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TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

December 6, 2016

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

RE: Application 1163 to the Beaumont Independent School District from ExxonMobil Oil Corporation  
**(First Qualifying Year 2021, First Value Limitation Year 2023)**

To the Local Government Assistance & Economic Analysis Division:

Please find attached Amendment 1 to Application 1163. The following updates have been made:

- Page 7 and Tab 13 have been updated using only the wage information for 'Private' employers
- Schedule A1 has been updated to demonstrate that the investment during the deferral period may result in qualified property, but will not be counted as qualifying investment.

A copy of the amended 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

**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 2016  
(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 ..... 1,073.75
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 2,167.00
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,337.92
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? ..... \$69,571.70
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$69,571.70
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

- **\$1,073.75**

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

- **\$2,167.00**

C. 110% of the average manufacturing wage for the South East Texas Regional Planning Commission Council of Government region

- **\$1,337.92 weekly / \$69,571.70 annually**

See attachments

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

Year	Period Quarter	Area	Industry	Avg. Weekly Wages
2015	3	Jefferson County	Total-All	\$1,010
2015	4	Jefferson County	Total-All	\$1,145
2016	1	Jefferson County	Total-All	\$1,106
2016	2	Jefferson County	Total-All	\$1,034
Average of most recent 4 Qtrs.				<b>\$1,073.75</b>

Year	Period Quarter	Area	Industry	Avg. Weekly Wages
2015	3	Jefferson County	Manufacturing	\$1,783
2015	4	Jefferson County	Manufacturing	\$1,948
2016	1	Jefferson County	Manufacturing	\$2,285
2016	2	Jefferson County	Manufacturing	\$1,864
Average of most recent 4 Qtrs.				\$1,970.00
Chapter 313 calculation: 110% of weekly avg.				<b>\$2,167.00</b>

Year	Month	Region	Avg. Annual Wage
2015	July	South East Texas Regional Planning Commission	\$63,247
Chapter 313 calculation: 110% of weekly avg.			<b>\$69,571.70</b>
Weekly Wage			<b>\$1,337.92</b>

# Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	3rd Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,010
2015	4th Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,145
2016	1st Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,106
2016	2nd Qtr	Jefferson County	Private	00	0	10	Total, All Industries	\$1,034

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\$ 4,295.00

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÷ 4

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\$ 1,073.75

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x 52 weeks

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\$55,835.00

**Quarterly Employment and Wages (QCEW)**[Back](#)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	3rd Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,783
2015	4th Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,948
2016	1st Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$2,285
2016	2nd Qtr	Jefferson County	Private	31	2	31-33	Manufacturing	\$1,864

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\$ 7,880.00

÷ 4

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\$ 1,970.00

x 110%

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\$ 2,167.00

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x 52 weeks

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\$112,684.00

**2015 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

\$63,247.00  
x 110%  
\$69,571.70  
÷ 52 weeks  
\$ 1,337.92

Date11/17/16Applicant NameExxonMobil Oil CorporationISD NameBeaumont ISD

Form 50-296ARevised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	Column B New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Column C Other new investment made during this year that will <b>not</b> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E <b>Total Investment</b> (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property		\$0	\$0	\$0
Investment made after filing complete application with district, but before final board approval of application				\$0	\$0	\$0	\$0	\$0
Investment made after filing complete application with district, but before final board approval of application		2017-2018	2017	\$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				\$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		2018-2019	2018	\$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		2019-2020	2019	\$0	\$0	\$0	\$135,000,000	\$135,000,000
Investment made after final board approval of application and before January 1 of first complete tax year of qualifying time period		2020-2021	2020	\$0	\$0	\$0	\$405,000,000	\$405,000,000
Complete tax years of qualifying time period	QTP1	2021-2022	2021	\$60,000,000	\$540,000,000	\$0	\$0	\$600,000,000
	QTP2	2022-2023	2022	\$36,000,000	\$324,000,000	\$0	\$0	\$360,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$96,000,000	\$864,000,000	\$0	\$540,000,000	\$1,500,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$960,000,000				

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 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.

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.

1163-beaumont-exxon-12.6.16 amendment001





# 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 of Schools

Title

sign  
here

*[Handwritten Signature]*

Signature (Authorized School District Representative)

12-6-2016

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

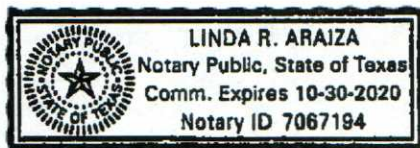
sign  
here

*[Handwritten Signature]*

Signature (Authorized Company Representative (Applicant))

12/5/2016

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

5<sup>th</sup> day of December

*[Handwritten Signature]*

Notary Public in and for the State of Texas

My Commission expires: 10-30-2020

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.