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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
Beaumont Independent School District Chapter 313 Application No. 1119 (the "Application")

Dear Ms. Caufield:

We are writing in response to the following requests for additional information contained in your e-mail of January 27, 2016.

1. **Tab 9. Description of land.** Please clearly identify the described parcels of land on the map included in Tab 9. Please identify graphically the portion of parcel 132990 on which the project will be located.

Please see the attached revised Tab 9 and revised map included in Tab 9. The portion of the parcels of land identified by Jefferson County Appraisal District Property ID Nos. 132990 and 133074 on which the project will be located is identified by the yellow line on the revised map included in the attached revised Tab 9.

2. **Tab 11. Map Clarifications.** Please clearly indicate project boundaries. (All qualified property must be inside project boundaries.)

Please see the attached revised Tab 11 and maps included in Tab 11. The portion of the parcels of land identified by Jefferson County Appraisal District Property ID Nos. 132990 and 133074 on which the project will be located is identified by the yellow line

on the second revised map included in the attached revised Tab 11. All qualified property will be located inside the project boundaries identified by the yellow line.

3. **Tab 4. Description of Proposed Project.** If applicable, please describe all interactions with adjacent facilities.

A pipeline serves the two parcels of land on which the existing facilities are located and the project is proposed to be located. Feedstock for the existing facilities is currently provided by this pipeline. Upon completion of construction of the project, ethylene feedstock for the project will also be provided by this pipeline. The pipeline is not a part of the project qualified investment or qualified property.

Utilities (primarily electricity) serve the two parcels of land on which the existing facilities are located and the project is proposed to be located. The project will connect to these utilities.

The existing facilities include finished product shipping facilities. Upon completion of construction of the project, the existing finished product shipping facilities will be used for shipping polyethylene produced at the project facilities. The existing finished product shipping facilities are not a part of the project qualified investment or qualified property.

4. **Page 6, Section 12, Question 3.** Is the land upon which the new buildings or new improvements will be built part of the qualified property described by 313.021(2)(A) is marked "No". However, Tab 14 Schedule B -- indicating the estimated value of qualified property -- has \$750,000 included under "Estimated Market Value of Land". Please provide clarification.

The answer to Question 2 in Section 12, Page 6, of the Application was inadvertently checked "No" and should have been checked "Yes." Please see the attached revised Page 6 of the Application on which Question 2 in Section 12 is checked "Yes."

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 the most recent four 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.

Ms. Desiree Caufield
Texas Comptroller of Public Accounts
February 8, 2016
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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)
Via e-mail to: Gary.Price@cpa.texas.gov
- Mr. Kevin T. O'Hanlon, O'Hanlon, McCollom & Demerath (w/attachments)
Via e-mail to: kohanlon@808west.com
- Mr. William F. Rogers, ExxonMobil Oil Corporation (w/attachments)
Via e-mail to: william.f.rogers@exxonmobil.com
- Mr. Craig E. Mann, ExxonMobil Oil Corporation (w/attachments)
Via e-mail to: craig.e.mann@exxonmobil.com

