



THE LAKE
D I S T R I C T

**ECONOMIC IMPACT PLAN
TAX INCREMENT FINANCING DISTRICT
LAKELAND, TENNESSEE
OCTOBER 24, 2016**

Economic Impact Plan Lake District Tax Increment Financing Lakeland, Tennessee

Project Overview

The project consists of approximately 162 acres at the southeast quadrant of Interstate 40 and Canada Road in Lakeland, Tennessee. The subject property was formerly the Lakeland Factory Outlet Mall and additional property to the south that was a planned mixed use development.

The proposal is to create an “Urban Village” with a variety of uses that are all integrated into a walkable community with big box retail, two hotels, main street retail and boutique shopping, restaurants, child learning center, offices, single family residential, performing arts center, a site for city hall, an inside storage facility and assisted living. Additionally to complement the uses and enable a walkable community without extensive areas of surface parking, two parking structures are provided.

In essence this development will define Lakeland and provide the city center that has long been lacking to create the city as a destination for activity in a regional context.



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Request

Tax Increment Financing (TIF)

The quality and magnitude of development requires a public-private partnership to execute the project. The property is primarily vacant with a deteriorated retail structure in addition to the vacant land. It is currently generating only \$25,433 in Lakeland and \$79,774 in Shelby County taxes. After the development is complete, the total property taxes generated will be approximately \$6,400,000.

The request is to establish a Tax Increment Financing District for a total of 20 years with 75% of the growth in property taxes that are allocated to the trust fund being available for public infrastructure within the development. Essentially using the tax increment generated by the project to cover required public infrastructure on the borders and within the project. Of the total new taxes generated, about 29% of the taxes will be devoted to the project and 71% will be provided to the local governments.

The increment of new taxes generated are first reduced by the portion of the tax rate devoted to debt service for general fund and schools. Of the remainder, both Lakeland and Shelby County will enjoy the 25% of the growth in general fund property taxes with only 75% being allocated to the trust fund for public infrastructure expenditures. The Economic Impact Plan and the attached spreadsheets outlines the specifics of the property tax and other benefits produced by the project.

Parcels to be included in the TIF District are listed below:

TIF District Parcels	
Address	Parcel #
3536 Canada Road	0159 00138
3570 Canada Road	0159 00443
0 Canada Road	0159 00471
0 Canada Road	0159 00472
0 Lake Forest	0159 00139
0 Lake Forest	0159 00444
0 Lake Forest	0159 00445

Tax Allocation Summary

The following chart provides a summary of the revenues from just property taxes and sales taxes allocated to each of the jurisdictions as well as the amount to be contributed to the TIF Trust Fund.

Tax Summary: Allocation		
Source	Lakeland	TIF Allocation
Property Taxes: General Fund	\$ 277,313	\$ 627,938
Property Taxes: School & GF Debt Service	\$ 616,550	\$ -
Sales Taxes: General & School Fund	\$ 2,554,537	\$ -
Hotel Motel Taxes	\$ 462,638	\$ -
Sub-Total	\$ 3,911,038	\$ 627,938
Source	Shelby	TIF Allocation
Property Taxes: General Fund	\$ 1,372,278	\$ 2,652,113
Property Taxes: School & GF Debt Service	\$ 874,380	\$ -
Sales Taxes: Shelby County School Fund	\$ 1,998,635	\$ -
Sub-Total	\$ 4,245,293	\$ 2,652,113
Total	\$ 8,156,331	\$ 3,280,051
% of Total Revenues	71.3%	28.7%

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Public Infrastructure

The most appropriate use of TIF funds is to apply to public infrastructure. In the Lake District, the eligible public infrastructure and improvements include: site grading and preparation, demolition, public roads, utilities, parking structures, drainage and lake improvements, street lighting, performing arts center, civic plazas, plans and engineering, and sites for public activities.

This is estimated at \$39.0 million which accounts for only about 11% of the total project cost, which is well within typical guidelines for TIF projects around the state and appropriate for leveraging public funds. This is particularly true given the amount of benefits provided to the City of Lakeland and Shelby County financially, with new taxes, employment, local contracting and community building.

