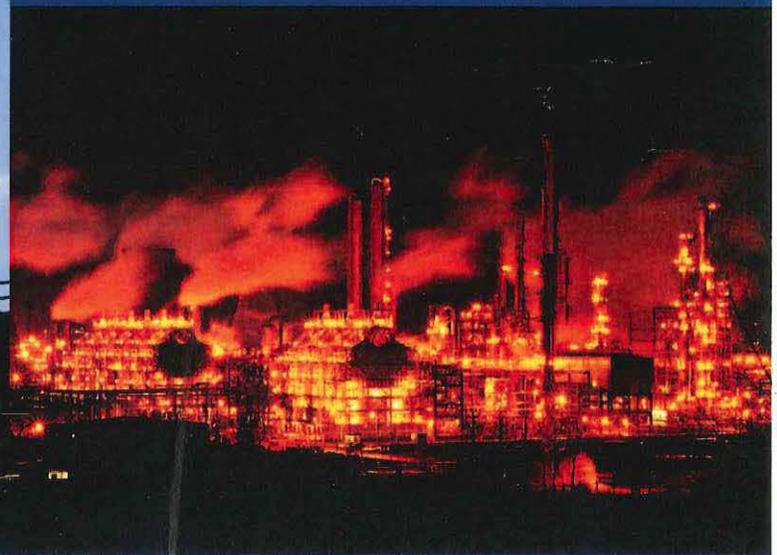


**FINDINGS OF THE BEAUMONT  
INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE  
APPLICATION SUBMITTED  
BY  
EXXONMOBIL OIL CORPORATION (#1119)**



August 23, 2016

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**FINDINGS  
OF THE  
BEAUMONT INDEPENDENT  
SCHOOL DISTRICT BOARD OF MANAGERS  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
EXXONMOBIL OIL CORPORATION (#1119)**

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**AUGUST 23, 2016**

FINDINGS OF THE BEAUMONT INDEPENDENT  
SCHOOL DISTRICT BOARD OF MANAGERS UNDER  
THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
EXXONMOBIL OIL CORPORATION (#1119)

*STATE OF TEXAS* §

*COUNTY OF JEFFERSON* §

On the 23<sup>rd</sup> day of August, 2016, a public meeting of the Board of Managers of the Beaumont Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Managers took up and considered the application of ExxonMobil Oil Corporation (“Applicant”) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Managers solicited input into its deliberations on the Application from interested parties within the District. The Board of Managers has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Managers makes the following findings with respect to application from Applicant, and the economic impact of that application:

On December 15, 2015, the Superintendent of the District, acting as agent of the Board of Managers, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 11354015700), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

The Board of Managers acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Jefferson Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On February 17, 2016, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on March 29, 2016 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project 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 25<sup>th</sup> anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Managers has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment D**.

The Board of Managers has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

**Board Finding Number 1.**

**The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.**

In support of Finding 1, the Application indicates that:

ExxonMobil Oil Corporation (“ExxonMobil” or the “Applicant”) proposes to construct a new world-class, high performance polyethylene plant in Jefferson County, Texas, on unimproved land adjacent to the Applicant’s existing Beaumont, Texas, plant (the “Project”). The proposed Project facility would have an annual capacity of 650,000 tons of polyethylene and would utilize Best Available Control Technology to minimize emissions in keeping with ExxonMobil’s commitment to environmental stewardship.

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

**Board Finding Number 2.**

**The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.**

In support of Finding 2, the Comptroller’s Economic Impact Evaluation and Certification, Attachment C, states:

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)
<b>Limitation Pre-Years</b>	2017	\$1,042,548	\$1,042,548	\$0	\$0
	2018	\$2,741,700	\$3,784,248	\$0	\$0
	2019	\$3,127,800	\$6,912,048	\$0	\$0
<b>Limitation Period (10 Years)</b>	2020	\$312,000	\$7,224,048	\$5,651,100	\$5,651,100
	2021	\$312,000	\$7,536,048	\$5,591,547	\$11,242,647
	2022	\$312,000	\$7,848,048	\$5,532,590	\$16,775,237
	2023	\$312,000	\$8,160,048	\$5,474,222	\$22,249,458
	2024	\$312,000	\$8,472,048	\$5,416,437	\$27,665,896
	2025	\$312,000	\$8,784,048	\$5,359,231	\$33,025,127
	2026	\$312,000	\$9,096,048	\$5,302,597	\$38,327,723
	2027	\$312,000	\$9,408,048	\$5,246,529	\$43,574,252
	2028	\$312,000	\$9,720,048	\$5,191,021	\$48,765,274
	2029	\$312,000	\$10,032,048	\$5,136,069	\$53,901,343
<b>Maintain Viable Presence (5 Years)</b>	2030	\$5,393,667	\$15,425,715	\$0	\$53,901,343
	2031	\$5,339,808	\$20,765,522	\$0	\$53,901,343
	2032	\$5,286,488	\$26,052,010	\$0	\$53,901,343
	2033	\$5,233,701	\$31,285,711	\$0	\$53,901,343
	2034	\$5,181,442	\$36,467,153	\$0	\$53,901,343
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2035	\$5,129,706	\$41,596,859	\$0	\$53,901,343
	2036	\$5,078,486	\$46,675,345	\$0	\$53,901,343
	2037	\$5,027,780	\$51,703,125	\$0	\$53,901,343
	2038	\$4,977,580	\$56,680,705	\$0	\$53,901,343
	2039	\$4,927,882	\$61,608,587	\$0	\$53,901,343
	2040	\$4,878,681	\$66,487,268	\$0	\$53,901,343
	2041	\$4,829,972	\$71,317,240	\$0	\$53,901,343
	2042	\$4,781,751	\$76,098,991	\$0	\$53,901,343
	2043	\$4,734,011	\$80,833,002	\$0	\$53,901,343
	2044	\$4,686,749	\$85,519,751	\$0	\$53,901,343

**\$85,519,751**

is greater than

**\$53,901,343**

**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, Exxon Mobil 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.

**Board Finding Number 3.**

The limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

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 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, ExxonMobil Corporation states that “the proposed new facility could be constructed at any of our fully integrated refining manufacturing locations in Sarnia (Canada) and Baton Rouge (LA), or a non-integrated refining manufacturing location in Joliet (IL).”
- Per ExxonMobil Corporation, “Beaumont ISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on the taxable property 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.”
- In supplemental information provided February 8, 2016, the applicant stated that an existing “pipeline serves the two parcels of land on which the existing facilities are located and the project is proposed to be located. 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.”
- The applicant also included in supplemental information that 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 product facilities. The existing finished product shipping facilities are not a part of the project qualified investment or qualified property.”
- A June 26, 2015 *Reuters* article explained that ExxonMobil Corporation negotiated a longer (6 year) contract with the Beaumont United Steelworkers to accommodate a possible upcoming expansion of the Beaumont refinery.

- Attached map indicates the location of the project adjacent to crude oil, petroleum products, HGL and natural gas pipelines.
- Per information dated April 21, 2015 from *HIS Chemical Week*, ExxonMobil was “considering whether to build a new polyethylene (PE) line at its Beaumont, TX, facility.”
- Attached ExxonMobil Baytown/Beaumont chemical pipeline and ethylene pipeline maps.

**Board Finding Number 4.**

**The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District’s costs of processing the Application under consideration.**

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District’s consultants and the internal costs for processing the application, if any.

**Board Finding Number 5.**

**Based upon the Application and in the Comptroller’s Economic Impact Evaluation and Certification, Attachment B, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.**

In its Application, Applicant has committed to creating twenty-five (25) new qualifying jobs. The average salary level of qualifying jobs will be at least \$66,829.40 per year. The review of the application by the Comptroller’s indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

**Board Finding Number 6.**

**The Applicant intends to create no non-qualifying jobs.**

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

**Board Finding Number 7.**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$573 million to the tax base for debt service purposes at the peak investment level for the 2020-21 school year. The project remains fully taxable for debt services taxes, with the District currently levying a \$0.2750 per \$100 I&S rate. While the value of the Project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's projected I&S taxable value well above the level available through the state's facility programs. As a result, local taxpayers should benefit from the addition of the Project to the local I&S tax roll.

**Board Finding Number 9.**

**The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.**

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

**Board Finding Number 10.**

**The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

**Board Finding Number 11.**

**The Board of Managers hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.**

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an “official proceeding,” a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant’s future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

**Board Finding Number 12.**

**The Board of Managers has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2014 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F.

The total industrial value for the District is \$3.881 billion. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its placement in a strategic investment area. Given that the value of industrial property is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

**Board Finding Number 13.**

**The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.**

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (Attachment I)

**Board Finding Number 14.**

**The Applicant (Taxpayer No. 11354015700) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 11354015700), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

**Board Finding Number 15.**

**The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.**

**Board Finding Number 16.**

**The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.**

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H)

**Board Finding Number 17.**

**The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.**

**Board Finding Number 18.**

**The Board finds that there are no conflicts of interest at the time of considering the agreement.**

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <http://pol.tasb.org/Home/Index/725>, that it has taken appropriate action to ensure that all District Managers and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that

no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

**Board Finding Number 19.**

**The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.**

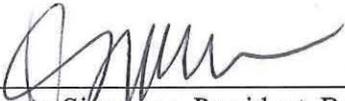
**Board Finding Number 20.**

**Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.**

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Managers of the District.

Dated the 23<sup>rd</sup> day of August 2016.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By:   
Dr. Jimmy Simmons, President, Board of Managers

ATTEST:

By:   
Robert Turner, Secretary, Board of Managers

Attachment A

Application

# O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE McCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

December 16, 2015

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the Beaumont Independent School District from ExxonMobil Oil Corporation  
(First Qualifying Year 2018, First Value Limitation Year 2020)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Beaumont Independent School District is notifying ExxonMobil Oil Corporation of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on December 15, 2015. The Board voted to accept the application on December 15, 2015. The application has been determined complete as of December 16, 2015. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in 2020. Please prepare the economic impact report.

A copy of the application will be submitted to the Jefferson County Appraisal District.

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Jefferson County Appraisal District  
ExxonMobil Oil Corporation



# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development  
and Analysis  
**Form 50-296-A**

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

December 15, 2015

Date Application Received by District

John

First Name

Superintendent

Title

Beaumont Independent School District

School District Name

3395 Harrison Avenue

Street Address

3395 Harrison Avenue

Mailing Address

Beaumont

City

409-617-5000

Phone Number

Mobile Number (optional)

Frossard

Last Name

TX 77706

State

409-617-5184

Fax Number

jfrossa@bmtisd.com

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?  Yes  No

**SECTION 1: School District Information (continued)**

**3. Authorized School District Consultant (If Applicable)**

Kevin O'Hanlon  
 First Name Last Name  
 Partner  
 Title  
 O'Hanlon, McCollom & Demerath  
 Firm Name  
 512-494-9949 512-494-9919  
 Phone Number Fax Number  
 kohanlon@808west.com  
 Email Address  
 Mobile Number (optional)

4. On what date did the district determine this application complete? ..... December 16, 2015
5. Has the district determined that the electronic copy and hard copy are identical? .....  Yes  No

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

Darren Owen  
 First Name Last Name  
 Property Tax Division Manager Exxon Mobil Oil Corporation  
 Title Organization  
 1735 Hughes Landing Blvd.  
 Street Address  
 P.O. Box 53  
 Mailing Address  
 The Woodlands TX 77001-0053  
 City State ZIP  
 832-624-5089 713-613-3514  
 Phone Number Fax Number  
 darren.d.owen@exxonmobil.com  
 Business Email Address  
 Mobile Number (optional)

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No
- 2a. If yes, please fill out contact information for that person.

Craig Mann  
 First Name Last Name  
 Sr. Property Tax Agent Exxon Mobil Corporation  
 Title Organization  
 1735 Hughes Landing Blvd.  
 Street Address  
 P. O. Box 53  
 Mailing Address  
 Houston TX 77001-0053  
 City State ZIP  
 832-624-5091 713-613-3514  
 Phone Number Fax Number  
 craig.e.mann@exxonmobil.com  
 Business Email Address  
 Mobile Number (optional)

3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....  Yes  No

# Application for Appraised Value Limitation on Qualified Property



## SECTION 2: Applicant Information (continued)

### 4. Authorized Company Consultant (If Applicable)

**Stephen** **Kuntz**  
First Name Last Name  
**Partner**  
Title  
**Norton Rose Fulbright**  
Firm Name  
**713-651-5241** **713-651-5246**  
Phone Number Fax Number  
**stephen.kuntz@nortonrosefulbright.com**  
Business Email Address

## SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district?  Yes  No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in Tab 2 proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A

## SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? ExxonMobil Oil Corporation
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 11354015700
3. List the NAICS code 325211
4. Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No
- 4a. If yes, please list application number, name of school district and year of agreement  
Barbers Hill ISD-2013/#247, 2014/#264; Beaumont ISD-2004/#009; Goose Creek ISD-2013/#242, 2014/#265

## SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)?  Yes  No
- 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas?  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  Yes  No  N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

## Application for Appraised Value Limitation on Qualified Property

### 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:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> 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.**

For more information, visit our website: [www.TexasAhead.org/tax\\_programs/chapter313/](http://www.TexasAhead.org/tax_programs/chapter313/)

# Application for Appraised Value Limitation on Qualified Property



## SECTION 9: Projected Timeline

- |   |   |
|---|---|
| 1. Application approval by school board .....   | April, 2016   |
| 2. Commencement of construction .....   | Qtr 2, 2016   |
| 3. Beginning of qualifying time period .....  | January 1, 2018   |
| 4. First year of limitation .....   | 2020  |
| 5. Begin hiring new employees .....   | Qtr. 3, 2018  |
| 6. Commencement of commercial operations .....  | Qtr. 2, 2019  |
| 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ..... | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>Note:</b> Improvements made before that time may not be considered qualified property.   |   |
| 8. When do you anticipate the new buildings or improvements will be placed in service? .....  | Qtr 2, 2019   |

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Jefferson County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Jefferson County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 

County: <u>Jefferson Co./\$0.365/100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>None</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>None</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>None</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>See Tab 6</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>See Tab 6</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No
 

5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No
 

6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

## SECTION 11: Investment

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... \$30,000,000
2. What is the amount of appraised value limitation for which you are applying? ..... \$30,000,000

**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
  - c. a detailed map of the qualified investment showing 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, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

Application for Appraised Value Limitation on Qualified Property

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.

For more information, visit our website: [www.TexasAhead.org/tax\\_programs/chapter313/](http://www.TexasAhead.org/tax_programs/chapter313/)

# Application for Appraised Value Limitation on Qualified Property



## 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 ..... 1,031.75  
 b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 2,093.30  
 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**.

# Application for Appraised Value Limitation on Qualified Property

## 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 Superintendent  
Print Name (Authorized School District Representative) Title

**sign here** → [Signature] 12/15/15  
Signature (Authorized School District Representative) 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 Property Tax Division Manager  
Print Name (Authorized Company Representative (Applicant)) Title

**sign here** → [Signature] 12/10/2015  
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the  
10<sup>th</sup> day of December, 2015  
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.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project vicinity</li> <li>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</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

# **TAB 1**

**Pages 1 through 9 of Application**

# **TAB 2**

**Proof of Payment of Application Fee**

**See Attached**

# TAB 3

**Documentation of Combined Group Membership under Texas  
Tax Code 171.0001(7), History of Tax Default, Delinquencies  
and/or Material Litigation *(if applicable)***

ExxonMobil Oil Corporation is a member of a combined group. See attached Form No. 05-165.

## Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2015

Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Exxon Mobil Corporation	11354090059	<input type="checkbox"/>
2. Mediterranean Standard Oil Co	11319598733	<input type="checkbox"/>
3. ExxonMobil Research and Engineering Company	12214565942	<input type="checkbox"/>
4. Exxon Capital Ventures Inc	11326155493	<input type="checkbox"/>
5. ExxonMobil Chemical Patents Inc.	17600237543	<input checked="" type="checkbox"/>
6. ExxonMobil Inter-America Inc	32039618569	<input checked="" type="checkbox"/>
7. ExxonMobil Biomedical Sciences, Inc	11329587346	<input type="checkbox"/>
8. Jersey Nuclear-Avco Isotopes, Inc.	19108784000	<input checked="" type="checkbox"/>
9. Esso Virgin Islands, Inc	660431387	<input checked="" type="checkbox"/>
10. Exxon Services Company Inc	591640476	<input checked="" type="checkbox"/>
11. ExxonMobil Risk Management Inc	17600060564	<input type="checkbox"/>
12. ExxonMobil Upstream Research Company	17414978217	<input type="checkbox"/>
13. Exxon Land Development Inc	17414607337	<input type="checkbox"/>
14. ExxonMobil Pipeline Company	17413945126	<input type="checkbox"/>
15. ExxonMobil Travel Club, Inc	17415023054	<input type="checkbox"/>
16. Petroleum Casualty Company	17408327108	<input type="checkbox"/>
17. ExxonMobil Coal USA Inc	17420718359	<input type="checkbox"/>
18. Seaviver Maritime Financial Holdings Inc	17417540923	<input type="checkbox"/>
19. Mobil Cortez Pipeline Inc	17518220995	<input type="checkbox"/>
20. Neches River Treatment Corporation	11327612922	<input type="checkbox"/>
21. Mobil Alaska Pipeline Company	32048616323	<input checked="" type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-184 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

## Texas Comptroller Official Use Only



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TX2015 05-105  
Ver. 6.0 (Rev 9-11/3)

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number 135409005 Report year 2015 Reporting entity taxpayer name Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Main E& Corporation	132575831	<input checked="" type="checkbox"/>
2. Mobil Midstream Natural Gas Investments Inc.	10100876645	<input type="checkbox"/>
3. Mobil Oil Refining Corporation	11327715628	<input type="checkbox"/>
4. Houston County Timber Company	17511843801	<input type="checkbox"/>
5. ExxonMobil Technical Computing Company	17706934233	<input type="checkbox"/>
6. ExxonMobil Global Services Company	17605550569	<input type="checkbox"/>
7. ExxonMobil Development Company	17605735400	<input type="checkbox"/>
8. Mobil Eugene Island Pipeline Company	17515246118	<input type="checkbox"/>
9. Mobil Phosphate Minerals Inc	11361704577	<input checked="" type="checkbox"/>
10. Exxon Services Venezuela, Inc	980031110	<input checked="" type="checkbox"/>
11. Middle East Services Inc	30114606426 (Franchise Tax Ended)	<input checked="" type="checkbox"/>
12. Mobil Oil Telecom Ltd.	11327301443	<input type="checkbox"/>
13. Mobil Oil Credit Corporation	11361947028	<input type="checkbox"/>
14. Exxon Technology Holding Corp	133409463	<input checked="" type="checkbox"/>
15. Exxon Asset Management Company LLC	10612257872	<input type="checkbox"/>
16. Mobil Exploration Somalia, Inc	541566976	<input checked="" type="checkbox"/>
17. ExxonMobil Asia Holdings Pte Ltd	981158433	<input checked="" type="checkbox"/>
18. Exxon Equity Holding Company	19801157785	<input type="checkbox"/>
19. Exxon Venezuela LNG Inc	742640063	<input checked="" type="checkbox"/>
20. Exxon Bilings Cogeneration Inc	816477950	<input checked="" type="checkbox"/>
21. Humble Gas Pipeline Co	17603161708	<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-104 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



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**Texas Franchise Tax Extension Affiliate List**

Tcode 13298  
Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2015

Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Seaviver Maritime Inc	17604485957	<input type="checkbox"/>
2. ExxonMobil Catalyst Services, Inc	17604730956	<input type="checkbox"/>
3. Exxon Pipeline Holdings, Inc	17604861918	<input type="checkbox"/>
4. Exxon Chemical Licensing Co	17605343783	<input type="checkbox"/>
5. ExxonMobil Surety Corporation	17605565351	<input type="checkbox"/>
6. ExxonMobil Power and Gas Services, Inc	17605525512	<input type="checkbox"/>
7. ExxonMobil Investment Management, Inc	17527582765	<input type="checkbox"/>
8. Pacific Offshore Pipeline Company	32048616307	<input checked="" type="checkbox"/>
9. ExxonMobil Capital Corporation	17605906183	<input type="checkbox"/>
10. ExxonMobil Saudi Arabia Holding (Southern Ghawar) Inc	760695233	<input checked="" type="checkbox"/>
11. ExxonMobil Saudi Arabia Holding (Red Sea) Inc	760695235	<input checked="" type="checkbox"/>
12. ExxonMobil Ventures Funding Limited	32048616380	<input type="checkbox"/>
13. ExxonMobil Catalyst Technologies LLC	17606990046	<input type="checkbox"/>
14. ExxonMobil Standard Finance Company	010623505	<input checked="" type="checkbox"/>
15. ExxonMobil Oil & Gas Investments Limited	32048616406	<input type="checkbox"/>
16. ExxonMobil Chemical Technology Licensing LLC	32010538174	<input type="checkbox"/>
17. Alkylaton Licensing LLC	32011048603	<input type="checkbox"/>
18. Golden Pass LNG LLC	17603302088	<input type="checkbox"/>
19. ExxonMobil LNG Supply LLC	32043020216	<input checked="" type="checkbox"/>
20. ExxonMobil Transportation Equipment Inc	32014072238	<input type="checkbox"/>
21. ExxonMobil Qatargas (II) Surety Corporation	412163794	<input checked="" type="checkbox"/>

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Do not file this form when requesting a second extension.

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Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number: 135409005  
 Report year: 2015  
 Reporting entity taxpayer name: Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil Southwest Holdings Inc	14216445840	<input type="checkbox"/>
2. ExxonMobil South Hook Surety Corporation	14121637921	<input type="checkbox"/>
3. ExxonMobil Permian Basin Inc	432076148	<input type="checkbox"/>
4. ExxonMobil Texas LLC	32020511575	<input type="checkbox"/>
5. ExxonMobil Affiliate Funding Limited	19806239651	<input type="checkbox"/>
6. Yellowstone Energy LP	32052823492	<input checked="" type="checkbox"/>
7. Mobil Venezolana de Petroleos Holdings Inc	13715216886	<input type="checkbox"/>
8. Mobil Pipe Line Company	17504094503	<input type="checkbox"/>
9. ExxonMobil Environmental Services Comp	17706934241	<input type="checkbox"/>
10. ExxonMobil Alaska Midstream Gas Investments LLC	32051754185	<input checked="" type="checkbox"/>
11. Palmetto Transoceanic LLC	32038355420	<input type="checkbox"/>
12. PTE Pipeline LLC	32041325427	<input type="checkbox"/>
13. SV Texas, LLC	32046464981	<input type="checkbox"/>
14. Mobil Rocky Mountain Inc	17518323484	<input type="checkbox"/>
15. Mobil Services (Bahamas) Limited	19804863033	<input type="checkbox"/>
16. ExxonMobil Golden Pass Surety LLC	32048615028	<input checked="" type="checkbox"/>
17. Mobil Fairfax Inc	11328552390	<input checked="" type="checkbox"/>
18. ExxonMobil U.S. Properties Inc	12754445620	<input type="checkbox"/>
19. Mobil Land Development Corporation	11326689939	<input type="checkbox"/>
20. Mobil Natural Gas Inc	17521802680	<input type="checkbox"/>
21. Mobil Pacific Services Inc	752172921	<input checked="" type="checkbox"/>

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**Texas Franchise Tax Extension Affiliate List**

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2015

Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil Barzan Surety Corporation	32051754003	<input checked="" type="checkbox"/>
2. Mobil Marine Finance Company II Inc	742899219	<input checked="" type="checkbox"/>
3. DM Land Corporation	752293868	<input checked="" type="checkbox"/>
4. Mobil International Petroleum Services Inc	742559784	<input checked="" type="checkbox"/>
5. Mobil International Finance Corporation	11326236681	<input type="checkbox"/>
6. Mobil Vanderbilt-Beaumont Pipeline Company	17516733940	<input type="checkbox"/>
7. Wwelco Pipeline LLC	000000001	<input checked="" type="checkbox"/>
8. Walker Street Holdings LLC	000000002	<input checked="" type="checkbox"/>
9. Mobil Exploration & Producing US Inc	17521627665	<input type="checkbox"/>
10. ExxonMobil Chemical Films Asia Pacific, Inc	752396826	<input checked="" type="checkbox"/>
11. Mobil Pacific Pipeline Company	752464632	<input checked="" type="checkbox"/>
12. ExxonMobil Shipping Company Inc	17427032861	<input type="checkbox"/>
13. Mobil Gas Services Inc	17604585053	<input type="checkbox"/>
14. ExxonMobil Kazakhstan Exploration and Production Inc	752606778	<input checked="" type="checkbox"/>
15. Mobil Illinois Pipeline Company	752662836	<input checked="" type="checkbox"/>
16. Mobil Exploration & Producing Tunisia Inc	752673773	<input checked="" type="checkbox"/>
17. ExxonMobil Alaska Production Inc	17520963160	<input type="checkbox"/>
18. Mobil California Exploration & Producing Asset Compa	17527007730	<input type="checkbox"/>
19. Mobil E & P US Development Corporation	17527053122	<input type="checkbox"/>
20. ExxonMobil Oil Corporation	11354015700	<input type="checkbox"/>
21. Enjay, Inc	11360442948	<input type="checkbox"/>

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**Texas Franchise Tax Extension Affiliate List**

TCODE 13298

Reporting entity taxpayer number: 135409005  
Report year: 2015  
Reporting entity taxpayer name: Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Exxon Communications Company	11360952409	<input type="checkbox"/>
2. ExxonMobil Western Sales and Supply Company	15101165601	<input type="checkbox"/>
3. Mobil Chemical International Ltd	11325124789	<input type="checkbox"/>
4. Mobil LNG Indonesia Inc	132773347	<input checked="" type="checkbox"/>
5. Mobil Producing Texas & New Mexico Inc	11360963182	<input type="checkbox"/>
6. Mobil Oil Expl & Produ Southeast Inc	17516224932	<input type="checkbox"/>
7. Mobil Industrial Services Corporation	751707011	<input checked="" type="checkbox"/>
8. ExxonMobil Sales and Supply LLC	11319950215	<input type="checkbox"/>
9. Exxon Mobil Bay Downstream	17603738216	<input checked="" type="checkbox"/>
10. ExxonMobil LNG Market Development, Inc	30118838850	<input type="checkbox"/>
11. Mobil Exploration and Producing North America Inc	19512788209	<input type="checkbox"/>
12. ExxonMobil Gas Ventures, Inc	17525977173	<input type="checkbox"/>
13. ExxonMobil Overseas Finance Company	275444150	<input checked="" type="checkbox"/>
14. XTO Energy Inc - Home Office	17523477697	<input type="checkbox"/>
15. H-E Energy Company	751460494	<input type="checkbox"/>
16. XH, LLC	17518774249	<input type="checkbox"/>
17. XTO Offshore Inc	17416640153	<input type="checkbox"/>
18. Barnett Gathering LP	11136967715	<input type="checkbox"/>
19. Trend Gathering & Treating, LLC	12043189492	<input type="checkbox"/>
20. Mountain Gathering, LLC	12629387478	<input type="checkbox"/>
21. Fayetteville Gathering Company	32048616786	<input checked="" type="checkbox"/>

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## Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2015

Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Nesson Gathering System, LLC	12088340018	<input type="checkbox"/>
2. Rana Gas Gathering System LLC	30119099221	<input type="checkbox"/>
3. Ringwood Gathering Company	17307388480	<input type="checkbox"/>
4. Timberland Gathering & Processing Company Inc	17526041050	<input type="checkbox"/>
5. Cross Timbers Energy Services, Inc	17106380433	<input type="checkbox"/>
6. WTW Properties, Inc.	17525795407	<input type="checkbox"/>
7. HPT Land Company	30001447005	<input type="checkbox"/>
8. HPC Acquisition Corporation	30044494590	<input type="checkbox"/>
9. XTO Energy Inc - Branch	17523477697	<input type="checkbox"/>
10. XTO Energy Inc	17523477697	<input type="checkbox"/>
11. Ekora Energy, Inc.	10107171604	<input type="checkbox"/>
12. English Bay Pipeline LP	17108904931	<input type="checkbox"/>
13. Phillips Resources, Inc.	251290216	<input checked="" type="checkbox"/>
14. Phillips Exploration Inc.	12514075931	<input checked="" type="checkbox"/>
15. Phillips Drilling Company	205091683	<input checked="" type="checkbox"/>
16. ExxonMobil Fuels Marketing - Global HDQ	11354090059	<input checked="" type="checkbox"/>
17. PC Exploration LTD PTR-1984	251467313	<input checked="" type="checkbox"/>
18. Exxon Mobile Bay Limited Partnership	17603738016	<input type="checkbox"/>
19. 6541 Canada LLC	270120377	<input checked="" type="checkbox"/>
20. Metroplex Barnett Shale LLC	30020485713	<input type="checkbox"/>
21. ExxonMobil Gas Pipeline Holding LLC	16409498819	<input type="checkbox"/>

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TX2015 05-165  
Ver. 6.0 (Rev. 9-11-13)

Texas Franchise Tax Extension Affiliate List

TCODE 13238  
Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2015

Exxon Mobil Corporation and Affiliated Comp

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. International Oil & Gas LLC	455560103	<input checked="" type="checkbox"/>
2. VEI LLC	621678781	<input checked="" type="checkbox"/>
3. Colet Creek Unit # 1 RH-88-882-A	17602788517	<input checked="" type="checkbox"/>
4. Kivity Exploration Co F-I Agreement	17521581789	<input type="checkbox"/>
5. McEmo Creek Co. Supply Pipeline	15419309388	<input checked="" type="checkbox"/>
6. Tesaco Logsdon # 1	17603363494	<input type="checkbox"/>
7. Sunset Vallevala	13837560542	<input checked="" type="checkbox"/>
8. Mustang Pipe Line LLC	17526727163	<input type="checkbox"/>
9. PC EXPLORATION LTD PTR-1989	251611049	<input checked="" type="checkbox"/>
10. PC EXPLORATION LTD PTR-2001	251888494	<input checked="" type="checkbox"/>
11. PC EXPLORATION LTD PTR-2003	200021868	<input checked="" type="checkbox"/>
12. PC EXPLORATION LTD PTR-2007	208994952	<input checked="" type="checkbox"/>
13. PC EXPLORATION LTD PTR-2008	262558358	<input checked="" type="checkbox"/>
14. PC EXPLORATION LTD PTR-2010	272528594	<input checked="" type="checkbox"/>
15. Bonetbok Tax Partnership	465194030	<input checked="" type="checkbox"/>
16. Loki Tax Partnership	465236262	<input checked="" type="checkbox"/>
17. Ricky-Suzanne Tax Partnership	465290886	<input checked="" type="checkbox"/>
18. Vivian Tax Partnership	465274629	<input checked="" type="checkbox"/>
19. PC Exploration Ltd Partnership 2009	264830379	<input checked="" type="checkbox"/>
20. PC EXPLORATION LTD PTR - 1990	232614130	<input checked="" type="checkbox"/>
21. PC EXPLORATION LTD PTR - 1991	251663475	<input checked="" type="checkbox"/>

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# TAB 4

## Detailed Description of Proposed Project

*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.*

ExxonMobil Oil Corporation ("ExxonMobil" or the "Applicant") proposes to construct a new world-class, high-performance polyethylene plant in Jefferson County, Texas, on unimproved land adjacent to the Applicant's existing Beaumont, Texas, plant (the "Project"). The proposed Project would have an annual capacity of 650,000 tons of polyethylene and would utilize Best Available Control Technology to minimize emissions in keeping with ExxonMobil's commitment to environmental stewardship.

