



**TAX INCREMENT FINANCING APPLICATION
LAKELAND INDUSTRIAL DEVELOPMENT CORPORATION
LAKELAND, TENNESSEE
OCTOBER 24, 2016**

**LAKE DISTRICT TAX INCREMENT FINANCE DISTRICT APPLICATION
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Oct. 5, 2016

Joseph Laster, Chairman.
Lakeland Development Corporation
10001 US Highway 70
Lakeland, TN 38002

Dear Mr. Laster,

I am please to submit the enclosed application package for the TIF for the Lake District development. Our hope is that The Lake District will become the new source of civic pride and financial backbone for the community for many years to come.



Yehuda Netanel, President,
Gilad Development Inc.
Managing Member of
The Lake District LLC.

TAX INCREMENT FINANCING APPLICATION

Please return the completed application and supporting documentation to:

The Industrial Development Board of the City of Lakeland, Tennessee
10001 Highway 70
Lakeland, Tennessee 38002

TIF Application Lead-In Statement and Justification

The Industrial Development Board of the City of Lakeland, Tennessee (the "LDC") views its core mission as the promotion of economic development and growth in Lakeland, Shelby County, Tennessee and in particular commercial projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in Shelby County, Tennessee. The TIF Program is designed for economic development projects that provide improvements to public infrastructure in under-utilized areas of Lakeland, Shelby County, Tennessee and in other properties designated by the Board of Commissioners of the City of Lakeland, Tennessee. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the LDC Tax Increment Financing Program Policies and Procedures, as currently in effect with the LDC.

Please address the following factors as they related to your Project:

Economic Development

Will the proposed Project involve significant capital investment and the generation of new jobs with wages in excess of the Shelby County, Tennessee annual average wage?

Yes No (If yes, please specify in detail, using additional sheets if necessary)

The Lake District is one of the largest single capital investments in Shelby County history amounting to approximately \$375 million including all buildings types and infrastructure. The requested TIF funding is only about 11% of the total investment which is commensurate with typical TIF policies of other communities. There will be approximately 1,200 permanent employees in the total project within a range of employment levels from management, professionals, retail associates, and entry level positions of all sort. This is in addition to thousands of construction jobs in the full array of construction trades.

Blight Removal

Will the proposed Project remove blight?

Yes No (If yes, please specify in detail, using additional sheets if necessary)

The property will create the city center that Lakeland has long sought to promote. It is at the key gateway, Interstate 40 and Canada Road, which is currently being improved and the city is actually undertaking a small area plan to help direct growth and development around

the new interchange. The Lake District plan is widely supported among elected officials and citizen groups and is being incorporated into the small area plan for the gateway.

Pursuit of Community Plan or Policy

Will the proposed Project further the pursuit of an existing community plan or policy?

Yes **XX** No _____ (If yes, please specify in detail, using additional sheets if necessary)

The property will create the city center that Lakeland has long sought to promote. It is at the key gateway, Interstate 40 and Canada Road, which is currently being improved and the city is actually undertaking a small area plan to help direct growth and development around the new interchange. The Lake District plan is widely supported among elected officials and citizen groups and is being incorporated into the small area plan for the gateway.

Environmental Remediation

Will the proposed Project address environmental remediation?

Yes **XX** No _____ (If yes, please specify in detail, using additional sheets if necessary)

The primary area where environmental remediation is being addressed is the demolition of the former Lakeland Factory Outlet Mall. These structures will be demolished in accordance with all local, state and federal regulations for removal of any sensitive materials that may be within a portion of the structures.

Public Infrastructure Need

Will the proposed Project address current public infrastructure needs?

Yes **XX** No _____

If yes:

Are the proposed public infrastructure improvements identified in the current Capital Improvements Plan for the City of Lakeland, Tennessee or Shelby County, Tennessee?

Yes _____ No **XX** (If yes, please specify in detail, using additional sheets if necessary)

The proposed infrastructure includes improvements external to the site such as Canada Road and Monroe Road as well as internal to the site for roads, utilities, public plazas, parking structures, drainage, and sites for a city hall and performing arts center.