TAB 9

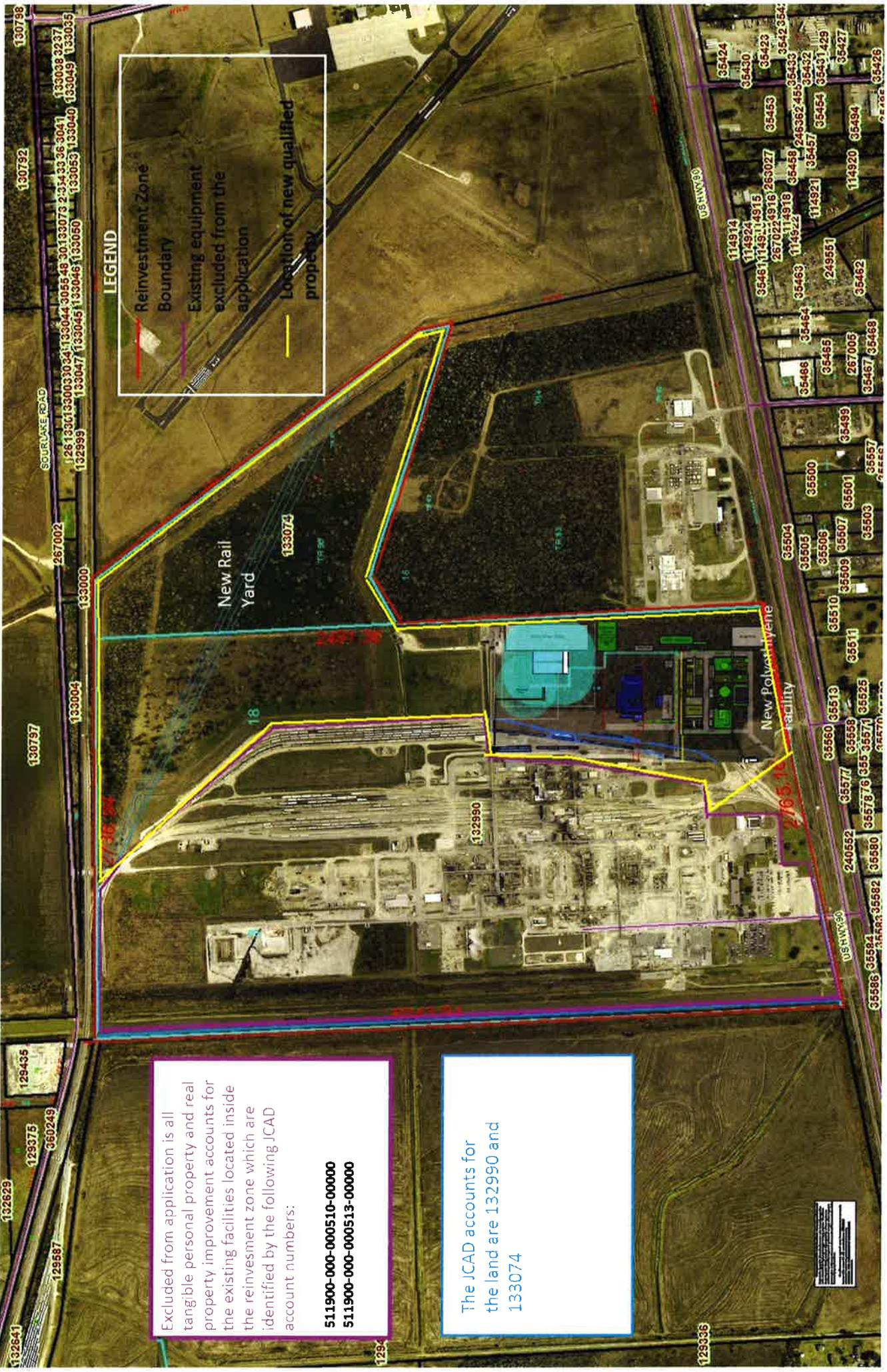
Description of Land

The unimproved land on which the project will be located is a part of two larger parcels identified on the appraisal records of the Jefferson County Appraisal District ("JCAD") by the following accounts:

1. Property ID No. 132990 and Geographic ID No. 300046-000-000100-00000-8 and containing approximately 283.80 acres.
2. Property ID No. 133074 and Geographic ID No. 300046-000-007800-00000-6 and containing approximately 50.762 acres.

See attached JCAD map and JCAD account details.

The portion of the parcels of land identified by Property ID Nos. 132990 and 133074 on which the project will be located is identified by the yellow line on the attached map.



LEGEND

- Reinvestment Zone Boundary
- Existing equipment excluded from the application
- Location of new qualified property

Excluded from application is all tangible personal property and real property improvement accounts for the existing facilities located inside the reinvestment zone which are identified by the following JCAD account numbers:

511900-000-000510-00000
511900-000-000513-00000

The JCAD accounts for the land are 132990 and 133074



TAB 11

Maps that show:

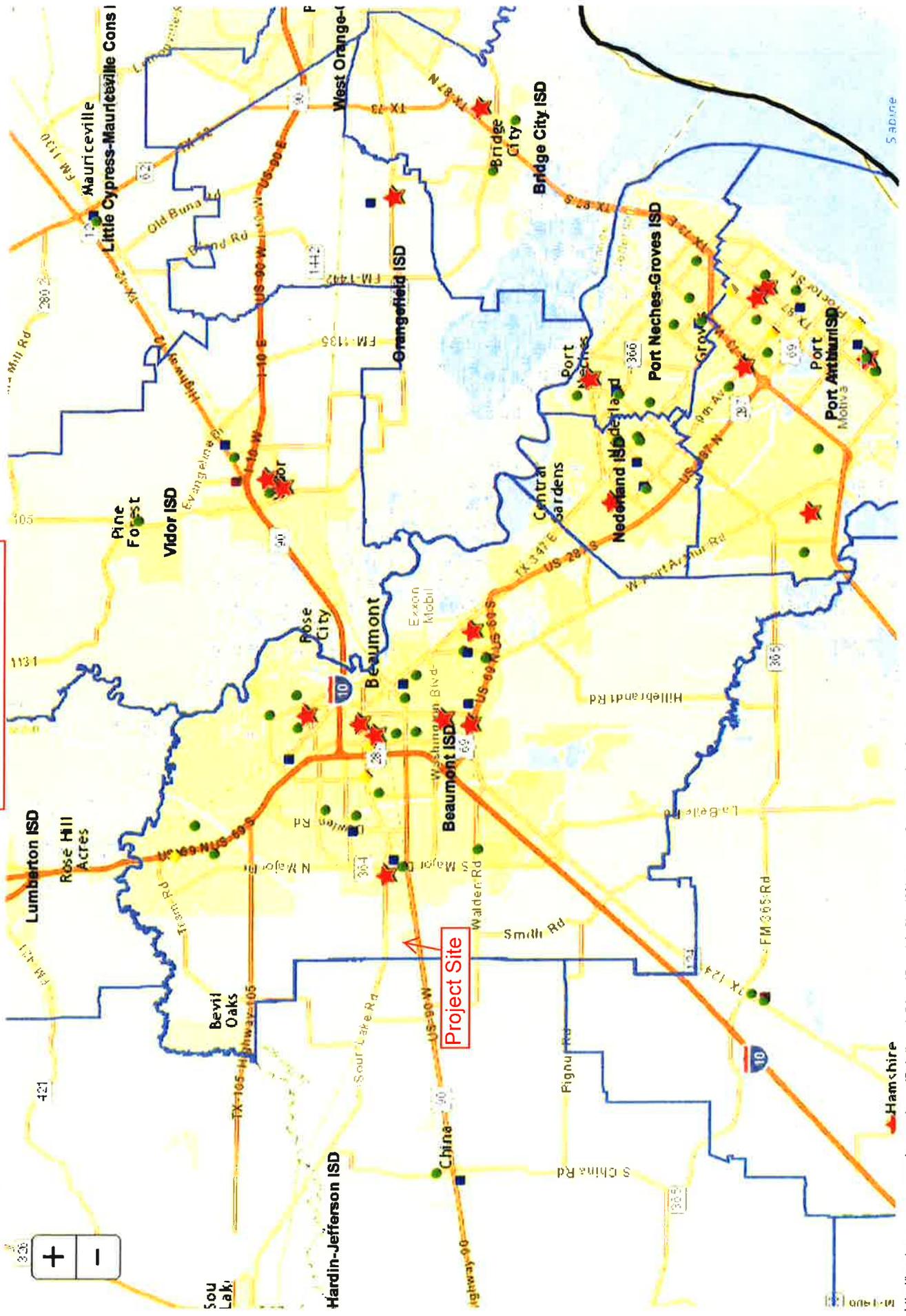
- a) Project vicinity
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period
- c) Qualified property including location of new buildings or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

