

SHELBY COUNTY JUSTICE CENTER



PROPOSED FACILITY

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SHELBY COUNTY

TRANSFORMATIONAL OPPORTUNITY

THREE-FOLD OPPORTUNITY
MAXIMUM POTENTIAL

REACTIVATE 71 ACRES IN NORTH MEMPHIS TRANSFORM DOWNTOWN MEMPHIS & SHELBY FARMS

- Reactivate a property and neighborhood in need of investment
- Opportunity for community redevelopment – County detention facility, court rooms, mental health facility, etc
- +/-71 Acres at Firestone Ave and Morehead St
- Large site allows for low rise project saving taxpayer money and ample surface parking
- Future expansion potential for other Justice Center components
- Immediate access to I-40 and Downtown Memphis
- In Opportunity Zone with New Markets Tax Credits available plus additional tax credits for solar
- Zoned I-H (Industrial – Heavy)
- Public-Private partnership - ready to build and leaseback with future options to purchase
- 3 miles & 6 minutes from current detention facility at 201 Poplar
- Frees up +/- 8.1 acres at downtown location for higher-use redevelopment and increased tax revenue
- Provides for the relocation of detention facilities away from Shelby Farms, so that land can be freed for a use more conducive to an urban park
- Rebrand the “201 Poplar” negativity into a new Justice Center

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DEAL POINTS FOR DEVELOPMENT

- The 71-acre property is located in an Opportunity Zone.
- The benefits offered to the owner of property in an Opportunity Zone include obtaining New Market Tax Credits [NMTCs] for the property's redevelopment.
- NMTCs can be sold to provide an outside source of capital that provides savings to the government.
- The NMTCs can provide as much as 15% of the TOTAL COSTS of the project. For example: Total Development Costs = \$700,000,000 then NMTCs could be as high as \$105,000,000.
- Under the Inflation Reduction Act [IRA], investments made in the new development of carbon reduction assets qualify for Investment Tax Credits [ITC]. The new Justice Center can have solar panels on the roof, batteries for the backup systems and charging stations for electric vehicles – these expenditures qualify for the ITC which can be sold by the County Government to obtain additional capital for the new development.
- The standard ITC is 30% of the qualifying costs. However, the amount of ITC increases by additions of 10% for being in a low income area and 10% for being in a designated Brownfield – so ITC can provide a 50% capital contribution for all costs associated with energy related equipment and its installation.
- Should the Government decide to work with a Public/Private Partnership and enter into a long term capital lease then the NMTCs and ITCs can be passed through to the Government in a reduced rental rate as well with the Government potentially having a smaller up front capital investment.

- Under the long term lease the Government would have options to purchase and the option prices would reflect a discount for part of the capital reduction from the lease payments.
- A recent example of a similar Public/Private Partnership is found in the Wayne County Criminal Justice Center, Detroit Michigan – 2500 bed jail and 27 courts which included the Juvenile Court and detention. The cost of this facility was close to \$700,000,000 – the facility opened in September 2024. Through this Public/Private Partnership Wayne County was able to reduce their initial capital outlay to around \$350,000,000.
- Another similar project in Nashville is the new Juvenile Justice Center a.k.a. Nashville's Youth Campus for Empowerment which is located on 14 acres of land. Davidson County began the process in late 2016. They finished a master plan for this facility in approximately 6 months at a cost of \$1,000,000. The master plan projected a 286,869 BGSF complex with an estimated cost of approximately \$130,160,820 in 2017 dollars – no consideration was given to land acquisition or predevelopment land costs. The final cost that Nashville has funded is in excess of \$271,000,000.
- Judge Sugarmon has expressed his belief that the Nashville Juvenile Justice Center is what Memphis needs and believes it should be on a campus environment located on the proposed location of our Justice Center.
- We believe that our land location coupled with the tax incentives and a Public/Private Partnership can allow Shelby County to afford this new Justice Center NOW.