Are the proposed public infrastructure improvements identified in any plans for the City of Lakeland, Tennessee or Shelby County, Tennessee?

Yes **XX** No _____ (If yes, please specify in detail, using additional sheets if necessary)

The major road and transportation plans include the improvements to Canada Road and Monroe Road.

If the proposed public infrastructure improvements are not in the current Capital Improvements Plan for the City of Lakeland, Tennessee or Shelby County, Tennessee or any other existing plan for the City of Lakeland, Tennessee or Shelby County, Tennessee, please describe in detail the public's need for the public infrastructure and the basis for the priority or urgency for the public infrastructure, as requested by the Application.

The public infrastructure are associated within a development that is essential to creating the identity of Lakeland, Tennessee with a blending of uses into a destination that is distinctive and unique in Shelby County. It will dramatically increase the tax base for Lakeland and Shelby County, create 1,200 new jobs, and contribute to retaining households and population within Shelby County.

_____ **Other** (please specify)

I. Applicant Information

1. Name of Applicant: **Lake District LLC**
2. Business Name and Address: **5959 Topanga Canyon Blvd., Suite 285, Woodland Hills, Ca 91367**

State of Organization: **Delaware**
3. Contact Person: **Yehuda Netanel**

Phone Number: **818-346-7700**

Fax Number: **818-346-7400**

E-Mail Address: **yehuda@gilad-inc.com**
4. Website: **thelakedistrict.us**

5. Type of Business Entity: Sole Proprietorship Limited Partnership
 For-Profit Corporation General Partnership
 Limited Liability Company Nonprofit Corporation

6. Provide the street addresses of the project site:

3536 Canada Road; 3570 Canada Road; 0 Canada Road; 0 Lake Forest Road.

7. Provide a legal description of the project site and a description of the leased premises, if applicable. (See **Parcels Listed in Question 14**)

8. Currently, does the Applicant own or lease the property? (Check one) (See **Question 10**)

Own Lease Neither

9. At project completion, who will occupy (operate business on) the site? **Broad range of hotels, retailers, restauranteurs, office tenants, child learning center, assisted living operator.**

10. Evidence of Site Control:

A. If the Applicant owns the property within the Planned Area, attach a copy of the Applicant's deed.

Ownership is currently held by Lakeland Station LLC and is being transferred to Lake District LLC both of which are under the control of Gilad Development Inc.

Mortgage Holder(s): TREMONT Realty Capital; Deed is currently held by mortgage holder.

B. If the Applicant has a contract or option to purchase the property within the Planned Area, attach a copy of the agreement or option contract. Also indicate:

The original 32+ acres that contained the former mall site is currently owned and there is an option to acquire the additional 130 acres owned by Belz Enterprises.

C. If the Applicant currently leases or will lease the property within the Planned Area, attach a copy of the lease or lease option contract. Also indicate:

Legal name of Owner as noted on the deed(s): _____

Name of person who signed lease for Tenant(lessee): _____

Landlord/Owner's name, address and phone no.: _____

II. Project Description

11. Indicate the total amount of TIF assistance requested (in current dollars), to be paid from TIF Revenues: **\$39,000,000 including potential items listed below but only for eligible activities in accordance with applicable laws.**

| 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 |

12. Number of years TIF assistance is requested: **20 years total and will be instituted within twelve months of approval by City of Lakeland and Shelby County.**

(existing policy is that TIF transaction will have a maximum term of 20 years).

13. Has any other government assistance (funds, tax incentives, or other economic benefits) been provided to the Applicant or the property? (Check one): Yes No

If yes, describe the type, source, and amount of assistance provided:

14. Provide a list of all properties comprising the plan area by Parcel Identification Number (as provided by the Shelby County Assessor of Property), along with the most recent tax bill for each parcel.

