UrbanARCH
associates, pc

PILOT Application:

767 Kentucky St., Memphis, TN 38106

Dear Members of the Board:

Thank you for the opportunity to submit the enclosed PILOT application for the proposed fourplex development located at 767 Kentucky Street.

This property is currently owned by SMH Partners GP, a real estate investment partnership with Members Daniel Szymanek and Rob Mayer. SMH Partners plans to quitclaim the property to 767 Kentucky LLC, also with Members Daniel Szymanek and Rob Mayer, for the purpose of developing the subject property. This project would represent a significant private investment in a long vacant parcel, and hopefully help continue to spur further investment in the southern district of Downtown Memphis.

The proposed development will introduce 26 new market-rate residential units consisting of 6 fourplexes as well as a 7th building consisting of a duplex and a ground floor amenity space. Already bordered by a single family residential property to the south, as well as multifamily and multi-use developments directly to the east and west, the development will complete the infill of this immediate neighborhood south of the St. Louis-San Francisco railway.

We respectfully request approval of the proposed PILOT to support the financial feasibility of this development and to enable timely delivery of new housing and investment within the Downtown area. We appreciate the Board's consideration and look forward to working with the Downtown Memphis Commission and CCRFC to bring this project to fruition.

Sincerely,

Daniel Szymanek
767 Kentucky LLC

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:
767 Kentucky LLC
Daniel Szymanek
767 Kentucky St., Memphis, TN 38135

Representatives:
Ryan Morris, AIA
UrbanARCH Associates
rmorris@uarch.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.

767 Kentucky LLC -

767 Kentucky LLC is a Tennessee limited liability company formed for the purpose of developing and owning the proposed project at 767 Kentucky St. The members of 767 Kentucky LLC are Daniel Szymanek and Rob Mayer. Each of the members are Memphians and have a long history in the construction and real estate industry in the Memphis area. Our current real estate holdings represent 102 units, and we are in the process of developing 44 units in the Medical District (757 Court). Daniel Szymanek is also a partner in ViktorHall Construction, which has been performing general construction in the Memphis area for 15+ years. The majority of our real estate holdings are in the cities core, and this Kentucky development presents another opportunity to expand those holdings and bring to life a parcel that has sat empty for years.

3. Proposed Project Description

a) Location:
Project Address: 767 Kentucky St., Memphis, TN 38106
Parcel ID: 012047 00004C

b) Legal Description:
Beginning at a set 1/2" iron pin on the west line of Kentuckyt Street (60' wide public row) 150.3 feet north of the tangent intersection of said west line with the north line of Virginia Avenue (65' wide row), said point having a Tennessee grid coordinate value of N 313890.75 E 753613.43;

Thence north 86 degrees 06 minutes 55 seconds west along the north line of the Amelia Carkuff Property (Instrument number 20017630) a distance 61.85 feet to a found 1/2" iron pin;

Thence south 4 degrees 14 minutes 04 seconds west along the west line of said Amelia Carkuff property a distance of 50.29 feet to set 1/2" iron pin;

Thence north 85 degrees 59 minutes 47 seconds west along the Amelia Carkuff property and along the north line of the National Rose South Property (instrument number 25037448) and the north line of the CSL Tennessee Realty Property (instrument number 15118523) passing a found 1/2" iron pin at 9.77 feet and continuing for a total distance of 77.05 feet to a set 1/2" iron pin on the east side of a 12.5' wide alley.

Thence north 4 degrees 03 minutes 34 seconds east along said east line of alley a distance of 230.27 feet to a set 1/2" iron pin on the south line of the St. Louis-San Francisco Railway property;

Thence south 85 degrees 57 minutes 58 seconds east along said south line a distance of 139.05 feet to a set 1/2" iron pin on the west line of Kentucky Street;

Thence south 4 degrees 3 minutes 34 seconds west along said west line a distance of 179.78 feet to the point of beginning.

c) Intended Use:
The proposed development will consist of six townhomes consisting of 4 market rate residential units. Each townhome will be approximately 2,800 square feet. Additionally, the development will include a 2,800 square foot duplex and ground floor amenity space. The developer is working with an experienced team of project managers, architects, and subcontractors to deliver a project that meets the demands of a growing Downtown Memphis.

d) Economic and Environmental impact:
The site is a long vacant lot on the southern edge of Downtown, in between multifamily residential to the East, single family/multifamily and mixed use to the South and West, and multifamily/commercial/restaurant to the North. The development will help connect these properties to the rest of southern downtown, and hopefully spur continued development to the area.

