

**FINDINGS OF THE BEAUMONT
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
EXXONMOBIL OIL CORPORATION (#1163)**



May 18, 2017

**FINDINGS
OF THE
BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF MANAGERS
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
EXXONMOBIL OIL CORPORATION (#1163)**

MAY 18, 2017

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF MANAGERS UNDER
THE TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
EXXONMOBIL OIL CORPORATION (#1163)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On the 18th day of May, 2017, 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 November 17, 2016, 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 December 19, 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 January 27, 2017 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 25th 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 analysis 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 crude fractionation tower, a new diesel hydro-treating unit, a new jet hydro-treating unit, and related facilities in Jefferson County, Texas, on unimproved land within the Applicant’s existing Beaumont, Texas, Refinery Complex (the “Project”).

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)
Limitation Pre-Years	2020	\$912,041	\$912,041	\$0	\$0
	2021	\$3,651,713	\$4,563,754	\$0	\$0
	2022	\$7,707,713	\$12,271,468	\$0	\$0
Limitation Period (10 Years)	2023	\$312,000	\$12,583,468	\$8,815,313	\$8,815,313
	2024	\$312,000	\$12,895,468	\$8,533,421	\$17,348,734
	2025	\$312,000	\$13,207,468	\$8,376,413	\$25,725,148
	2026	\$312,000	\$13,519,468	\$8,231,291	\$33,956,438
	2027	\$312,000	\$13,831,468	\$8,053,992	\$42,010,430
	2028	\$312,000	\$14,143,468	\$7,887,243	\$49,897,674
	2029	\$312,000	\$14,455,468	\$7,729,324	\$57,626,998
	2030	\$312,000	\$14,767,468	\$7,565,599	\$65,192,596
	2031	\$312,000	\$15,079,468	\$7,413,010	\$72,605,606
	2032	\$312,000	\$15,391,468	\$7,267,626	\$79,873,232
Maintain Viable Presence (5 Years)	2033	\$7,418,931	\$22,810,398	\$0	\$79,873,232
	2034	\$7,259,629	\$30,070,027	\$0	\$79,873,232
	2035	\$7,099,495	\$37,169,522	\$0	\$79,873,232
	2036	\$6,937,122	\$44,106,644	\$0	\$79,873,232
	2037	\$6,737,205	\$50,843,849	\$0	\$79,873,232
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$6,737,205	\$57,581,054	\$0	\$79,873,232
	2039	\$6,303,858	\$63,884,912	\$0	\$79,873,232
	2040	\$6,079,588	\$69,964,500	\$0	\$79,873,232
	2041	\$5,863,168	\$75,827,668	\$0	\$79,873,232
	2042	\$5,654,322	\$81,481,990	\$0	\$79,873,232
	2043	\$5,452,786	\$86,934,776	\$0	\$79,873,232
	2044	\$5,258,304	\$92,193,079	\$0	\$79,873,232
	2045	\$5,057,223	\$97,250,302	\$0	\$79,873,232
	2046	\$4,863,682	\$102,113,984	\$0	\$79,873,232
2047	\$4,677,400	\$106,791,384	\$0	\$79,873,232	

\$106,791,384
 is greater than **\$79,873,232**

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

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.
Source: CPA, ExxonMobil Oil Corporation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

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 the 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:

- Per ExxonMobil Oil Corporation in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “No public announcements of a definitive intent to construct the proposed new facilities at the Applicant’s Beaumont, Texas, Refinery Complex have been made (in that regard, there have been recent announcements by the Applicant (see attached) and related news articles (see examples attached) concerning its BPEX and SCANFiner Projects, Chapter 313 Agreement Nos. 1118 and 1119, but those announcements and news articles are unrelated to the potential project that is the subject of this application).”
 - B. “The impact of the property tax burden on the economic return of the proposed new facility is an important factor in the Applicant’s site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining

factor in the Applicant's decision to invest capital and construct the Project in the State of Texas."

