

# Chapter 313 Agreements: Gregory-Portland ISD

Summary of Presentation from Moak, Casey & Associates @ G-PISD Board Meeting | June 20, 2017

## CURRENT STATUS → G-PISD's Existing Chapter 313 Agreements

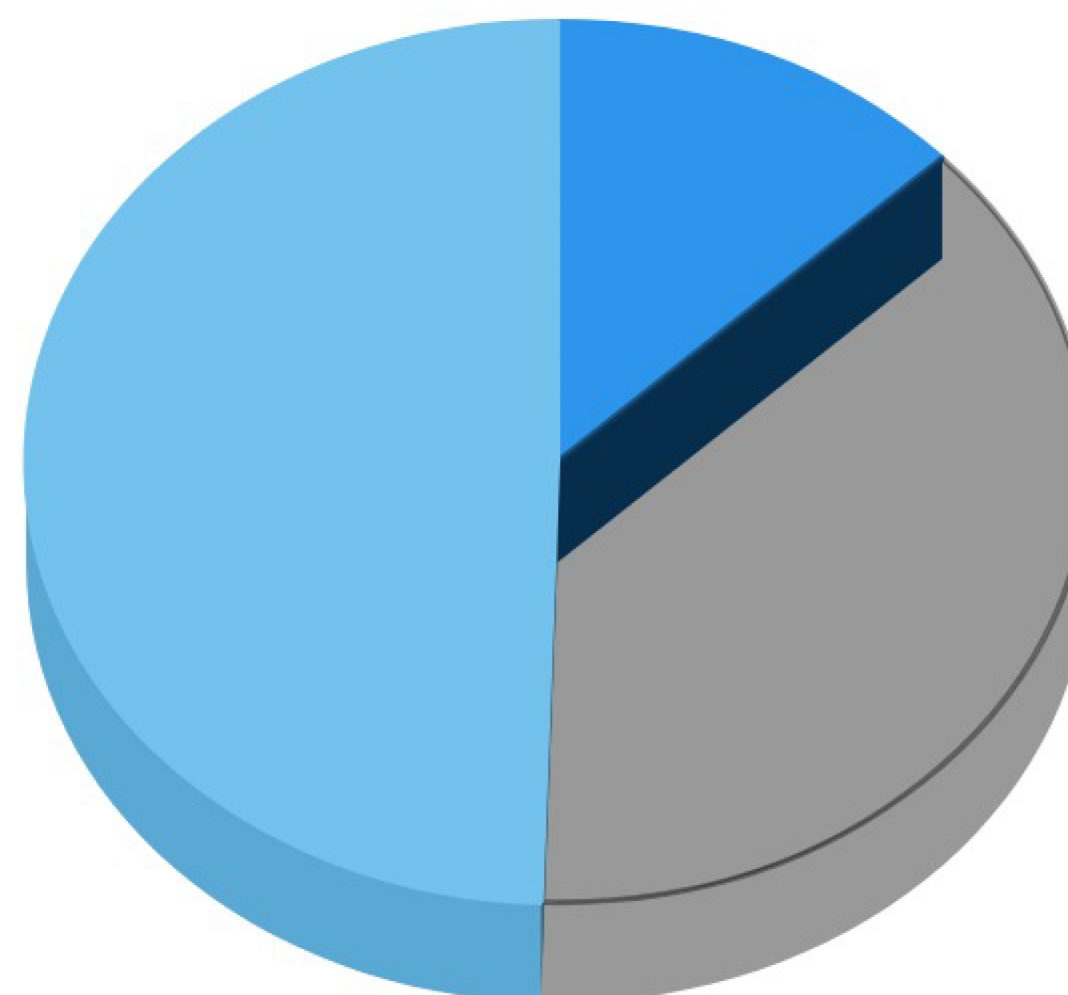
- ExxonMobil | SABIC | GCGV
- EC&R Paplote Creek II, LLC
- CC Liquefaction (Cheniere) Trains 1-3
- voestalpine
- APEX Clean Energy Holdings, LLC

