GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 08, 2016

John Frossard
Superintendent
Beaumont Independent School District
3395 Harrison Avenue
Beaumont, Texas 77706

Dear Superintendent Frossard:

On March 10, 2016, the Comptroller issued written notice that ExxonMobil Oil Corporation (the applicant) submitted a completed application (Application #1118) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted on December 15, 2015, to the Beaumont Independent School District (the 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.
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 #1118.

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.

[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

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 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, 2016.

Note that any building or improvement existing as of the application review start date of March 10, 2016, 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 Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,

Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of ExxonMobil Oil Corporation (the project) applying to Beaumont Independent School District (the 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 ExxonMobil Oil Corporation.

Applicant	ExxonMobil Oil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Beaumont ISD
2014-15 Enrollment in School District	17,623
County	Jefferson
Proposed Total Investment in District	$455,000,000
Proposed Qualified Investment	$455,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant*	5
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,285.18
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,285.18
Minimum annual wage committed to by applicant for qualified jobs	$66,829.40
Minimum weekly wage required for non-qualifying jobs	$1,039.50
Minimum annual wage required for non-qualifying jobs	$54,054
Investment per Qualifying Job	$91,000,000
Estimated M&O levy without any limit (15 years)	$33,665,385
Estimated M&O levy with Limitation (15 years)	$14,699,308
Estimated gross M&O tax benefit (15 years)	$18,966,077
** 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 ExxonMobil Oil Corporation (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	$0	$0	$0
2016	600	858	1458.24	$58,593,600	$62,424,280	$121,017,880
2017	702	1,079	1781	$68,492,858	$87,820,762	$156,313,620
2018	705	1,137	1842	$68,693,345	$102,901,765	$171,595,110
2019	5	215	220	$334,145	$34,602,545	$34,936,690
2020	5	104	109	$334,145	$24,370,265	$24,704,410
2021	5	36	41	$334,145	$17,081,985	$17,416,130
2022	5	7	12	$334,145	$12,916,915	$13,251,060
2023	5	1	6	$334,145	$10,746,045	$11,080,190
2024	5	8	13	$334,145	$10,029,655	$10,363,800
2025	5	22	27	$334,145	$10,548,845	$10,882,990
2026	5	38	43	$334,145	$11,700,845	$12,034,990
2027	5	54	59	$334,145	$13,220,505	$13,554,650
2028	5	69	74	$334,145	$14,953,735	$15,287,880
2029	5	79	84	$334,145	$16,261,115	$16,595,260
2030	5	87	92	$334,145	$17,613,365	$17,947,510

Source: CPA, REMI, ExxonMobil Oil Corporation

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	**Estimated Taxable Value for I&S**	**Estimated Taxable Value for M&O**		**Beaumont ISD I&S Tax Levy**	**Beaumont ISD M&O Tax Levy**	**Beaumont M&O and I&S Tax Levies**	**Jefferson County Tax Levy**	**Sabine-Neches Navigation District Tax Levy**	**Port of Beaumont Tax Levy**	**Estimated Total Property Taxes**
			Tax Rate[1]	**0.2750**	**1.0400**		**0.3650**	**0.0916**	**0.0673**	
2017	$73,027,500	$73,027,500		$200,826	$759,486	$960,312	$266,550	$66,922	$49,131	$1,342,916
2018	$128,992,500	$128,992,500		$354,729	$1,341,522	$1,696,251	$470,823	$118,209	$86,784	$2,372,066
2019	$232,186,500	$232,186,500		$638,513	$2,414,740	$3,053,252	$847,481	$212,776	$156,210	$4,269,719
2020	$227,542,770	$227,542,770		$625,743	$2,366,445	$2,992,187	$830,531	$208,520	$153,086	$4,184,325
2021	$222,991,915	$222,991,915		$613,228	$2,319,116	$2,932,344	$813,920	$204,350	$150,025	$4,100,638
2022	$218,532,076	$218,532,076		$600,963	$2,272,734	$2,873,697	$797,642	$200,263	$147,024	$4,018,626
2023	$214,161,435	$214,161,435		$588,944	$2,227,279	$2,816,223	$781,689	$196,258	$144,084	$3,938,253
2024	$209,878,206	$209,878,206		$577,165	$2,182,733	$2,759,898	$766,055	$192,332	$141,202	$3,859,488
2025	$205,680,642	$205,680,642		$565,622	$2,139,079	$2,704,700	$750,734	$188,486	$138,378	$3,782,298
2026	$201,567,029	$201,567,029		$554,309	$2,096,297	$2,650,606	$735,720	$184,716	$135,610	$3,706,652
2027	$197,535,689	$197,535,689		$543,223	$2,054,371	$2,597,594	$721,005	$181,022	$132,898	$3,632,519
2028	$193,584,975	$193,584,975		$532,359	$2,013,284	$2,545,642	$706,585	$177,401	$130,240	$3,559,869
2029	$189,713,275	$189,713,275		$521,712	$1,973,018	$2,494,730	$692,453	$173,853	$127,635	$3,488,672
2030	$185,919,010	$185,919,010		$511,277	$1,933,558	$2,444,835	$678,604	$170,376	$125,083	$3,418,898
2031	$182,200,630	$182,200,630		$501,052	$1,894,887	$2,395,938	$665,032	$166,969	$122,581	$3,350,520
2032	$178,556,617	$178,556,617		$491,031	$1,856,989	$2,348,020	$651,732	$163,629	$120,129	$3,283,510
2033	$174,985,485	$174,985,485		$481,210	$1,819,849	$2,301,059	$638,697	$160,357	$117,727	$3,217,840
			Total	**$8,901,905**	**$33,665,385**	**$42,567,290**	**$11,815,255**	**$2,966,438**	**$1,939,971**	**$53,025,461**