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

The lot is approximately 0.6634 acres.
New Parking: 26 spaces
New Residential Units: 26 units
Total SF: 17,000 SF

f) Attach the conceptual plans and renderings.
Please see attached Exhibits.

g) A Letter form a certified enginner, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage:
Engineer Letter (Not Applicable - New Construction). The new building is being designed by Tennessee-licensed architects and engineers and will meet all applicable building code requirements.

h) State of the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?
The location on the southern edge of Downtown makes this site highly desirable for living and working. The target renter profile includes renters both employed within Downtown Memphis, and individuals who prioritize walkability, access to the riverfront, and proximity to a cities core. Projected rental rates are modeled within the range of comparable nearby market-rate properties, most notably National Rose Co., an apartment complex directly adjacent to the subject property.

i) If the project is speculative, how long is full occupancy expected to take and who will manage the project?
The proposed townhomes will be leased at market rate and are expected to achieve stabilization within approximately nine (9) to twelve (12) months following substantial completion. A third-party professional property management firm will be selected during the construction phase to assist with pre-leasing strategy, branding, and operational planning.

j) Are changes needed to the public space around the project (for example, sidewalks, lighting, and planting)?
Improvements will be required to the sidewalks, new or re-located curb cuts, and new street trees. New architectural lighting is anticipated to be included in the project's design. Architectural lighting will include new site lighting along property fenching and walkways to illuminate pedestrian areas, and will include dark sky light fixtures. Lighting will be provided along the existing retaining walls, parking area, walkways, and building entries for safety, walkability, and enhanced site appeal. New landscaping and fencing is expected to be included at ground level adjacent to public sidewalks and alongside the building and parking area.

k) Energy & Mechanical Systems
The proposed development will utilize high-efficiency, all-electric heat pump systems for space conditioning. The building will be designed in accordance with applicable energy codes and will incorporate energy-efficient mechanical systems, lighting, and building envelope strategies to reduce overall energy consumption. In addition, the project team tends to prioritize durable, sustainable, and regionally sourced materials where feasible. Construction methods and material selections will emphasize long-term performance, reduced maintenance requirements, and responsible resource use.

4. Site Control

a) Name the property owner at the time of application:
SMH Partners GP is current owner of the site; SMH Partners GP will quick claim the property to 767 Kentucky LLC, who is the PILOT applicant and intended lessee/project entity.

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 the applicant's knowledge, audited financial statements have not been prepared for the ownership entity. Non-audited financial information can be made available directly to the Board Chair or Board Counsel upon request. The applicant maintains a relationship with an independent accounting firm for standard tax preparation services. Specific financial documentation, including any accountant-prepared statements, will be provided directly to Board counsel upon request. Supplemental financial documentation, including detailed proof of liquidity, bank verification materials, and EB-5 capital documentation, will be provided directly to the Board Chair or Board counsel upon request. The applicant is prepared to furnish any additional information necessary to support underwriting review on a confidential basis.

b) Describe any and all existing financing, options, and liens on the property:
There are no known liens, mortgages, or other recorded financing encumbrances on the property at the time of application submittal. There is no existing financing on the property.

Attach three years of tax returns if applicant is an individual:
The applicant entity is not an individual and is therefore not subject to the requirement to provide personal tax returns.

Provide the following information about the loan or proposed loan for the project:
Attach information about the financial history of the project and previous attempts to develop, if possible:
The project is anticipated to be financed by a traditional senior bank construction and permanent debt. Senior construction financing currently has a commitment pending PILOT approval from Financial Federal, and is expected to be secured following completion of schematic design, updated pricing, and final underwriting. The senior loan is expected to convert to amortizing permanent financing upon stabilization of the project.

c) Financial Projections:
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 Pro-Forma (with and without PILOT) and Sources and Uses

e) Proposed Financing Structure:
The project is anticipated to be financed through a combination of sponsor equity and traditional senior bank debt. Land is currently owned by SMH Partners (Members include Daniel Szymanek and Rob Mayer) and will be quick claimed to the applicant 767 Kentucky LLC. For underwriting, equity reflects contributed land at fair market value; acquisition bases is $450,000. The sponsor will provide additional equity in the form of design, bank, and potential PILOT fees as well as interest carry. The remaining approximately 75% of the total project cost will be funded through traditional bank debt provided by Financial Federal.

f) PILOT Justification ("But For" Narrative)
The proposed development will revitalize an existing vacant lot into single unit fourplexes. The current construction and broader market environment can be characterized by elevated material costs, higher labor costs and shortages, and elevated interest rates relative to the previous decade. These conditions lead to total development costs and subsequent annual debt coverage requirements that are significantly higher than pre-2020 underwriting assumptions. Additionally, Downtown Memphis continues to experience slower renter absorption, leading to more conservative lease up and gross revenue assumptions. Without a PILOT, projected property tax obligations materially reduce stabilized Net Operating Income, resulting in a debt coverage ratio and return on equity that is both below underwriting requirements and unattractive to investors. Under a non-PILOT scenario, the project would not be able to acquire proper financing, nor would it be a viable path forward for the sponsor/investment team. With a PILOT, stabilized Net Operating Income, debt coverage ratios, and return on equity metrics all significantly improve, reaching levels that support financing and sponsor investment.