- C. "Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil's final investment decision to construct and operate the proposed project in Texas."
- D. "[T]he Chapter 313 appraised value limitation is projected to result in \$87.76 million of tax savings. These savings have a material impact on the rate of return and discounted cash flow projections for the project and are equivalent to 5.9% of the projected total investment in the proposed project, and consequently are a significant and determining factor in ExxonMobil's decision to invest in this project in Texas."

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 \$69,571.70 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 \$877.6 million to the tax base for debt service purposes at the peak investment level for the 2023-24 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 2015 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 \$3.9 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 18th day of May 2017.

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

November 30, 2016

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 2021, First Value Limitation Year 2023**)

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 November 17, 2016. The Board voted to accept the application on November 17, 2016. The application has been determined complete as of November 30, 2016. 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 2023. 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 (Chapter 313, Subchapter B or
C of the Texas Tax Code)**

BEAUMONT INDEPENDENT SCHOOL DISTRICT

APPLICANT:

EXXONMOBIL OIL CORPORATION

November 17, 2016

TAB 1

Pages 1 through 9 of Application



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/. 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

November 17, 2016

Date Application Received by District

John

First Name

Superintendent

Title

Beaumont Independent School District

School District Name

3395 Harrison Avenue, Beaumont, TX 77706

Street Address

3395 Harrison Avenue

Mailing Address

Beaumont

City

409-617-5000

Phone Number

Mobile Number (optional)

Frossard

Last Name

TX

State

409-617-5184

Fax Number

jfrossa@bmtisd.com

Email Address

77706

ZIP

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 and 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? November 30, 2016

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	ExxonMobil Oil Corporation	
Title	Organization	
1735 Hughes Landing Boulevard, The Woodlands, TX 77380		
Street Address		
P. O. Box 53		
Mailing Address		
Houston	TX	77001-0053
City	State	ZIP
832-624-5089	713-613-3514	
Phone Number	Fax Number	
	darren.d.owen@exxonmobil.com	
Mobile Number (optional)	Business Email Address	

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 Boulevard, The Woodlands, TX 77380		
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	
Mobile Number (optional)	Business Email Address	

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

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 324110

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

Beaumont ISD-'04/#9, '16/#1118, #1119; Goose Creek ISD-'13/#242, '14/#265; Barbers Hill ISD-'13/#247, '14/#264

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**)

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 type="checkbox"/> Land has no existing improvements	<input checked="" 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.

SECTION 9: Projected Timeline

- 1. Application approval by school board 1 Q 2017
- 2. Commencement of construction 3 Q 2019
- 3. Beginning of qualifying time period 1/1/2021
- 4. First year of limitation 2023
- 5. Begin hiring new employees 2019
- 6. Commencement of commercial operations 4 Q 2022
- 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*)? Yes No
Note: 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? 4 Q 2022

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: Jefferson Co. / \$0.365 / 100% City: None
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: None Water District: None
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (*describe*): See Tab 6 Other (*describe*): See Tab 6
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 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/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
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

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, 2017

See Tab 16 for more information

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): \$ 0.00
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): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 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 1,054.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,165.90
 - 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**.

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

Print Name (Authorized School District Representative)

Title

sign here

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

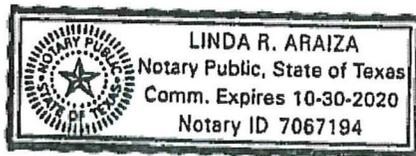
sign here

Darren Owen

Signature (Authorized Company Representative (Applicant))

11/11/2016

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

11th day of *November*, *2016*

Linda R Araiza
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.