Source: CPA, ExxonMobil Oil Corporation

[1]Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jefferson 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 abatements with the county, Sabine-Neches Navigation District, and Port of Beaumont.

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		Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont M&O and I&S Tax Levies	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Beaumont Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	**0.2750**	**1.0400**		**0.3650**	**0.0916**	**0.0673**	
2017	$73,027,500	$73,027,500		$200,826	$759,486	$960,312	$266,550	$66,922	$49,131	$1,293,784
2018	$128,992,500	$128,992,500		$354,729	$1,341,522	$1,696,251	$470,823	$118,209	$86,784	$2,285,283
2019	$232,186,500	$30,000,000		$638,513	$312,000	$950,513	$84,748	$21,278	$15,621	$1,056,539
2020	$227,542,770	$30,000,000		$625,743	$312,000	$937,743	$83,053	$20,852	$15,309	$1,041,648
2021	$222,991,915	$30,000,000		$613,228	$312,000	$925,228	$81,392	$20,435	$15,002	$1,027,055
2022	$218,532,076	$30,000,000		$600,963	$312,000	$912,963	$79,764	$20,026	$14,702	$1,012,754
2023	$214,161,435	$30,000,000		$588,944	$312,000	$900,944	$78,169	$19,626	$14,408	$998,739
2024	$209,878,206	$30,000,000		$577,165	$312,000	$889,165	$76,606	$19,233	$14,120	$985,004
2025	$205,680,642	$30,000,000		$565,622	$312,000	$877,622	$75,073	$18,849	$13,838	$971,544
2026	$201,567,029	$30,000,000		$554,309	$312,000	$866,309	$73,572	$18,472	$13,561	$958,353
2027	$197,535,689	$30,000,000		$543,223	$312,000	$855,223	$72,101	$18,102	$13,290	$945,426
2028	$193,584,975	$30,000,000		$532,359	$312,000	$844,359	$70,659	$17,740	$13,024	$932,757
2029	$189,713,275	$189,713,275		$521,712	$1,973,018	$2,494,730	$692,453	$173,853	$127,635	$3,361,036
2030	$185,919,010	$185,919,010		$511,277	$1,933,558	$2,444,835	$678,604	$170,376	$125,083	$3,293,816
2031	$182,200,630	$182,200,630		$501,052	$1,894,887	$2,395,938	$665,032	$166,969	$122,581	$3,227,939
2023	$178,556,617	$178,556,617		$491,031	$1,856,989	$2,348,020	$651,732	$163,629	$120,129	$3,163,380
2033	$174,985,485	$174,985,485		$481,210	$1,819,849	$2,301,059	$638,697	$160,357	$117,727	$3,100,113
			Total	**$8,901,905**	**$14,699,308**	**$23,601,213**	**$4,839,028**	**$1,214,928**	**$891,946**	**$29,655,169**
			Diff	**$0**	**$18,966,077**	**$18,966,077**	**$6,976,227**	**$1,751,511**	**$1,048,025**	**$23,370,292**