The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process facilities, infrastructure and auxiliary equipment, including, but not limited to, compressors, drums, vessels, heat exchangers, pumps, filters, reactors, packaged systems, blowers and fans, dryers, dust collection units, mixers, feeders, extruder, rotary valves, scales, trolleys and hoists, utility service lines, storage tanks, blending silos, electrical switchgear, transformers, substations, instrumentation, equipment and structural foundations including supports, control equipment and facilities, warehouses, raw material and utility distribution improvements, flare, cooling towers, inter-plant piping and utilities, tie-ins, road improvements, control building, fire prevention and safety equipment, railroad tracks, railroad switches, rail car loading equipment, rail car washing buildings and equipment, any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions related to the polyethylene unit.

The Applicant currently estimates that construction of the Project would commence in the second quarter of 2016 and would take approximately three years to complete, with commercial operations currently estimated to begin in the second quarter of 2019.

# 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.

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. With respect to potential locations in North America, the proposed new facility could be constructed at any of our fully integrated refining manufacturing locations in Sarnia (Canada) and Baton Rouge (LA), or a non-integrated Refining manufacturing location in Joliet (IL).

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.

# TAB 6

## Project Location within Single or Multiple School Districts

*Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)*

The project is located entirely within the boundaries of Beaumont ISD. The project is also located 100% in the following taxing entities and the 2015 tax rate is shown below for each:

1) Jefferson County	\$0.365000
2) Sabine-Neches Navigation District	\$0.091640
3) Port of Beaumont	\$0.067278
4) Jefferson County Drainage District No. 6	\$0.225087
5) Beaumont ISD	\$1.315000

# TAB 7

## Description of Qualified Investment

ExxonMobil Oil Corporation ("ExxonMobil" or the "Applicant") proposes to construct a new world-class, high-performance polyethylene plant in Jefferson County, Texas, on unimproved land adjacent to the Applicant's existing Beaumont, Texas, plant (the "Project"). The proposed Project would have an annual capacity of 650,000 tons of polyethylene and would utilize Best Available Control Technology to minimize emissions in keeping with ExxonMobil's commitment to environmental stewardship.

The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process facilities, infrastructure and auxiliary equipment, including but not limited to, compressors, drums, vessels, heat exchangers, pumps, filters, reactors, packaged systems, blowers and fans, dryers, dust collection units, mixers, feeders, extruder, rotary valves, scales, trolleys and hoists, utility service lines, storage tanks, blending silos, electrical switchgear, transformers, substations, instrumentation, equipment and structural foundations including supports, control equipment and facilities, warehouses, raw material and utility distribution improvements, flare, cooling towers, inter-plant piping and utilities, tie-ins, road improvements, control building, fire prevention and safety equipment, railroad tracks, railroad switches, rail car loading equipment, rail car washing buildings and equipment, any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions related to the polyethylene unit, including, but not limited to the following:

Polymerization Line	Rail Yard
Finishing Line	Pipeline Interconnects
Clarifier	Vapor Recovery Unit
Flare System	Pellet Packaging Equipment
Cooling Tower	Electrical Switchgear
Air Compression and Dryer System	Pipe Racks
Butane Storage	Polyethylene Reactor
Hopper Car Loading Area	Pellet Extruder
Control Building	Shipping Facilities

# TAB 8

## Description of Qualified Property

ExxonMobil Oil Corporation ("ExxonMobil" or the "Applicant") proposes to construct a new world-class, high-performance polyethylene plant in Jefferson County, Texas, on unimproved land adjacent to the Applicant's existing Beaumont, Texas, plant (the "Project"). The proposed Project would have an annual capacity of 650,000 tons of polyethylene and would utilize Best Available Control Technology to minimize emissions in keeping with ExxonMobil's commitment to environmental stewardship.

The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process facilities, infrastructure and auxiliary equipment, including but not limited to, compressors, drums, vessels, heat exchangers, pumps, filters, reactors, packaged systems, blowers and fans, dryers, dust collection units, mixers, feeders, extruder, rotary valves, scales, trolleys and hoists, utility service lines, storage tanks, blending silos, electrical switchgear, transformers, substations, instrumentation, equipment and structural foundations including supports, control equipment and facilities, warehouses, raw material and utility distribution improvements, flare, cooling towers, inter-plant piping and utilities, tie-ins, road improvements, control building, fire prevention and safety equipment, railroad tracks, railroad switches, rail car loading equipment, rail car washing buildings and equipment, any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions related to the polyethylene unit, including, but not limited to the following:

Polymerization Line	Rail Yard
Finishing Line	Pipeline Interconnects
Clarifier	Vapor Recovery Unit
Flare System	Pellet Packaging Equipment
Cooling Tower	Electrical Switchgear
Air Compression and Dryer System	Pipe Racks
Butane Storage	Polyethylene Reactor
Hopper Car Loading Area	Pellet Extruder
Control Building	Shipping Facilities

# 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 land will not be qualified property for purposes of this Application.



Jefferson CAD

Property Search Results > 132990 EXXONMOBIL CORP for Year 2015

Property

Account

Property ID: 132990 Legal Description: A SAVERY-ABS 46 TRS 3 18 & 88 LDPE PLANT HWY 90 263.80 AC #511900-000510 LAND ONLY  
 Geographic ID: 300046-000-000100-00000-8 Agent Code:  
 Type: Real  
 Property Use Code: F5  
 Property Use Description: OPERATING UNITS ACREAGE

Location

Address: 11440 HIGHWAY 90 W Mapsco: 101-07  
 OUTSIDE BEAUMONT CITY LIMITS, TX  
 Neighborhood: Map ID: 0  
 Neighborhood CD:

Owner

Name: EXXONMOBIL CORP Owner ID: 431428  
 Mailing Address: % PROPERTY TAX DIVISION % Ownership: 100.0000000000%  
 PO BOX 53  
 HOUSTON, TX 77001-0053

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$3,472,400	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$3,472,400	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$3,472,400	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$3,472,400	

Taxing Jurisdiction

Owner: EXXONMOBIL CORP  
 % Ownership: 100.0000000000%  
 Total Value: \$3,472,400

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101	BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$3,472,400	\$3,472,400	\$45,662.06
341	PORT OF BEAUMONT	0.067278	\$3,472,400	\$3,472,400	\$2,336.16
755	SABINE-NECHES NAVIGATION DIST	0.091640	\$3,472,400	\$3,472,400	\$3,182.10
849	DRAINAGE DISTRICT #6	0.220587	\$3,472,400	\$3,472,400	\$7,659.66
901	JEFFERSON COUNTY	0.365000	\$3,472,400	\$3,472,400	\$12,674.26
A59	FARM AND LATERAL ROAD	0.000000	\$3,472,400	\$3,472,400	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$3,472,400	\$3,472,400	\$0.00
T341	TIF PORT OF BMT	0.000000	\$3,472,400	\$3,472,400	\$0.00
Total Tax Rate:		2.059505			
Taxes w/Current Exemptions:					\$71,514.24
Taxes w/o Exemptions:					\$71,514.25

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	A1	Acres Style Type	174.8000	7614288.00	0.00	0.00	\$2,709,400	\$0
2	A1	Acres Style Type	109.0000	4748040.00	0.00	0.00	\$763,000	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016		N/A	N/A	N/A	N/A	N/A
2015		\$0	\$3,472,400	0	3,472,400	\$0 \$3,472,400
2014		\$0	\$3,472,400	0	3,472,400	\$0 \$3,472,400
2013		\$0	\$3,472,400	0	3,472,400	\$0 \$3,472,400
2012		\$0	\$3,472,400	0	3,472,400	\$0 \$3,472,400
2011		\$0	\$1,747,000	0	1,747,000	\$0 \$1,747,000

11/15/2015

Jefferson CAD - Property Details

2010	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2009	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2008	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2007	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2006	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2005	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2004	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2003	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2002	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2001	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
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Questions Please Call (409) 840-9944

Website version: 1.2.2.2

Database last updated on: 11/13/2015 11:49 PM

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Jefferson CAD

**Property Search Results > 133074 EXXONMOBIL CORP for Year 2015**

**Property**

**Account**

Property ID: 133074      Legal Description: A SAVERY ABS 46 TR 96 & 97 50.762 AC  
 Geographic ID: 300046-000-007800-00000-6      Agent Code:  
 Type: Real  
 Property Use Code: D4  
 Property Use Description: UNDEVELOPED OVER 5 AC(NOT AG)

**Location**

Address: TX      Mapsco: 101-07  
 Neighborhood:      Map ID: 0  
 Neighborhood CD:

**Owner**

Name: EXXONMOBIL CORP      Owner ID: 431428  
 Mailing Address: % PROPERTY TAX DIVISION      % Ownership: 100.000000000000%  
 PO BOX 53  
 HOUSTON, TX 77001-0053

Exemptions:

**Values**

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$355,330	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$355,330	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$355,330	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$355,330	

**Taxing Jurisdiction**

Owner: EXXONMOBIL CORP  
 % Ownership: 100.000000000000%  
 Total Value: \$355,330

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101	BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$355,330	\$355,330	\$4,672.59
221	CITY OF BEAUMONT	0.690000	\$355,330	\$355,330	\$2,451.77
341	PORT OF BEAUMONT	0.067278	\$355,330	\$355,330	\$239.06
755	SABINE-NECHES NAVIGATION DIST	0.091640	\$355,330	\$355,330	\$325.63
849	DRAINAGE DISTRICT #6	0.220587	\$355,330	\$355,330	\$783.82
901	JEFFERSON COUNTY	0.365000	\$355,330	\$355,330	\$1,296.96
A59	FARM AND LATERAL ROAD	0.000000	\$355,330	\$355,330	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$355,330	\$355,330	\$0.00
T341	TIF PORT OF BMT	0.000000	\$355,330	\$355,330	\$0.00
Total Tax Rate:		2.749505			

Taxes w/Current Exemptions: \$9,769.83

**Improvement / Building**

No improvements exist for this property.

**Land**

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	A1	Acres Style Type	50.7620	2211105.60	0.00	0.00	\$355,330	\$0

**Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016		N/A	N/A	N/A	N/A	N/A
2015		\$0	\$355,330	0	355,330	\$0 \$355,330
2014		\$0	\$355,330	0	355,330	\$0 \$355,330
2013		\$0	\$355,330	0	355,330	\$0 \$355,330
2012		\$0	\$355,330	0	355,330	\$0 \$355,330
2011		\$0	\$203,050	0	203,050	\$0 \$203,050
2010		\$0	\$203,050	0	203,050	\$0 \$203,050
2009		\$0	\$203,050	0	203,050	\$0 \$203,050
2008		\$0	\$203,050	0	203,050	\$0 \$203,050
2007		\$0	\$203,050	0	203,050	\$0 \$203,050
2006		\$0	\$203,050	0	203,050	\$0 \$203,050
2005		\$0	\$203,050	0	203,050	\$0 \$203,050
2004		\$0	\$203,050	0	203,050	\$0 \$203,050
2003		\$0	\$203,050	0	203,050	\$0 \$203,050
2002		\$0	\$203,050	0	203,050	\$0 \$203,050
2001		\$0	\$203,050	0	203,050	\$0 \$203,050

**Deed History - (Last 3 Deed Transactions)**

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/28/1994 12:00:00 AM	WD	WARRANTY DEED		MOBILE CHEMICAL			9428650

**Questions Please Call (409) 840-9944**

Website version: 1.2.2.2

Database last updated on: 11/17/2015 11:52 PM

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This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

# TAB 10

## **Description of All Property Not Eligible to Become Qualified Property (if applicable)**

None – Not applicable.

# TAB 11

Maps that show:

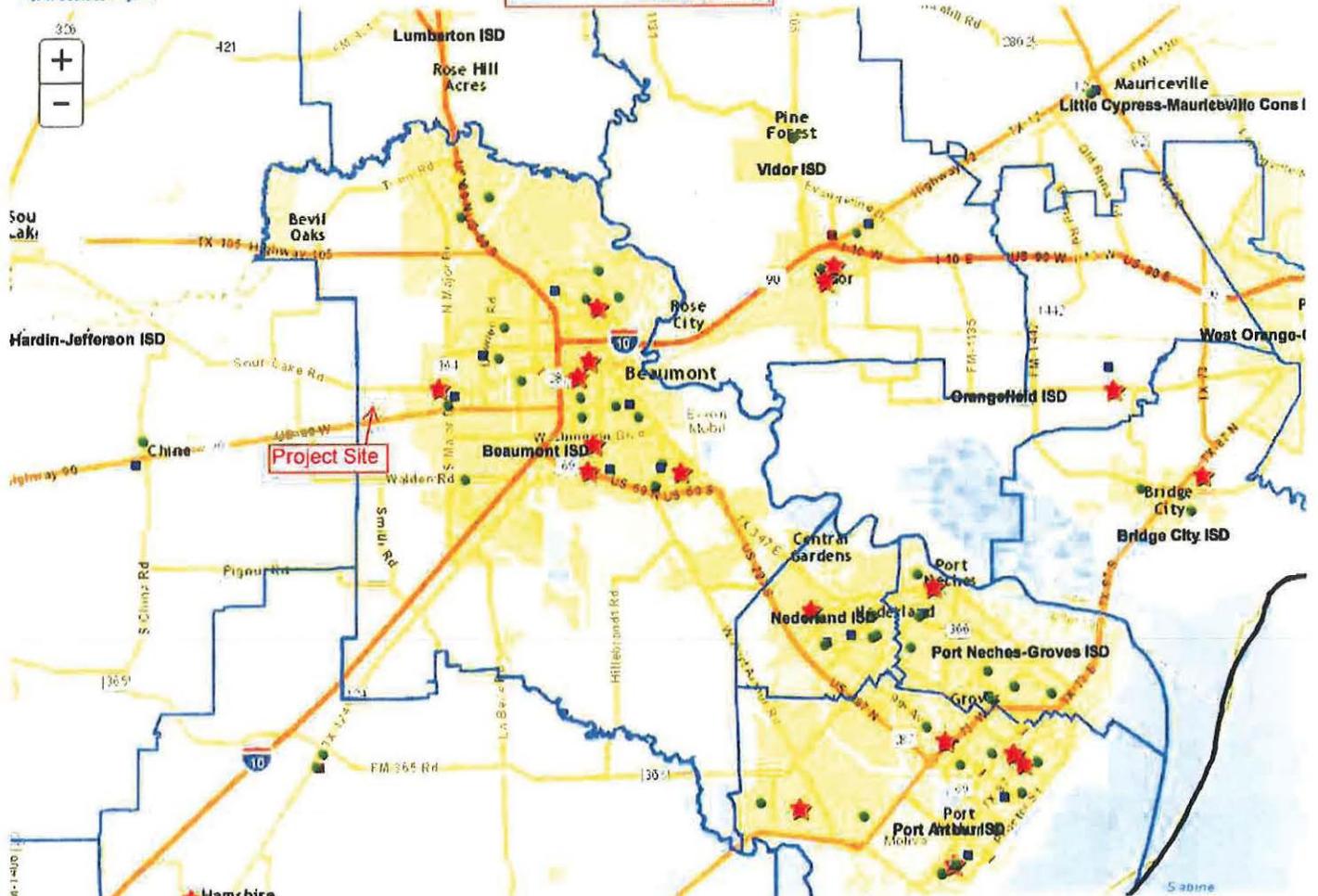
- a) Project vicinity
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period
- c) Qualified property including location of new buildings or new improvements
- 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