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"> 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 <p>Note: 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"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

See Attached

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*

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

2016

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. Esso Exploration Inc.	11361736298	<input type="checkbox"/>
7. Exxon Chemical Services Middle East Inc.	591226406	<input type="checkbox"/>
8. ExxonMobil Inter-America Inc.	32039618569	<input checked="" type="checkbox"/>
9. ExxonMobil Biomedical Sciences, Inc.	11329587346	<input type="checkbox"/>
10. Jersey Nuclear-Avco Isotopes, Inc.	19108784000	<input checked="" type="checkbox"/>
11. Esso Virgin Islands, Inc.	660431387	<input checked="" type="checkbox"/>
12. Exxon Services Company, Inc.	591640476	<input checked="" type="checkbox"/>
13. Esso Trading Company Of Iran	131959872	<input checked="" type="checkbox"/>
14. ExxonMobil Risk Management Inc.	17600060564	<input type="checkbox"/>
15. ExxonMobil Upstream Research Company	17414978217	<input type="checkbox"/>
16. Exxon Land Development Inc.	17414607337	<input type="checkbox"/>
17. ExxonMobil Pipeline Company	17413945126	<input type="checkbox"/>
18. ExxonMobil Travel Club, Inc.	17415023054	<input type="checkbox"/>
19. Petroleum Casualty Company	17408327108	<input type="checkbox"/>
20. ExxonMobil Coal USA Inc.	17420718359	<input type="checkbox"/>
21. Seariver Maritime Financial Holdings Inc.	17417540923	<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (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



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number: 135409005
 Report year: 2016
 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. Mobil Cortez Pipeline Inc.	17518220995	<input type="checkbox"/>
2. Neches River Treatment Corporation	11327612922	<input type="checkbox"/>
3. Mobil Alaska Pipeline Company	32048616323	<input checked="" type="checkbox"/>
4. Main Elk Corporation	132575831	<input checked="" type="checkbox"/>
5. Mobil Midstream Natural Gas Investments Inc.	10102876645	<input type="checkbox"/>
6. Mobil Oil Refining Corporation	11327715626	<input type="checkbox"/>
7. Houston County Timber Company	17511843801	<input type="checkbox"/>
8. ExxonMobil Technical Computing Company	17706934233	<input type="checkbox"/>
9. ExxonMobil Global Services Company	17605550569	<input type="checkbox"/>
10. ExxonMobil Development Company	17605735400	<input type="checkbox"/>
11. Mobil Eugene Island Pipeline Company	17515246118	<input type="checkbox"/>
12. Mobil Phosphate Minerals Inc.	11361704577	<input checked="" type="checkbox"/>
13. Exxon Services Venezuela, Inc.	980031110	<input checked="" type="checkbox"/>
14. Middle East Services Inc.	30114606426	<input checked="" type="checkbox"/>
15. ExxonMobil Chemical China Inc.	222586210	<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
18. Exxon Technology Holding Corp.	133409463	<input checked="" type="checkbox"/>
19. Exxon Asset Management Company, LLC	10612257872	<input type="checkbox"/>
20. Mobil Oil Abu Dhabi Inc.	136147418	<input type="checkbox"/>
21. Mobil Exploration Somalia, Inc.	541566976	<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

2016

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 Equity Holding Company	19801157785	<input type="checkbox"/>
2. Exxon Venezuela LNG Inc.	742640063	<input checked="" type="checkbox"/>
3. Exxon Billings Cogeneration Inc.	32052823492	<input checked="" type="checkbox"/>
4. Humble Gas Pipeline Co.	17603161708	<input type="checkbox"/>
5. Seaver Maritime Inc.	17604485957	<input type="checkbox"/>
6. ExxonMobil Catalyst Services, Inc.	17604730956	<input type="checkbox"/>
7. Exxon Pipeline Holdings, Inc.	17604861918	<input type="checkbox"/>
8. Exxon Chemical Licensing Co.	17605343783	<input type="checkbox"/>
9. ExxonMobil Surety Corporation	17605565351	<input type="checkbox"/>
10. ExxonMobil Power and Gas Services, Inc.	17605525512	<input type="checkbox"/>
11. ExxonMobil Investment Management, Inc.	17527582765	<input type="checkbox"/>
12. Pacific Offshore Pipeline Company	32048616307	<input checked="" type="checkbox"/>
13. ExxonMobil Capital Corporation	17605906183	<input type="checkbox"/>
14. ExxonMobil Saudi Arabia Holding (Southern Ghawar) In	760695233	<input checked="" type="checkbox"/>
15. ExxonMobil Saudi Arabia Holding (Red Sea) Inc.	760695235	<input checked="" type="checkbox"/>
16. ExxonMobil Ventures Funding Limited	32048616380	<input type="checkbox"/>
17. ExxonMobil Catalyst Technologies LLC	17606990046	<input type="checkbox"/>
18. ExxonMobil Standard Finance Company	010623505	<input checked="" type="checkbox"/>
19. ExxonMobil Ras Laffan Holdings, Inc.	752682692	<input type="checkbox"/>
20. ExxonMobil Oil & Gas Investments Limited	32048616406	<input type="checkbox"/>
21. ExxonMobil Chemical Technology Licensing LLC	32010538174	<input type="checkbox"/>

