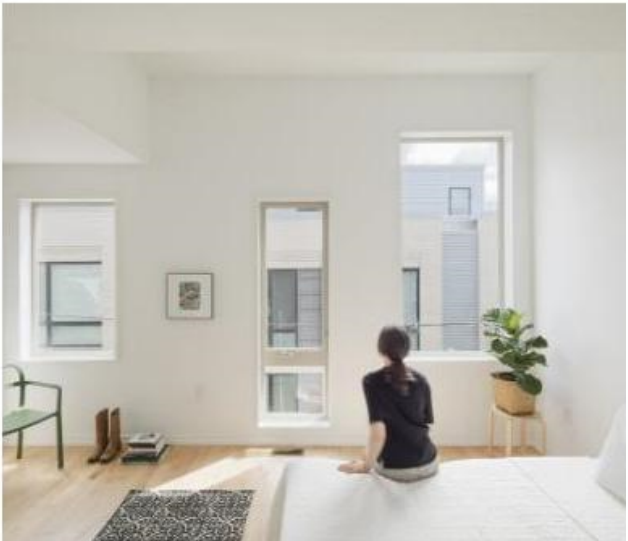
Exterior massing responds to site-specific constraints including adjacent streets and buildings. The building facing Crump Ave will feature predominately brick masonry as is appropriate for a major downtown commercial corridor. Materials will include earthy, brick tones mixed with premium, dark cement fiberboard siding. Black and steel accents will define crisp edges and profiles. Brick screen walls will provide security while maintaining an open and expansive feel to the residential courtyard and parking lot.



EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS

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, access to outdoor spaces, and Juliet balconies will provide fresh air, and daylight.



SUBJECT TO CHANGE*

EXHIBIT A
ARCHITECTURAL PLANS & RENDERINGS



SUBJECT TO CHANGE*

CNC+

SOURCES OF FUNDS:

Project Debt	\$4,502,169
Rate	5.00%/yr
Amortization	20 years
Owner's Equity in Project	\$1,125,542
Total Sources of Funds	<u>\$5,627,711</u>

USES OF FUNDS:

Detail of Project Costs:	
Land & Building Purchase	\$20,500
Construction Costs	\$4,910,625
* Soft Costs	\$419,875
** Financing Fees	\$225,108
PILOT Fee	\$51,603
Total Project Costs	\$5,627,711
Other Uses:	N/A
Total Uses of Funds	<u>\$5,627,711</u>

* includes professional fees: architecture, engineering, & geotechnical

** includes legal, insurance, and interest during construction

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>
REVENUE:	rsf	\$/rsf (mo)										
Commercial Space Revenue:												
Tenant Space A (Ground Floor)	2,700 sf	\$1.70	N/A	\$2,295	\$4,590	\$4,682	\$4,775	\$4,871	\$4,968	\$5,068	\$5,169	\$5,272
Total Commercial Square Footage	2,700 sf		N/A									
Vacancy Assumptions	95%		N/A									
Average Revenue per Square Foot	\$1.70		N/A									
Yearly Subtotal Commercial Space Revenue	12 mo		N/A	\$26,163	\$52,326	\$53,373	\$54,440	\$55,529	\$56,639	\$57,772	\$58,928	\$60,106
Residential Space Revenue												
Total Residential Square Footage	25,100 sf		N/A									
Total Number of Units	31 units		N/A									
Vacancy Assumptions	95%		N/A									
Average Revenue per Square Foot	\$1.90		N/A									
Yearly Subtotal Residential Space Revenue	12 mo		N/A	\$271,833	\$543,666	\$554,539	\$565,630	\$576,943	\$588,482	\$600,251	\$612,256	\$624,501
Total Projected Revenue (mo)			N/A	\$297,996	\$595,992	\$607,912	\$620,070	\$632,471	\$645,121	\$658,023	\$671,184	\$684,607
EXPENSES:												
Operating Expenses												
Management/Leasing Fees	7.5%		N/A	\$22,350	\$44,699	\$46,040	\$47,422	\$48,844	\$50,310	\$51,819	\$53,373	\$54,975
Insurance	3.0%		N/A	\$8,940	\$17,880	\$18,416	\$18,969	\$19,538	\$20,124	\$20,728	\$21,349	\$21,990
Maintenance	6.0%		N/A	\$17,880	\$35,760	\$36,832	\$37,937	\$39,075	\$40,248	\$41,455	\$42,699	\$43,980
Utilities	3.0%		N/A	\$8,940	\$17,880	\$18,416	\$18,969	\$19,538	\$20,124	\$20,728	\$21,349	\$21,990
Legal/Accounting	3.5%		N/A	\$10,430	\$20,860	\$21,486	\$22,130	\$22,794	\$23,478	\$24,182	\$24,908	\$25,655
Taxes	4.9%		N/A	\$14,505	\$29,011	\$29,881	\$30,778	\$31,701	\$32,652	\$33,631	\$34,640	\$35,680
Total Projected Expenses	27.9%		N/A	\$83,044	\$166,089	\$171,072	\$176,204	\$181,490	\$186,935	\$192,543	\$198,319	\$204,268
NET OPERATING INCOME:			N/A	\$214,952	\$429,903	\$436,840	\$443,866	\$450,982	\$458,186	\$465,481	\$472,865	\$480,339
DEBT SERVICE:			N/A	-\$178,274	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548
DEBT SERVICE RATIO:			N/A	1.21	1.21	1.23	1.24	1.26	1.29	1.31	1.33	1.35
NET CASH FLOW:			-\$1,125,542	\$36,678	\$73,355	\$80,292	\$87,318	\$94,434	\$101,638	\$108,933	\$116,317	\$123,791
RETURN ON OWNER'S EQUITY (YR 3):				3.26%	6.52%	7.13%	7.76%	8.39%	9.03%	9.68%	10.33%	11.00%
			CASH FLOW (OWNER EQUITY) IN 1ST YEAR	LEASE UP 50% OCCUPANCY IN YEAR 1	100% OCCUPANCY STABILIZED							