Accordingly, but for the requested PILOT, the development would not meet feasibility thresholds and would not be constructed in the current market environment.

g) Stabilized Year Financial Comparison
Federal (Year 3 - 95% Occupancy Stabilized)

The following summary reflects projected performance in the first stabilized year of operations and illustrates the material impact of the requested PILOT on project feasibility.

Revenue & Operating Performance

	With PILOT	Without PILOT
Total Gross Revenue	$301,397.76	$301,397.76
Total Operating Expenses	$94,754.91	$128,227.18
Property Taxes	$12,907.81	$46,380.09
Net Operating Income (NOI)	**$223,387.17**	**$189,914.90**

Capital & Debt Performance

	With PILOT	Without PILOT
Annual Debt Service	$186,546.11	$186,546.11
Debt Service Coverage Ratio	1.20	1.02
Cash Flow After Debt Service	$36,841.06	$3,368.78
Return on Owner Equity	5.19%	0.47%

Impact of the PILOT

Property taxes increase by $23,219.75 annually without the PILOT. Stabilized NOI is reduced by the same amount. DSCR falls from 1.20x to 1.02x, not meeting lender requirements of greater than 1.20x.

Under the non-PILOT scenario, the project operates at break-even coverage and produces de minimis investor return, materially impairing feasibility and financing support. The requested PILOT restores stabilized NOI and underwriting metrics to levels that support debt coverage, capital participation, and project delivery.

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.
- *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: UrbanARCH Associates
- b. Structural Engineering: TBD
- c. Civil Engineering: Rockfield Engineering
- d. M, P, E & FP: Not Required

b) Contractor for project: ViktorHall Construction LLC

c) Other professionals:

- a. Project Management: TBD
- b. Legal: TBD

d) The remaining professional consultants, including Structural Engineering, Civil Engineering, and Mechanical, Plumbing, Electrical, and Fire Protection engineering, will be formally procured during the Schematic Design phase and retained prior to the commencement of the Design Development phase.

8. References:

Personal References

a) **Scott Tashie**
Owner
City Silo/Banded Hospitality

b) **Jonathan Aur**
Owner
Jones Aur Commercial Real Estate

c)**Taylor Caruthers**
Owner
Caruthers & Associates

Business References

d) **Gideon Scoggin**
Senior Vice President
Financial Federal

e) **Deron Wisdom**
Senior Vice President
Guaranty Bank & Trust

f) **Daniel Pouget**
Senior Vice President
Simmons Bank

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.
767 Kentucky LLC

a. *State the tax parcel number for all Property involved with the project and the current assessed value of the property.*
   Project Address: 767 Kentucky St / 0 Kentucky St., Memphis, TN 38106
   Parcel ID: 012047 0004C   Assessed Value: $66,400
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) Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board?
No
b) Please disclose whether applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding.
No
c) Has the applicant ever filed for bankruptcy?
No
d) Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment.
No
e) Please supply detailed information.
Not applicable

11. Applicant Information

Daniel Szymanek
5430 Normandy Ave.
Memphis, TN 38120

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.

Name: Daniel Szymanek
Date: 6-30-2026

INDEX OF EXHIBITS:

A) Architectural Plans & Renderings
B) Sources & Uses
C) Cash Flow Proforma
D) PILOT Grading Matric
E) Project Schedule
F) PILOT Valuation Worksheet

KENTUCKY STREET

767 KENTUCKY ST. MEMPHIS, TN 38106
SHELBY COUNTY, TENNESSEE
PILOT PRESENTATION

JUNE 2026

UrbanARCH

1 SITE & CONTEXT

N.T.S.

UrbanARCH

PROJECT DESCRIPTION

This proposed development is set on a vacant lot on the southern edge of Downtown, just north of W. E.H. Crump Blvd. To the east of the site is multifamily residential, single family/multifamily and mixed use is located South and West of the site, and multifamily/commercial/restaurant to the North.

