CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED THE LUBRIZOL CORPORATION PROJECT IN THE DEER PARK INDEPENDENT SCHOOL DISTRICT (PROJECT #1084)

PREPARED BY

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TEXAS SCHOOL FINANCE EXPERTS

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Executive Summary

The Lubrizol Corporation (Company) has requested that the Deer Park Independent School District (DPISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to DPISD on July 13, 2015 the Company plans to invest $270 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Lubrizol project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, DPISD may offer a minimum value limitation of $80 million. This value limitation, under the proposed application, will begin in the 2019-20 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsquent details in the report below for more information.

Total Revenue Loss Payment owed to DPISD	$2.7 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$16.6 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete, the Comptroller will deliver a Completeness Letter to the company and the school district. The Completeness Letter for this project is dated July 17, 2015.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and the District's legal counsel will ensure the best interests of DPISD are secured. After negotiations with the Company, a final version of the Limitation Agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting. Prior to this meeting, the District's legal counsel will provide the district with the necessary agenda language and any additional action items.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction.

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—$1.00 per $100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies. Under its relatively unique tax authorization provisions, DPISD levies an M&O tax rate of $1.2367 per $100. (For more detailed information on the school finance funding system, please review the Texas Education Agency's School Finance 101: Funding of Texas Public Schools.)

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study. **If the full**

<u>value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.</u>

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

> Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue-protection language in the agreement. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 12,326 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of DPISD. The District's local tax base reached $7.77 billion for the 2014 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.2367 per $100 is used throughout this analysis.

DPISD has estimated 2014-15 state property wealth per weighted ADA, or WADA, of approximately $459,344. As a result, DPISD falls below the recapture level at the compressed rate, but not for the additional pennies of tax effort subject to recapture at $319,500 per WADA. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis. In future years, these projections assume some recapture at the compressed tax rate.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from $5,040 to $5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from $61.86 in 2014-15 to $74.28 and $77.53, respectively, for the 2015-16 and 2016-17 school years.

While the mandated school district homestead exemption will be increased from $15,000 to $25,000—assuming voter approval of a constitutional amendment election scheduled in November—no data are currently available on the tax base reductions associated with this change. Given that the models below focus exclusively on the The Lubrizol Corporation project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2014 is maintained at $1.2367 per $100. Although the impact of the previously-approved Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate in future years, that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with Lubrizol Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP1	2017-18	12,326.23	15,878.97	$1.2367	$0.3200	$7,856,400,398	$7,856,400,398	$7,989,349,574	$7,989,349,574	$503,140	$503,140
QTP2	2018-19	12,326.23	15,878.97	$1.2367	$0.3200	$7,923,400,398	$7,923,400,398	$8,031,619,574	$8,031,619,574	$505,802	$505,802
VL1	2019-20	12,326.23	15,878.97	$1.2367	$0.3200	$8,093,400,398	$7,903,400,398	$8,098,619,574	$8,098,619,574	$510,022	$510,022
VL2	2020-21	12,326.23	15,878.97	$1.2367	$0.3200	$8,085,435,398	$7,903,400,398	$8,268,619,574	$8,078,619,574	$520,728	$508,762
VL3	2021-22	12,326.23	15,878.97	$1.2367	$0.3200	$8,077,706,648	$7,903,400,398	$8,260,654,574	$8,078,619,574	$520,226	$508,762
VL4	2022-23	12,326.23	15,878.97	$1.2367	$0.3200	$8,070,207,115	$7,903,400,398	$8,252,925,824	$8,078,619,574	$519,739	$508,762
VL5	2023-24	12,326.23	15,878.97	$1.2367	$0.3200	$8,724,072,291	$8,564,542,715	$8,245,426,291	$8,078,619,574	$519,267	$508,762
VL6	2024-25	12,326.23	15,878.97	$1.2367	$0.3200	$8,673,606,123	$8,521,137,915	$8,899,291,467	$8,739,761,891	$560,445	$550,399
VL7	2025-26	12,326.23	15,878.97	$1.2367	$0.3200	$8,804,578,306	$8,658,962,115	$8,848,825,299	$8,696,357,091	$557,267	$547,665
VL8	2026-27	12,326.23	15,878.97	$1.2367	$0.3200	$8,751,796,309	$8,612,829,015	$8,979,797,482	$8,834,181,291	$565,515	$556,345
VL9	2027-28	12,326.23	15,878.97	$1.2367	$0.3200	$8,701,717,188	$8,569,201,715	$8,927,015,485	$8,788,048,191	$562,191	$553,440
VL10	2028-29	12,326.23	15,878.97	$1.2367	$0.3200	$8,654,164,947	$8,527,910,086	$8,876,936,364	$8,744,420,891	$559,037	$550,692
VP1	2029-30	12,326.23	15,878.97	$1.2367	$0.3200	$8,609,003,512	$8,609,003,512	$8,829,384,123	$8,703,129,262	$556,043	$548,092
VP2	2030-31	12,326.23	15,878.97	$1.2367	$0.3200	$8,566,104,444	$8,566,104,444	$8,784,222,688	$8,784,222,688	$553,199	$553,199
VP3	2031-32	12,326.23	15,878.97	$1.2367	$0.3200	$8,525,346,721	$8,525,346,721	$8,741,323,620	$8,741,323,620	$550,497	$550,497
VP4	2032-33	12,326.23	15,878.97	$1.2367	$0.3200	$8,486,616,068	$8,486,616,068	$8,700,565,897	$8,700,565,897	$547,930	$547,930
VP5	2033-34	12,326.23	15,878.97	$1.2367	$0.3200	$8,449,804,557	$8,449,804,557	$8,661,835,244	$8,661,835,244	$545,491	$545,491