Source: CPA, ExxonMobil Oil Corporation

[1]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 over 25 Years

This represents the Comptroller's determination that EXXONMOBIL OIL CORPORATION (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		$0	$0	$0	$0
	2017	$759,486	$759,486	$0	$0
	2018	$1,341,522	$2,101,008	$0	$0
Limitation Period (10 Years)	2019	$312,000	$2,413,008	$2,102,740	$2,102,740
	2020	$312,000	$2,725,008	$2,054,445	$4,157,184
	2021	$312,000	$3,037,008	$2,007,116	$6,164,300
	2022	$312,000	$3,349,008	$1,960,734	$8,125,034
	2023	$312,000	$3,661,008	$1,915,279	$10,040,313
	2024	$312,000	$3,973,008	$1,870,733	$11,911,046
	2025	$312,000	$4,285,008	$1,827,079	$13,738,125
	2026	$312,000	$4,597,008	$1,784,297	$15,522,422
	2027	$312,000	$4,909,008	$1,742,371	$17,264,793
	2028	$312,000	$5,221,008	$1,701,284	$18,966,077
Maintain Viable Presence (5 Years)	2029	$1,973,018	$7,194,026	$0	$18,966,077
	2030	$1,933,558	$9,127,584	$0	$18,966,077
	2031	$1,894,887	$11,022,470	$0	$18,966,077
	2023	$2,227,279	$13,249,749	$0	$18,966,077
	2033	$1,819,849	$15,069,598	$0	$18,966,077
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	$1,783,452	$16,853,050	$0	$18,966,077
	2035	$1,747,783	$18,600,833	$0	$18,966,077
	2036	$1,712,827	$20,313,661	$0	$18,966,077
	2037	$1,678,571	$21,992,232	$0	$18,966,077
	2038	$1,644,999	$23,637,231	$0	$18,966,077
	2039	$1,612,099	$25,249,330	$0	$18,966,077
	2040	$1,579,857	$26,829,188	$0	$18,966,077
	2041	$1,548,260	$28,377,448	$0	$18,966,077
	2042	$1,517,295	$29,894,743	$0	$18,966,077
	2043	$1,486,949	$31,381,692	$0	$18,966,077
		$31,381,692	is greater than	**$18,966,077**	

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

Source: CPA, EXXONMOBIL OIL CORPORATION

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 ExxonMobil Oil Corporation's 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:

- As stated in the original Tab 5 of the application, ExxonMobil Corporation "operates in more than 200 countries" and "has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world."
- Specific to North America, the applicant, in Tab 5 of the application, states that "the proposed new facility could be constructed at any of our North American-based refining locations in our continued efforts to produce high-quality, ultra-low sulfur fuels to meet the world's growing demand for such quality products. The alternative North American refining sites are located in Baton Rouge (LA), Joliet (IL), Billings (MT), Sarnia, Ontario (Canada), and Edmonton, Alberta (Canada)."
- Per the applicant in amended Tab 5 materials submitted June 6, 2016: "The projected property tax liabilities for the proposed project without a Chapter 313 appraised value limitation lower the economic rate of return and detract from the financial attractiveness of the project making it less competitive with other capital intensive projects that deliver higher rates of return on invested capital. Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil's final investment decision to construct and operate the proposed project in Texas." The applicant also

provided a table comparing school district ad valorem taxes with--and without--the Chapter 313 limitation (see amended Tab 5 attachment below).

- A *Bloomberg BNA* article dated March 3, 2014, indicates that implementation of the EPA Tier 3 rule will begin in 2017 and will "require refiners to reduce the annual average amount of sulfur in gasoline to 10 parts per million".
- The applicant provided in their March 4, 2016 letter (attached) the responses below to questions from Chapter 313 program staff:

> **Comptroller staff question: "Please provide more detail regarding the proposed output capacity, interconnections with adjacent facilities, the final product produced, and feedstock sources." [via email]**
>
> **Applicant response in March 4 letter (excerpt):**
>
> > ***Interconnections with Adjacent Facilities:***
> >
> > *On the input side, the proposed SCANFiner processing unit facility would be interconnected with an existing fluid catalytic cracker unit/naphtha splitting unit which produces naphtha and splits the naphtha into light, intermediate and heavy grades according to process needs.*
> >
> > *On the output side, the proposed SCANFiner processing unit facility would be interconnected with an existing catalytic hydro desulfurization unit which would allow the Scanfinate produced by the proposed SCANFiner processing unit facility to be further processed into motor gasoline ("mogas") blendstock or ULSD, depending upon economics.*
>
> **Comptroller staff question: "Is ExxonMobil required to construct the proposed SCANFiner processing unit facility project in order to satisfy the Environmental Protection Agency ("EPA") Tier 3 gasoline sulfur content rule?" [phone conversation]**
>
> **Applicant response in March 4 letter (excerpt):**
>
> > *ExxonMobil is not required to construct the proposed SCANFiner processing unit facility project in order to satisfy the EPA Tier 3 gasoline sulfur content rule.*
> >
> > *ExxonMobil has several options for meeting the EPA Tier 3 gasoline sulfur content rule at the Beaumont Refinery without constructing the proposed SCANFiner processing unit facility project. These options include augmenting and revamping existing units to:*
> >
> > - *increase pretreatment severity m the existing fluid catalytic cracker unit ("FCC"),*
> > - *expand FCC pretreatment,*
> > - *use gasoline sulfur reduction additives in FCC,*
> > - *increase FCC gasoline post-treatment severity in existing units,*
> > - *expand FCC post-treatment, or*
> > - *a combination of two or more of the above.*

ExxonMobil could satisfy the EPA Tier 3 gasoline sulfur content rule without constructing the proposed SCANFiner processing unit facility project.