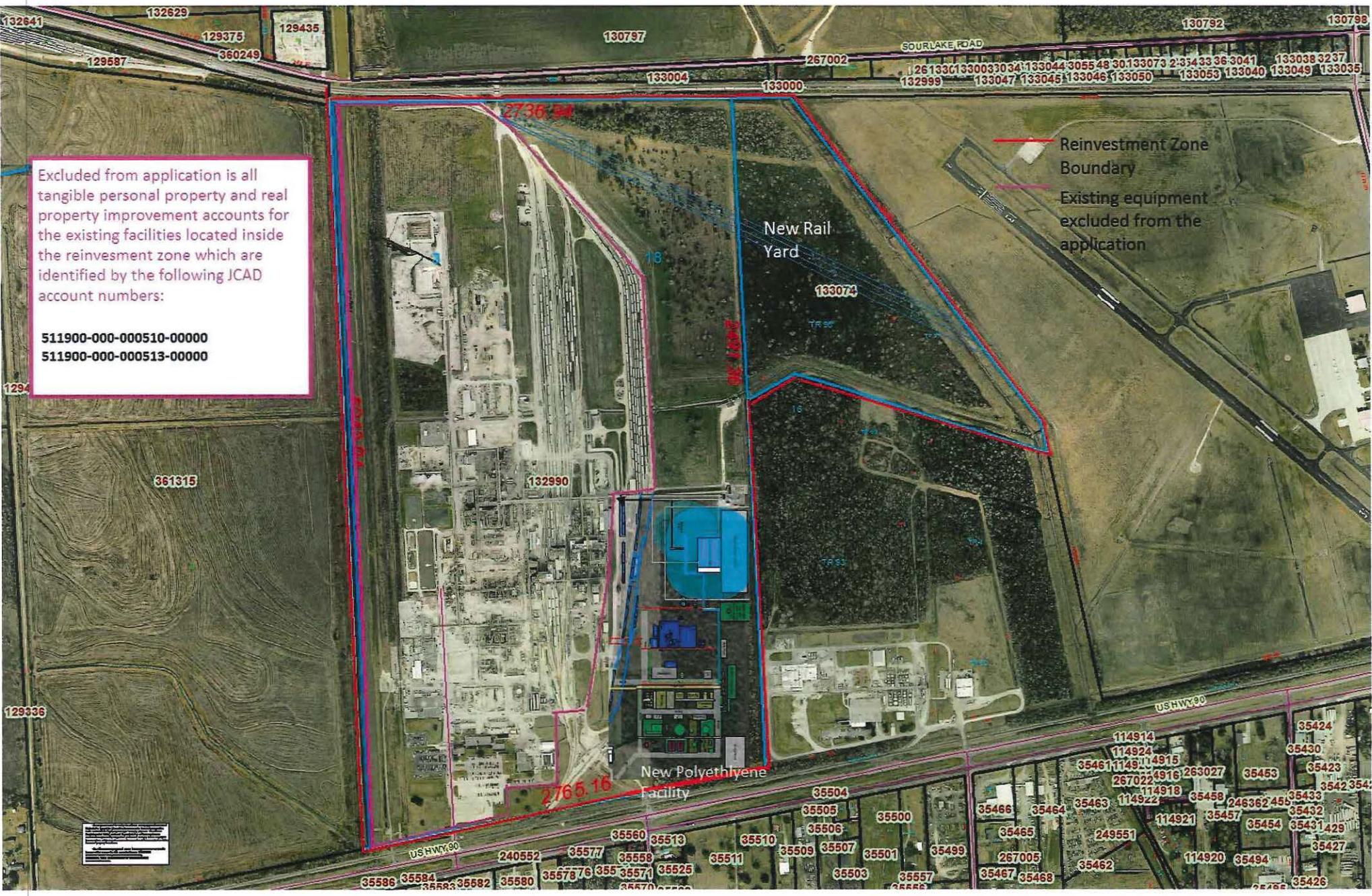
Excluded from application is all tangible personal property and real property improvement accounts for the existing facilities located inside the reinvestment zone which are identified by the following JCAD account numbers:

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

Reinvestment Zone Boundary  
Existing equipment excluded from the application

New Rail Yard

New Polyethylene Facility



# TAB 12

## **Request for Waiver of Job Creation Requirement and supporting information *(if applicable)***

Not Applicable – No request will be made that the governing body waive the minimum new qualifying job creation requirement.

# TAB 13

## Calculation of three possible wage requirements with TWC documentation

A. The average weekly wage for all jobs (all industries) in Jefferson County

**\$1,031.75**

B. 110% of the average weekly wage for manufacturing jobs in Jefferson County

**\$2,093.30**

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	3	Jefferson County	Total-All	\$969
2014	4	Jefferson County	Total-All	\$1,079
2015	1	Jefferson County	Total-All	\$1,078
2015	2	Jefferson County	Total-All	\$1,001

Chapter 313 calculation: Average of most recent 4 Qtrs. **\$1,031.75**

Year	Period Quarter	Area	Industry	Avg. Weekly Wages
2014	3	Jefferson County	Manufacturing	\$1,753
2014	4	Jefferson County	Manufacturing	\$1,873
2015	1	Jefferson County	Manufacturing	\$2,176
2015	2	Jefferson County	Manufacturing	\$1,810

Average of most recent 4 Qtrs. \$1,903.00

Chapter 313 calculation: 110% of weekly avg. **\$2,093.30**

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)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Control	Level	Ind Code	Industry	Avg Weekly Wages
2014	3rd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$969
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	\$1,001

\$ 4,127.00  
 ÷ 4  
\$ 1,031.75

x 52 weeks  
\$53,651.00

### Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	3rd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,753
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

\$ 7,612.00

÷ 4

\$ 1,903.00

x 110%

\$ 2,093.30

x 52 weeks

\$108,851.60

## Quarterly Employment and Wages (QCEW)

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

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

# TAB 14

**Schedules A1, A2, B, C and D**

**See attachments**

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYY-YYY)	Tax Year (Fill in actual tax year below) YYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				Not eligible to become Qualified Property		\$0	\$0	\$0
Investment made after filing complete application with district, but before final board approval of application		2016-2017	2016	\$0	\$0	\$0	\$0	\$0
Investment made after final board approval of application and before January 1 of first complete tax year of qualifying time period				\$112,500,000	\$12,500,000	\$0	\$0	\$125,000,000
		2017-2018	2017	\$225,000,000	\$25,000,000	\$0	\$0	\$250,000,000
Complete tax years of qualifying time period	QTP1	2018-2019	2018	\$450,000,000	\$50,000,000	\$0	\$0	\$500,000,000
	QTP2	2019-2020	2019	\$112,500,000	\$12,500,000	\$0	\$0	\$125,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$900,000,000	\$100,000,000	\$0	\$0	\$1,000,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified investment (sum of green cells)				\$1,000,000,000				

For All Columns: List amount invested each year, not cumulative totals

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9 1051. This is proposed property that

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

Date - December 10, 2015

Applicant Name- Exxon Mobil Oil Corporation

ISD Name-Beaumont ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$900,000,000	\$100,000,000	\$0	\$0	\$1,000,000,000
Each year prior to start of value limitation period** Insert as many rows as necessary	0	NA	NA	\$0	\$0	\$0	\$0	\$0
Value limitation period***	1	2020-2021	2020	\$0	\$0	\$0	\$0	\$0
	2	2021-2022	2021	\$0	\$0	\$0	\$0	\$0
	3	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
	4	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
	5	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
	6	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
	7	2026-2027	2026	\$0	\$0	\$0	\$0	\$0
	8	2027-2028	2027	\$0	\$0	\$0	\$0	\$0
	9	2028-2029	2028	\$0	\$0	\$0	\$0	\$0
	10	2029-2030	2029	\$0	\$0	\$0	\$0	\$0
Total Investment made through limitation				\$900,000,000	\$100,000,000	\$0	\$0	\$1,000,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	11	2030-2031	2030			\$0		\$0
	12	2031-2031	2031			\$0		\$0
	13	2032-2033	2032			\$0		\$0
	14	2033-2034	2033			\$0		\$0
	15	2034-2035	2034			\$0		\$0
	16	2035-2036	2035			\$0		\$0
	17	2036-2037	2036			\$0		\$0
	18	2037-2038	2037			\$0		\$0
	19	2038-2039	2038			\$0		\$0
	20	2039-2040	2039			\$0		\$0
21	2040-2041	2040			\$0		\$0	
22	2041-2042	2041			\$0		\$0	
23	2042-2043	2042			\$0		\$0	
24	2043-2044	2043			\$0		\$0	
25	2044-2045	2044			\$0		\$0	

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.

\*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

\*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

**Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)**

Date - December 10, 2015

Applicant Name- Exxon Mobil Oil Corporation

ISD Name-Beaumont ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2017-2018	2017	\$750,000	\$9,045,000	\$90,450,000	\$100,245,000	\$100,245,000	\$100,245,000
	0	2018-2019	2018	\$750,000	\$26,625,000	\$236,250,000	\$263,625,000	\$263,625,000	\$263,625,000
	0	2019-2020	2019	\$750,000	\$30,000,000	\$270,000,000	\$300,750,000	\$300,750,000	\$300,750,000
Value Limitation Period	1	2020-2021	2020	\$750,000	\$63,700,000	\$572,550,000	\$573,375,000	\$573,375,000	\$30,000,000
	2	2021-2022	2021	\$750,000	\$63,063,000	\$566,824,500	\$567,648,750	\$567,648,750	\$30,000,000
	3	2022-2023	2022	\$750,000	\$62,432,370	\$561,156,255	\$561,979,763	\$561,979,763	\$30,000,000
	4	2023-2024	2023	\$750,000	\$61,808,046	\$555,544,692	\$556,367,465	\$556,367,465	\$30,000,000
	5	2024-2025	2024	\$750,000	\$61,189,966	\$549,989,246	\$550,811,290	\$550,811,290	\$30,000,000
	6	2025-2026	2025	\$750,000	\$60,578,066	\$544,489,353	\$545,310,677	\$545,310,677	\$30,000,000
	7	2026-2027	2026	\$750,000	\$59,972,286	\$539,044,460	\$539,865,071	\$539,865,071	\$30,000,000
	8	2027-2028	2027	\$750,000	\$59,372,563	\$533,654,015	\$534,473,920	\$534,473,920	\$30,000,000
	9	2028-2029	2028	\$750,000	\$58,778,837	\$528,317,475	\$529,136,681	\$529,136,681	\$30,000,000
	10	2029-2030	2029	\$750,000	\$58,191,049	\$523,034,300	\$523,852,814	\$523,852,814	\$30,000,000
Continue to maintain viable presence	11	2030-2031	2030	\$750,000	\$57,609,138	\$517,803,957	\$518,621,786	\$518,621,786	\$518,621,786
	12	2031-2032	2031	\$750,000	\$57,033,047	\$512,625,917	\$513,443,068	\$513,443,068	\$513,443,068
	13	2032-2033	2032	\$750,000	\$56,462,716	\$507,499,658	\$508,316,137	\$508,316,137	\$508,316,137
	14	2033-2034	2033	\$750,000	\$55,898,089	\$502,424,662	\$503,240,476	\$503,240,476	\$503,240,476
	15	2034-2035	2034	\$750,000	\$55,339,108	\$497,400,415	\$498,215,571	\$498,215,571	\$498,215,571
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	\$750,000	\$54,785,717	\$492,426,411	\$493,240,915	\$493,240,915	\$493,240,915
	17	2036-2037	2036	\$750,000	\$54,237,860	\$487,502,147	\$488,316,006	\$488,316,006	\$488,316,006
	18	2037-2038	2037	\$750,000	\$53,695,481	\$482,627,125	\$483,440,346	\$483,440,346	\$483,440,346
	19	2038-2039	2038	\$750,000	\$53,158,527	\$477,800,854	\$478,613,443	\$478,613,443	\$478,613,443
	20	2039-2040	2039	\$750,000	\$52,626,941	\$473,022,846	\$473,834,808	\$473,834,808	\$473,834,808
	21	2040-2041	2040	\$750,000	\$52,100,672	\$468,292,617	\$469,103,960	\$469,103,960	\$469,103,960
	22	2041-2042	2041	\$750,000	\$51,579,665	\$463,609,691	\$464,420,421	\$464,420,421	\$464,420,421
	23	2042-2043	2042	\$750,000	\$51,063,869	\$458,973,594	\$459,783,716	\$459,783,716	\$459,783,716
	24	2043-2044	2043	\$750,000	\$50,553,230	\$454,383,858	\$455,193,379	\$455,193,379	\$455,193,379
	25	2044-2045	2044	\$750,000	\$50,047,698	\$449,840,020	\$450,648,945	\$450,648,945	\$450,648,945

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. Only include market value for eligible property on this schedule.

**Schedule C: Employment Information**

Date - December 10, 2015

Applicant Name- Exxon Mobil Oil Corporation  
 ISD Name-Beaumont ISD

Form 50-296A  
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	1200 FTE's	\$97,656	0		
	0	2017-2018	2017	1400 FTE's	\$97,656	0		
	0	2018-2019	2018	1500 FTE's	\$97,656	0	3	\$66,829
	0	2019-2020	2019	1200 FTE's	\$97,656	0	7	\$66,829
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020			0	25	\$66,829
	2	2021-2022	2021			0	25	\$66,829
	3	2022-2023	2022			0	25	\$66,829
	4	2023-2024	2023			0	25	\$66,829
	5	2024-2025	2024			0	25	\$66,829
	6	2025-2026	2025			0	25	\$66,829
	7	2026-2027	2026			0	25	\$66,829
	8	2027-2028	2027			0	25	\$66,829
	9	2028-2029	2028			0	25	\$66,829
	10	2029-2030	2029			0	25	\$66,829
Years Following Value Limitation Period	11 through 25	2030-2031 through 2044-2045	2030-2044			0	25	\$66,829

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
 Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25  Yes  No  
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?  Yes  No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?  Yes  No

Schedule D: Other Incentives (Estimated)

Date - December 10, 2015

Applicant Name- Exxon Mobil Oil Corporation

ISD Name-Beaumont ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)

Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Jefferson	2020	10 yrs.	\$2,141,959	\$2,141,959	\$0
	City: None	N/A	N/A	N/A	N/A	N/A
	Other: Port of Beaumont	2020	10 yrs.	\$379,549	\$379,549	\$0
	Other: Drainage District #6	2020	10 yrs.	\$1,294,489	\$1,294,489	\$0
	Other: Sabine-Neches Navigation District	2020	10 yrs.	\$524,481	\$524,481	\$0
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
<b>TOTAL</b>				<b>\$4,340,478</b>	<b>\$4,340,478</b>	<b>\$0</b>

Additional information on incentives for this project:

Abatement incentives are subjective assumptions at this time; there is no guarantee the referenced Annual Incentives will materialize. These assumptions are based on the best available information received from the various tax entities through analysis of recent incentive approvals and interpretation of current abatement policy of each governing body.