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Lubrizol project on DPISD

School finance models were prepared for DPISD under these assumptions through the 2033-34 school year. Under the proposed agreement, a model is established to make a **calculation of the "Baseline Revenue Model" by adding the total value of the project to the** model, but without assuming that a value limitation is approved. This is detailed in Table 2.

Additionally, a separate model is established to make a calculation of the "Value Limitation Revenue Model" by adding the project's limited value of $80 million to the model. These results are shown in Table 3.

Table 2– "Baseline Revenue Model"--Project Value Added with No Value Limitation*

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP1	2017-18	$81,570,752	$7,833,997	$0	$0	$12,999,932	$2,480,606	-$2,916,671	$352,688	$102,321,303
QTP2	2018-19	$82,271,147	$7,411,085	$0	$0	$13,111,554	$2,464,902	-$2,968,651	$352,688	$102,642,725
VL1	2019-20	$84,088,804	$6,740,750	$0	$0	$13,401,234	$2,460,008	-$3,077,288	$352,688	$103,966,196
VL2	2020-21	$84,003,841	$5,039,900	$0	-$1,031,063	$13,387,693	$2,308,178	-$3,180,170	$352,688	$100,881,067
VL3	2021-22	$83,921,398	$5,119,590	$0	-$954,172	$13,374,555	$2,312,726	-$3,172,185	$352,688	$100,954,599
VL4	2022-23	$83,841,401	$5,196,916	$0	-$879,565	$13,361,805	$2,317,139	-$3,164,437	$352,688	$101,025,946
VL5	2023-24	$90,675,133	$5,271,949	$0	-$873,773	$14,450,898	$2,516,567	-$3,417,397	$352,688	$108,976,065
VL6	2024-25	$90,146,070	$4,241,232	$0	-$7,097,059	$14,366,581	$1,944,653	-$3,796,697	$352,688	$100,157,467
VL7	2025-26	$91,513,747	$4,241,232	$0	-$6,750,003	$14,584,547	$2,014,965	-$3,825,151	$352,688	$102,132,024
VL8	2026-27	$90,960,563	$4,241,232	$0	-$7,871,690	$14,496,387	$1,898,764	-$3,876,545	$352,688	$100,201,399
VL9	2027-28	$90,435,677	$4,241,232	$0	-$7,364,565	$14,412,736	$1,928,850	-$3,824,580	$352,688	$100,182,038
VL10	2028-29	$89,937,246	$4,241,232	$0	-$6,883,283	$14,333,301	$1,957,395	-$3,775,253	$352,688	$100,163,326
VP1	2029-30	$89,438,209	$4,241,232	$0	-$6,424,353	$14,253,769	$1,984,500	-$3,727,336	$352,688	$100,118,708
VP2	2030-31	$88,989,756	$4,241,232	$0	-$5,990,366	$14,182,299	$2,010,242	-$3,682,893	$352,688	$100,102,958
VP3	2031-32	$88,563,689	$4,241,232	$0	-$5,578,038	$14,114,397	$2,034,695	-$3,640,668	$352,688	$100,087,995
VP4	2032-33	$88,158,812	$4,241,232	$0	-$5,186,218	$14,049,871	$2,057,926	-$3,600,543	$352,688	$100,073,767
VP5	2033-34	$87,773,997	$4,241,232	$0	-$4,813,818	$13,988,544	$2,080,003	-$3,562,407	$352,688	$100,060,238

