



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

January 23, 2020

John Hardwick Jr.
Superintendent
Ganado Independent School District
PO Box 77962
Ganado, TX 77962

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ganado Independent School District and Flag City Solar Project, LLC, Application 1398

Dear Superintendent Hardwick:

On November 22, 2019, the Comptroller issued written notice that Flag City Solar Project, LLC (applicant) submitted a completed application (Application 1398) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 28, 2019, to the Ganado Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1398.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

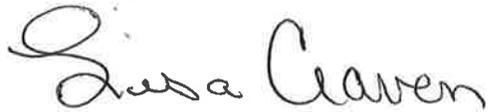
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2020.

Note that any building or improvement existing as of the application review start date of November 22, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in black ink that reads "Lisa Craven". The signature is written in a cursive, flowing style.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Flag City Solar Project, LLC (project) applying to Ganado Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Flag City Solar Project, LLC.

Applicant	Flag City Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Ganado ISD
2018-2019 Average Daily Attendance	735
County	Jackson
Proposed Total Investment in District	\$153,000,000
Proposed Qualified Investment	\$153,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,257
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,257
Minimum annual wage committed to by applicant for qualified jobs	\$65,353.00
Minimum weekly wage required for non-qualifying jobs	\$861
Minimum annual wage required for non-qualifying jobs	\$44,772
Investment per Qualifying Job	\$153,000,000
Estimated M&O levy without any limit (15 years)	\$9,825,615
Estimated M&O levy with Limitation (15 years)	\$4,407,680
Estimated gross M&O tax benefit (15 years)	\$5,417,935

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Flag City Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	25	34	59	\$1,541,155	\$3,458,845	\$5,000,000
2021	250	330	580	\$15,411,550	\$30,588,450	\$46,000,000
2022	1	31	32	\$61,646	\$5,938,354	\$6,000,000
2023	1	18	19	\$61,646	\$3,938,354	\$4,000,000
2024	1	1	2	\$61,646	\$1,938,354	\$2,000,000
2025	1	(8)	-7	\$61,646	\$938,354	\$1,000,000
2026	1	(10)	-9	\$61,646	-\$61,646	\$0
2027	1	(10)	-9	\$61,646	-\$61,646	\$0
2028	1	(8)	-7	\$61,646	-\$61,646	\$0
2029	1	(5)	-4	\$61,646	-\$61,646	\$0
2030	1	(3)	-2	\$61,646	-\$61,646	\$0
2031	1	0	1	\$61,646	-\$61,646	\$0
2032	1	2	3	\$61,646	\$938,354	\$1,000,000
2033	1	3	4	\$61,646	\$938,354	\$1,000,000
2034	1	4	5	\$61,646	\$938,354	\$1,000,000
2035	1	5	6	\$61,646	\$938,354	\$1,000,000
2036	1	5	6	\$61,646	\$938,354	\$1,000,000