| TIF District Parcels & Property Taxes Generated | | | | | |
|--|----------------|------------------|------------------|----------------------|-------------------|
| Address | Parcels | Appraised | Lakeland | Shelby County | Total |
| 3536 Canada Road | 0159 00138 | \$ 1,850,000 | \$ 10,360 | \$ 32,338 | \$ 42,698 |
| 3570 Canada Road | 0159 00443 | \$ 1,047,300 | \$ 5,865 | \$ 18,307 | \$ 24,172 |
| 0 Canada Road | 0159 00471 | \$ 5,000 | \$ 28 | \$ 87 | \$ 115 |
| 0 Canada Road | 0159 00472 | \$ 5,000 | \$ 28 | \$ 87 | \$ 115 |
| 0 Lake Forest | 0159 00139 | \$ 434,300 | \$ 2,432 | \$ 7,592 | \$ 10,024 |
| 0 Lake Forest | 0159 00444 | \$ 448,000 | \$ 2,509 | \$ 7,831 | \$ 10,340 |
| 0 Lake Forest | 0159 00445 | \$ 750,000 | \$ 4,200 | \$ 13,110 | \$ 17,310 |
| Total | | | \$ 25,422 | \$ 79,352 | \$ 104,774 |

15. Project Narrative: Write a brief description of the project. Be as specific as possible about timing, scope of work, type of construction and financing. Attach additional sheets if necessary. Provide interior and exterior photographs.

See attached narrative at the end of this document.

16. Land Area of Project Area (in square feet or acres): **Approximately 162 acres**

Zoning Classification of Project Area (by parcel): **Currently in approved planned development district (Site Plan Attached)**

17. Use of Funds (Entire Project):

| Lake District Cost Outlines | |
|------------------------------------|-----------------------|
| Land | \$ 15,000,000 |
| Site and Public Improvements | \$ 36,000,000 |
| Building Costs | \$ 260,000,000 |
| Soft Costs | \$ 29,000,000 |
| Total Projected Costs | \$ 340,000,000 |
| | |
| Owner's Equity | \$ 50,000,000 |
| Construction Financing | \$ 240,000,000 |
| Tax Increment | \$ 39,000,000 |
| Self Financing | \$ 11,000,000 |
| Total | \$ 340,000,000 |

18. When will construction start (Month/Year)? **Following completion and approval of all engineering plans, infrastructure construction will begin on approximately April 1, 2017.**

19. When will construction be completed (Month/Year)?

All infrastructure will be substantially complete by Decembers 31, 2018. Construction of buildings should begin by approximately mid-year 2018 and be substantially complete by end of year 2022, depending upon market conditions. Single family development will be phased so as not to saturate the market and adversely affect property values.

20. Please list what public improvement(s) are eligible for tax increment financing and estimated cost:

(See table under Question 11)

21. Development Team

Please list the business name, contact person, address, work and fax phone numbers, and email address for the following members of the Development Team:

Contractor: **Currently interviewing two local contractors, both of whom have extensive experience in the Memphis/Shelby County market. Final selection will be within 45 days.**

Architect/Engineers: **Looney Kiss and Ricks Architects and A2H Engineers**

Accountant: _____

Project Manager: _____

Construction Manager: _____

Development Consultant: **Pinnacle Planning Advisors (Dexter Muller)**

III. Supplemental Information

Note to Applicant – All Exhibits from the checklist must be complete before the LDC will submit your request for tax increment financing for initial consideration.

22. Submit the following as Exhibits to the Application that will include the information set forth in the following checklist:

Exhibit A – Tax Increment Application Affidavit

Exhibit B – History of the Development Entity

Exhibit C – Site Plan and Rendering (identify public improvements eligible for TIF)

Exhibit D – List and Breakdown of Sources and Uses of Funds to undertake project

Checklist

Exhibit A – Tax Increment Application Affidavit (*submitted for preliminary qualification*):

Applicant will pay the LDC TIF Application Fee of **\$5,000.00**

Applicant will list and specify all Eligible TIF Costs in detail (**See Question 11**)

Applicant will acknowledge the maximum tax incentive available for the Project (**\$39,000,000**)

Applicant and/or the lead financing entity will sign an affidavit that the project would not be financially feasible, if it were not for the Tax Increment Financing.