In addition, as an alternative to the above options, ExxonMobil could make no changes at the Beaumont Refinery to meet the EPA Tier 3 gasoline sulfur content rule, and could instead ship gasoline produced at the Beaumont Refinery to other refineries for further processing to a gasoline product that satisfies the EPA Tier 3 gasoline sulfur content rule.

Moreover, and separate and apart from the EPA Tier 3 gasoline sulfur content rule, the proposed SCANFiner processing unit facility project would enhance capacity and margins, enable the production of an additional 20 thousand barrels per day of ultra-low-sulfur diesel production, and optimize barrel placements and dispositions within the Beaumont Refinery to maximize the value of the Beaumont Refinery's product slate.

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) Additional information provided by the Applicant or located by the Comptroller
d) Full text of March 4, 2016 letter from applicant representative to Comptroller
e) Full text of June 06, 2016 Amended Tab 5

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:

☑ Land has no existing improvements
☐ Land has existing improvements *(complete Section 13)*
☐ Expansion of existing operation on the land *(complete Section 13)*
☐ 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

Documentation that the Limitation on Appraised Value is a Determining Factor in the Decision to Invest Capital and Construct the Project in Texas

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.

The Applicant is a wholly-owned subsidiary of Exxon Mobil Corporation, one of the largest integrated international oil and gas companies in the world with operations in more than 200 countries. As such, the Applicant competes with other members of the Exxon Mobil Corporation group for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Exxon Mobil Corporation group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world.

The Applicant owns and operates the Beaumont Refinery Complex where the Project would be sited on unimproved land if the Beaumont Refinery Complex location were chosen as the site for the Project.

ExxonMobil takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The proposed new facility could be constructed at any of our North American-based refining locations in our continued efforts to produce high-quality, ultra-low sulfur fuels to meet the world's growing demand for such quality products. The alternative North American refining sites are located in Baton Rouge (LA), Joliet (IL), Billings, (MT), Sarnia, Ontario (Canada), and Edmonton, Alberta (Canada).

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD's maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas.

Supporting Information

Additional information located by the Comptroller

March 4, 2014

EPA Tier 3 Rule Cuts Sulfur in Gasoline, Strengthens Vehicle Emissions Standards

From Daily Environment Report™

By Jessica Coomes

March 3 --New Environmental Protection Agency regulations unveiled March 3 will cut sulfur in gasoline and strengthen vehicle emissions standards, which states have said are necessary to meet air quality standards for ozone and other pollutants.

Automakers also have pressed the EPA to issue the Tier 3 rule and said the newly released federal regulations now are harmonized with California's existing standards, which will let them produce cars under one national program.

Refiners have been the rule's most vocal critics, and although the EPA said it included provisions in the final rule to give refiners compliance flexibility, the American Petroleum Institute said March 3 the final regulation still will be costly and unnecessary.

The EPA said the final rule will cost $1.5 billion per year when it is fully implemented, while the annual health benefits will be $6.7 billion to $19 billion. The agency said the rule will prevent as many as 2,000 premature deaths per year. “The benefits far outweigh the costs,” EPA Administrator Gina McCarthy told reporters during a telephone news conference March 3.

Signature Air Rule for Obama's Second Term

Frank O'Donnell, president of Clean Air Watch, said in a statement March 3 that Tier 3 will be the most significant air pollution rule the EPA releases this year, and it could be a signature air quality rule of President Barack Obama's second term. The rule is expected to help states meet national ambient air quality standards for ozone and fine particulate matter, and George “Tad” Aburn, director of the air and radiation management administration of the Maryland Department of the Environment, who also spoke during the EPA's telephone news conference March 3, said no other pollution control strategy could be as cost-effective at cleaning up the air as Tier 3 will be.

Although states have taken steps to improve air quality in recent years, Aburn said, cars remain a top source of pollution in many areas, and some states will never be able to meet the EPA ambient air standards without Tier 3.

“We have some huge challenges ahead of us, and this rulemaking is critical,” said Aburn, who also is co-president of the National Association of Clean Air Agencies, which represents state and local air quality agencies.

By 2018, the EPA said, the rule will reduce roadway emissions of sulfur dioxide by 56 percent. By 2030, the rule will reduce onroad emissions of nitrogen oxides by 25 percent, volatile organic compounds by 16 percent, carbon monoxide by 24 percent, and fine particulate matter by 10 percent. Ozone forms when nitrogen oxides and volatile organic compounds react in the presence of sunlight.

Sulfur Cuts Begin in 2017

The rule's most immediate effect will begin in 2017, when the

EPA will require refiners to reduce the annual average amount of sulfur in gasoline to 10 parts per million, which is down from today's standard of 30 ppm.