Public Infrastructure: Eligible Activities	
Use	Estimated Cost
Site Grading & Drainage	\$ 2,000,000
Demolition and Clearance	\$ 1,300,000
Canada Road and Monroe Rd	\$ 1,000,000
Public Streets	\$ 7,400,000
Utilities	\$ 3,900,000
Streetscape and Lighting	\$ 2,200,000
Parking Structures	\$ 5,900,000
Lake Improvements	\$ 1,300,000
Performing Arts Center	\$ 5,000,000
Public Plaza Improvements	\$ 2,000,000
Sites for public activities	\$ 1,500,000
Financing	\$ 1,500,000
Contingency	\$ 4,000,000
Total	\$ 39,000,000

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Financial Plan

The financial plan involves a phased process in which a commercial loan in the amount of \$39.0 million is secured at the beginning of the project to cover the cost of public infrastructure. The tax increment along with sales of property to partners developing portion of the project will be used to cover debt service on this commercial loan for up to five years. At or before the five years is up and all elements of the project are constructed, the revenue stream of property tax revenues will be predictable and a bond issue will be implemented for a fifteen year period.

The commercial loan and eventual bonds to be issued are project revenue driven meaning that there is no direct risk on the part of either Lakeland or Shelby County.

Importance/Benefits of Project

Population and Income Growth

While these urban villages that are mixed use walkable communities are being developed very successfully in other parts of the U. S., there is nothing of this caliber in the Memphis region. Shelby County is currently losing population at an unsustainable rate. Between 2007 and 2011 the population loss amounted to 31,121 people. This fact is compounded by the loss of associated income for these households of \$548 million. Being a regional destination and a new offering for a living experience, the Lake District should help to retain households that would otherwise leave Shelby County as well as attract spending from outside the county.

Timing of Development

The timing for this project is ideal in that the new I-40/Canada Road interchange will be completed in 2017 as this development is scheduled to be developed. The interchange provides a new high quality gateway into the project.

Lakeland is also constructing new facilities in the town to enhance its attractiveness for growth. This includes a new middle school, IH Park improvements, and is contemplating a new regional park.

Additionally, the market conditions have finally rebounded both nationally and regionally that warrant new construction of the type included in the development.

Property Taxes

The total investment counting public infrastructure amounts to approximately \$375,000,000 counting infrastructure, buildings, and personal property. This produces new property taxes in Lakeland of approximately \$1.4 million and Shelby County of \$4.3 million. The portion of local property taxes devoted to debt service for general fund and school funding will continue to be paid and not allocated to the TIF Trust Fund.

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Schools Systems

Education in Shelby County is a major beneficiary of the development impacts. Under TIF legislation, the property tax portion for debt service for schools is not contributed to the TIF Trust Fund but continues to be allocated to the appropriate schools systems. In this case there are significant funds allocated to Lakeland Schools and Shelby County Schools (See Economic Impact Plan). Additionally a large portion of the substantial local sales taxes generated by the retail shopping, restaurants, hotels, etc. will be shared with all school systems in Shelby County based upon average daily attendance.

Employment

According to uses within the project and the associated employment projections, there will be about 1,200 employees within the fully developed project. These are associated with hotels, retail, offices, restaurants, assisted living, and project maintenance. There will be a range of jobs from a range of professionals, retail associates, maintenance personnel and others. A significant percentage of these employees will be residents from outside Lakeland throughout Shelby County.

Impact of Construction

According to the economic projections, the one-time impact of construction will produce over 3,100 construction jobs and produce in excess of \$6.0 million in sales taxes. This is in addition to the impact of the construction wages that will exceed \$183 million.

Diversity Contracting

Gilad Inc. as the overall developer of the project is fully committed to supplier diversity. To date all companies hired to work on the project are local. The general contractor for the infrastructure phase covered by the TIF will be also be local as well as subcontractors. All general contractors interviewed are accomplished at hiring locally owned small minority and women owned businesses. The local business planning through the general contractor will be instructed to achieve at least 20% locally owned small, minority and women owned businesses contacting on the TIF funded public infrastructure. This amounts to approximately \$7,800,000 for the initial phases. Additionally, as the construction of the buildings are constructed by the various partners, extensive local contacting will also produce tens of thousands of construction jobs and extensive opportunities for diversity spending.

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Total Economic Impact

The attached economic analysis was performed taking into account the initial impacts of construction, the ongoing property taxes associated with private facilities, and ongoing annual impacts of operations of the various facilities. It takes into account the direct and indirect multiplier effects of capital investments and operations.

Collectively the impacts make this project one of the largest and most impactful in the county's history. The benefits are widespread, not just benefitting Lakeland and Shelby County but through sales taxes, it benefits every municipality and its school system directly and ongoing.

The intangible benefits of defining Lakeland, community building, retaining population and income inside of Shelby County are equally as important but not measured with just economics.

