

Project Summary Sheet

Project Name: iSpice, LLC

TOTAL PROJECT AMOUNT	\$25,200,000
-----------------------------	---------------------

Summary of tax exemptions being sought with Project:

Sales Tax Exemption: \$1,200,000
Mortgage Recording Taxes: 126,000
Real Property Taxes: * 1,688,350

Estimated Value of Total Exemptions: **\$3,014,350**

***Estimate of the value of the RPT exemption sought was calculated as follows:**

As per the City Assessor, due to the recent sale of the property and a city wide reassessment adjusting properties to the market value, this property assessment will increase from \$4,787,500 to \$8,000,000 effective 3-1-2024.

Based on 2023 rates for city/county and school the total RPT paid with no PILOT and an assessed value of \$8,000,000 would be as follows:

City: \$142,663
County: 124,176
School: 153,607

Total 1 year: \$420,446 x 10 years = \$4,204,460

The PILOT request from iSpice is to freeze the current assessment @ \$4,787,500 for a 10 year period with payments each year based on the current tax rates. An estimated projection based on 2023 tax rates and an assessed value of \$4,787,000 would be as follows:

City: \$85,375
County: 74,312
School: 91,924

Total 1 year: \$ 251,622 x 10 years = \$2,516,110

Total estimated taxes for 10 years with NO PILOT: \$4,204,460
Total estimated taxes for 10 years with a PILOT : 2,516,110

Net Value of RPT Exemption: \$ 1,688,350 - a 40% reduction in RPT

The terms of this request is a deviation from the Agency's Uniform Tax Exemption Policy which would be paid if the Project Facility was not exempt from real property tax. Rather than the 65% reduction applicable under the Agency's Uniform Tax Exemption Policy, the project is requesting a 40% reduction resulting in greater revenue to the affected taxing jurisdictions.

Employment Impact:

New Jobs Created:

Year 1	175 FTE
Year 2	125 FTE
Year 3	50 FTE

Total New Jobs: 350 FTE

Minimum FTE before PILOT penalties apply (80%) – 280

iSpice anticipates the new jobs to consist of 10 employees at management level with the average salary of \$120,000/ year and benefits valued at \$18,000 per year; 35 employees at administrative level with the average salary of \$65,000/year and benefits valued at \$13,000 per year and 305 employees at production level with the average salary of \$40,000/year and benefits valued at \$ 8,000 per year.

Based on the above, the annual payroll once @ full capacity of 350 FTE will be \$18,750,000

Cost Benefit Analysis:

Total Exemptions: - 10 year period: \$3,014,350

Investment – 10 year period:

Project investment	\$25,200,000
Gross Payroll	15,675,000
Employee Benefits	3,075,000

Total Investment: \$43,950,000

Ratio: Exemptions/Investment - .07%

Cost per new job for exemption: \$8,612 over 10 years
\$861 per year

This project meets all of the qualifying criteria as noted in the Development Policy as follows:

- *The timeline for projected investment and job creation is within the first two years of application;*
- *The applicant procures goods and services locally and regionally as often as possible during the construction phase of the project;*
- *The level and type of investment to be made by the applicant exceeds the minimum investment of \$500,000;*
- *The project enhances the strategic goals identified in the BDC's economic development plan and will enhance the overall regional economic climate;*
- *The project will create jobs which will be available to county residents and displaced workers;*
- *The project enhances strategic goals identified in Section II of the Development Policy.*