The Tier 3 rule follows the EPA's 2000 Tier 2 rule, which reduced sulfur in gasoline to 30 ppm from 300 ppm. In addition to immediately reducing pollution in the air, low-sulfur fuel will help emissions control equipment in new vehicles work more efficiently, Michael Robinson, vice president for sustainability and global regulatory affairs for General Motors, told reporters during the EPA's telephone news conference. The EPA said the gasoline requirement will translate to a cost increase at the pump of 0.65 cent per gallon, beginning in 2017.

Fuel Costs Rise

Refineries, which will be required to remove the sulfur from gasoline, have been the most vocal critics of the Tier 3 rule. The industry said the regulation will be costly, raising fuel costs at the pump by 6 cents to 9 cents per gallon.

McCarthy criticized the API estimate March 3, saying it is based on outdated data. The EPA said it addressed the petroleum industry's concerns by making the rule flexible by giving credits for early compliance, averaging sulfur content nationwide, carrying credits from the existing Tier 2 program, creating hardship provisions, and giving 30 small refineries a three-year compliance delay.

Carlton Carroll, a spokesman for the American Petroleum Institute, told Bloomberg BNA in an e-mail March 3 that the industry doesn't have “any assurance that the supply of credits into the system will be sufficient for refiners that could delay compliance. EPA is essentially saying 'trust us' that there will be enough credits; but their unrealistically low capital costs estimates show they won't recognize how complicated it truly is to implement this rule.”

Timeline Is Rushed, Refiners Say

Bob Greco, downstream group director for the American

Petroleum Institute, said in a statement March 3 that the compliance timeline is rushed and “leaves little opportunity for refiners to design, engineer, permit, construct, start up, and integrate the new machinery required.” The EPA said Tier 3 will affect 108 refineries, and 67 can modify their equipment within two years, one needs a new gasoline hydrotreater to be installed within three years, and 40 can already meet the new standard or can purchase credits to comply.

Valero and other Gulf Coast refiners that process heavier, sour crudes may have a harder time complying with Tier 3, and the rule could force refiners to spend as much as $10 billion on facility modifications and engineering work, according to Bloomberg analyst Melissa Avstreih.

In statements March 3, both of Louisiana's senators criticized the EPA rule. Sen. Mary Landrieu (D-La.), chairwoman of the Senate Energy and Natural Resources Committee, called Tier 3 an “ill-advised, overly burdensome regulation.” Sen. David Vitter (R-La.), the ranking member of the Senate Environment and Public Works Committee, said the quick compliance deadline “creates huge financial and regulatory burdens.”

Vehicle Standards Also Strengthened

In addition to the gasoline requirements, the regulation will require phased-in changes to vehicles, including stronger tailpipe and evaporative emissions standards, beginning in model years 2017 to 2025. The cost of the standards will be an average of $72 per new vehicle, the EPA said.

For light-duty vehicles, the EPA estimates the tailpipe standards will reduce non-methane organic gases and nitrogen oxides emissions by 80 percent and particulate matter by 70 percent. For evaporative emissions standards, which are designed to eliminate fuel vapor evaporative emissions, the rule will require a 50 percent reduction.

State, Federal Harmonization Key

Robinson, of General Motors, said the federal harmonization with

California's Low Emission Vehicle III program is “a big deal for us” because companies can engineer, build and calibrate vehicles on a national basis.

The rule's compliance timing also coincides with the requirements of EPA's greenhouse gas emissions and fuel economy standards for passenger vehicles, which begin with model year 2017 vehicles. The EPA finalized the Tier 3 rule largely as proposed. However, in one change, the EPA will use fuel containing 10 percent ethanol, E10, as a certification fuel, rather than E15, which the EPA proposed .

Rule Addresses Environmental Justice

The Tier 3 rule has been years in the making. Obama issued a (memo) in 2010 directing the EPA to review the existing standards for sulfur content in gasoline, among other regulations.

McCarthy, who began working on the rule when she was the agency's assistant administrator for air and radiation, before her promotion to administrator, said during the telephone news conference that she is proud of the rule. She said the regulation addresses environmental justice issues because people who live and work near busy roads in urban areas are disproportionately harmed by vehicle emissions.

The final Tier 3 rule is available at http://www.epa.gov/otaq/documents/tier3/tier-3-fr-preamble-regs-3-3-14.pdf. A fact sheet on the final rule is available at http://www.epa.gov/otaq/documents/tier3/420f14009.pdf.

