

**Economic Investment Program Agreement  
for Averitt Express, Inc.**

**Return on Investment Analysis**

The Applicant intends to construct the facility on the premises so that it consists of approximately 20,000 square feet of usable area, at a cost of approximately \$11,650,000.00.

**Assumptions**

**1) Tax Rate and Cost of Capital**

- a) Use current fiscal year 2023-2024 tax rate of \$0.0066177.
- b) Tax rate remains constant throughout the analysis.
- c) Present value cost of capital is three percent (3%) and remains constant throughout the analysis.

**2) Construction Capital Investment**

- a) Assumes taxable value of 85% cost of construction.
- b) Tax collection rate of 95% based on early tax payment discount.
- c) No annual change in property values

**FISCAL IMPACT:**

The estimated payback period on the City's proposed \$96,000.00 investment is approximately 1 year and 8 months. The estimated 5-year present value return on investment is approximately \$285,110.52; this return is expected from ad valorem tax revenue.