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Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1023

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number: 135409005
Report year: 2016
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. Alkylation Licensing LLC	32011048603	<input type="checkbox"/>
2. Golden Pass LNG LLC	17603302088	<input type="checkbox"/>
3. ExxonMobil LNG Supply LLC	32043020216	<input checked="" type="checkbox"/>
4. ExxonMobil Transportation Equipment Inc.	32014072238	<input type="checkbox"/>
5. ExxonMobil Qatargas (II) Surety Corporation	412163794	<input checked="" type="checkbox"/>
6. ExxonMobil Exploration Texas and New Mexico Inc.	14216445941	<input type="checkbox"/>
7. ExxonMobil Southwest Holdings Inc.	14216445842	<input type="checkbox"/>
8. ExxonMobil South Hook Surety Corporation	14121637921	<input type="checkbox"/>
9. ExxonMobil Permian Basin Inc.	432076148	<input type="checkbox"/>
11. ExxonMobil Affiliate Funding Limited	19806239851	<input type="checkbox"/>
12. Mobil Venezolana de Petroleos Holdings Inc.	13715216886	<input type="checkbox"/>
13. Mobil Pipe Line Company	17504094503	<input type="checkbox"/>
14. ExxonMobil Environmental Services Company	17706934241	<input type="checkbox"/>
15. ExxonMobil Alaska Midstream Gas Investments LLC	32051754185	<input checked="" type="checkbox"/>
16. Palmetto Transoceanic LLC	32038355460	<input type="checkbox"/>
17. PTE Pipeline LLC	32041325427	<input type="checkbox"/>
18. SV Texas, LLC	32046464981	<input type="checkbox"/>
19. Mobil Rocky Mountain Inc.	17518323484	<input type="checkbox"/>
20. Mobil Services (Bahamas) Limited	19804863033	<input type="checkbox"/>
21. ExxonMobil Golden Pass Surety LLC	32048615028	<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

