

**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 36,000 square feet of usable area, at a cost of approximately \$19,968,000.00.

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 \$150,000.00 investment is approximately 18 months. The estimated 5-year present value return on investment is approximately \$488,676.99; this return is expected from ad valorem tax revenue.