# TAB 15

**Economic Impact Analysis, other payments made in the state or other  
economic information (*if applicable*)**

**None – Not Applicable**

# TAB 16

## Description of Reinvestment Zone

See attached proposed reinvestment zone information. The Applicant will request that the Board of Managers of Beaumont ISD create the reinvestment zone at a later date. No guidelines and criteria are required for Beaumont ISD to create the reinvestment zone.

The reinvestment zone will be described by reference to two contiguous parcels of land 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.



Jefferson CAD

Property Search Results > 132990 EXXONMOBIL CORP for Year 2015

Property

Account

Property ID: 132990  
 Geographic ID: 300046-000-000100-00000-8  
 Type: Real  
 Property Use Code: F5  
 Property Use Description: OPERATING UNITS ACREAGE  
 Legal Description: A SAVERY-ABS 46 TRS 3 18 & 88 LDPE PLANT HWY 90 283.80 AC #511900-000510 LAND ONLY  
 Agent Code:

Location

Address: 11440 HIGHWAY 90 W  
 OUTSIDE BEAUMONT CITY LIMITS, TX  
 Mapsco: 101-07  
 Neighborhood:  
 Neighborhood CD:  
 Map ID: 0

Owner

Name: EXXONMOBIL CORP  
 Mailing Address: % PROPERTY TAX DIVISION  
 PO BOX 53  
 HOUSTON, TX 77001-0053  
 Owner ID: 431428  
 % Ownership: 100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$3,472,400	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$3,472,400	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$3,472,400	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$3,472,400	

Taxing Jurisdiction

Owner: EXXONMOBIL CORP  
 % Ownership: 100.0000000000%  
 Total Value: \$3,472,400

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101	BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$3,472,400	\$3,472,400	\$45,662.06
341	PORT OF BEAUMONT	0.067278	\$3,472,400	\$3,472,400	\$2,336.16
755	SABINE-NECHES NAVIGATION DIST	0.091640	\$3,472,400	\$3,472,400	\$3,182.10
849	DRAINAGE DISTRICT #8	0.220587	\$3,472,400	\$3,472,400	\$7,659.66
901	JEFFERSON COUNTY	0.365000	\$3,472,400	\$3,472,400	\$12,674.26
A59	FARM AND LATERAL ROAD	0.000000	\$3,472,400	\$3,472,400	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$3,472,400	\$3,472,400	\$0.00
T341	TIF PORT OF BMT	0.000000	\$3,472,400	\$3,472,400	\$0.00
Total Tax Rate:		2.059505			

Taxes w/Current Exemptions: \$71,514.24  
 Taxes w/o Exemptions: \$71,514.25

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	A1	Acres Style Type	174.8000	7614288.00	0.00	0.00	\$2,709,400	\$0
2	A1	Acres Style Type	109.0000	4748040.00	0.00	0.00	\$763,000	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	\$0	\$3,472,400		0	3,472,400	\$0 \$3,472,400
2014	\$0	\$3,472,400		0	3,472,400	\$0 \$3,472,400
2013	\$0	\$3,472,400		0	3,472,400	\$0 \$3,472,400
2012	\$0	\$3,472,400		0	3,472,400	\$0 \$3,472,400
2011	\$0	\$1,747,000		0	1,747,000	\$0 \$1,747,000

11/15/2015

Jefferson CAD - Property Details

2010	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2009	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2008	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2007	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2006	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2005	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2004	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2003	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2002	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000
2001	\$0	\$1,747,000	0	1,747,000	\$0	\$1,747,000

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
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Questions Please Call (409) 840-9944

Website version: 1.2.2.2

Database last updated on: 11/13/2015 11:49 PM

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This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

Jefferson CAD

**Property Search Results > 133074 EXXONMOBIL CORP for Year 2015**

**Property**

**Account**

Property ID: 133074      Legal Description: A SAVERY ABS 46 TR 96 & 97 50.762 AC  
 Geographic ID: 300046-000-007800-00000-6      Agent Code:  
 Type: Real  
 Property Use Code: D4  
 Property Use Description: UNDEVELOPED OVER 5 AC(NOT AG)

**Location**

Address: TX      Mapsco: 101-07  
 Neighborhood:      Map ID: 0  
 Neighborhood CD:

**Owner**

Name: EXXONMOBIL CORP      Owner ID: 431428  
 Mailing Address: % PROPERTY TAX DIVISION      % Ownership: 100.0000000000%  
 PO BOX 53  
 HOUSTON, TX 77001-0053

Exemptions:

**Values**

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$355,330	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$355,330	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$355,330	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$355,330	

**Taxing Jurisdiction**

Owner: EXXONMOBIL CORP  
 % Ownership: 100.0000000000%  
 Total Value: \$355,330

Entity Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101 BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$355,330	\$355,330	\$4,672.59
221 CITY OF BEAUMONT	0.690000	\$355,330	\$355,330	\$2,451.77
341 PORT OF BEAUMONT	0.067278	\$355,330	\$355,330	\$239.06
755 SABINE-NECHES NAVIGATION DIST	0.091640	\$355,330	\$355,330	\$325.63
849 DRAINAGE DISTRICT #6	0.220587	\$355,330	\$355,330	\$783.82
901 JEFFERSON COUNTY	0.365000	\$355,330	\$355,330	\$1,296.96
A59 FARM AND LATERAL ROAD	0.000000	\$355,330	\$355,330	\$0.00
CAD JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$355,330	\$355,330	\$0.00
T341 TIF PORT OF BMT	0.000000	\$355,330	\$355,330	\$0.00
Total Tax Rate:	2.749505			

Taxes w/Current Exemptions: \$9,769.83

**Improvement / Building**

No improvements exist for this property.

**Land**

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	A1	Acres Style Type	50.7620	2211105.60	0.00	0.00	\$355,330	\$0

**Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016		N/A	N/A	N/A	N/A	N/A
2015		\$0	\$355,330	0	355,330	\$0 \$355,330
2014		\$0	\$355,330	0	355,330	\$0 \$355,330
2013		\$0	\$355,330	0	355,330	\$0 \$355,330
2012		\$0	\$355,330	0	355,330	\$0 \$355,330
2011		\$0	\$203,050	0	203,050	\$0 \$203,050
2010		\$0	\$203,050	0	203,050	\$0 \$203,050
2009		\$0	\$203,050	0	203,050	\$0 \$203,050
2008		\$0	\$203,050	0	203,050	\$0 \$203,050
2007		\$0	\$203,050	0	203,050	\$0 \$203,050
2006		\$0	\$203,050	0	203,050	\$0 \$203,050
2005		\$0	\$203,050	0	203,050	\$0 \$203,050
2004		\$0	\$203,050	0	203,050	\$0 \$203,050
2003		\$0	\$203,050	0	203,050	\$0 \$203,050
2002		\$0	\$203,050	0	203,050	\$0 \$203,050
2001		\$0	\$203,050	0	203,050	\$0 \$203,050

**Deed History - (Last 3 Deed Transactions)**

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/28/1994 12:00:00 AM	WD	WARRANTY DEED		MOBILE CHEMICAL			9428650

**Questions Please Call (409) 840-9944**

# **TAB 17**

## **Authorized Signatures and Applicant Certification**

**See attached.**

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)

12/15/15  
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))

12/10/2015  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10<sup>th</sup> day of December, 2015

[Signature]  
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.

# NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP  
1301 McKinney, Suite 5100  
Houston, Texas 77010-3095  
United States

**Stephen A. Kuntz**  
Partner  
Direct line +1 713 651 5241  
stephen.kuntz@nortonrosefulbright.com

February 8, 2016

Tel +1 713 651 5151  
Fax +1 713 651 5246  
nortonrosefulbright.com

Via e-mail to: [desiree.caufield@cpa.texas.gov](mailto: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  
Page 3

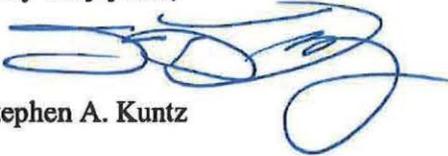
 NORTON ROSE FULBRIGHT

\*\*\*\*\*

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](mailto: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](mailto:Gary.Price@cpa.texas.gov)*
- Mr. Kevin T. O'Hanlon, O'Hanlon, McCollom & Demerath (w/attachments)  
*Via e-mail to: [kohanlon@808west.com](mailto:kohanlon@808west.com)*
- Mr. William F. Rogers, ExxonMobil Oil Corporation (w/attachments)  
*Via e-mail to: [william.f.rogers@exxonmobil.com](mailto:william.f.rogers@exxonmobil.com)*
- Mr. Craig E. Mann, ExxonMobil Oil Corporation (w/attachments)  
*Via e-mail to: [craig.e.mann@exxonmobil.com](mailto:craig.e.mann@exxonmobil.com)*

# TAB 9

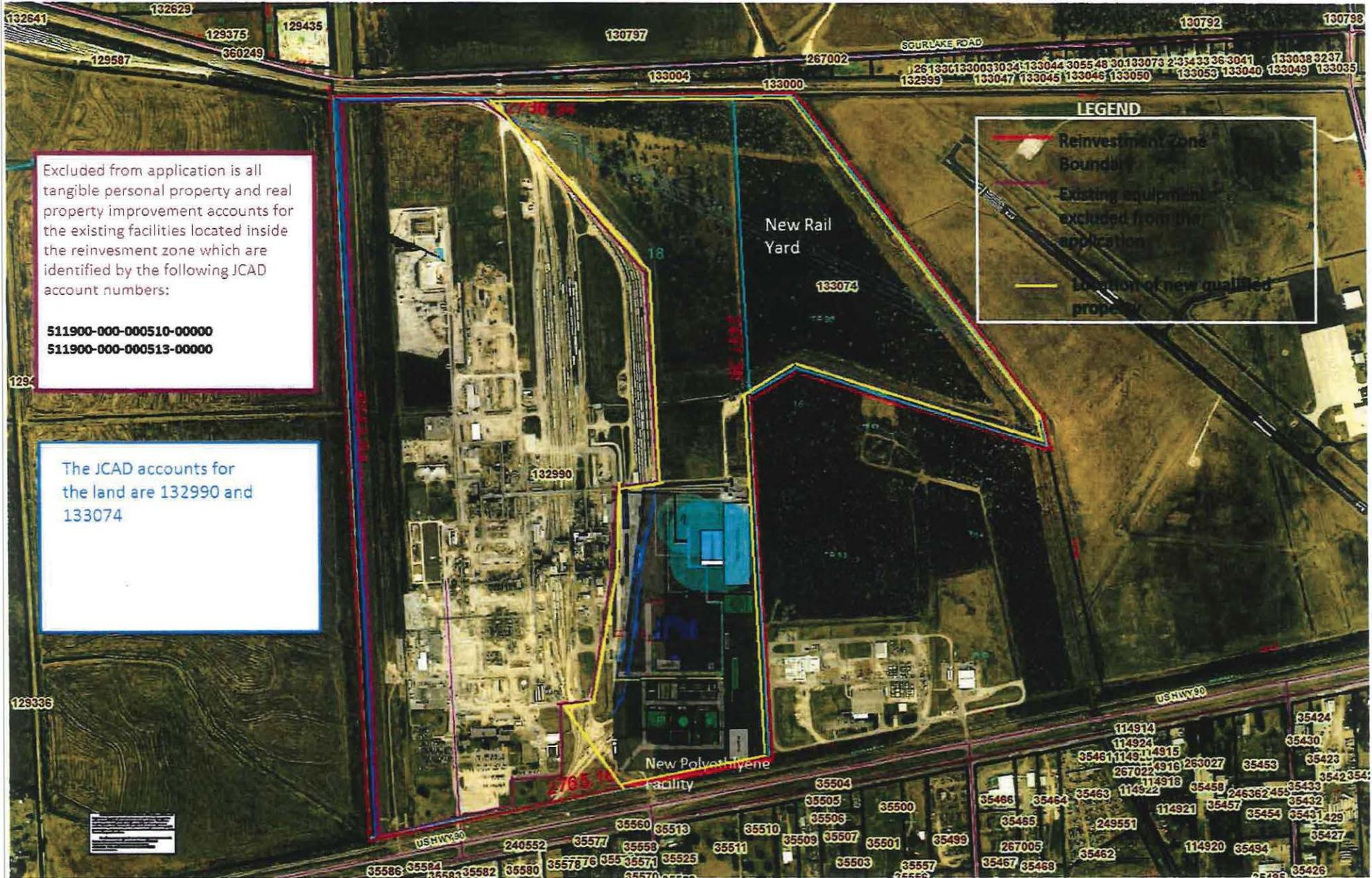
## Description of Land

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.



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

**LEGEND**

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

New Rail Yard

New Polyethylene Facility

Map scale and other technical details.

# TAB 11

Maps that show:

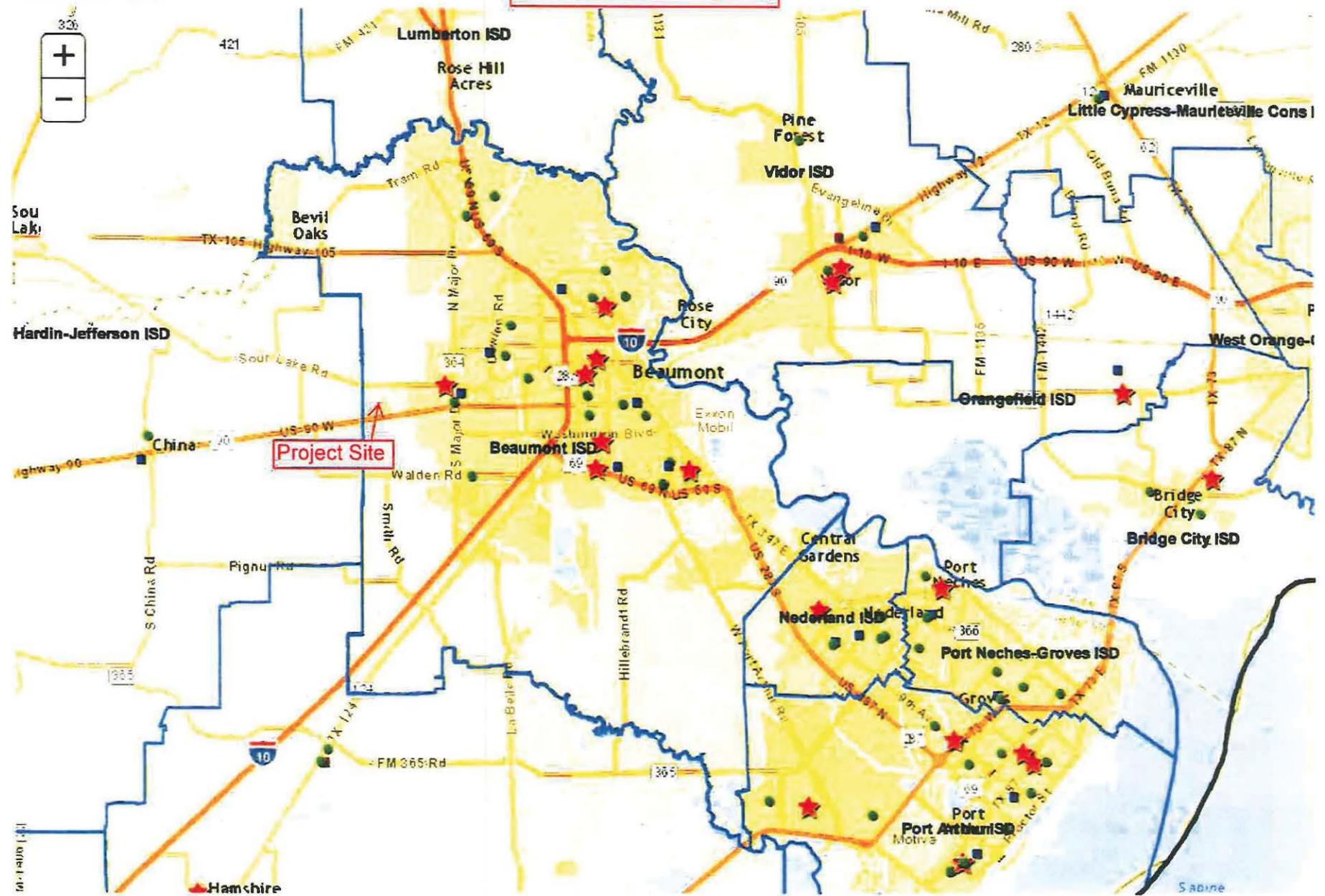
- a) Project vicinity
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period
- c) Qualified property including location of new buildings or new improvements
- 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





**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.

# Application for Appraised Value Limitation on Qualified Property



## 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)

[Back](#)

Page 1 of 1 (40 results/page)

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)

[Back](#)

Page 1 of 1 (40 results/page)

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

# Application for Appraised Value Limitation on Qualified Property

## 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.

## Attachment B

### Franchise Tax Account Status



## Franchise Tax Account Status

As of: 04/26/2016 12:26:11 PM

**This Page is Not Sufficient for Filings with the Secretary of State**

EXXONMOBIL OIL CORPORATION	
Texas Taxpayer Number	11354015700
Mailing Address	4500 DACOMA ST CORP BH3-211B HOUSTON, TX 77092-8614
Right to Transact Business in Texas	ACTIVE
State of Formation	NY
Effective SOS Registration Date	08/24/1959
Texas SOS File Number	0001978906
Registered Agent Name	PRENTICE HALL CORP. SYSTEM
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

# Attachment C

## State Comptroller's Certification



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 29, 2016

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

Dear Superintendent Frossard:

On February 17, 2016, the Comptroller issued written notice that ExxonMobil Oil Corporation (the applicant) submitted a completed application (Application #1119) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. 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 committed 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 #1119.