LAKE DISTRICT ECONOMIC IMPACT ANALYSIS

City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis - Summary

Annual Impact from Operations									
Development Type	Direct/Indirect Jobs	Total Economic Impact	Annual Wages	Local Sales Tax (Direct & Indirect)	Local Other Taxes	Indirect Property Tax	Direct Property Tax (City & County)	Total Property Tax	Total Local Taxes
Retail (Parking Included)	845	\$ 298,469,250	\$ 30,040,595	\$ 4,910,960	\$ 152,613	\$ 960,666	\$ 1,959,475	\$ 2,920,141	\$ 7,983,714
Restaurant	208	\$ 25,473,000	\$ 3,469,648	\$ 432,898	\$ 17,626	\$ 240,167	\$ 103,860	\$ 344,027	\$ 794,551
Office	55	\$ 1,970,640	\$ 2,565,475	\$ 35,416	\$ 13,033	\$ 44,031	\$ 259,650	\$ 303,681	\$ 352,130
Hotel	146	\$ 15,811,099	\$ 3,813,228	\$ 307,092	\$ 482,009	\$ 160,111	\$ 265,960	\$ 422,070	\$ 1,215,172
Residential	94	\$ 12,487,997	\$ 3,327,382	\$ 45,934	\$ 16,904	\$ 96,246	\$ 2,501,872	\$ 2,605,012	\$ 2,660,956
Performing Arts	9	\$ 442,925	\$ 467,982	\$ 6,460	\$ 2,377	\$ 7,205	\$ 115,400	\$ 125,082	\$ 131,442
Total	1,357	\$ 354,654,911	\$ 43,684,310	\$ 5,738,760	\$ 684,562	\$ 1,508,426	\$ 5,206,217	\$ 6,714,787	\$ 13,137,965

One-Time Impact from Construction						
	Direct/Indirect Jobs	Total Economic Impact	Annual Wages	Local Sales Tax	Local Other Taxes	Total Local Taxes
All Entities	3,186	\$ 575,819,685	\$ 183,077,118	\$ 6,027,030	\$ 930,076	\$ 6,957,106

City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis

One Time Impact from Construction

	Retail	Restaurants	Office	Hotels	Parking	Residential	Performing Arts	Public Plaza Improvements/Site & Infrastructure Work	Total
Building - Real Property*	\$ 80,750,000	\$ 4,500,000	\$ 11,250,000	\$ 30,500,000	\$ 5,850,000	\$ 148,300,000	\$ 5,000,000	\$ 32,000,000	\$ 318,150,000
Final Demand Output Multiplier ¹	1.8099	1.8099	1.8099	1.8099	1.8099	1.8099	1.8099	1.8099	
Economic Impact	\$ 146,149,425	\$ 8,144,550	\$ 20,361,375	\$ 55,201,950	\$ 10,587,915	\$ 268,408,170	\$ 9,049,500	\$ 57,916,800	\$ 575,819,685
Sales Tax Revenue from Capital Investment ²									\$ 3,499,650
Final Demand Employment Multiplier ³									10.0127
Direct/Indirect Jobs Supported During Construction Period									3,186
Shelby County Annual Average Wage - 2015 Projection - All Industries ⁴									\$ 57,463
Wages Paid to Direct/Indirect/Induced Jobs									\$ 183,077,118
Sales Tax Revenue from Wages ⁵									\$ 2,527,380
Other Tax Revenue from Wages ⁶									\$ 930,076
Total Tax Revenue from Wages Paid During Construction Period									\$ 3,457,456

*Construction estimates provided by the developer.

**City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis**

Annual Impact of Operations - Retail					
	Big Box Retail	Main Street Retail	Pads Retail	TOTAL	
Total Square Footage	255,000	225,000	65,000	545,000	
Average Sales Per Square Foot*	\$ 300	\$ 300	\$ 300		
Total Annual Revenue	\$ 76,500,000	\$ 67,500,000	\$ 19,500,000	\$ 163,500,000	
Direct Local Sales Tax Generated from Operation (2.75%)	\$ 2,103,750	\$ 1,856,250	\$ 536,250	\$ 4,496,250	
Final Demand Output Multiplier ⁷	1.8255	1.8255	1.8255	1.8255	
Total Economic Impact from Rental Revenue	139,650,750	123,221,250	35,597,250	298,469,250	
Projected Direct Employment				600	
Direct Effect Employment Multiplier ⁸				1,4090	
Indirect/Induced Employment				245	
Total Employment - Direct/Indirect/Induced				845	
Shelby County Annual Average Wage ⁹				35,551	
Total Wages - Direct/Indirect/Induced	\$ -	\$ -	\$ -	\$ 30,040,595	
Sales Tax Revenue from Wages ⁵ (indirect)	\$ -	\$ -	\$ -	\$ 414,710	
Other Tax Revenue ⁶	\$ -	\$ -	\$ -	\$ 152,613	
Residential/Commercial Property Tax Revenue ¹⁰	\$ -	\$ -	\$ -	\$ 960,666	
Total Tax Revenue - from Operations & Wages	\$ 2,103,750	\$ 1,856,250	\$ 536,250	\$ 6,024,239	