The approximate three-quarter acre parcel will consist of seven town homes consisting of 4 market-rate residential units. The property incorporates vehicular access to the property immediately west, with main access to the property from Kentucky St. Additionally, the site will house ground floor amenity experiences to accommodate various potential tenants. The development will assist in connecting these properties to the rest of southern downtown, and hopefully spur continued development to the area.

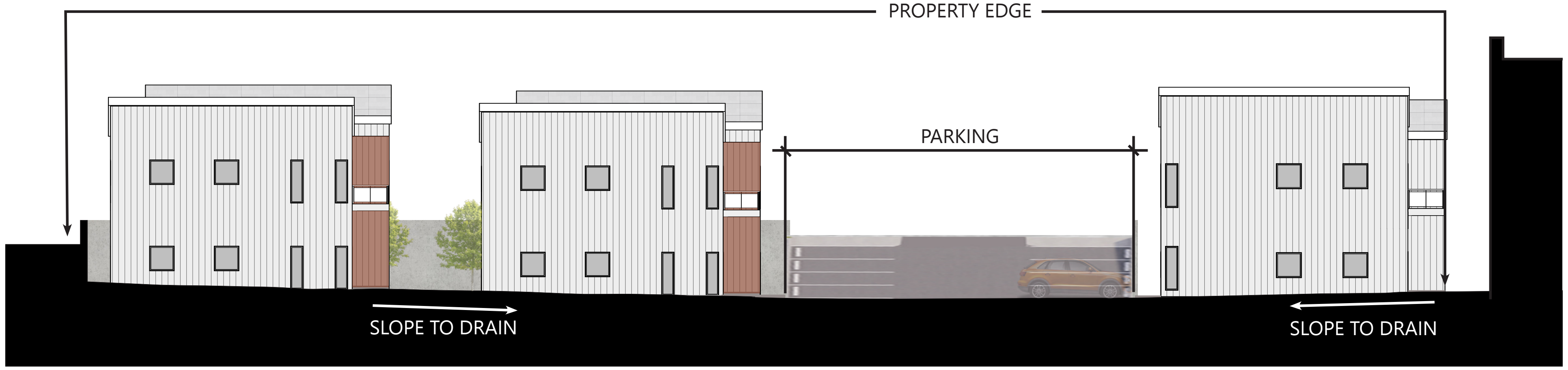
SQUARE FOOTAGE CALCULATIONS

4-PLEX:
1ST FLOOR
UNIT A = 497 USF / 600 GSF
UNIT B = 497 USF / 600 GSF
2ND FLOOR
UNIT A = 497 USF / 600 GSF
UNIT B = 497 USF / 600 GSF
DUPLEX:
1ST FLOOR
LEASING OFFICE = 81 USF / 100 GSF
MAIL ROOM = 76 USF / 102 GSF
AMENITY SPACE 1 = 414 USF / 556 GSF
AMENITY SPACE 2 = 536 USF / 633 GSF
2ND FLOOR
UNIT A = 497 USF / 600 GSF
UNIT B = 497 USF / 600 GSF

3 SITE PLAN

N.T.S.