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.

<sup>1</sup> 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).

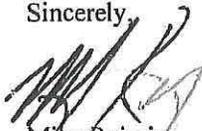
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of February 17, 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](mailto: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 D

# Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION  
FINANCIAL IMPACT OF THE PROPOSED EXXONMOBIL  
PROJECT IN THE BEAUMONT INDEPENDENT SCHOOL  
DISTRICT  
(PROJECT # 1119)**

**PREPARED BY**



**JULY 15, 2016**

## Executive Summary

The ExxonMobil Oil Corporation (Company) has requested that the Beaumont Independent School District (BISD) 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 BISD on December 15, 2015 the Company plans to invest an amount that will result in an estimated \$573.4 million in increased taxable value to construct a chemical 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 Exxon 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, BISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2020-21 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 subsequent details in the report below for more information.

Total Revenue Loss Payment owed to BISD	\$6.02 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$48.25 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—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district. The Completeness Letter for this project was issued on February 17, 2016.

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 150<sup>th</sup> day from the receipt of the Completeness Letter or until December 31<sup>st</sup>, whichever is earlier, to adopt an agreement. The Certificate for this project was issued on March 29, 2016.

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 O'Hanlon, McCollom & Demerath will ensure the best interests of BISD are secured. A final version of the agreement must be submitted to the Comptroller for review 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, although neither will be required in the board's consideration of the ExxonMobil application. Prior to this meeting, O'Hanlon, McCollom & Demerath 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 (ASATR), although ASATR is currently scheduled to be eliminated by the 2017-18 school year. (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.](#))

**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.

**Additional State Aid for Tax Reduction (ASATR)** guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. ASATR funding is expected to be eliminated by the 2017-18 school year under current law.

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 value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

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 17,500 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of BISD. The District's local tax base reached \$10 billion for the 2015 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 per \$100 is used throughout this analysis. The impact of any previously-approved Chapter 313 projects is factored into the M&O tax bases used for both models presented below.

BISD has estimated 2015-16 state property wealth per weighted ADA or WADA of approximately \$408,287. As a result, BISD is not considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

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.

In addition, BISD is eligible for a "fractional" funding adjustment, since it imposed less than \$1.50 M&O tax rate for the 2006 tax year. Given the analysis shown below, it does not appear that BISD would benefit from shifting tax effort to take advantage of the fractional funding fix approved by legislators and that change is not incorporated in these estimates. However, BISD does not currently levy a tax rate that falls into the \$31.95 tier.

While the mandated school district homestead exemption will be increased from \$15,000 to \$25,000, only the 2014 CPTD reflects this increased exemption. Given that the models below focus exclusively on the ExxonMobil project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2015 is maintained at \$1.04 per \$100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

**Table 1 – Base District Information with Exxon 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
QTP0	2017-18	17,500.00	23,416.84	\$1.0400	\$0.2750	\$9,737,330,732	\$9,737,330,732	\$9,912,141,272	\$9,912,141,272	\$423,291	\$423,291
QTP1	2018-19	17,500.00	23,416.84	\$1.0400	\$0.2750	\$9,900,710,732	\$9,900,710,732	\$9,322,530,100	\$9,322,530,100	\$398,112	\$398,112
QTP2	2019-20	17,500.00	23,416.84	\$1.0400	\$0.2750	\$9,937,835,732	\$9,937,835,732	\$9,485,910,100	\$9,485,910,100	\$405,089	\$405,089
VL1	2020-21	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,210,460,732	\$9,667,085,732	\$9,523,035,100	\$9,523,035,100	\$406,675	\$406,675
VL2	2021-22	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,204,734,482	\$9,667,085,732	\$9,795,660,100	\$9,252,285,100	\$418,317	\$395,113
VL3	2022-23	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,199,065,495	\$9,667,085,732	\$9,789,933,850	\$9,252,285,100	\$418,072	\$395,113
VL4	2023-24	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,236,803,108	\$9,710,435,643	\$9,784,264,863	\$9,252,285,100	\$417,830	\$395,113
VL5	2024-25	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,223,460,706	\$9,702,649,416	\$9,822,002,476	\$9,295,635,011	\$419,442	\$396,964
VL6	2025-26	17,500.00	23,416.84	\$1.0400	\$0.2750	\$11,307,673,105	\$10,792,362,428	\$9,808,660,074	\$9,287,848,784	\$418,872	\$396,631
VL7	2026-27	17,500.00	23,416.84	\$1.0400	\$0.2750	\$11,238,233,569	\$10,728,368,498	\$10,892,872,473	\$10,377,561,796	\$465,173	\$443,167
VL8	2027-28	17,500.00	23,416.84	\$1.0400	\$0.2750	\$11,170,103,933	\$10,665,630,013	\$10,823,432,937	\$10,313,567,866	\$462,207	\$440,434
VL9	2028-29	17,500.00	23,416.84	\$1.0400	\$0.2750	\$11,102,076,875	\$10,602,940,194	\$10,755,303,301	\$10,250,829,381	\$459,298	\$437,755
VL10	2029-30	17,500.00	23,416.84	\$1.0400	\$0.2750	\$11,021,754,838	\$10,527,902,024	\$10,687,276,243	\$10,188,139,562	\$456,393	\$435,078
VP1	2030-31	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,949,769,181	\$10,949,769,181	\$10,606,954,206	\$10,113,101,392	\$452,963	\$431,873
VP2	2031-32	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,884,824,831	\$10,884,824,831	\$10,534,968,549	\$10,534,968,549	\$449,889	\$449,889
VP3	2032-33	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,825,865,003	\$10,825,865,003	\$10,470,024,199	\$10,470,024,199	\$447,115	\$447,115
VP4	2033-34	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,772,024,919	\$10,772,024,919	\$10,411,064,371	\$10,411,064,371	\$444,597	\$444,597
VP5	2034-35	17,500.00	23,416.84	\$1.0400	\$0.2750	\$10,722,594,656	\$10,722,594,656	\$10,357,224,287	\$10,357,224,287	\$442,298	\$442,298

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

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

**M&O Impact of the ExxonMobil Project on BISD**

School finance models were prepared for BISD under these assumptions through the 2034-35 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. These model results are 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 \$30 million to the model. These results are shown in Table 3.

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 \$6,018 million in the initial limitation year of the Agreement, with nearly all of this loss reflected in the first limitation year (2020-21). Nearly all of the reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

**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	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2017-18	\$92,810,531	\$29,378,033	\$0	\$0	\$5,351,731	\$4,451,183	\$0	\$0	\$578,862	\$132,570,340
QTP1	2018-19	\$94,384,916	\$35,175,680	\$0	\$0	\$5,442,515	\$5,158,205	\$0	\$65,783	\$578,279	\$140,805,378
QTP2	2019-20	\$94,742,665	\$33,569,164	\$0	\$0	\$5,463,144	\$4,993,438	\$0	\$35,548	\$578,178	\$139,382,138
VL1	2020-21	\$97,476,632	\$33,204,114	\$0	\$0	\$5,620,792	\$5,092,902	\$0	\$93,026	\$577,203	\$142,064,669
VL2	2021-22	\$97,420,326	\$30,523,392	\$0	\$0	\$5,617,546	\$4,789,944	\$0	\$26,759	\$577,275	\$138,955,242
VL3	2022-23	\$97,364,583	\$30,579,698	\$0	\$0	\$5,614,331	\$4,793,225	\$0	\$26,775	\$577,348	\$138,955,960
VL4	2023-24	\$97,727,132	\$30,635,442	\$0	\$0	\$5,635,237	\$4,821,585	\$0	\$36,784	\$577,421	\$139,433,601
VL5	2024-25	\$97,597,467	\$30,264,368	\$0	\$0	\$5,627,760	\$4,774,850	\$0	\$24,656	\$577,513	\$138,866,614
VL6	2025-26	\$108,044,225	\$30,395,563	\$0	\$0	\$6,230,151	\$5,299,972	\$0	\$281,035	\$574,345	\$150,825,292
VL7	2026-27	\$107,374,011	\$19,734,503	\$0	\$0	\$6,191,505	\$4,124,929	\$0	\$6,513	\$574,605	\$138,006,066
VL8	2027-28	\$106,716,430	\$20,417,302	\$0	\$0	\$6,153,586	\$4,171,704	\$0	\$6,898	\$574,862	\$138,040,782
VL9	2028-29	\$106,059,849	\$21,087,221	\$0	\$0	\$6,115,726	\$4,210,469	\$0	\$7,244	\$575,117	\$138,055,626
VL10	2029-30	\$105,284,799	\$21,756,131	\$0	\$0	\$6,071,034	\$4,241,708	\$0	\$4,785	\$575,419	\$137,933,876
VP1	2030-31	\$104,494,000	\$22,545,937	\$0	\$0	\$6,025,435	\$4,287,331	\$0	\$4,762	\$575,690	\$137,933,155
VP2	2031-32	\$103,868,174	\$23,253,772	\$0	\$0	\$5,989,348	\$4,336,840	\$0	\$6,611	\$575,933	\$138,029,678
VP3	2032-33	\$103,300,017	\$23,892,370	\$0	\$0	\$5,956,586	\$4,372,793	\$0	\$8,418	\$576,155	\$138,106,340
VP4	2033-34	\$102,781,196	\$24,472,122	\$0	\$0	\$5,926,669	\$4,406,341	\$0	\$9,984	\$576,357	\$138,172,669
VP5	2034-35	\$102,304,869	\$25,001,532	\$0	\$0	\$5,899,203	\$4,444,774	\$0	\$11,095	\$576,543	\$138,238,017

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	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2017-18	\$92,810,531	\$29,378,033	\$0	\$0	\$5,351,731	\$4,451,183	\$0	\$0	\$578,862	\$132,570,340
QTP1	2018-19	\$94,384,916	\$35,175,680	\$0	\$0	\$5,442,515	\$5,158,205	\$0	\$65,783	\$578,279	\$140,805,378
QTP2	2019-20	\$94,742,665	\$33,569,164	\$0	\$0	\$5,463,144	\$4,993,438	\$0	\$35,548	\$578,178	\$139,382,138
VL1	2020-21	\$92,133,626	\$33,204,114	\$0	\$0	\$5,312,699	\$4,816,677	\$0	\$0	\$578,818	\$136,045,934
VL2	2021-22	\$92,133,626	\$35,866,399	\$0	\$0	\$5,312,699	\$5,110,200	\$0	\$28,057	\$578,872	\$139,029,853
VL3	2022-23	\$92,133,626	\$35,866,399	\$0	\$0	\$5,312,699	\$5,110,200	\$0	\$28,057	\$578,928	\$139,029,909
VL4	2023-24	\$92,551,361	\$35,866,399	\$0	\$0	\$5,336,786	\$5,136,908	\$0	\$38,091	\$578,985	\$139,508,530
VL5	2024-25	\$92,476,330	\$35,440,139	\$0	\$0	\$5,332,460	\$5,085,318	\$0	\$25,907	\$579,060	\$138,939,214
VL6	2025-26	\$102,977,175	\$35,516,701	\$0	\$0	\$5,937,970	\$5,666,157	\$0	\$282,378	\$575,876	\$150,956,257
VL7	2026-27	\$102,360,508	\$24,801,553	\$0	\$0	\$5,902,411	\$4,425,404	\$0	\$7,646	\$576,120	\$138,073,642
VL8	2027-28	\$101,755,938	\$25,430,805	\$0	\$0	\$5,867,550	\$4,461,817	\$0	\$8,281	\$576,360	\$138,100,752
VL9	2028-29	\$101,151,838	\$26,047,713	\$0	\$0	\$5,832,716	\$4,497,515	\$0	\$8,613	\$576,600	\$138,114,996
VL10	2029-30	\$100,428,745	\$26,664,142	\$0	\$0	\$5,791,020	\$4,525,218	\$0	\$6,128	\$576,887	\$137,992,141
VP1	2030-31	\$104,494,000	\$27,401,992	\$0	\$0	\$6,025,435	\$4,793,015	\$0	\$122,372	\$575,690	\$143,412,504
VP2	2031-32	\$103,868,174	\$23,253,772	\$0	\$0	\$5,989,348	\$4,335,840	\$0	\$6,611	\$575,933	\$138,029,678
VP3	2032-33	\$103,300,017	\$23,892,370	\$0	\$0	\$5,956,586	\$4,372,793	\$0	\$8,418	\$576,155	\$138,106,340
VP4	2033-34	\$102,781,196	\$24,472,122	\$0	\$0	\$5,926,669	\$4,406,341	\$0	\$9,984	\$576,357	\$138,172,669
VP5	2034-35	\$102,304,869	\$25,001,532	\$0	\$0	\$5,899,203	\$4,444,774	\$0	\$11,095	\$576,543	\$138,238,017

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

**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	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2017-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2020-21	-\$5,343,006	\$0	\$0	\$0	-\$308,093	-\$276,225	\$0	-\$93,026	\$1,615	-\$6,018,735
VL2	2021-22	-\$5,286,700	\$5,343,007	\$0	\$0	-\$304,847	\$320,256	\$0	\$1,298	\$1,597	\$74,611
VL3	2022-23	-\$5,230,957	\$5,286,701	\$0	\$0	-\$301,632	\$316,975	\$0	\$1,282	\$1,580	\$73,949
VL4	2023-24	-\$5,175,771	\$5,230,957	\$0	\$0	-\$298,451	\$315,323	\$0	\$1,307	\$1,564	\$74,929
VL5	2024-25	-\$5,121,137	\$5,175,771	\$0	\$0	-\$295,300	\$310,468	\$0	\$1,251	\$1,547	\$72,600
VL6	2025-26	-\$5,067,050	\$5,121,138	\$0	\$0	-\$292,181	\$366,185	\$0	\$1,343	\$1,531	\$130,966
VL7	2026-27	-\$5,013,503	\$5,067,050	\$0	\$0	-\$289,094	\$300,475	\$0	\$1,133	\$1,515	\$67,576
VL8	2027-28	-\$4,960,492	\$5,013,503	\$0	\$0	-\$286,036	\$290,113	\$0	\$1,384	\$1,498	\$59,970
VL9	2028-29	-\$4,908,011	\$4,960,492	\$0	\$0	-\$283,010	\$287,046	\$0	\$1,370	\$1,483	\$59,370
VL10	2029-30	-\$4,856,054	\$4,908,011	\$0	\$0	-\$280,014	\$283,510	\$0	\$1,343	\$1,468	\$58,264
VP1	2030-31	\$0	\$4,856,055	\$0	\$0	\$0	\$505,684	\$0	\$117,610	\$0	\$5,479,349
VP2	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2034-35	\$0	\$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 \$1.04 per \$100 M&O tax rate is assumed in 2015-16 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$53.9 million over the life of the agreement. The BISD revenue losses are expected to total approximately \$6.02 million in the initial limitation year under the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$48.250 million, prior to any negotiations with ExxonMobil on supplemental payments.