### State Recapture Payments

Lost revenue when wealth per student exceeds allowable value

**\$729 Million**

### Financial Impact thru 2037-38



### District's Net M&O Revenue

Including Hold Harmless/Supplemental Payments\*

**\$1.21 Billion**



Reduction of Recapture as a result of existing, approved Ch. 313 Agreements

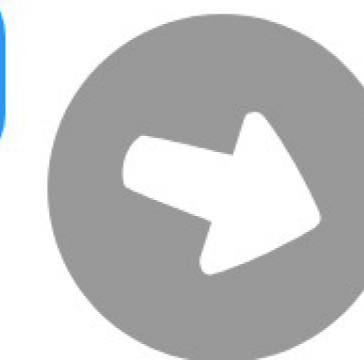
**\$1.06 Billion**

## NEXT DECISION: To Approve or Deny a Ch. 313 for Cheniere (CC Liquefaction) Trains 4 & 5

**WITH**  
a 313 Agreement



### Cheniere Trains 4 & 5

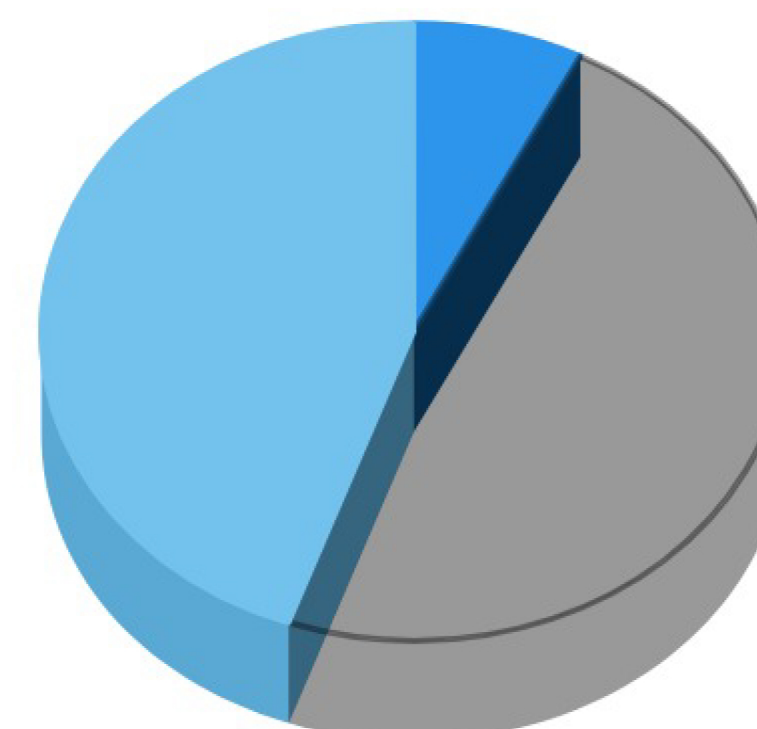
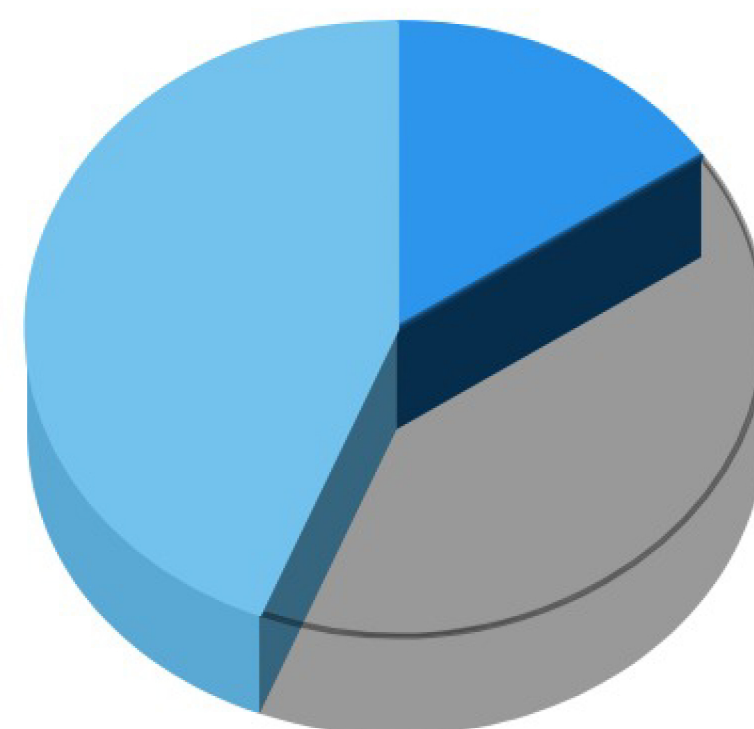