2016

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. Mobil Fairfax Inc.	11328552390	<input checked="" type="checkbox"/>
2. Sailfish Point, Inc.	132887634	<input checked="" type="checkbox"/>
3. Mobil Film Products Holdings, Inc.	751957288	<input checked="" type="checkbox"/>
4. ExxonMobil U.S. Properties Inc.	12754445620	<input type="checkbox"/>
5. Mobil Marine Finance Company I, Inc.	752672724	<input checked="" type="checkbox"/>
6. Mobil Land Development Corporation	11326689939	<input type="checkbox"/>
7. Mobil Natural Gas Inc.	17521802680	<input type="checkbox"/>
8. Mobil Pacific Services Inc.	752172921	<input checked="" type="checkbox"/>
9. Mobil Exploration and Development Argentina Inc.	751637870	<input type="checkbox"/>
10. ExxonMobil Barzan Surety Corporation	32051754003	<input type="checkbox"/>
11. Mobil Marine Finance Company III, Inc.	742899219	<input checked="" type="checkbox"/>
12. DM Land Corporation	752293868	<input checked="" type="checkbox"/>
13. Mobil International Finance Corporation	11326236681	<input checked="" type="checkbox"/>
14. Mobil Vanderbilt-Beaumont Pipeline Company	17516733940	<input type="checkbox"/>
15. Wwelco Pipeline LLC	470855176	<input checked="" type="checkbox"/>
16. Walker Street Holdings LLC	462064183	<input checked="" type="checkbox"/>
17. Mobil Exploration & Producing U.S. Inc.	17521627665	<input type="checkbox"/>
18. ExxonMobil Chemical Films Asia Pacific, Inc.	752396826	<input checked="" type="checkbox"/>
19. Mobil Pacific Pipeline Company	752464632	<input checked="" type="checkbox"/>
20. ExxonMobil Shipping Company Inc.	17427032861	<input type="checkbox"/>
21. Mobil Gas Services Inc.	17604585053	<input type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number: 135409005 Report year: 2016 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 Kazakhstan Exploration and Production Inc	752606778	<input checked="" type="checkbox"/>
2. Mobil U.K. Properties, Inc.	17527258184	<input type="checkbox"/>
3. Mobil Illinois Pipeline Company	752662836	<input checked="" type="checkbox"/>
4. Mobil Exploration & Producing Tunisia, Inc.	752673773	<input checked="" type="checkbox"/>
5. ExxonMobil Alaska Production Inc.	17520963160	<input type="checkbox"/>
6. Mobil California Exploration & Producing Asset Compa	17527007730	<input type="checkbox"/>
7. Mobil E & P US Development Corporation	17527053122	<input type="checkbox"/>
8. ExxonMobil Oil Corporation	11354015700	<input type="checkbox"/>
9. Enjay, Inc.	11360442948	<input type="checkbox"/>
10. Exxon Communications Company	11360952409	<input checked="" type="checkbox"/>
11. ExxonMobil Western Sales and Supply Company	15101165601	<input type="checkbox"/>
12. Mobil Chemical International Ltd.	11325124789	<input type="checkbox"/>
13. Mobil LNG Indonesia Inc.	132773347	<input checked="" type="checkbox"/>
14. Mobil Producing Texas & New Mexico Inc.	11360963182	<input type="checkbox"/>
15. Mobil Oil Explr & Produc Southeast Inc	17516224932	<input type="checkbox"/>
16. Mobil Industrial Services Corporation	751707011	<input checked="" type="checkbox"/>
17. ExxonMobil Sales and Supply LLC	11319950215	<input type="checkbox"/>
18. Exxon Mobil Corporation and Affiliated Companies	135409005	<input checked="" type="checkbox"/>
19. ExxonMobil LNG Market Development Inc.	30118838850	<input type="checkbox"/>
20. Mobil Exploration and Producing North America Inc.	19512788209	<input type="checkbox"/>
21. ExxonMobil Gas Ventures, Inc.	17525977173	<input type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number 135409005 Report year 2016 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 Overseas Finance Company	275444150	<input checked="" type="checkbox"/>
2. XTO Energy Inc. - Home Office	17523477697	<input type="checkbox"/>
3. HHE Energy Company	751460494	<input type="checkbox"/>
4. XH, LLC	17518774249	<input type="checkbox"/>
5. XTO Offshore Inc.	17416640153	<input type="checkbox"/>
6. Barnett Gathering, LP	11136967715	<input type="checkbox"/>
7. Trend Gathering & Treating, LLC	12043189492	<input type="checkbox"/>
8. Mountain Gathering, LLC	12629387478	<input type="checkbox"/>
9. Fayetteville Gathering Company	32048616786	<input checked="" type="checkbox"/>
10. Nesson Gathering System, LLC	12088340018	<input type="checkbox"/>
12. Ringwood Gathering Company	17307388482	<input type="checkbox"/>
13. Timberland Gathering & Processing Company, Inc.	17526041052	<input type="checkbox"/>
14. Cross Timbers Energy Services, Inc.	17106380433	<input type="checkbox"/>
15. WTW Properties, Inc.	17525795427	<input type="checkbox"/>
16. HPT Land Company	30001447025	<input type="checkbox"/>
17. HPC Acquisition Corporation	32044494592	<input type="checkbox"/>
18. XTO Energy Inc. - Branch	17523477697	<input type="checkbox"/>
19. XTO Energy Inc.	17523477697	<input type="checkbox"/>
20. Ellora Energy, Inc.	10107171604	<input type="checkbox"/>
21. English Bay Pipeline, LP	17108924931	<input type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