To contact the reporter on this story: Jessica Coomes in Washington at jcoomes@bna.com

To contact the editor responsible for this story: Larry Pearl at lpearl@bna.com

Supporting Information

March 4, 2016 letter from applicant

NORTON ROSE FULBRIGHT

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March 4, 2016

Via e-mail to: *desiree.caufield@cpa.texas.gov*

Ms. Desiree Caufield
Research Analyst
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street, Room 311
Austin, Texas 78774

Re: Chapter 313 Applicant: ExxonMobil Oil Corporation ("ExxonMobil")
Beaumont Independent School District Chapter 313 Application No. 1118 (the "Application")

Dear Ms. Caufield:

We are writing in response to the requests for additional information contained in your e-mail of January 27, 2016, and an additional question from Gary Price.

1. **Tab 13. Qualifying Job Waiver.** Please provide more detail regarding the industry standard cited in the waiver request letter.

ExxonMobil has determined that five (5) new permanent jobs are required to operate and sustain the proposed SCANFiner processing unit facility and that this number of new jobs is within the industry standard range of required new positions necessary for the operation of the facility.

ExxonMobil and its affiliates operate 37 refineries in 21 countries and is the largest refiner in the world. The proposed SCANFiner processing unit facility project utilizes a proprietary process that ExxonMobil owns. In the United States, ExxonMobil currently has SCANFiner processing unit facilities at its Baton Rouge, Louisiana, and Baytown, Texas, refineries that utilize this proprietary process, while its Beaumont, Texas, Joliet, Illinois, and Billings, Montana, refineries do not have such facilities. In addition, ExxonMobil has licensed the technology to third parties for SCANFiner processing units.

No two refineries are the same, and the number of new qualifying jobs for sustainment staffing of a SCANFiner processing unit facility is very site specific and depends heavily on the configuration of the refinery, current staffing levels, efficiencies available, and other factors.

ExxonMobil conferred with its global resourcing subject matter expert on the level of sustainment staffing required for a SCANFiner processing unit facility. The expert confirmed that there is not one fixed number that is an industry standard. Rather, the industry standard is a range, and the staffing requirements for a particular SCANFiner processing unit facility are heavily dependent on the site specifics (such as refinery configuration), current staffing levels, efficiencies available, and other factors. Accordingly, looking at SCANFiner processing unit facilities constructed at various locations around the world would yield a range of required new positions.

ExxonMobil reviewed the data for the existing SCANFiner processing unit facility at ExxonMobil's Baton Rouge, Louisiana, refinery (the "Baton Rouge Refinery"), which has a capacity of 45 thousand barrels per day ("kbd"), and determined that when the unit began operation, seven (7) new process positions were required after taking into account the configuration of the refinery, current staffing levels, efficiencies available, and other factors.

ExxonMobil also reviewed the data for the existing SCANFiner processing unit facility at ExxonMobil's Baytown, Texas, refinery (the "Baytown Refinery"), which was constructed in 2003 and has a capacity of 80 kbd, and determined that when the unit began operation, five (5) new process positions were required after taking into account the configuration of the refinery, current staffing levels, efficiencies available, and other factors. No data was found concerning any new hires for the mechanical and engineering functions, although it is at least possible that one new hire occurred for one or both of these functions. Thus, ExxonMobil concluded that five (5) new positions and possibly as many as seven (7) new positions were required for the Baytown Refinery SCANFiner processing unit facility – a range of 5 to 7. We note that the SCANFiner processing unit facility at the Baytown Refinery has a capacity that is 1.73 times that of the proposed facility at the Beaumont Refinery.

Looking at just the Baton Rouge Refinery and Baytown Refinery SCANFiner processing unit facilities, there is a range of 5 to 7 new positions. Accordingly, the creation of five (5) new jobs at the proposed Beaumont Refinery SCANFiner processing unit facility is within the industry standard range of required new positions necessary for the operation of the facility.

Finally, we note that Section 313.025(f-1) of the Texas Tax Code provides:

> (f-1) Notwithstanding any other provision of this chapter to the contrary, including Section 313.003(2) or 313.004(3)(A) or (B)(iii), the governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing

NORTON ROSE FULBRIGHT

> body makes a finding that **the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application**.

Thus, the "industry standard" under this provision is determined in relation to the number of employees necessary for the operation of the specific facility that is the subject of the Application. Accordingly, for the reasons discussed above, the creation of five (5) new jobs at the proposed Beaumont Refinery SCANFiner processing unit facility satisfies the statute.

2. **Tab 11. Map Clarifications.** Applications must include a map depicting both b) "Qualified investment ,including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the time period." and c) "Qualified property, including location of new buildings and new improvements." Please provide a map or site plan indicating the location of tangible personal properties inside the "SCANfiner Plot" area. Additionally, please clearly specify that the border around the "Project Site" is the "Project Boundary".

   Please see the attached revised Tab 11 and maps and picture included in Tab 11.

   The fourth revised map included in the attached revised Tab 11 has been revised to specify that the "Project Site" is the "Project Boundary."