*Projection provided by the developer.

**City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis**

Annual Impact of Operations - Restaurants				
	Main Street	Free Standing	TOTAL	
Total Square Footage	20,000	15,000	35,000	
Average Sales Per Square Foot*	\$ 400	\$ 400		
Total Annual Revenue	\$ 8,000,000	\$ 6,000,000	\$ 14,000,000	
Direct Local Sales Tax Generated from Operation (2.75%)	\$ 220,000	\$ 165,000	\$ 385,000	
Final Demand Output Multiplier ¹¹	1.8195	1.8195	1.8195	
Total Economic Impact from Rental Revenue	14,556,000	10,917,000	25,473,000	
Projected Direct Employment			150	
Direct Effect Employment Multiplier ¹²			1.3868	
Indirect/Induced Employment			58	
Total Employment - Direct/Indirect/Induced			208	
Shelby County Annual Average Wage ¹³			\$ 16,681	
Total Wages - Direct/Indirect/Induced	\$ -	\$ -	\$ 3,469,648	
Sales Tax Revenue from Wages ⁵ (Indirect)	\$ -	\$ -	\$ 47,898	
Other Tax Revenue ⁶	\$ -	\$ -	\$ 17,626	
Residential/Commercial Property Tax Revenue ¹⁰	\$ -	\$ -	\$ 240,167	
Total Tax Revenue - from Operations & Wages	\$ 220,000	\$ 165,000	\$ 690,691	

*Projection provided by the developer.

**City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis**

Annual Impact of Operations - Office Space		TOTAL
Total Square Footage		70,000
Average Sales Per Square Foot*	\$	18
Total Annual Revenue*	\$	1,260,000
Final Demand Output Multiplier ¹⁴		1.5640
Total Economic Impact from Rental Revenue		1,970,640
Final Demand Employment Multiplier ¹⁵		28.1303
Total Employment - Direct/Indirect/Induced		55
Shelby County Annual Average Wage ¹⁶	\$	46,645
Total Wages - Direct/Indirect/Induced	\$	2,565,475
Sales Tax Revenue from Wages ⁵ (Indirect)	\$	35,416
Other Tax Revenue ⁶	\$	13,033
Residential/Commercial Property Tax Revenue ¹⁰	\$	44,031
Total Tax Revenue - from Operations & Wages	\$	92,480

*Projection provided by the developer.

**City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis**

Annual Impact of Operations - Hotels				
	Hotel 1	Hotel 2	Hotel 1	Total
Total Rooms	150	110		260
Total Projected Annual Revenue*	\$ 5,338,125	\$ 3,914,625		\$ 9,252,750
Direct Local Sales Tax Generated from Operation (2.75%)	\$ 146,798	\$ 107,652		\$ 254,450
Local Hotel/Motel Tax Generated from Operation (5%)	\$ 266,906	\$ 195,731		\$ 462,637
Final Demand Output Multiplier ¹⁷	1.7088	1.7088		1.7088
Total Economic Impact from Rental Revenue	9,121,788	6,689,311		15,811,099
Projected Direct Employment				100
Direct Effect Employment Multiplier ¹⁸				1.4578
Indirect/Induced Employment				46
Total Employment - Direct/Indirect/Induced				146
Shelby County Annual Average Wage ¹⁹			\$	26,118
Total Wages - Direct/Indirect/Induced	\$ -	\$ -		\$ 3,813,228
Sales Tax Revenue from Wages ⁵ (Indirect)	\$ -	\$ -		\$ 52,642
Other Tax Revenue ⁶	\$ -	\$ -		\$ 19,372
Residential/Commercial Property Tax Revenue ¹⁰	\$ -	\$ -		\$ 160,111
Total Tax Revenue - from Operations & Wages	\$ 413,704	\$ 303,383		\$ 949,212

*Projection provided by the developer.