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Reporting entity taxpayer number

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2016

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 Chemical Films International Inc.	742903238	<input type="checkbox"/>
2. Phillips Resources, Inc.	251290216	<input checked="" type="checkbox"/>
3. Phillips Exploration, Inc.	12514075931	<input checked="" type="checkbox"/>
4. Phillips Drilling Company	205091683	<input checked="" type="checkbox"/>
5. PHILCOAL, INC	251443612	<input checked="" type="checkbox"/>
6. TWP, Inc.	250725360	<input checked="" type="checkbox"/>
7. ExxonMobil Fuels Marketing - Global HDQ	11354090059	<input checked="" type="checkbox"/>
8. Near East Development Corporation	11360846908	<input type="checkbox"/>
9. VEI Limited Liability Company	621678781	<input checked="" type="checkbox"/>
10. Exxon Mobile Bay Limited Partnership	17603738216	<input type="checkbox"/>
11. 6541 Canada, LLC	270120377	<input checked="" type="checkbox"/>
12. Metroplex Barnett Shale LLC	32020485713	<input type="checkbox"/>
13. ExxonMobil Gas Pipeline Holding LLC	16409498819	<input type="checkbox"/>
14. International Oil & Gas LLC	455560103	<input checked="" type="checkbox"/>
15. VEI LLC	621678781	<input checked="" type="checkbox"/>
16. Collet Creek Unit # 1 RH-88-082-A	17602789517	<input checked="" type="checkbox"/>
17. Kirby Exploration Co F-I Agreement	17521581789	<input type="checkbox"/>
18. McElmo Creek Co. Supply Pipeline	15419309388	<input checked="" type="checkbox"/>
19. Texaco Logsdon # 1	17603363494	<input type="checkbox"/>
20. Sunzel Vahevala	13837560542	<input checked="" type="checkbox"/>
21. Mustang Pipe Line LLC	17526727163	<input type="checkbox"/>

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TX2016 05-165
Ver. 7.0 (Rev 9-11/3)

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2016

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 Asia Holding Pte. Ltd.	981158433	<input checked="" type="checkbox"/>
2. Yellowstone Energy LP	32052823492	<input checked="" type="checkbox"/>
3. Rana Gas Gathering System LLC	30119099221	<input checked="" type="checkbox"/>
4. PC Exploration Ltd PRT-1984	251467313	<input checked="" type="checkbox"/>
5. PC Exploration Ltd PTR-1989	251611049	<input checked="" type="checkbox"/>
6. PC Exploration Ltd PTR-1990	232614130	<input checked="" type="checkbox"/>
7. PC Exploration Ltd PTR-1991	251663475	<input checked="" type="checkbox"/>
8. PC Exploration Ltd PTR-2001	251888494	<input checked="" type="checkbox"/>
9. PC Exploration Ltd PTR-2003	200021868	<input checked="" type="checkbox"/>
10. PC Exploration Ltd PTR-2007	208994952	<input checked="" type="checkbox"/>
11. PC Exploration Ltd PTR-2008	262558358	<input checked="" type="checkbox"/>
12. Phillips Exploration Ltd Partnership 2010	272528594	<input checked="" type="checkbox"/>
13. Bonetok Tax Partnership	465194030	<input checked="" type="checkbox"/>
14. Ricky-Suzanne Tax Partnership	465290886	<input checked="" type="checkbox"/>
15. Vivian tax Partnership	465274629	<input checked="" type="checkbox"/>
16. PC Exploration Ltd Partnership 2009	264830379	<input checked="" type="checkbox"/>
17. Mobil Corporation	132850309	<input checked="" type="checkbox"/>
18.		<input checked="" type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input 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 design and construct a new crude fractionation tower, a new diesel hydro-treating unit, a new jet hydro-treating unit and related facilities on approximately 6.9 acres of unimproved land located within the Applicant’s existing Beaumont, Texas, Refinery Complex (the “Project”). The proposed Project facilities would allow for production of petroleum intermediate products and high quality ultra-low sulfur fuels.

