



Board Action Required

No Action Required

Date: July 19, 2016

To: CISD Board of Trustees

From: Kelly Penny

CC: Dr. Mike Waldrip, Sid Grant

RE: Approve the Payment in Lieu of Tax Agreement and provide a letter of Support for Mazda's FTZ request

Attorneys have reviewed and approved the Payment in Lieu of Tax Agreement (PILOT) with Mazda Motor of America, Inc. With a portion of their inventory becoming exempt from taxes, the PILOT will make the district whole in 2017-2018 with a payment of \$55,342. In subsequent years, the tax value will no longer be included in state, or local taxable values used in funding calculations. Thus, payments from 2018-2027 will be \$22,425.

The above amounts will also cover the \$0.06 non-recaptured pennies for Maintenance and Operations, and the Debt Service tax rate is estimated at a rate of \$0.467 since future debt tax rates are not known.

Recommendation: The Board of Trustees agree to provide a letter supporting Mazda Motor America's Foreign Trade Zone request.