***Basic Allotment: $5,140; AISD Yield: $77.53; Equalized Wealth: $514,000 per WADA**

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

Table 3– "Value Limitation Revenue Model"--Project Value Added with Value Limit*

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP1	2017-18	$81,570,752	$7,833,997	$0	$0	$12,999,932	$2,480,606	-$2,916,671	$352,688	$102,321,303
QTP2	2018-19	$82,271,147	$7,411,085	$0	$0	$13,111,554	$2,464,902	-$2,968,651	$352,688	$102,642,725
VL1	2019-20	$82,062,074	$6,740,750	$0	$0	$13,078,234	$2,401,036	-$3,003,118	$352,688	$101,631,663
VL2	2020-21	$82,062,074	$6,940,850	$0	$0	$13,078,234	$2,416,668	-$2,990,650	$352,688	$101,859,863
VL3	2021-22	$82,062,074	$6,940,850	$0	$0	$13,078,234	$2,416,668	-$2,990,650	$352,688	$101,859,863
VL4	2022-23	$82,062,074	$6,940,850	$0	$0	$13,078,234	$2,416,668	-$2,990,650	$352,688	$101,859,863
VL5	2023-24	$88,973,431	$6,940,850	$0	$0	$14,179,697	$2,619,820	-$3,242,526	$352,688	$109,823,959
VL6	2024-25	$88,519,692	$4,241,232	$0	-$5,561,236	$14,107,385	$2,035,585	-$3,637,960	$352,688	$100,057,385
VL7	2025-26	$89,960,459	$4,241,232	$0	-$5,253,405	$14,337,000	$2,103,701	-$3,671,638	$352,688	$102,070,036
VL8	2026-27	$89,478,199	$4,241,232	$0	-$6,469,895	$14,260,142	$1,981,766	-$3,731,738	$352,688	$100,112,394
VL9	2027-28	$89,022,134	$4,241,232	$0	-$6,026,751	$14,187,460	$2,008,062	-$3,686,425	$352,688	$100,098,399
VL10	2028-29	$88,590,485	$4,241,232	$0	-$5,607,559	$14,118,667	$2,032,929	-$3,643,553	$352,688	$100,084,888
VP1	2029-30	$89,438,209	$4,241,232	$0	-$5,284,958	$14,253,769	$2,085,328	-$3,654,301	$352,688	$101,431,967
VP2	2030-31	$88,989,756	$4,241,232	$0	-$5,990,366	$14,182,299	$2,010,242	-$3,682,893	$352,688	$100,102,958
VP3	2031-32	$88,563,689	$4,241,232	$0	-$5,578,038	$14,114,397	$2,034,695	-$3,640,668	$352,688	$100,087,995
VP4	2032-33	$88,158,812	$4,241,232	$0	-$5,186,218	$14,049,871	$2,057,926	-$3,600,543	$352,688	$100,073,767
VP5	2033-34	$87,773,997	$4,241,232	$0	-$4,813,818	$13,988,544	$2,080,003	-$3,562,407	$352,688	$100,060,238

***Basic Allotment: $5,140; AISD Yield: $77.53; Equalized Wealth: $514,000 per WADA**

QTP=	Qualifying Time Period
VL=	Value Limitation
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Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of $2.7 million over the course of the Agreement. Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law, along with some increases in formula state aid.

