Chapter 313 Agreements: Gregory-Portland ISD
Summary of Presentation from Moak, Casey & Associates to the G-PISD School Board | January 17, 2017

**CURRENT STATUS ➔ G-PISD's Existing Chapter 313 Agreements**

- EC&R Paplote Creek II, LLC
- CC Liquefaction (Cheniere) Trains 1-3
- voestalpine
- APEX Clean Energy Holdings, LLC

State Recapture Payments
Lost revenue when wealth per student exceeds allowable value

- **$549 Million**

State’s Net M&O Revenue

- **$1.07 Billion**
  - Including Hold Harmless/Supplemental Payments*
  - Reduction of Recapture (within Net Revenue) as a result of approved Ch. 313 Agreements

State Recapture Payments
Lost Revenue for G-PISD

- **$729 Million**

District’s Net M&O Revenue
Incl. Hold Harmless/Supplemental Payments*

- **$1.2 Billion**
  - Reduction of Recapture (within Net Revenue) as a result of approved Ch. 313 Agreements
  - Revenue related to Exxon agreement: **$461 Million**

**EXXON BUILDS HERE**

- **$1.07 Billion**
  - NO Revenue from Exxon (only from existing agreements)
  - NO Hold Harmless or Supplemental Payments for school district funding to support annual needs/operations
  - NO protection for the school district to help retain a healthy fund balance

**WITHOUT a 313 Agreement**

- **$1.19 Billion**
  - Reduction of Recapture (within Net Revenue) as a result of approved Ch. 313 Agreements

**NEXT DECISION: To Approve or Deny a Chapter 313 for EXXONMOBIL | SABIC | GCGV**

- Boost in I&S tax collections resulting from **$5 Billion** in taxable value thru 2037-38*
  - = SAVINGS for Taxpayers

*This revenue cannot be used for operational costs or to make recapture payments. It is separate from the local Maintenance & Operations (M&O) tax revenue, which funds district operations incl. payroll, instruction, maintenance, etc. The I&S tax revenue is restricted to paying off school bonds (land, construction, etc.).

**What a Chapter 313 Agreement is NOT:**

- It is not a building permit.
- Other gov't entities manage private land sales and building permits. A school district has no jurisdiction. A company can build with or without a 313 agreement.

- It is not a "giveaway" of tax dollars.
- With a 313 in place, districts are reimbursed for reduced local taxes by increased state aid, reduced recapture, and/or hold harmless and supplemental payments from companies.

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*See "Terms to Know" on Page 2 for definitions of "Recapture," "Hold Harmless & Supplemental Payments," and "Rollback Elections."
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TERMS TO KNOW

RECAPTURE: Payments made to the State of Texas when a school district’s wealth per student exceeds the state’s allowable value. G-PISD will begin making recapture payments as early as 2018-19.

“HOLD HARMLESS” & SUPPLEMENTAL PAYMENTS: Payments made to a school district when in a Chapter 313 Agreement to ensure the district receives the full amount of funding due to it.

ROLLBACK ELECTIONS: When the state funding formula automatically drives M&O tax rate down, it may become necessary to hold a community election to adjust the M&O tax rate to maintain funding for district operations.

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State Recapture Payments by Year (in Millions) thru 2037-38

Net M&O Revenue, Less Recapture by Year (in Millions) thru 2037-38


PLEASE NOTE: All financial data is estimated and based on the latest information available as of January 17, 2017.