UrbanARCH

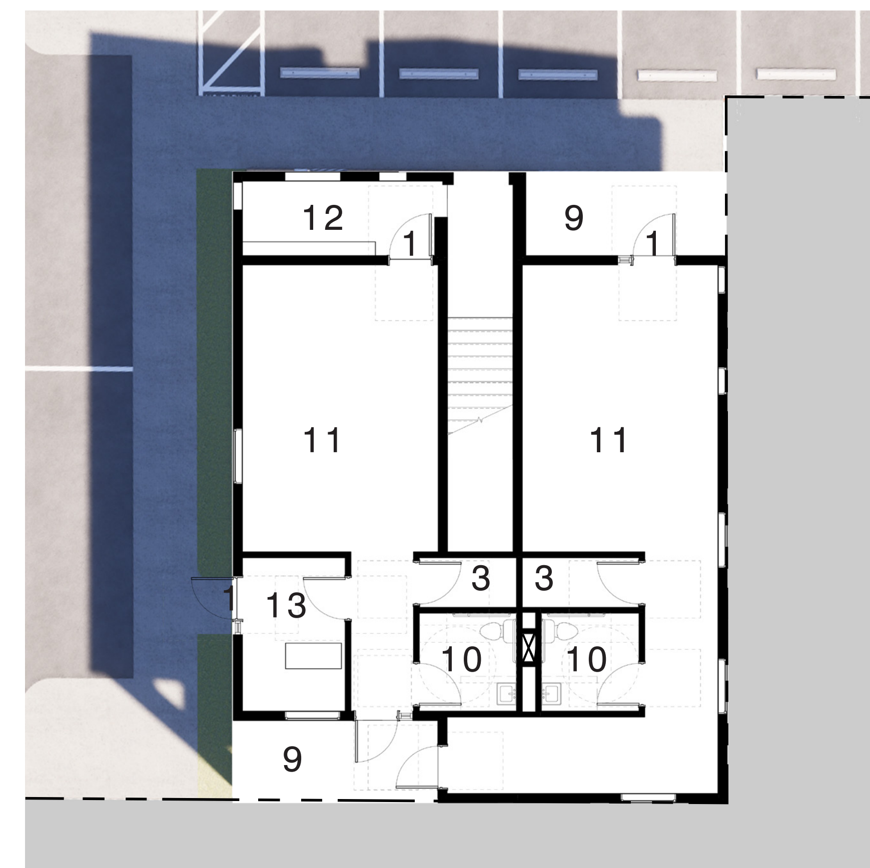


LEGEND

1	ENTRANCE
2	LIVING
3	MECHANICAL CLOSET
4	WASHER/DRYER
5	BED
6	KITCHEN
7	CLOSET
8	BATH
9	PORCH / BALCONY
10	RESTROOM
11	AMENITY SPACE
12	MAIL
13	LEASING OFFICE

4-PLEX
FIRST FLOOR PLAN

SECOND FLOOR PLAN

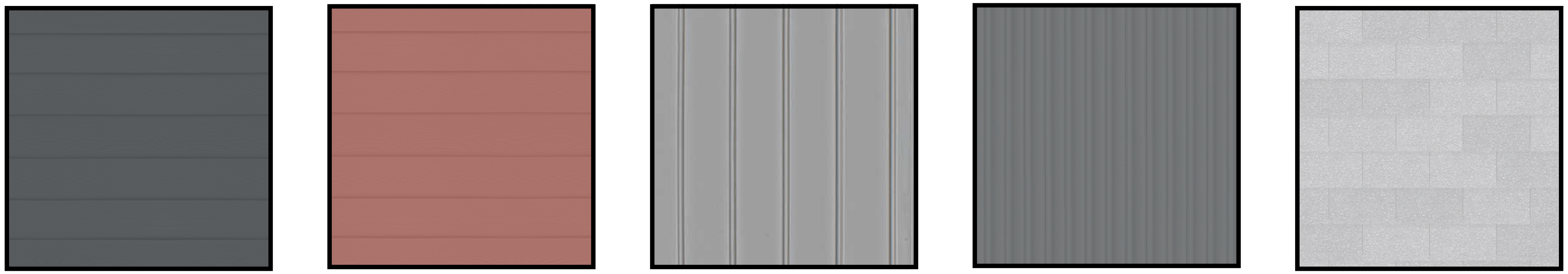


DUPLEX
FIRST FLOOR PLAN

4 FLOOR PLANS

N.T.S.

UrbanARCH



1 2 3 4 5

MATERIALS

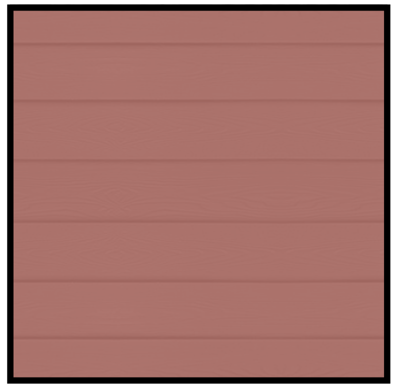
1 PAINTED HARDIE LAP SIDING - SHERWIN WILLIAMS 7674
2 PAINTED HARDIE LAP SIDING - SHERWIN WILLIAMS 6327
3 STANDING SEAM METAL PANEL
4 MINIMAL CORRUGATED METAL PANEL
5 ASPHALT SHINGLE ROOF

5 ELEVATION 1

N.T.S.

UrbanARCH

1



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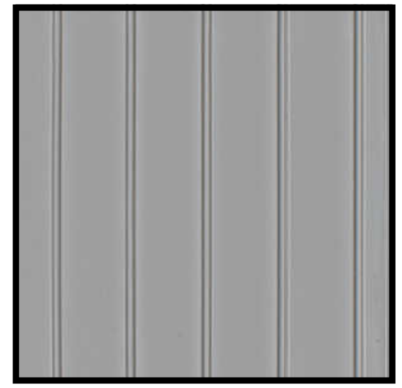

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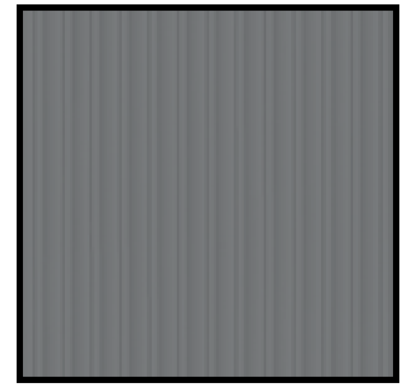