**Table 5 - Estimated Financial Impact of the Exxon Project Property Value Limitation Request Submitted to BISD at \$1.04 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
<b>QTP0</b>	2017-18	\$100,245,000	\$100,245,000	\$0	\$1.040	\$1,042,548	\$1,042,548	\$0	\$0	\$0
<b>QTP1</b>	2018-19	\$263,625,000	\$263,625,000	\$0	\$1.040	\$2,741,700	\$2,741,700	\$0	\$0	\$0
<b>QTP2</b>	2019-20	\$300,750,000	\$300,750,000	\$0	\$1.040	\$3,127,800	\$3,127,800	\$0	\$0	\$0
VL1	2020-21	\$573,375,000	\$30,000,000	\$543,375,000	\$1.040	\$5,963,100	\$312,000	\$5,651,100	-\$6,018,735	\$0
VL2	2021-22	\$567,648,750	\$30,000,000	\$537,648,750	\$1.040	\$5,903,547	\$312,000	\$5,591,547	\$0	\$5,591,547
VL3	2022-23	\$561,979,763	\$30,000,000	\$531,979,763	\$1.040	\$5,844,590	\$312,000	\$5,532,590	\$0	\$5,532,590
VL4	2023-24	\$556,367,465	\$30,000,000	\$526,367,465	\$1.040	\$5,786,222	\$312,000	\$5,474,222	\$0	\$5,474,222
VL5	2024-25	\$550,811,290	\$30,000,000	\$520,811,290	\$1.040	\$5,728,437	\$312,000	\$5,416,437	\$0	\$5,416,437
VL6	2025-26	\$545,310,677	\$30,000,000	\$515,310,677	\$1.040	\$5,671,231	\$312,000	\$5,359,231	\$0	\$5,359,231
VL7	2026-27	\$539,865,071	\$30,000,000	\$509,865,071	\$1.040	\$5,614,597	\$312,000	\$5,302,597	\$0	\$5,302,597
VL8	2027-28	\$534,473,920	\$30,000,000	\$504,473,920	\$1.040	\$5,558,529	\$312,000	\$5,246,529	\$0	\$5,246,529
VL9	2028-29	\$529,136,681	\$30,000,000	\$499,136,681	\$1.040	\$5,503,021	\$312,000	\$5,191,021	\$0	\$5,191,021
VL10	2029-30	\$523,852,814	\$30,000,000	\$493,852,814	\$1.040	\$5,448,069	\$312,000	\$5,136,069	\$0	\$5,136,069
<b>VP1</b>	2030-31	\$518,621,786	\$518,621,786	\$0	\$1.040	\$5,393,667	\$5,393,667	\$0	\$0	\$0
<b>VP2</b>	2031-32	\$513,443,068	\$513,443,068	\$0	\$1.040	\$5,339,808	\$5,339,808	\$0	\$0	\$0
<b>VP3</b>	2032-33	\$508,316,137	\$508,316,137	\$0	\$1.040	\$5,286,488	\$5,286,488	\$0	\$0	\$0
<b>VP4</b>	2033-34	\$503,240,476	\$503,240,476	\$0	\$1.040	\$5,233,701	\$5,233,701	\$0	\$0	\$0
<b>VP5</b>	2034-35	\$498,215,571	\$498,215,571	\$0	\$1.040	\$5,181,442	\$5,181,442	\$0	\$0	\$0
						<b>\$90,368,496</b>	<b>\$36,467,153</b>	<b>\$53,901,343</b>	<b>-\$6,018,735</b>	<b>\$48,250,243</b>

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 BISD currently levying a \$0.2750 per \$100 I&S rate. While the value of the Exxon project is expected to depreciate over the life of the agreement and beyond, local taxpayers should benefit from the addition of the ExxonMobil project to the local I&S tax roll.

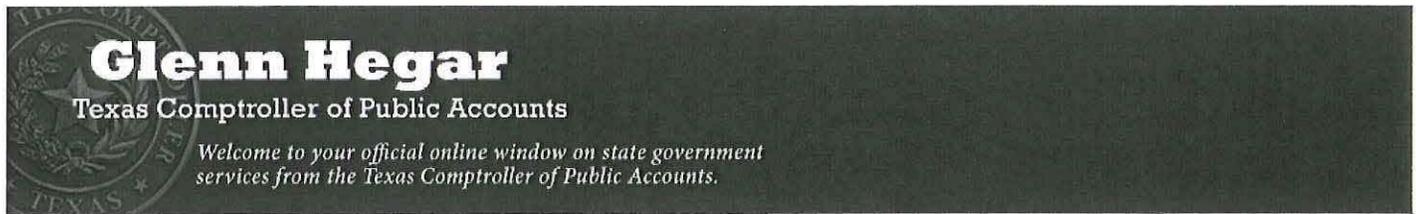
The project is not expected to affect BISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**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.

# Attachment E

## Taxable Value of Property



## 2014 ISD Summary Worksheet

### 123/Jefferson

#### 123-910/Beaumont ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
<b>A. Single-Family Residences</b>	3,607,533,707	1.0086	3,576,773,455	3,607,533,707
<b>B. Multi-Family Residences</b>	310,293,615	1.0034	309,242,192	310,293,615
<b>C1. Vacant Lots</b>	106,472,671	N/A	106,472,671	106,472,671
<b>C2. Colonia Lots</b>	0	N/A	0	0
<b>D1. Rural Real(Taxable)</b>	7,290,639	1.0343	7,048,962	7,290,639
<b>D2. Real Prop Farm &amp; Ranch</b>	774,118	N/A	774,118	774,118
<b>E. Real Prop NonQual Acres</b>	92,423,116	N/A	92,423,116	92,423,116
<b>F1. Commercial Real</b>	1,372,196,595	.8723	1,573,078,752	1,372,196,595
<b>F2. Industrial Real</b>	2,689,003,430	N/A	2,689,003,430	2,689,003,430
<b>G. Oil, Gas, Minerals</b>	71,828,782	N/A	71,828,782	71,828,782
<b>J. Utilities</b>	336,865,460	1.0316	326,546,588	336,865,460
<b>L1. Commercial Personal</b>	916,711,037	1.0085	908,984,667	916,711,037
<b>L2. Industrial Personal</b>	1,192,168,933	N/A	1,192,168,933	1,192,168,933
<b>M. Other Personal</b>	5,764,580	N/A	5,764,580	5,764,580
<b>N. Intangible Personal Prop</b>	0	N/A	0	0
<b>O. Residential Inventory</b>	8,562,310	N/A	8,562,310	8,562,310
<b>S. Special Inventory</b>	42,083,440	N/A	42,083,440	42,083,440
<b>Subtotal</b>	10,759,972,433		10,910,755,996	10,759,972,433
<b>Less Total Deductions</b>	974,942,487		966,419,125	974,942,487
<b>Total Taxable Value</b>	9,785,029,946		9,944,336,871	9,785,029,946

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

**Value Taxable For M&O Purposes**

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>	<b>T5</b>	<b>T6</b>
10,020,599,970	9,785,029,946	10,020,599,970	9,785,029,946	9,836,710,326	9,836,710,326
	<b>Loss To the Additional \$10,000 Homestead Exemption</b>			<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>	
235,570,024		0			

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I&S Purposes**

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>	<b>T11</b>	<b>T12</b>
10,020,599,970	9,785,029,946	10,020,599,970	9,785,029,946	9,836,710,326	9,836,710,326

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax

ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

In 2015, the Texas Legislature passed House Bill 855, which requires state agencies to publish a list of the three most commonly used Web browsers on their websites. The Texas Comptroller's most commonly used Web browsers are Microsoft Internet Explorer, Google Chrome and Apple Safari.

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# Attachment F

## TEA's Facilities Value

Attachment G  
Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED  
VALUE OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES**

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by and between

**BEAUMONT INDEPENDENT SCHOOL DISTRICT**

and

**EXXONMOBIL OIL CORPORATION**

*(Texas Taxpayer ID # 11354015700)*

Comptroller Application # 1119

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Dated

August 23, 2016

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR  
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

*STATE OF TEXAS* §

*COUNTY OF JEFFERSON* §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BEAUMONT INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **EXXONMOBIL OIL CORPORATION**, Texas Taxpayer Identification Number 11354015700 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

**RECITALS**

**WHEREAS**, on December 15, 2015, the Superintendent of Schools of the Beaumont Independent School District, acting as agent of the Board of Managers of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on December 15, 2015, the Board of Managers has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

**WHEREAS**, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, the District and the Texas Comptroller's Office have determined that the Application is complete and February 17, 2016, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

**WHEREAS**, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Jefferson County Appraisal District established in Jefferson County, Texas (the "Jefferson County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

**WHEREAS**, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on March 29, 2016, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

**WHEREAS**, the District's Board of Managers, by Board vote on August 23, 2016, ratified the Superintendent's July 13, 2016, written extension of the statutory deadline by which the District must consider the Application until September 30, 2016, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

**WHEREAS**, the Board of Managers has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, on August 23, 2016, the Board of Managers conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

**WHEREAS**, on August 23, 2016, the Board of Managers made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

**WHEREAS**, on August 19, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

**WHEREAS**, on August 23, 2016 the Board of Managers approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Managers has authorized Board of Managers member Joe Domino to execute and deliver such Agreement to the Applicant; and

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.1 DEFINITIONS.** Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means ExxonMobil Oil Corporation, (*Texas Taxpayer ID #11354015700*) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in EXHIBIT 3 of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in EXHIBIT 4 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on December 15, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Managers of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Jefferson County Appraisal District.

“Board of Managers” means the Board of Managers of the Beaumont Independent School District.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Jefferson County, Texas.

"District" or "School District" means the Beaumont Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

"Land" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these

provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

**Section 1.2 NEGOTIATED DEFINITIONS.** Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Aggregate Limit” means, for any Tax Year during the “Limit Calculation Period,” as such term is defined in this Section 1.2, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying by the District’s Average Daily Attendance, as calculated

pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2015-2016 Average Daily Attendance of 17,414 (rounded to the nearest whole number) times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2016, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

"Applicable School Finance Law" means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Applicant's Stipulated Supplemental Payment Amount" means, for purposes of Article VI, for any Tax Year during the "Supplemental Payment Period," as such term is defined in this Section 1.2, an amount equal to thirty percent (30%) of the "Net Tax Benefit," as such term is defined in this Section 1.2, for such Tax Year.

"Cumulative Payments" means, for any Tax Year during the term of this Agreement, the total of all payments, calculated under Articles IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by the Applicant for all previous Tax Years during the term of this Agreement.

"Cumulative Unadjusted Tax Benefit" means, for any Tax Year during the term of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years during the term of this Agreement.

"Limit Calculation Period" means the thirteen-year period from and including the Tax Year 2017 through and including the Tax Year 2029.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"M&O Amount" has the meaning given such term in Section 4.2.

"New M&O Revenue" has the meaning given such term in Section 4.2. A. ii.

"Net Tax Benefit" means, for any Tax Year during the "Supplemental Payment Period," as such term is defined in this Section 1.2, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any payments due to the District under Articles IV, V and VI under this Agreement for such Tax Year and all previous Tax Years during the term of this Agreement.

"Original M&O Revenue" has the meaning given such term in Section 4.2. A. i.

"Supplemental Payment Period" means the ten-year period from and including the Tax Year 2020 through and including the Tax Year 2029.

"Supplemental Payments" has the meaning given such term in Section 6.1(a).

"Unadjusted Tax Benefit" means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant's Qualified Property used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Thirty Million Dollars (\$30,000,000.00)), by (ii) the District's maintenance and operations tax rate for such Tax Year.

## ARTICLE II AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

**Section 2.1. AUTHORITY.** This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

**Section 2.2. PURPOSE.** In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

**Section 2.3. TERM OF THE AGREEMENT.**

- A. The Application Review Start Date for this Agreement is February 17, 2016, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is August 23, 2016.
- C. The Qualifying Time Period for this Agreement:
  - i. Starts on January 2, 2017, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE;
  - ii. Ends on December 31, 2019, the last day of the second complete Tax Year following the Qualifying Time Period start date.
- D. The Tax Limitation Period for this Agreement:
  - i. Starts on January 1, 2020, the first complete Tax Year that begins after the end of the Qualifying Time Period; and
  - ii. Ends on December 31, 2029, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
- E. The Final Termination Date for this Agreement is December 31, 2034, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

**Section 2.4. TAX LIMITATION.** So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Thirty Million Dollars (\$30,000,000), based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

**Section 2.5. TAX LIMITATION ELIGIBILITY.** In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least \$1,039.50 for all New Non-Qualifying Jobs created by the Applicant.

**Section 2.6. TAX LIMITATION OBLIGATIONS.** In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

### **ARTICLE III QUALIFIED PROPERTY**

**Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.** At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

**Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.** The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

**Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.** The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4**

shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Managers provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

**Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.** In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in EXHIBIT 4, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

**Section 3.5. QUALIFYING USE.** The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as property used for manufacturing.

#### **ARTICLE IV PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** Subject to the limitations contained in this Agreement (including Sections 7.1 and 4.10), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a producing cause, or which resulted, at least in part, because of, or on account of, the execution of this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, such other payments as set forth in Articles V and VI of this Agreement. Subject to the limitations contained in this Agreement (including Sections 7.1 and 4.10), it is the intent of the Parties that the risk of any negative financial consequence to the District's Maintenance and Operations Revenue, to which the execution of this Agreement contributed in any manner, will be borne solely by the Applicant and not by the District.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, and are not intended to be relied upon, and have not been relied upon, by the Parties as a prediction of future consequences to either Party; (ii) based upon the current Applicable School Finance Law, which is subject to change by

statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.** Subject to the provisions of Sections 4.10, 7.1 and 7.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by the Applicant to the District means the Original M&O Revenue *minus* the New M&O Revenue, based on the following definitions, where:
  - i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for the school year, under the Applicable School Finance Law for such Tax Year, had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the District's ad valorem maintenance and operations tax at the District-adopted rate for the applicable Tax Year. For purposes of this calculation, the Third Party (as defined in Section 4.3) will base its calculations upon (1) the total Taxable Values for the applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, *plus* (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's maintenance and operations ad valorem tax purposes).
  - ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District actually received or is accrued to the District in accordance with the provisions of the Applicable School Finance Law for such school year.
- B. In making the calculations required by this Section 4.2:
  - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for the year for which the calculation is made.

- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2, results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for any year during the Tax Limitation Period under Subsection *ii* of Section 4.2.A will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made using a methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factor not contained in this Agreement.

**Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.** All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly selected and appointed each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by a mediator selected in accordance with the procedures set forth in Section 9.3A.

**Section 4.4. DATA USED FOR CALCULATIONS.** The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

**Section 4.5. DELIVERY OF CALCULATIONS.** On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, and/or Article VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall

be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculations until the Final Termination Date. The Applicant shall not be liable for any of the Third Party's costs resulting from a review or audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.6, if such fee is timely paid.

**Section 4.6. PAYMENT BY APPLICANT.** The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.5, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 and Section 4.5 which exceeds Fifteen Thousand Dollars (\$15,000.00).

**Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.** If at the time the Third Party selected and appointed under Section 4.3 makes its calculations under this Agreement the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property and/or the Applicant's Qualified Investment and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment, respectively, by the Appraisal District. If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations required by this Agreement for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

**Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Sections 7.1 and 4.10, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, the Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less

Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to but not to exceed the amount of the limits set forth in this Agreement (including Sections 7.1 and 4.10), that are necessary to offset any such negative impact on the District as a result of its participation in this Agreement. The calculation of any such payments to the District shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

**Section 4.9 RESOLUTION OF DISPUTES.** Should the Applicant disagree with the certification containing the calculations prepared and/or delivered pursuant to Section 4.5, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within ten (10) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the Board of Managers. Any such appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Managers within thirty (30) days of the Applicant's receipt of the Third Party's final determination of the certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

**Section 4.10. CUMULATIVE PAYMENT LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i (i.e. the Tax Year 2016), and ending with the Tax Year 2029, which is the first Tax Year following the end of the Tax Limitation Period, exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Cumulative Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period (i.e. the Tax Year 2029) because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

## **ARTICLE V PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES**

**Section 5.1. EXTRAORDINARY EXPENSES.** In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, the Applicant on an annual basis shall also indemnify and reimburse the District for all non-reimbursed costs, certified by the District's external auditor to

have been incurred by the District for extraordinary education-related expenses related to the project described in the Application that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to such project. The Applicant shall have the right to contest the findings of the District's external auditor in accordance with the procedures set forth in Section 4.9.

## **ARTICLE VI SUPPLEMENTAL PAYMENTS**

### **Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.**

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and V and this Article VI are subject to the limitations contained in Sections 7.1 and 4.10, and that all payments under this Article VI are subject to the separate limitations contained in Sections 6.2 and 6.3.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed either (i) the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement, (ii) or the amount described in Section 6.3.

### **Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.** Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article VI shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period;

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement; and

D. for purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s 2015-2016 Average Daily Attendance of 17,414 (rounded to the nearest whole number).

**Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT**

Subject to the limitations contained in this Agreement, for each Tax Year during the Supplemental Payment Period, the District shall be entitled to receive Supplemental Payments equal to the greater of the following:

- (a) the “Applicant’s Stipulated Supplemental Payment Amount,” as such term is defined in Section 1.2, for such Tax Year; or,
- (b) the amount listed below corresponding to such Tax Year:

<u>TAX YEAR</u>	<u>PAYMENT DUE DATE</u>	<u>PAYMENT AMOUNT</u>
2020	January 31, 2021	\$1,447,500.00
2021	January 31, 2022	\$1,447,500.00
2022	January 31, 2023	\$1,447,500.00
2023	January 31, 2024	\$1,447,500.00
2024	January 31, 2025	\$1,447,500.00
2025	January 31, 2026	\$1,447,500.00
2026	January 31, 2027	\$1,447,500.00
2027	January 31, 2028	\$1,447,500.00
2028	January 31, 2029	\$1,447,500.00
2029	January 31, 2030	\$1,447,500.00

**Section 6.4. ANNUAL CALCULATION OF APPLICANT'S STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.** The Parties agree that for each Tax Year of the Supplemental Payment Period, the Applicant's Stipulated Supplemental Payment Amount, described in Section 6.3(a), above will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, and with respect to each Tax Year included in the computation of the Net Tax Benefit used in the calculation of the Applicant's Stipulated Supplemental Payment Amount for such Tax Year, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Minus,*

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Multiplied by,*

The District's maintenance and operations tax rate for such Tax Year, or the applicable school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

*Minus,*

Any amounts previously paid to the District under Articles IV and V for such Tax Year;

*Multiplied by,*

The number 0.30;

*Minus,*

Any amounts previously paid to the District under this Article VI with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party selected pursuant to Section 4.3, above, shall adjust the Applicant's

Stipulated Supplemental Payment Amount calculation to reflect any changes in the data.

**Section 6.5. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT.** For each Tax Year during the Supplemental Payment Period the District, or its successor beneficiary should one be designated under Section 6.7 below shall not be entitled to receive Supplemental Payments, computed under Sections 6.2, 6.3 and 6.4 above, that exceed the Aggregate Limit.

If, for any Tax Year during the Supplemental Payment Period, the amount of the Supplemental Payment for such Tax Year, calculated under Sections 6.2, 6.3 and 6.4 above, exceeds the Aggregate Limit for such Tax Year, the difference between the Supplemental Payment so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the Supplemental Payment Period, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the Supplemental Payment Period, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article VI, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Supplemental Payments which cannot be paid to the District on or before January 31, 2030, because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

**Section 6.6. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.**

- (a) All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Supplemental Payments unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.5.
- (c) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.6.

**Section 6.7. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.** At any time during the term of this Agreement, the Board of Managers may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that any

of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Managers at a properly posted public meeting of the Board of Managers. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1 below. Such designation may be rescinded by the Board of Managers, by action of the Board of Managers, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section 6.7 shall not alter the limits on Supplemental Payments described in this Article IV, including Sections 6.2 and 6.3, above.

Notwithstanding the foregoing, any payments made by the Applicant shall be made in the manner and to the Party designated in this Agreement unless the Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

## **ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

**Section 7.1. ANNUAL LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

**Section 7.2. OPTION TO TERMINATE AGREEMENT.** In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

**Section 7.3. EFFECT OF OPTIONAL TERMINATION.** Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

## **ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT**

**Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

**Section 8.2. REPORTS.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

**Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.** During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

**Section 8.4. DATA REQUESTS.** Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

**Section 8.5. SITE VISITS AND RECORD REVIEW.** The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

**Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.** By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of

Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

**Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.** The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

## ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

**Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.** The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or

such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

**Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Managers showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Managers is not satisfied with such response or that such breach has been cured, then the Board of Managers shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Managers. At the hearing, the Board of Managers shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Managers determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Managers shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

**Section 9.3. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge

then presiding in Jefferson County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Jefferson County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

#### **Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.**

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District

pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

**Section 9.5. LIMITATION OF OTHER DAMAGES.** Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

**Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.** Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

**Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS.** Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section

313.0276 of TEXAS TAX CODE, and that determination is final.

**Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.**

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

**ARTICLE X  
MISCELLANEOUS PROVISIONS**

**Section 10.1. INFORMATION AND NOTICES.**

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. John Frossard  
Superintendent  
Beaumont Independent School District  
3395 Harrison Avenue  
Phone: (409) 617-5000  
Facsimile: (409) 617-5184  
Email: jfrossa@bmtisd.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Darren Owen  
Property Tax Division Manager  
ExxonMobil Oil Corporation  
1735 Hughes Landing Blvd.  
Houston, Texas 77001  
(832) 624-5089 Telephone  
(713) 613-3514 Facsimile  
Email: Darren.d.owen@exxonmobil.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

#### **Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Managers, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
  - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
  - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
  - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Managers shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

### **Section 10.3. ASSIGNMENT.**

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

**Section 10.4. MERGER.** This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

**Section 10.5. GOVERNING LAW.** This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Jefferson County.

**Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.** Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

**Section 10.7. SEVERABILITY.** If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

**Section 10.8. PAYMENT OF EXPENSES.** Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

**Section 10.9. INTERPRETATION.**

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to

include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

**Section 10.10. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

**Section 10.11. PUBLICATION OF DOCUMENTS.** The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

**Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.** The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

**Section 10.13. DUTY TO DISCLOSE.** If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

**Section 10.14. CONFLICTS OF INTEREST.**

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL

GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

**Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.** Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

- B. Delivery is deemed complete as follows:
- i. When delivered if delivered personally or sent by express courier service;
  - ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
  - iii. When transmitted if sent by facsimile, provided a confirmation of

- transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

*IN WITNESS WHEREOF*, this Agreement has been executed by the Parties in multiple originals on this 23rd day of August, 2016.

**EXXONMOBIL OIL CORPORATION**

By: *Darren Owen*  
Name: *Darren Owen*  
Title: *Property Tax Manager*

**BEAUMONT INDEPENDENT SCHOOL DISTRICT**

By: *[Signature]*  
Dr. Jimmy Simmons  
President, Board of Managers

ATTEST: *[Signature]*  
Robert Turner  
Secretary, Board of Managers

## EXHIBIT 1

### DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Beaumont Independent School District Board of Managers created the *ExxonMobil Oil Corporation Reinvestment Zone Number 2*. The legal description of the *ExxonMobil Oil Corporation Reinvestment Zone Number 2* is described as the parcel of land indentified on the appraisal records of the Jefferson County Appraisal District by the following account:

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.

A map of the *ExxonMobil Oil Corporation Reinvestment Zone Number 2* is attached as the next page of this EXHIBIT 1.



Agreement for Limitation on Appraised Value  
Between Beaumont ISD and ExxonMobil Oil Corporation  
August 23, 2016

Texas Economic Development Act Agreement  
Comptroller Form 50-826 (January 2016)

**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF LAND**

**See Exhibit 1.**

### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

##### Description

ExxonMobil Oil Corporation ("ExxonMobil" or the "Applicant") proposes to construct a new world-class, high-performance polyethylene plant in Jefferson County, Texas, on unimproved land adjacent to the Applicant's existing Beaumont, Texas, plant (the "Project"). The proposed Project would have an annual capacity of 650,000 tons of polyethylene and would utilize Best Available Control Technology to minimize emissions in keeping with Exxon Mobil's commitment to environmental stewardship.

The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process facilities, infrastructure and auxiliary equipment, including but not limited to, compressors, drums, vessels, heat exchangers, pumps, filters, reactors, packaged systems, blowers and fans, dryers, dust collection units, mixers, feeders, extruder, rotary valves, scales, trolleys and hoists, utility service lines, storage tanks, blending silos, electrical switchgear, transformers, substations, instrumentation, equipment and structural foundations including supports, control equipment and facilities, warehouses, raw material and utility distribution improvements, flare, cooling towers, inter-plant piping and utilities, tie-ins, road improvements, control building, fire prevention and safety equipment, railroad tracks, railroad switches, rail car loading equipment, rail car washing buildings and equipment, any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions related to the polyethylene unit, including, but not limited to the following:

Polymerization Line	Rail Yard
Finishing Line	Pipeline Interconnects
Clarifier	Vapor Recovery Unit
Flare System	Pellet Packaging Equipment
Cooling Tower	Electrical Switchgear
Air Compression and Dryer System	Pipe Racks
Butane Storage	Polyethylene Reactor
Hopper Car Loading Area	Pellet Extruder
Control Building	Shipping Facilities



**EXHIBIT 4**

**DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY**

See **Exhibit 3**.

**EXHIBIT 5  
AGREEMENT SCHEDULE**

	<b>Year</b>	<b>Date of Appraisal</b>	<b>School Year</b>	<b>Tax Year</b>	<b>Summary Description</b>
Pre-Limitation Period	Partial Deferral Year Beginning on the Application Approval Date (08/23/16)	January 1, 2016	2016-2017	2016	Application Approval Date (08/23/2016). No limitation on appraised value.
	Partial Year Deferral Period (01/01/2017)	January 1, 2017	2017-2018	2017	Deferral Period. No limitation on appraised value.
	Partial Year Beginning on 01/02/2017	January 1, 2017	2017-2018	2017	Qualifying Time Peirod beginning on 01/02/2017. No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2018	2018-2019	2018	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2019	2019-2020	2019	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	3	January 1, 2020	2020-2021	2020	\$30 million appraised value limitation.
	4	January 1, 2021	2021-2022	2021	\$30 million appraised value limitation.
	5	January 1, 2022	2022-2023	2022	\$30 million appraised value limitation.
	6	January 1, 2023	2023-2024	2023	\$30 million appraised value limitation.
	7	January 1, 2024	2024-2025	2024	\$30 million appraised value limitation.
	8	January 1, 2025	2025-2026	2025	\$30 million appraised value limitation.
	9	January 1, 2026	2026-2027	2026	\$30 million appraised value limitation.
	10	January 1, 2027	2027-2028	2027	\$30 million appraised value limitation.
	11	January 1, 2028	2028-2029	2028	\$30 million appraised value limitation.
	12	January 1, 2029	2029-2030	2029	\$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	13	January 1, 2030	2030-2031	2030	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	16	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	17	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Agreement for Limitation on Appraised Value  
Between Beaumont ISD and ExxonMobil Oil Corporation  
August 23, 2016

*Texas Economic Development Act Agreement  
Comptroller Form 50-826 (January 2016)*

Attachment I

Agreement Review Letter



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 19, 2016

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

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Beaumont Independent School District and ExxonMobil Corporation, Application # 1119

Dear Superintendent Frossard:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between Beaumont Independent School District and ExxonMobil Corporation (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at [desiree.caufield@cpa.texas.gov](mailto:desiree.caufield@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 6-8597, or direct in Austin at 512-936-8597.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan". The signature is written in a cursive style.

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Demerath, PC  
Darren Owen, ExxonMobil Oil Corporation  
Craig Mann, ExxonMobil Oil Corporation  
Stephen Kuntz, Norton Rose Fulbright

# Attachment H

## Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

August 23, 2016

President and Members  
Board of Managers  
Beaumont Independent School District  
3395 Harrison Avenue  
Beaumont, TX 77706

*Re: Recommendations and Findings of the firm Concerning Application of ExxonMobil Oil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President and Members of the Board of Managers:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Beaumont Independent School District, with respect to the pending Application of ExxonMobil Oil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Managers approve the Application of ExxonMobil Oil Corporation for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

[www.moakcasey.com](http://www.moakcasey.com)

Phone 512-485-7878

400 W. 15<sup>th</sup> Street \* Suite 1410 \* Austin, TX 78701-1648

Fax 512-485-7888

# O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE McCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

August 23, 2016

President and Members  
Of the Board of Managers  
Beaumont Independent School District  
3395 Harrison Avenue  
Beaumont, TX 77706

*Re: Recommendations and Findings of the Firm Concerning Application of  
ExxonMobil Oil Corporation for Limitation on Appraised Value of Property for  
School District Maintenance and Operations Taxes*

Dear President and Members of the Board of Managers:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Beaumont Independent School District, with respect to the pending Application of ExxonMobil Oil Corporation for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and ExxonMobil Oil Corporation. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Managers approve the Application of ExxonMobil Oil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written over a horizontal line.

Kevin O'Hanlon  
For the Firm

## Attachment J

# Conflict Of Interest Disclosure

### **Conflicts of Interest Disclosure Procedure**

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:  
The person owns at least:
  - a. Ten percent of the voting stock or shares of the business entity, or
  - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
  - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.