See attached maps



Texas School District Locator

Beaumont ISD Vicinity Map



Project Site



LEGEND

- Reinvestment Zone
- Boundary
- Existing equipment excluded from the application
- Location of new qualified property

Excluded from application is all tangible personal property and real property improvement accounts for the existing facilities located inside the reinvestment zone which are identified by the following JCAD account numbers:

511900-000-000510-00000
511900-000-000513-00000

The JCAD accounts for the land are 132990 and 133074



SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).

3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? **January 2016**

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 1,549
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 25
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,038.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,090.28
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,285.18
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 66,829.40
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,829.40
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

TAB 13

Calculation of three possible wage requirements with TWC documentation

- A. The average weekly wage for all jobs (all industries) in Jefferson County
\$1,038.50
- B. 110% of the average weekly wage for manufacturing jobs in Jefferson County
\$2,090.28
- C. 110% of the average manufacturing wage for the South East Texas Regional Planning Commission Council of Government region
\$1,285.18

See attachments

Tab 13
Calculation of Wage Requirements
Jefferson Co., S. E. TX, Gulf Coast

Year	Period Quarter	Area	Industry	Avg. Weekly Wages
2014	4	Jefferson County	Total-All	\$1,079
2015	1	Jefferson County	Total-All	\$1,078
2015	2	Jefferson County	Total-All	\$1,000
2015	3	Jefferson County	Total-All	\$997

Chapter 313 calculation: Average of most recent 4 Qtrs. **\$1,038.50**

Year	Period Quarter	Area	Industry	Avg. Weekly Wages
2014	4	Jefferson County	Manufacturing	\$1,873
2015	1	Jefferson County	Manufacturing	\$2,176
2015	2	Jefferson County	Manufacturing	\$1,810
2015	3	Jefferson County	Manufacturing	\$1,742

Average of most recent 4 Qtrs. \$1,900.25

Chapter 313 calculation: 110% of weekly avg. **\$2,090.28**

Year	Month	Region	Annual Wage
2014	July	South East Texas Regional Planning Commission	\$60,754

Chapter 313 calculation: 110% of annual wage **\$66,829.40**

Weekly Wage **\$1,285.18**

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	4th Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,079
2015	1st Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,078
2015	2nd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,000
2015	3rd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$997

\$ 4,154.00
÷ 4
\$ 1,038.50

x 52 weeks
\$54,002.00

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	4th Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,873
2015	1st Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$2,176
2015	2nd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,810
2015	3rd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,742

\$	7,601.00
÷	4
\$	1,900.25
x	110%
\$	<u>2,090.28</u>

x	52 weeks
\$	<u>108,694.56</u>

**2014 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

\$60,754.00
x 110%
\$66,829.40
÷ 52 weeks
\$ 1,285.18

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here → JOHN FROSSARD
Print Name (Authorized School District Representative)

Superintendent
Title

sign here → [Signature]
Signature (Authorized School District Representative)

2/16/16
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here → Darren D. Owen
Print Name (Authorized Company Representative (Applicant))

Property Tax Division Manager
Title

sign here → [Signature]
Signature (Authorized Company Representative (Applicant))

2/8/2016
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8 day of February, 2016
Linda R. Araiza
Notary Public in and for the State of Texas

My Commission expires: 10-30-2016

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.