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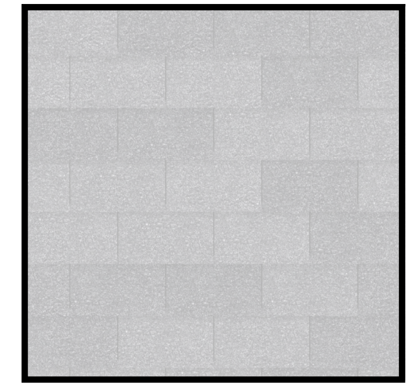

5

MATERIALS

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4 MINIMAL CORRUGATED METAL PANEL
5 ASPHALT SHINGLE ROOF

6 ELEVATION 2

N.T.S.

UrbanARCH

7 RENDERING

KENTUCKY STREET - Sources and Uses

Sources		
Debt - 6.75%, 25yr amortization	$	2,250,000.00
Owner Equity	$	709,693.00
Total Sources	**$**	**2,959,693.00**
Uses		
Property Purchase	$	450,000.00
Hard Construction Cost	$	2,116,800.00
Soft Costs	$	315,643.00
Financing Fees	$	33,750.00
PILOT Fees	$	43,500.00
Total Uses	**$**	**2,959,693.00**

KENTUCKY STREET TOWNHOMES - Model with PILOT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Residential	$ 246,240	$ 311,904	$ 318,142	$ 324,505	$ 330,995	$ 337,615	$ 344,367	$ 351,255	$ 358,280	$ 365,445	$ 372,754	$ 380,209	$ 387,813	$ 395,570	$ 403,481
Occupancy Rate	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Revenue per sf.	$16.29	$20.63	$21.04	$21.46	$21.89	$22.33	$22.78	$23.23	$23.70	$24.17	$24.65	$25.15	$25.65	$26.16	$26.69
Total Lease Revenue	$ 246,240	$ 311,904	$ 318,142	$ 324,505	$ 330,995	$ 337,615	$ 344,367	$ 351,255	$ 358,280	$ 365,445	$ 372,754	$ 380,209	$ 387,813	$ 395,570	$ 403,481
Operating Expenses															
Management/Leasing fees	24,624	31,190	31,814	32,450	33,100	33,761	34,437	35,125	35,828	36,545	37,275	38,021	38,781	39,557	40,348
Insurance	22,198	23,086	24,009	24,969	25,968	27,007	28,087	29,211	30,379	31,594	32,858	34,172	35,539	36,961	38,439
Maintenance	18,468	23,393	23,861	24,338	24,825	25,321	25,828	26,344	26,871	27,408	27,957	28,516	29,086	29,668	30,261
Legal/Accounting	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	2,960	3,079	3,202	3,330	3,463
Taxes	11,934	12,411	12,908	13,424	13,961	14,520	15,100	15,704	16,333	16,986	17,665	18,372	19,107	19,871	20,666
Total Operating Expenses	$ 79,224	$ 92,160	$ 94,755	$ 97,432	$ 100,193	$ 103,042	$ 105,982	$ 109,016	$ 112,148	$ 115,380	$ 118,716	$ 122,160	$ 125,715	$ 129,387	$ 133,178
	32.2%	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.6%	31.8%	32.1%	32.4%	32.7%	33.0%
Net Operating Income	$ 167,016	$ 219,744	$ 223,387	$ 227,073	$ 230,802	$ 234,573	$ 238,385	$ 242,238	$ 246,132	$ 250,066	$ 254,038	$ 258,050	$ 262,098	$ 266,183	$ 270,303
Debt Service															
Principal	-	35,764	38,254	40,918	43,767	46,814	50,074	53,560	57,290	61,279	65,545	70,109	74,991	80,212	85,797
Interest	151,875	150,782	148,292	145,628	142,779	139,732	136,472	132,986	129,256	125,267	121,001	116,437	111,555	106,334	100,749
Total Debt Service	151,875	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546
Debt Service Ratio	**1.10**	**1.18**	**1.20**	**1.22**	**1.24**	**1.26**	**1.28**	**1.30**	**1.32**	**1.34**	**1.36**	**1.38**	**1.41**	**1.43**	**1.45**
Net Cash Flow	$ 15,141.30	$ 33,197.72	$ 36,841.06	$ 40,527.20	$ 44,255.80	$ 48,026.46	$ 51,838.72	$ 55,692.05	$ 59,585.88	$ 63,519.55	$ 67,492.33	$ 71,503.42	$75,551.95	$79,636.95	$83,757.37
Return On Equity	2.13%	4.68%	5.19%	5.71%	6.24%	6.77%	7.30%	7.85%	8.40%	8.95%	9.51%	10.08%	10.65%	11.22%	11.80%