Exhibit B – Declaration of Development Team and Disclosure of Principals and Entity, including:

History of the Development Entity

Resumes of all principals and key individuals

Organizational structure of the development entity

Exhibit C – Description and Narrative of the Development Project, including:

Copies of Project Contracts and/or Memoranda of Understanding

Detailed Performance/Construction Schedule

Site Plan and Rendering w/qualifying public improvements identified

Copies of Deeds, Leases, and Option Contracts

Photographs of Property

Tax Bills

Survey

Maps of the Plan Area and the Project Area

Exhibit D – Project Funding and Financial Information, including:

List and breakdown of Sources and Uses of Funds to undertake Project

Detailed projections of TIF Revenues by parcel for the term of the requested TIF and narrative describing the basis and assumptions for the projections

Pro-forma financial statement for five (5) years (if multiple entities are involved, the pro forma statements should be prepared on an entity basis and on a consolidated basis)

Current financial statements (2 yrs.); P & L (2 yrs.); and Balance Sheet (2 yrs.) (if newly formed, a copy of a balance sheet as of the most recent month-end)

Current banking relationships

Evidence of bonding capacity or letter of credit

IV. Signature

I, the undersigned, affirm that the project descriptions, numerical and financial estimates, and all other information I have provided in this Application are true and complete to the best of my knowledge. I have read and understood the requirements described in this Application, including the Tax Incentive Financing Program of the LDC. Furthermore, I certify that I am authorized to initiate the TIF Application process on behalf of the Applicant and the Project described.

The undersigned, furthermore, agrees to provide such additional information and documentation, from time to time, as the LDC may consider necessary or convenient to determine the advisability of providing tax increment financing to the Applicant.

The undersigned agrees to pay or reimburse the LDC for all costs, fees and expenses, including attorneys' fees, incurred by the LDC in considering, evaluating, and enforcing the provisions of the Application and the Policies and Procedures of the Tax Increment Financing Program. In certain instances the LDC may require that principals of the Applicant guarantee the payment of the above costs and supply the LDC with financial statements of such principals.

Signed: *Mehub Notal* Date: 10-12-16, 20

Title: *Managing member*

Legal Disclaimer

COMPLETION OF THIS APPLICATION DOES NOT ENTITLE THE APPLICANT TO FINANCIAL ASSISTANCE. ANY SUCH ASSISTANCE MUST BE APPROVED BY THE LDC, THE BOARD OF COMMISSIONERS OF THE CITY OF LAKEWOOD, TENNESSEE OR ANY OTHER APPLICABLE GOVERNMENTAL AUTHORITY.

**AFFIDAVIT TO
TIF APPLICATION**

I, Yehuda Netanel, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am a corporate officer, managing member, general partner or sole proprietor of THE LAKE DISTRICT LLC ("Applicant"), a company duly organized in the State of DELAWARE as a LLC (Corporation/LLC/Sole Proprietorship/General Partnership/Limited Partnership). Applicant submits this Application requesting tax increment financing for the project located at LAKELAND, TN ("Site"). The Applicant represents that this Application and all information furnished in support of the Application for the purpose of obtaining financial assistance under The Industrial Development Board of the City of Lakeland, Tennessee Tax Increment Financing Program ("TIF Program") are true and complete to the best of Applicant's knowledge and belief.

2. Applicant hereby acknowledges and declares that it will comply with the following submittal requirements for tax increment financing assistance from The Industrial Development Board of the City of Lakeland, Tennessee (the "LDC"):

- (i) Applicant will list and specify all costs of qualified improvements to Public Infrastructure for tax increment financing;
- (ii) Applicant will acknowledge the maximum tax increment reimbursement available for the Project;
- (iii) Applicant will pay a tax increment financing application fee of \$5,000.00 to the LDC at the time of application;
- (iv) Applicant will be required to pay the LDC an administration fee equal to _____¹, which will be deducted annually out of the TIF Revenues.

3. Applicant acknowledges and declares that no other reasonable means of financing the public improvements proposed to be financed with tax increment financing are available, because of one or more of the following reason(s) as checked by Applicant:

- (i) The Project, including the public improvements, if financed by Applicant through cash on hand or through debt financing from a private lender, would not result in a reasonable rate of return to the Applicant; or
- (ii) Applicant would not undertake the full set of improvements contemplated in the Application through resources reasonably available to the Applicant.