   In addition, a fifth page has been added in the attached revised Tab 11 which indicates that the location of all new tangible personal property, buildings and improvements constituting the elements of the SCANFiner processing unit facility project are inside the Project Boundary.

   Finally, a sixth page has been added in the attached revised Tab 11 which provides an illustrative picture of a SCANFiner processing unit facility upon completion of construction.

3. **Tab 4. Description of Proposed Project.** Please provide more detail regarding the proposed output capacity, interconnections with adjacent facilities, the final product produced, and feedstock sources.

   Proposed Output Capacity:

   The proposed SCANFiner processing unit facility is designed for a feed rate of 46 kbd and output of approximately:

   - 25 kbd of Scanfinate which is primarily a low Reid vapor pressure motor gasoline ("mogas") blendstock; and
   - 20 kbd of ultra-low-sulfur diesel ("ULSD").

Interconnections with Adjacent Facilities:

On the input side, the proposed SCANFiner processing unit facility would be interconnected with an existing fluid catalytic cracker unit/naphtha splitting unit which produces naphtha and splits the naphtha into light, intermediate and heavy grades according to process needs.

On the output side, the proposed SCANFiner processing unit facility would be interconnected with an existing catalytic hydro desulfurization unit which would allow the Scanfinate produced by the proposed SCANFiner processing unit facility to be further processed into motor gasoline ("mogas") blendstock or ULSD, depending upon economics.

Final Product Produced:

The proposed SCANFiner processing unit facility is designed to produce approximately:

- 25 kbd of Scanfinate which is primarily a low Reid vapor pressure motor gasoline ("mogas") blendstock; and
- 20 kbd of ultra-low-sulfur diesel ("ULSD").

Feedstock Sources:

The feedstock for the proposed SCANFiner processing unit facility is comprised of light, intermediate and heavy grades of naphtha produced by an existing fluid catalytic cracker unit/naphtha splitting unit.

4. **On Page 7, Section 14, Question 9 and 10** indicates that $66,289.40 is the regional wage target. This appears to be a transposition error that needs correcting.

   Please see the attached revised Page 7 of the Application on which Questions 9 and 10 in Section 14 have been revised to fix the transposition and reflect $66,829.40 as the correct amount.

5. **Tab 13 and Page 7, Section 14 Question 7.** There is a new quarter (3rd Qtr 2015) available from Texas Workforce Commission. Please recalculate the wages for TAB 13 and using the four most recent quarters.

   Please see:

   - the attached revised Page 7 of the Application on which the information in Question 7, a. and b., of Section 14 has been revised to reflect the wage information for the third quarter of 2015 recently available from the Texas Workforce Commission; and

- the attached revised Tab 13 of the Application reflecting the current four most recent quarters of data for each of the three wage calculations, including documentation from the Texas Workforce Commission website.

6. **Additional Question.** Gary Price has asked whether ExxonMobil is required to construct the proposed SCANFiner processing unit facility project in order to satisfy the Environmental Protection Agency ("EPA") Tier 3 gasoline sulfur content rule.

ExxonMobil is not required to construct the proposed SCANFiner processing unit facility project in order to satisfy the EPA Tier 3 gasoline sulfur content rule.

The EPA Tier 3 gasoline sulfur content rule generally requires a reduction in annual average gasoline sulfur content from 30 parts per million ("ppm") to 10 ppm and retains the current maximum per-gallon sulfur content of 80 ppm refinery gate and 95 ppm downstream.

The gasoline pool is composed of gasoline boiling range hydrocarbons from several sources in the refinery. Typical gasoline pool blending components include butanes, ethanol, light straight run naphtha, isomerate, reformate, alkylate, fluid catalytic cracker ("FCC") gasoline and hydrocracker gasoline. In addition, purchased blending components may also be present. Most of these components are very low in sulfur (typically less than 1 ppm), except for the FCC gasoline. FCC gasoline has the highest sulfur content, and is typically the largest volume component of the gasoline pool. As a result, FCC gasoline sulfur would typically have to be reduced to meet the EPA Tier 3 gasoline sulfur content rule.

ExxonMobil has several options for meeting the EPA Tier 3 gasoline sulfur content rule at the Beaumont Refinery without constructing the proposed SCANFiner processing unit facility project. These options include augmenting and revamping existing units to:

- increase pretreatment severity in the existing fluid catalytic cracker unit ("FCC"),
- expand FCC pretreatment,
- use gasoline sulfur reduction additives in FCC,
- increase FCC gasoline post-treatment severity in existing units,
- expand FCC post-treatment, or
- a combination of two or more of the above.