KENTUCKY STREET TOWNHOMES - Model with no PILOT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Residential	$ 246,240	$ 311,904	$ 318,142	$ 324,505	$ 330,995	$ 337,615	$ 344,367	$ 351,255	$ 358,280	$ 365,445	$ 372,754	$ 380,209	$ 387,813	$ 395,570	$ 403,481
Occupancy Rate	75%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Revenue per sf.	$16.29	$20.63	$21.04	$21.46	$21.89	$22.33	$22.78	$23.23	$23.70	$24.17	$24.65	$25.15	$25.65	$26.16	$26.69
Total Lease Revenue	$ 246,240	$ 311,904	$ 318,142	$ 324,505	$ 330,995	$ 337,615	$ 344,367	$ 351,255	$ 358,280	$ 365,445	$ 372,754	$ 380,209	$ 387,813	$ 395,570	$ 403,481
Operating Expenses															
Management/Advertising/Leasing fees	24,624	31,190	31,814	32,450	33,100	33,761	34,437	35,125	35,828	36,545	37,275	38,021	38,781	39,557	40,348
Insurance	22,198	23,086	24,009	24,969	25,968	27,007	28,087	29,211	30,379	31,594	32,858	34,172	35,539	36,961	38,439
Maintenance	18,468	23,393	23,861	24,338	24,825	25,321	25,828	26,344	26,871	27,408	27,957	28,516	29,086	29,668	30,261
Legal/Accounting	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	2,960	3,079	3,202	3,330	3,463
Taxes	42,881	44,596	46,380	48,235	50,165	52,171	54,258	56,428	58,686	61,033	63,474	66,013	68,654	71,400	74,256
Total Operating Expenses	$ 110,171	$ 124,345	$ 128,227	$ 132,243	$ 136,397	$ 140,694	$ 145,140	$ 149,741	$ 154,501	$ 159,427	$ 164,525	$ 169,801	$ 175,263	$ 180,916	$ 186,768
	44.7%	39.9%	40.3%	40.8%	41.2%	41.7%	42.1%	42.6%	43.1%	43.6%	44.1%	44.7%	45.2%	45.7%	46.3%
Net Operating Income	$ 136,069	$ 187,559	$ 189,915	$ 192,262	$ 194,598	$ 196,921	$ 199,227	$ 201,514	$ 203,779	$ 206,018	$ 208,229	$ 210,408	$ 212,551	$ 214,654	$ 216,713
Debt Service															
Principal	-	35,764	38,254	40,918	43,767	46,814	50,074	53,560	57,290	61,279	65,545	70,109	74,991	80,212	85,797
Interest	151,875	150,782	148,292	145,628	142,779	139,732	136,472	132,986	129,256	125,267	121,001	116,437	111,555	106,334	100,749
Total Debt Service	151,875	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546	186,546
Debt Service Ratio	**0.90**	**1.01**	**1.02**	**1.03**	**1.04**	**1.06**	**1.07**	**1.08**	**1.09**	**1.10**	**1.12**	**1.13**	**1.14**	**1.15**	**1.16**
Net Cash Flow	$ (15,805.70)	$ 1,012.84	$ 3,368.78	$ 5,716.04	$ 8,052.19	$ 10,374.71	$ 12,680.89	$ 14,967.91	$ 17,232.77	$ 19,472.31	$ 21,683.21	$ 23,861.93	$ 26,004.80	$ 28,107.92	$ 30,167.18
Return On Equity	-2.23%	0.14%	0.47%	0.81%	1.13%	1.46%	1.79%	2.11%	2.43%	2.74%	3.06%	3.36%	3.66%	3.96%	4.25%

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:	*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 D
PILOT GRADING MATRIX

RETAIL			
15,000 to 20,000 sf:	*4 Years*	Below 5,000 sf:	*.5 Year*
20,001 to 30,000 sf:	*5 Years*	5,000 to 9,999 sf:	*1 Year*
30,001 sf + :	*6 Years*	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

Project may only qualify for one of the following five:

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

Project may qualify for up to two of the following:

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

Project may qualify for one or more of the following:

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

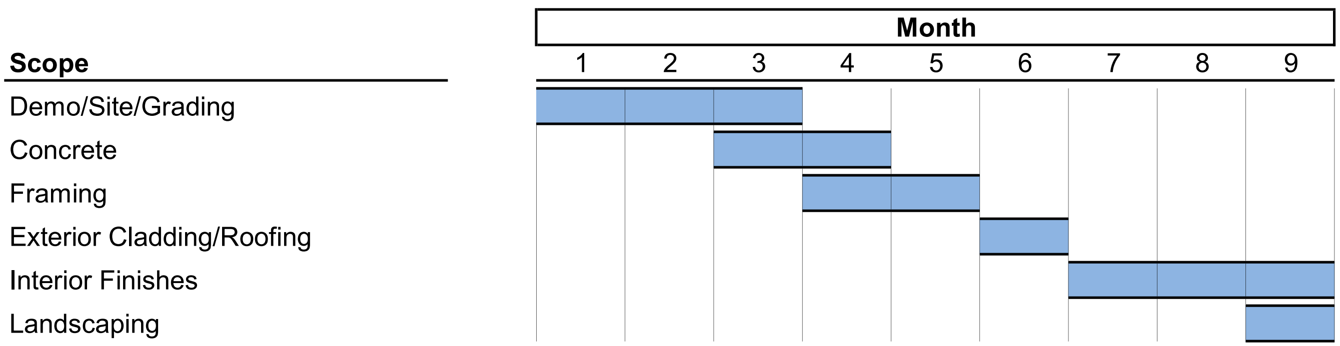
** Applicants may refer to the HUD map to confirm qualification; https://www.huduser.gov/qct/qctmap.html.*

PILOT TERM CALCULATION

Primary Qualification:	5 Years
Secondary Qualification A:	
Secondary Qualification B:	
Secondary Qualification C:	
Total Project Development Cost:	1 Year
CCRFC Priorities:	9 Years
PILOT TERM:	15 Years

Kentucky St

Proposed Schedule



Programming + Concept Phase - 5/26/2026 - 06/22/2026

PILOT Application - 06/23/2026

PILOT CCRFC Review - 7/14/2026

Construction Documents Phase - 7/14/2026 - 8/14/2026

Bidding + Negotiation - August - September 2026

Permitting - August - September 2026

Commencement of Construction - September 2026

Substantial Completion - June 2027

Full Occupancy Expected - August 2027

PILOT Request	
Requested PILOT Term (years)	15.0
Project Type	New Construction
Located in the CBID?	Yes
Current Amounts	
Base Appraisal	$66,400
Base Assessment	$26,560
Annual City Tax on Base Assessment	$718
Annual County Tax on Base Assessment	$900
Annual RE Taxes on Base Assessment	**$1,618**
Project Costs	
Acquisition Cost	$450,000
Hard Costs	$2,116,800
Soft Costs	$349,393
Total Project Costs w/o PILOT fee	**$2,916,193**
Hard Costs Investment Check - 72.6%	**YES**
Public grants eligible for PILOT fee basis reduction	$0
PILOT fee basis	$2,916,193
PILOT fee	**$43,743**
Total Project Costs w/ PILOT fee	**$2,959,936**
Valuation & CBID Assessment	
Base Appraisal	$66,400
Percentage of Hard Costs	$1,693,440
Estimated Appraisal after Improvements	$1,759,840
Estimated Assessment after Improvements	**$703,936**
Estimated Annual CBID Assessment after Improvements	**$4,511**
Annual RE Taxes	
*Hypothetical annual taxes without PILOT**	
Estimated Hypothetical Annual City Tax without PILOT*	$19,018
Estimated Hypothetical Annual County Tax without PILOT*	$23,863
Estimated Hypothetical Total Annual Taxes without PILOT*	**$42,881**
Estimated annual taxes with PILOT	
Estimated Annual City Tax with PILOT	$5,293
Estimated Annual County Tax with PILOT	$6,641
Estimated Total Annual Taxes with PILOT	**$11,934**
Estimated Annual Benefit	**$30,947**
Cumulative RE Taxes	
*Hypothetical cumulative taxes without PILOT**	
Estimated Hypothetical Cumulative City Tax without PILOT*	$285,267
Estimated Hypothetical Cumulative County Tax without PILOT*	$357,951
Estimated Hypothetical Total Cumulative Taxes without PILOT*	**$643,219**
Estimated cumulative taxes with PILOT	
Estimated Cumulative City Tax with PILOT	$79,389
Estimated Cumulative County Tax with PILOT	$99,617
Estimated Total Cumulative Taxes with PILOT	**$179,006**
Estimated Cumulative Benefit over 15-Year PILOT	**$464,212**
Estimated Cumulative Increase in Taxes due to PILOT	**$154,737**

**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".*