**City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis**

Annual Impact of Operations - Residential

	Live/Work Units	Assisted Living	Total
Units*	100	120	
Monthly Rental Rates*	\$ 1,500	\$ 4,000	
Projected Occupancy Rate	90%	90%	
Projected Annual Revenue	1,620,000	5,184,000	6,804,000
Final Demand Output Multiplier ²⁰	1.5640	1.9202	
Economic Impact from Rental Revenue	2,533,680	9,954,317	12,487,997
Projected Direct Employment	20	40	60
Direct Effect Employment Multiplier ²¹	1.7581	1.4767	
Indirect/Induced Employment	15	19	34
Total Employment - Direct/Indirect/Induced	35	59	94
Shelby County Annual Average Wage ²²	\$ 49,043	\$ 27,303	
Total Wages - Direct/Indirect/Induced	\$ 1,716,505	\$ 1,610,877	\$ 3,327,382
Sales Tax Revenue from Wages ⁵ (Indirect)	\$ 23,696	\$ 22,238	\$ 45,934
Other Tax Revenue ⁶	\$ 8,720	\$ 8,184	\$ 16,904
Residential/Commercial Property Tax Revenue ¹⁰	\$ 32,082	\$ 64,164	\$ 96,246
Total Tax Revenue - from Operations & Wages	\$ 64,498	\$ 94,586	\$ 159,084

*Projection provided by the developer.

City of Lakeland, Shelby County, TN
The Lake District Development
Economic Impact Analysis

Annual Impact of Operations - Performing Arts Center		Total
Total Annual Revenue*	\$	250,000
Direct Sales Tax from Ticket Sales ²³		6,875
Final Demand Output Multiplier ²⁴		1,7717
Total Economic Impact from Rental Revenue		442,925
Final Demand Employment Multiplier ²⁵		20,6869
Total Employment (Direct, Indirect & Induced)		9
Shelby County Annual Average Wage ²⁶	\$	51,998
Total Wages - Direct/Indirect/Induced	\$	467,982
Sales Tax Revenue from Wages ⁵ (Indirect)	\$	6,460
Other Tax Revenue ⁶	\$	2,377
Residential/Commercial Property Tax Revenue ¹⁰	\$	7,205
Total Tax Revenue - from Operations & Wages	\$	16,042

*Projection provided by the developer.

City of Lakeland, Shelby County, TN
The Lake District Development
Real Property Tax Schedule

Development Type	Property Value (Total)	Assessed Value*	Lakeland TOTAL Property Tax (\$1.40)	Lakeland Debt Service for Schools (\$0.55)	Taxes Paid to Lakeland After Debt Service Allocation (25%)	Lakeland Taxes Allocated to TIF After Debt Service (75%)	Shelby County TOTAL Property Tax (\$4.37)	Shelby County General & School Debt Service (\$0.78)	Taxes Paid to Shelby County After Debt Service Allocation (25%)	Shelby County Taxes Allocated to TIF After Debt Service (75%)
Retail	\$ 80,750,000	\$ 32,300,000	\$ 452,200	\$ 177,650	\$ 68,638	\$ 205,913	\$ 1,411,510	\$ 251,940	\$ 289,893	\$ 869,678
Restaurants	\$ 4,500,000	\$ 1,800,000	\$ 25,200	\$ 9,900	\$ 3,825	\$ 11,475	\$ 78,660	\$ 14,040	\$ 16,155	\$ 48,465
Office	\$ 11,250,000	\$ 4,500,000	\$ 63,000	\$ 24,750	\$ 9,563	\$ 28,688	\$ 196,650	\$ 35,100	\$ 40,388	\$ 121,163
Hotels	\$ 30,500,000	\$ 12,200,000	\$ 170,800	\$ 67,100	\$ 25,925	\$ 77,775	\$ 533,140	\$ 95,160	\$ 109,495	\$ 328,485
Parking	\$ 5,850,000	\$ 2,340,000	\$ 32,760	\$ 12,870	\$ 4,973	\$ 14,918	\$ 102,258	\$ 18,252	\$ 21,002	\$ 63,005
Residential SFD	\$ 142,400,000	\$ 35,600,000	\$ 498,400	\$ 195,800	\$ 75,650	\$ 226,950	\$ 1,555,720	\$ 277,680	\$ 319,510	\$ 958,530
Residential	\$ 19,400,000	\$ 7,760,000	\$ 108,640	\$ 42,680	\$ 16,490	\$ 49,470	\$ 339,112	\$ 60,528	\$ 69,646	\$ 208,938
Performing Arts	\$ 5,000,000	\$ 2,000,000	\$ 28,000	\$ 11,000	\$ 4,250	\$ 12,750	\$ 87,400	\$ 15,600	\$ 17,950	\$ 53,850
Total	\$ 299,650,000		\$ 1,379,000	\$ 541,750	\$ 209,314	\$ 627,939	\$ 4,304,450	\$ 768,300	\$ 884,039	\$ 2,652,114