The pretreatment options reduce the sulfur content of the FCC feed, which in turn lowers the sulfur content of the FCC products including FCC gasoline. The post-treatment options directly reduce the sulfur content of FCC gasoline. By utilizing the pretreatment of FCC feed options, the post-treatment of FCC gasoline options, or a combination of FCC feed pretreatment and FCC gasoline post-treatment options, ExxonMobil could satisfy the EPA Tier 3 gasoline sulfur content rule without constructing the proposed SCANFiner processing unit facility project.

In addition, as an alternative to the above options, ExxonMobil could make no changes at the Beaumont Refinery to meet the EPA Tier 3 gasoline sulfur content rule, and could instead ship gasoline produced at the Beaumont Refinery to other refineries for further processing to a gasoline product that satisfies the EPA Tier 3 gasoline sulfur content rule.

Moreover, and separate and apart from the EPA Tier 3 gasoline sulfur content rule, the proposed SCANFiner processing unit facility project would enhance capacity and margins, enable the production of an additional 20 thousand barrels per day of ultra-low-sulfur diesel production, and optimize barrel placements and dispositions within the Beaumont Refinery to maximize the value of the Beaumont Refinery's product slate.

Thus, while the proposed SCANFiner processing unit facility project is expected to provide operating and other efficiencies at the Beaumont Refinery, ExxonMobil is not required to construct the proposed SCANFiner processing unit facility project in order to satisfy the EPA Tier 3 gasoline sulfur content rule.

* * * * * * * * * * * * * * *

Please do not hesitate to contact me if you have any questions or need any additional information.

Thank you for your consideration.

Very truly yours,

Stephen A. Kuntz

Attachments

cc: Ms. Stephanie Jones, Texas Comptroller of Public Accounts (w/attachments)
Via e-mail to: stephanie.jones@cpa.state.tx.us

Mr. Gary Price, Texas Comptroller of Public Accounts (w/attachments)
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Mr. Kevin T. O'Hanlon, O'Hanlon, McCollom & Demerath (w/attachments)
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Mr. William F. Rogers, ExxonMobil Oil Corporation (w/attachments)
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Mr. Craig E. Mann, ExxonMobil Oil Corporation (w/attachments)
Via e-mail to: craig.e.mann@exxonmobil.com

Supporting Information

June 06, 2016 Amended Tab 5

TAB 5

Documentation that the Limitation on Appraised Value is a Determining Factor in the Decision to Invest Capital and Construct the Project in Texas

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.

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Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is an important factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD's maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas.

The decision to make an investment in a particular jurisdiction depends on the economics of the investment in that jurisdiction. ExxonMobil's decision to proceed with the investment in the proposed project will be based on a number of commercial, regulatory and financial considerations, including the ability to obtain relief regarding property taxes. Capital investments are allocated to projects and locations based on expected economic return, and projected property tax liabilities associated with the proposed project are a substantial ongoing cost of operation. The projected property tax liabilities for the proposed project without a Chapter 313 appraised value limitation lower the economic rate of return and detract from the financial attractiveness of the project making it less competitive with other capital intensive projects that deliver higher rates of return on invested capital. Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil's final investment decision to construct and operate the proposed project in Texas.

A comparison of Beaumont ISD M&O ad valorem taxes with and without the Chapter 313 appraised value limitation through the 25th anniversary of the beginning of the limitation period is shown below:

Year	Beaumont ISD M&O Taxes Without 313	Beaumont ISD M&O Taxes With 313
2017	$759,486	$759,486
2018	$1,341,522	$1,341,522
2019	$2,414,739	$312,000
2020	$2,366,444	$312,000
2021	$2,319,115	$312,000
2022	$2,272,733	$312,000
2023	$2,227,278	$312,000
2024	$2,182,733	$312,000
2025	$2,139,078	$312,000
2026	$2,096,297	$312,000
2027	$2,054,371	$312,000
2028	$2,013,283	$312,000
2029	$1,973,018	$1,973,018
2030	$1,933,557	$1,933,557
2031	$1,894,886	$1,894,886
2032	$1,856,988	$1,856,988
2033	$1,819,849	$1,819,849
2034	$1,783,452	$1,783,452
2035	$1,747,783	$1,747,783
2036	$1,712,827	$1,712,827
2037	$1,678,570	$1,678,570
2038	$1,644,999	$1,644,999
2039	$1,612,099	$1,612,099
2040	$1,579,857	$1,579,857
2041	$1,548,260	$1,548,260
2042	$1,517,295	$1,517,295
2043	$1,486,949	$1,486,949
TOTAL	**$49,977,468**	**$31,011,397**
DIFFERENCE		**$(18,966,071)**

As shown above, the Chapter 313 appraised value limitation is projected to result in $18.97 million of tax savings. These savings have a material impact on the rate of return and discounted cash flow projections for the project and are equivalent to 4.2% of the projected total investment in the proposed project, and consequently are a significant and determining factor in ExxonMobil's decision to invest in this project in Texas.