Source: CPA REMI, Flag City Solar Project, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Ganado ISD I&S Tax Levy	Ganado ISD M&O Tax Levy	Ganado ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital Tax Levy	Jackson County Drainage District Tax Levy	Estimated Total Property Taxes
			0.3594	0.9700			0.4500	0.0250	0.0643	
2022	\$153,000,000	\$153,000,000		\$549,882	\$1,484,100	\$2,033,982	\$688,500	\$38,174	\$98,379	\$2,859,035
2023	\$137,740,000	\$137,740,000		\$495,038	\$1,336,078	\$1,831,116	\$619,830	\$34,366	\$88,567	\$2,573,879
2024	\$122,480,000	\$122,480,000		\$440,193	\$1,188,056	\$1,628,249	\$551,160	\$30,559	\$78,755	\$2,288,723
2025	\$107,220,000	\$107,220,000		\$385,349	\$1,040,034	\$1,425,383	\$482,490	\$26,751	\$68,942	\$2,003,567
2026	\$91,960,000	\$91,960,000		\$330,504	\$892,012	\$1,222,516	\$413,820	\$22,944	\$59,130	\$1,718,411
2027	\$76,700,000	\$76,700,000		\$275,660	\$743,990	\$1,019,650	\$345,150	\$19,137	\$49,318	\$1,433,255
2028	\$61,440,000	\$61,440,000		\$220,815	\$595,968	\$816,783	\$276,480	\$15,329	\$39,506	\$1,148,099
2029	\$46,180,000	\$46,180,000		\$165,971	\$447,946	\$613,917	\$207,810	\$11,522	\$29,694	\$862,943
2030	\$30,920,000	\$30,920,000		\$111,126	\$299,924	\$411,050	\$139,140	\$7,715	\$19,882	\$577,787
2031	\$30,910,000	\$30,910,000		\$111,091	\$299,827	\$410,918	\$139,095	\$7,712	\$19,875	\$577,600
2032	\$30,900,000	\$30,900,000		\$111,055	\$299,730	\$410,785	\$139,050	\$7,710	\$19,869	\$577,413
2033	\$30,890,000	\$30,890,000		\$111,019	\$299,633	\$410,652	\$139,005	\$7,707	\$19,862	\$577,226
2034	\$30,880,000	\$30,880,000		\$110,983	\$299,536	\$410,519	\$138,960	\$7,705	\$19,856	\$577,039
2035	\$30,870,000	\$30,870,000		\$110,947	\$299,439	\$410,386	\$138,915	\$7,702	\$19,849	\$576,852
2036	\$30,860,000	\$30,860,000		\$110,911	\$299,342	\$410,253	\$138,870	\$7,700	\$19,843	\$576,665
			Total	\$3,640,542	\$9,825,615	\$13,466,157	\$4,558,275	\$252,731	\$651,327	\$18,928,490

Source: CPA, Flag City Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jackson County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Jackson County and Jackson County Hospital District.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Ganado ISD I&S Tax Levy	Ganado ISD M&O Tax Levy	Ganado ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital Tax Levy	Jackson County Drainage District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3594	0.9700		0.4500	0.0250	0.0643	
2022	\$153,000,000	\$30,000,000		\$549,882	\$291,000	\$840,882	\$206,550	\$11,452	\$98,379	\$1,157,263
2023	\$137,740,000	\$30,000,000		\$495,038	\$291,000	\$786,038	\$185,949	\$10,310	\$88,567	\$1,070,863
2024	\$122,480,000	\$30,000,000		\$440,193	\$291,000	\$731,193	\$165,348	\$9,168	\$78,755	\$984,463
2025	\$107,220,000	\$30,000,000		\$385,349	\$291,000	\$676,349	\$144,747	\$8,025	\$68,942	\$898,064
2026	\$91,960,000	\$30,000,000		\$330,504	\$291,000	\$621,504	\$124,146	\$6,883	\$59,130	\$811,664
2027	\$76,700,000	\$30,000,000		\$275,660	\$291,000	\$566,660	\$103,545	\$5,741	\$49,318	\$725,264
2028	\$61,440,000	\$30,000,000		\$220,815	\$291,000	\$511,815	\$82,944	\$4,599	\$39,506	\$638,864
2029	\$46,180,000	\$30,000,000		\$165,971	\$291,000	\$456,971	\$62,343	\$3,457	\$29,694	\$552,464
2030	\$30,920,000	\$30,000,000		\$111,126	\$291,000	\$402,126	\$41,742	\$2,314	\$19,882	\$466,064
2031	\$30,910,000	\$30,000,000		\$111,091	\$291,000	\$402,091	\$41,729	\$2,314	\$19,875	\$466,008
2032	\$30,900,000	\$30,900,000		\$111,055	\$299,730	\$410,785	\$139,050	\$7,710	\$19,869	\$577,413
2033	\$30,890,000	\$30,890,000		\$111,019	\$299,633	\$410,652	\$139,005	\$7,707	\$19,862	\$577,226
2034	\$30,880,000	\$30,880,000		\$110,983	\$299,536	\$410,519	\$138,960	\$7,705	\$19,856	\$577,039
2035	\$30,870,000	\$30,870,000		\$110,947	\$299,439	\$410,386	\$138,915	\$7,702	\$19,849	\$576,852
2036	\$30,860,000	\$30,860,000		\$110,911	\$299,342	\$410,253	\$138,870	\$7,700	\$19,843	\$576,665
			Total	\$3,640,542	\$4,407,680	\$8,048,222	\$1,853,843	\$102,785	\$651,327	\$10,656,177
			Diff	\$0	\$5,417,935	\$5,417,935	\$2,704,433	\$149,946	\$0	\$8,272,313
Assumes School Value Limitation and Tax Abatements with Jackson County and Jackson County Hospital District										