Total Lakeland Taxes Designated to Debt Service: \$ 541,750
 Total Taxes Paid to the City of Lakeland: \$ 209,314
 Total Shelby County Taxes Designated to Debt Service: \$ 768,300
 Total Taxes Paid to Shelby County: \$ 884,039
 Total Taxes Designated to TIF (Lakeland & Shelby County): \$ 3,280,053

*Assessment ratio is 40% for all development types except the Single Family Dwelling residential units, which is 25%.



Notes for The Lake District Development Impact Analysis

1. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for construction. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry.
2. For the purpose of this analysis, it is assumed that 40% of the construction costs would be for building materials that are subject to the City of Lakeland Shelby County local option sales tax rate of \$0.0275.
3. U.S. Bureau of Economic Analysis, RIMS II aggregate final demand employment multiplier for construction for Shelby County, Tennessee. This multiplier calculates the number of indirect jobs supported per million dollars of output by the specified industry.
4. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for all industry types with a 1.5% inflation factor applied for 2016.
5. U.S. Department of Labor, "Consumer Expenditure Survey, Southern US" 2014; factor applied to determine the rate of indirect or "downstream" expenditures on sales taxable goods and services at the local option tax rate of \$0.0275
6. Based upon July 2015 - June 2016 collections of Business, Alcohol, Motor Vehicle and other local taxes compared to sales tax for Shelby County
7. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for retail trade.
8. U.S. Bureau of Economic Analysis, RIMS II direct effect employment multiplier for the retail trade for Shelby County, TN. This multiplier represents the number of indirect jobs supported per direct job by the specified industry.
9. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for the retail trade industry sector with a 1.5% inflation factor applied for 2016.
10. New property tax for Shelby County and the City of Lakeland based on projected new property value created by wages paid by the new development. The new property value may be new single family homes, new rental property, expansions or improvements to existing residential or commercial property. Although commercial property value is included, the residential rate of assessment is used as a conservative measure. The assessment rate of 25% and a combined Shelby County (\$4.37) and City of Lakeland (\$1.40) tax rate of \$5.77, per \$100 of assessed value is used. Direct property taxes paid by companies are not included in this value.
11. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for food services and drinking establishments.
12. U.S. Bureau of Economic Analysis, RIMS II direct effect employment multiplier for food services and drinking establishments for Shelby County, TN. This multiplier represents the number of indirect jobs supported per direct job by the specified industry.

13. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for food services and drinking establishments with a 1.5% inflation factor applied for 2016.
14. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for real estate management.
15. U.S. Bureau of Economic Analysis, RIMS II final demand employment multiplier for business support services for Shelby County, TN.
16. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for business and professional services with a 1.5% inflation factor applied for 2016.
17. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for accommodation.
18. U.S. Bureau of Economic Analysis, RIMS II direct effect employment multiplier for accommodation for Shelby County, TN.
19. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for the accommodation industry sector with a 1.5% inflation factor applied for 2016.
20. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for real estate management (live/work units) and nursing and community care facilities (assisted living facility).
21. U.S. Bureau of Economic Analysis, RIMS II direct effect employment multiplier for real estate management (live/work units) and nursing and community care facilities (assisted living facility) for Shelby County, TN.
22. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for real estate rental and leasing industries and residential care facilities with a 1.5% inflation factor applied for 2016.
23. For the purpose of this analysis, it is assumed that 50% of the theater's revenue would be from ticket sales that are subject to the City of Lakeland Shelby County local option sales tax rate of \$0.0275.
24. U.S. Bureau of Economic Analysis, RIMS II final-demand output multiplier for Shelby County, Tennessee for performing arts companies.
25. U.S. Bureau of Economic Analysis, RIMS II final demand employment multiplier for performing arts for Shelby County, Tennessee.
26. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for the arts, entertainment and recreation industry sector with a 1.5% inflation factor applied for 2016.

* Constant 2016 dollars. No tax rate increases are assumed.