¹ To Be Determined

4. Applicant hereby agrees that Applicant shall at all times indemnify and hold harmless the LDC, its employees, officers, directors, counsel, and consultants against all losses, costs, damages, expenses (including attorney fees), and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the acceptance, consideration, approval, or disapproval of this Application for tax increment financing assistance.

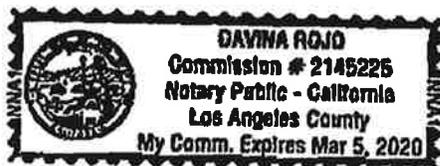
DATED this 12 day of OCTOBER, 2016

Hehala Netanel
Signature

managing member
Title

Signed and sworn to before me this 12 day of October, 2016

Davina Rojas
Notary Public



My commission Expires: 3/5/2020

**Subject Property: Located at the southeast quadrant of I-40 and Canada Road
(Containing Approximately 162 acres)**



The Lake District Lakeland, TN Project Narrative

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.

The Lake District is an urban neighborhood development surrounding 3 lakes, parks, and trails. Eight interdependent elements connect creating a vibrant multi-faceted street life.

The Eight Elements include human- scaled urban designed big box and main street retail, food and entertainment space, hotels, office space, child learning, and a mix of residential and assisted living in close proximity and accessible to public and civic space. The current quantities of each of the uses is specified below:

Eight Elements:

1. Retail:

Big Box 270,600 sf
Main Street 203,600 sf

2. Hotel 1: 110 Keys

Hotel 2: 150 Keys

3. Office: 70,000 sf (2 floors 35,000 sf each)

4. Child Learning: 2.4 acre pad

5. Residential: 422 Units Total

For Sale: 186 detached Town Homes
 96 attached Town Homes
 40 Manor Homes

For Lease: 100 2nd floor Apartments above Main Street Retail

6. Assisted Living: 100 beds

7. Outparcels: 8 pad's for Quick Service Restaurants, Fast Casual
 Restaurants, and service retail

8. Storage: Climate controlled storage-pad

Civic space includes a 36,500 sf Performing Arts Center and Civic building.

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.



**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.



Page 2: Lake District Economic Impact Plan

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 |

Page 3: Lake District Economic Impact Plan

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% |

Page 4: Lake District Economic Impact Plan

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 |

Page 5: Lake District Economic Impact Plan

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.

Page 6: Lake District Economic Impact Plan

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.

Page 7: Lake District Economic Impact Plan

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 Local Taxes | |
| Retail (Parking Included) | 845 | \$ 298,469,250 | \$ 30,040,595 | \$ 4,910,960 | \$ 152,613 | \$ 960,666 | \$ 1,959,475 | \$ 7,983,714 | |
| Restaurant | 208 | \$ 25,473,000 | \$ 3,469,648 | \$ 432,898 | \$ 17,626 | \$ 240,167 | \$ 103,860 | \$ 794,551 | |
| Office | 55 | \$ 1,970,640 | \$ 2,565,475 | \$ 35,416 | \$ 13,033 | \$ 44,031 | \$ 259,650 | \$ 352,130 | |
| Hotel | 146 | \$ 15,811,099 | \$ 3,813,228 | \$ 307,092 | \$ 482,009 | \$ 160,111 | \$ 265,960 | \$ 1,215,172 | |
| Residential | 94 | \$ 12,487,997 | \$ 3,327,382 | \$ 45,934 | \$ 16,904 | \$ 96,246 | \$ 2,501,872 | \$ 2,660,956 | |
| Performing Arts | 9 | \$ 442,925 | \$ 467,982 | \$ 6,460 | \$ 2,377 | \$ 7,205 | \$ 115,400 | \$ 131,442 | |
| Total | 1,357 | \$ 354,654,911 | \$ 43,684,310 | \$ 5,738,760 | \$ 684,562 | \$ 1,508,426 | \$ 5,206,217 | \$ 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 |

¹Construction 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 | 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 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.