**WITHOUT**  
a 313 Agreement

### State Recapture Payments

Lost Revenue for G-PISD

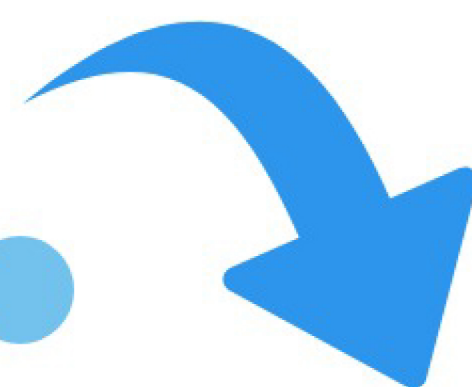
**\$923 Million**



### District's Net M&O Revenue

Incl. Hold Harmless/Supplemental Payments\*

**\$1.295 Billion**



Reduction of Recapture as a result of all approved Ch. 313 Agreements (w/ Cheniere Trains 4/5)

**\$1.4 Billion**

Savings related to Cheniere Trains 4/5: **\$352 Million**

### State Recapture Payments

Lost Revenue for G-PISD

**\$1.3 Billion**

### District's Net M&O Revenue

Incl. Hold Harmless/Supplemental Payments from existing 313s\*

**\$1.25 Billion**



**\$1.06 Billion**

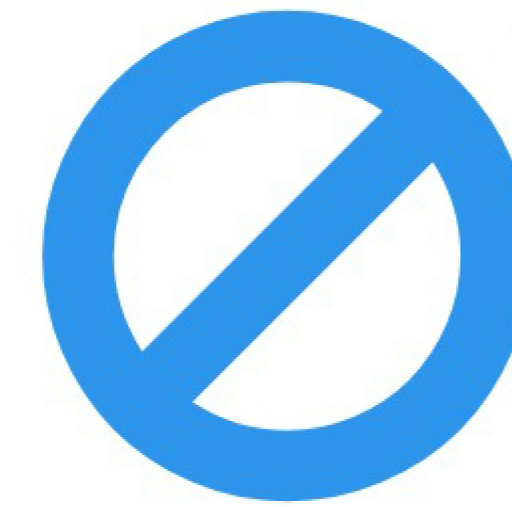
(\$0) NO Savings from Cheniere Trains 4/5 (only past projects)

Reduction of Recapture as a result of all formerly approved Ch. 313 Agreements

With Hold Harmless/Supplemental Payments, the district is protected from reduced funding for annual needs/operations & Sufficient funding is available to maintain a healthy fund balance for the district



NO Hold Harmless or Supplemental Payments from this project to support school district funding for annual needs/operations & NO protection for the school district to help retain a healthy fund balance



Boost in I&S tax collections resulting from **\$4 Billion** in taxable value\*

\*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.).

= **SAVINGS**  
for Taxpayers



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.