Source: CPA, Flag City Solar Project, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that FLAG CITY SOLAR PROJECT, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2022	\$291,000	\$291,000	\$1,193,100	\$1,193,100
	2023	\$291,000	\$582,000	\$1,045,078	\$2,238,178
	2024	\$291,000	\$873,000	\$897,056	\$3,135,234
	2025	\$291,000	\$1,164,000	\$749,034	\$3,884,268
	2026	\$291,000	\$1,455,000	\$601,012	\$4,485,280
	2027	\$291,000	\$1,746,000	\$452,990	\$4,938,270
	2028	\$291,000	\$2,037,000	\$304,968	\$5,243,238
	2029	\$291,000	\$2,328,000	\$156,946	\$5,400,184
	2030	\$291,000	\$2,619,000	\$8,924	\$5,409,108
	2031	\$291,000	\$2,910,000	\$8,827	\$5,417,935
Maintain Viable Presence (5 Years)	2032	\$299,730	\$3,209,730	\$0	\$5,417,935
	2033	\$299,633	\$3,509,363	\$0	\$5,417,935
	2034	\$299,536	\$3,808,899	\$0	\$5,417,935
	2035	\$299,439	\$4,108,338	\$0	\$5,417,935
	2036	\$299,342	\$4,407,680	\$0	\$5,417,935
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$299,245	\$4,706,925	\$0	\$5,417,935
	2038	\$299,148	\$5,006,073	\$0	\$5,417,935
	2039	\$299,051	\$5,305,124	\$0	\$5,417,935
	2040	\$298,954	\$5,604,078	\$0	\$5,417,935
	2041	\$298,857	\$5,902,935	\$0	\$5,417,935
	2042	\$298,760	\$6,201,695	\$0	\$5,417,935
	2043	\$298,663	\$6,500,358	\$0	\$5,417,935
	2044	\$298,566	\$6,798,924	\$0	\$5,417,935
	2045	\$298,469	\$7,097,393	\$0	\$5,417,935
	2046	\$298,372	\$7,395,765	\$0	\$5,417,935

\$7,395,765

is greater than

\$5,417,935

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levied directly related to this project.

Source: CPA, FLAG CITY SOLAR PROJECT, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Flag City Solar Project, LLC decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Flag City Solar Project, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Currently, Savion, LLC is considering a variety of other locations for Flag City Solar Project, LLC but believes Ganado ISD would be an ideal location for this solar facility.”
 - B. “In the event a 313 agreement is not permitted Savion, LLC will reallocate the capital for this project to establish a facility in another location more financially viable.”
 - C. “Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment. Without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. Savion, LLC evaluates the economic viability of proposed projects through comparing the proposed project’s rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement, must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize Savion, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district “the determining factor” to invest in this project.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) NA

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value



Tab 5

Limitation as a Determining Factor

Currently, Savion, LLC is considering a variety of other locations for Flag City Solar Project, LLC but believes Ganado ISD would be an ideal location for this solar facility. Other locations being evaluated for the establishment of the site include New Mexico, Ohio, Kansas, Oklahoma, Georgia, Louisiana, Alabama, South Carolina, Missouri, and Illinois--all locations where the development of this project would easily be feasible due to current company activity as well as previous development, and the presence of tax incentives. In the event a 313 agreement is not permitted Savion, LLC will reallocate the capital for this project to establish a facility in another location more financially viable. Unfortunately this would dismiss Ganado ISD from receiving the economic benefits associated with the development a solar facility within their jurisdiction. It is our goal to reach a 313 value limitation agreement for the benefit of both Flag City Solar Project, LLC and Ganado ISD. Savion, LLC is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only Savion, LLC but all prudent energy developers, recognize the importance of tax incentives in establishing capital intensive facilities. Due to the high property tax burden in Texas, the decision to invest within the state requires any capital investment by Savion LLC to be based on expected economic return on their investment.

Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment. Without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. Savion, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement, must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize Savion, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.