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP1	2017-18	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2018-19	$0	$0	$0	$0	$0	$0	$0	$0	$0
VL1	2019-20	-$2,026,730	$0	$0	$0	-$323,000	-$58,972	$74,170	$0	-$2,334,532
VL2	2020-21	-$1,941,767	$1,900,950	$0	$1,031,063	-$309,459	$108,490	$189,520	$0	$978,796
VL3	2021-22	-$1,859,324	$1,821,260	$0	$954,172	-$296,321	$103,942	$181,535	$0	$905,264
VL4	2022-23	-$1,779,327	$1,743,934	$0	$879,565	-$283,571	$99,529	$173,787	$0	$833,917
VL5	2023-24	-$1,701,702	$1,668,901	$0	$873,773	-$271,201	$103,253	$174,871	$0	$847,895
VL6	2024-25	-$1,626,378	$0	$0	$1,535,823	-$259,196	$90,932	$158,737	$0	-$100,082
VL7	2025-26	-$1,553,288	$0	$0	$1,496,598	-$247,547	$88,736	$153,513	$0	-$61,988
VL8	2026-27	-$1,482,364	$0	$0	$1,401,795	-$236,245	$83,002	$144,807	$0	-$89,005
VL9	2027-28	-$1,413,543	$0	$0	$1,337,814	-$225,276	$79,212	$138,155	$0	-$83,639
VL10	2028-29	-$1,346,761	$0	$0	$1,275,724	-$214,634	$75,534	$131,699	$0	-$78,438
VP1	2029-30	$0	$0	$0	$1,139,395	$0	$100,828	$73,035	$0	$1,313,258
VP2	2030-31	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2031-32	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A $1.2367 per $100 M&O tax rate is used throughout this analysis

Under the assumptions used here, the potential tax savings from the value limitation total $19.4 million over the life of the agreement. The DPISD revenue losses are expected to total approximately $2.7 million. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total $16.6 million, prior to any negotiated supplemental payments to be made to the District.

Table 5 - Estimated Financial Impact of the Lubrizol Project Property Value Limitation Request Submitted to DPISD at $1.2367 per $100 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP1	2017-18	$33,000,000	$33,000,000	$0	$1.237	$408,111	$408,111	$0	$0	$0
QTP2	2018-19	$100,000,000	$100,000,000	$0	$1.237	$1,236,700	$1,236,700	$0	$0	$0
VL1	2019-20	$270,000,000	$80,000,000	$190,000,000	$1.237	$3,339,090	$989,360	$2,349,730	-$2,334,532	$15,198
VL2	2020-21	$262,035,000	$80,000,000	$182,035,000	$1.237	$3,240,587	$989,360	$2,251,227	$0	$2,251,227
VL3	2021-22	$254,306,250	$80,000,000	$174,306,250	$1.237	$3,145,005	$989,360	$2,155,645	$0	$2,155,645
VL4	2022-23	$246,806,717	$80,000,000	$166,806,717	$1.237	$3,052,259	$989,360	$2,062,899	$0	$2,062,899
VL5	2023-24	$239,529,576	$80,000,000	$159,529,576	$1.237	$2,962,262	$989,360	$1,972,902	$0	$1,972,902
VL6	2024-25	$232,468,208	$80,000,000	$152,468,208	$1.237	$2,874,934	$989,360	$1,885,574	-$100,082	$1,785,493
VL7	2025-26	$225,616,191	$80,000,000	$145,616,191	$1.237	$2,790,195	$989,360	$1,800,835	-$61,988	$1,738,848
VL8	2026-27	$218,967,294	$80,000,000	$138,967,294	$1.237	$2,707,969	$989,360	$1,718,609	-$89,005	$1,629,604
VL9	2027-28	$212,515,473	$80,000,000	$132,515,473	$1.237	$2,628,179	$989,360	$1,638,819	-$83,639	$1,555,180
VL10	2028-29	$206,254,861	$80,000,000	$126,254,861	$1.237	$2,550,754	$989,360	$1,561,394	-$78,438	$1,482,956
VP1	2029-30	$200,179,771	$200,179,771	$0	$1.237	$2,475,623	$2,475,623	$0	$0	$0
VP2	2030-31	$194,284,683	$194,284,683	$0	$1.237	$2,402,719	$2,402,719	$0	$0	$0
VP3	2031-32	$188,564,241	$188,564,241	$0	$1.237	$2,331,974	$2,331,974	$0	$0	$0
VP4	2032-33	$183,013,251	$183,013,251	$0	$1.237	$2,263,325	$2,263,325	$0	$0	$0
VP5	2033-34	$177,626,671	$177,626,671	$0	$1.237	$2,196,709	$2,196,709	$0	$0	$0
						$42,198,284	**$22,800,650**	**$19,397,634**	**-$2,747,683**	**$16,649,951**

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with DPISD currently levying a $0.32 per $100 I&S rate. The value of the Lubrizol project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value should result in local taxpayers benefitting from the addition of the Lubrizol project to the local I&S tax roll.

The project is not expected to affect DPISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- **Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.**
- **Legislative changes addressing property value appraisals and exemptions.**
- **Year-to-year appraisals of project values and district taxable values.**
- **Changes in school district tax rates and student enrollment.**