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

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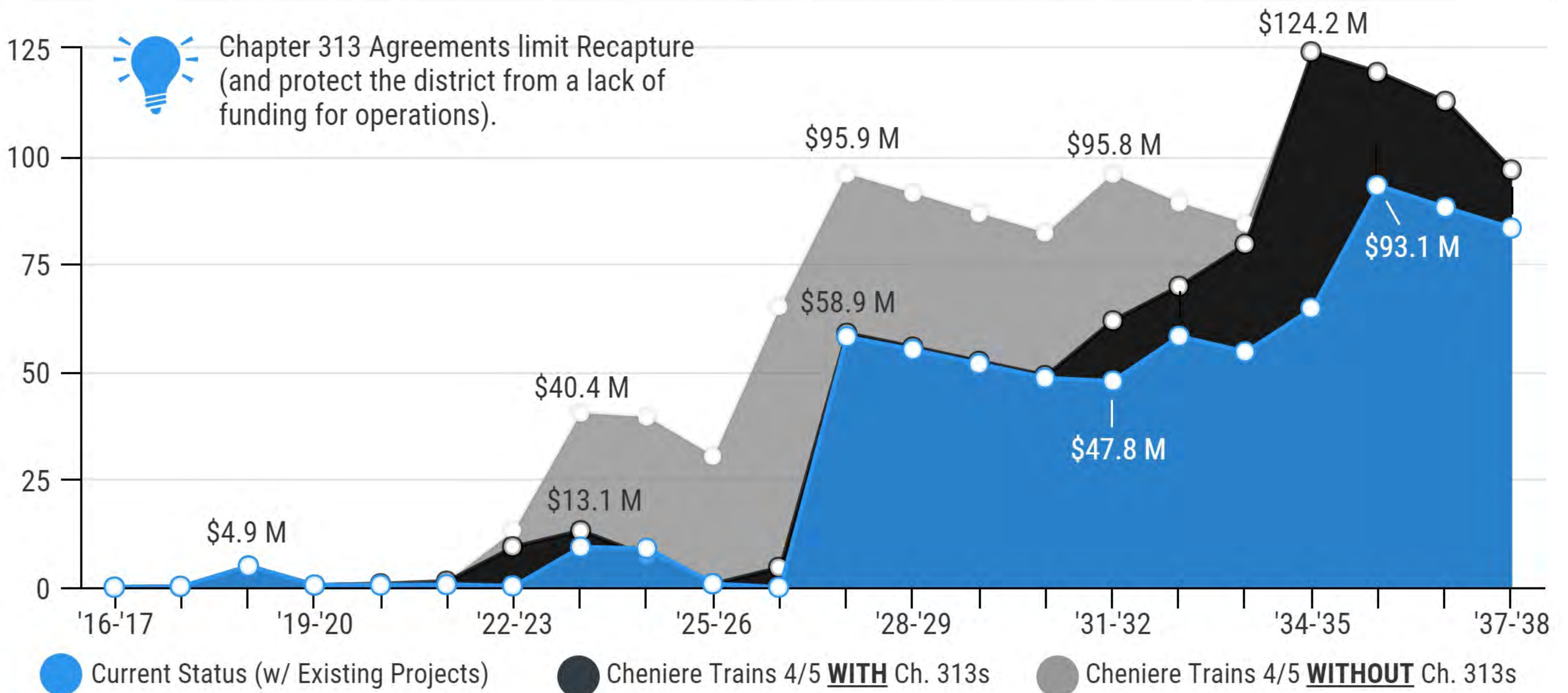
## TERMS TO KNOW