WITHOUT PILOT:

Pro Forma Cash Flow

REVENUE:	rsf	\$/rsf (mo)	<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>
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Vacancy Assumptions	95%		N/A									
Average Revenue per Square Foot	\$1.90		N/A									
Yearly Subtotal Residential Space Revenue	12 mo		N/A	\$271,833	\$543,666	\$554,539	\$565,630	\$576,943	\$588,482	\$600,251	\$612,256	\$624,501
Total Projected Revenue (mo)			N/A	\$297,996	\$595,992	\$607,912	\$620,070	\$632,471	\$645,121	\$658,023	\$671,184	\$684,607
EXPENSES:												
Operating Expenses												
Management/Leasing Fees	7.5%		N/A	\$22,350	\$44,699	\$46,040	\$47,422	\$48,844	\$50,310	\$51,819	\$53,373	\$54,975
Insurance	3.0%		N/A	\$8,940	\$17,880	\$18,416	\$18,969	\$19,538	\$20,124	\$20,728	\$21,349	\$21,990
Maintenance	6.0%		N/A	\$17,880	\$35,760	\$36,832	\$37,937	\$39,075	\$40,248	\$41,455	\$42,699	\$43,980
Utilities	3.0%		N/A	\$8,940	\$17,880	\$18,416	\$18,969	\$19,538	\$20,124	\$20,728	\$21,349	\$21,990
Legal/Accounting	3.5%		N/A	\$10,430	\$20,860	\$21,486	\$22,130	\$22,794	\$23,478	\$24,182	\$24,908	\$25,655
Taxes	19.2%		N/A	\$57,204	\$114,408	\$117,841	\$121,376	\$125,017	\$128,768	\$132,631	\$136,610	\$140,708
Total Projected Expenses	42.2%		N/A	\$125,743	\$251,486	\$259,031	\$266,802	\$274,806	\$283,050	\$291,542	\$300,288	\$309,297
NET OPERATING INCOME:			N/A	\$172,253	\$344,506	\$348,881	\$353,268	\$357,665	\$362,071	\$366,482	\$370,896	\$375,311
DEBT SERVICE:			N/A	-\$178,274	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548	-\$356,548
DEBT SERVICE RATIO:			N/A	0.97	0.97	0.98	0.99	1.00	1.02	1.03	1.04	1.05
NET CASH FLOW:			-\$1,125,542	-\$6,021	-\$12,042	-\$7,667	-\$3,280	\$1,118	\$5,523	\$9,934	\$14,348	\$18,763
RETURN ON OWNER'S EQUITY (YR 3):				-0.53%	-1.07%	-0.68%	-0.29%	0.10%	0.49%	0.88%	1.27%	1.67%
			CASH FLOW (OWNER EQUITY) IN 1ST YEAR	LEASE UP 50% OCCUPANCY IN YEAR 1	100% OCCUPANCY STABILIZED							

EXHIBIT D
PILOT GRADING MATRIX

APPENDICES

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

EXHIBIT D
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 D
PILOT GRADING MATRIX

Net Zero Energy Building (NZE) 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/gct/gctmap.html>.*
PILOT TERM CALCULATION

Primary Qualification:	5 Years
Secondary Qualification A:	0.5 Years
Secondary Qualification B:	
Secondary Qualification C:	
Total Project Development Cost:	1 Years
CCRFC Priorities:	4 Years
PILOT TERM:	10.5 Years

*REQUESTED PILOT: TEN (10) YEARS

EXHIBIT E
PROJECT SCHEDULE MILESTONES

1. Programming & Concept Phase	05/01/2022 – 07/15/2021
2. PILOT Application	08/17/2022
3. PILOT CCRFC Review	09/13/2022
4. Schematic Design Phase	10/15/2022 – 11/15/2022
5. Design Development Phase	11/15/2022 – 12/15/2022
6. Construction Document Phase	12/15/2022 – 1/15/2022
7. Bidding & Negotiation	Q1 2023
8. Permitting	Q1 2023
9. Commencement of Construction	Q2 2023
10. Substantial Completion	Q2 2024
11. Full Occupancy Expected	Q4 2024