**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 within the next two years.

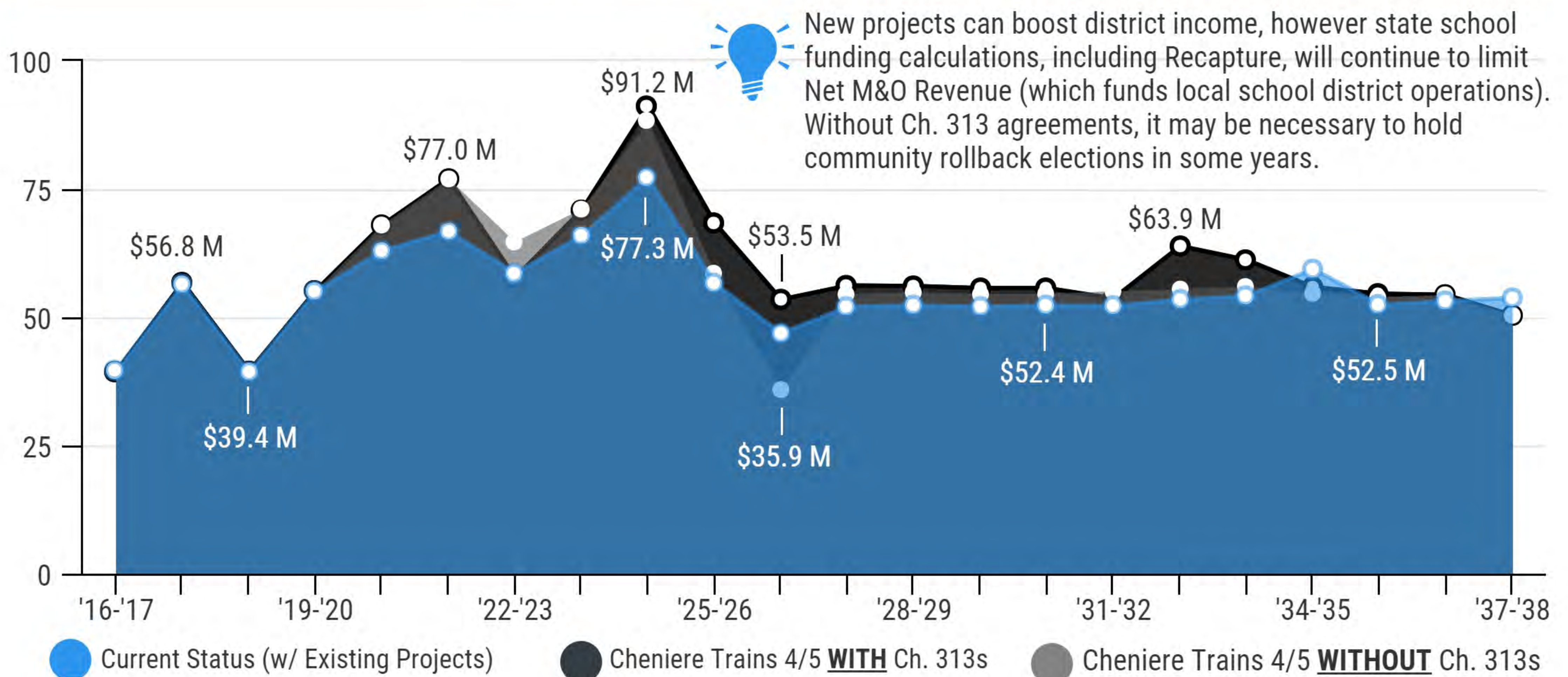
**"HOLD HARMLESS" & SUPPLEMENTAL PAYMENTS:** Payments made to a school district when in a Chapter 313 Agreement to ensure the district receives the full amount of funding due to it.

**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.

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



## Net M&O Revenue, Less Recapture by Year (in Millions) thru 2037-38 (w/ State Aid & Hold Harmless/Supplemental Payments)



For More Information: View the complete report presented to the G-PISD School Board from Moak, Casey & Associates at [www.g-pisd.org](http://www.g-pisd.org).

**PLEASE NOTE:** All financial data is estimated and based on the latest information available as of June 20, 2017.