The proposed improvements will include all process facilities, infrastructure and auxiliary equipment and any other infrastructure additions related to the Project facilities, including, but not limited to, the following significant components:

- Fractionation Units, including a Crude Distillation Tower
- Process Heaters
- Reactors
- Towers, Drums & Other Vessels
- Storage Tanks
- Pumps
- Compressors
- On-site Piping & Connections to existing piping
- Analyzers
- Instrumentation & Controls
- Cooling Tower
- Condensers & Heat Exchangers
- Flare System
- Scrubbers
- Strippers
- Benzene Recovery Unit
- Desalters
- Wharves
- Buildings

The Applicant currently estimates that construction of the Project would commence in the third quarter of 2019 and would take approximately three year to complete, with commercial operations currently estimated to begin in the second quarter of 2023.

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. No public announcements of a definitive intent to construct the proposed new facilities at the Applicant’s Beaumont, Texas, Refinery Complex have been made (in that regard, there have been recent announcements by the Applicant (see attached) and related news articles (see examples attached) concerning its BPEX and SCANFiner Projects, Chapter 313 Agreement Nos. 1118 and 1119, but those announcements and news articles are unrelated to the potential project that is the subject of this application). With respect to potential locations in North America, the proposed new facilities could be constructed at any of our North American-based fully integrated refining manufacturing locations in Sarnia (Canada), Baton Rouge (LA) or the Baytown Refinery (TX) and also at our 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 an important factor in the Applicant’s site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant’s decision to invest capital and construct the Project in the State of Texas.

The decision to make an investment in a particular jurisdiction depends on the economics of the investment in that jurisdiction. ExxonMobil’s decision to proceed with the investment in the proposed project will be based on a number of commercial, regulatory and financial considerations, including the ability to obtain relief regarding property taxes. Capital investments are allocated to projects and locations based on expected economic return, and projected property tax liabilities

associated with the proposed project are a substantial ongoing cost of operation. The projected property tax liabilities for the proposed project without a Chapter 313 appraised value limitation lower the economic rate of return and detract from the financial attractiveness of the project making it less competitive with other capital intensive projects that deliver higher rates of return on invested capital. Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil's final investment decision to construct and operate the proposed project in Texas.

A comparison of Beaumont ISD M&O ad valorem taxes with and without the Chapter 313 appraised value limitation through the 25th anniversary of the beginning of the limitation period using the current Beaumont ISD M&O ad valorem tax rate of \$1.04 per \$100 of the estimated M&O taxable values on Schedule B is shown below:

Year	Beaumont ISD M&O Taxes Without 313	Beaumont ISD M&O Taxes With 313
2020	\$912,041	\$912,041
2021	\$3,651,713	\$3,651,713
2022	\$7,707,713	\$7,707,713
2023	\$10,141,313	\$312,000
2024	\$9,839,141	\$312,000
2025	\$9,642,385	\$312,000
2026	\$9,449,563	\$312,000
2027	\$9,213,357	\$312,000
2028	\$8,983,056	\$312,000
2029	\$8,758,512	\$312,000
2030	\$8,517,689	\$312,000
2031	\$8,283,489	\$312,000
2032	\$8,055,729	\$312,000
2033	\$7,814,097	\$7,814,097
2034	\$7,579,713	\$7,579,713
2035	\$7,352,361	\$7,352,361
2036	\$7,131,830	\$7,131,830
2037	\$6,882,262	\$6,882,262
2038	\$6,641,428	\$6,641,428
2039	\$6,409,024	\$6,409,024
2040	\$6,184,755	\$6,184,755
2041	\$5,968,334	\$5,968,334
2042	\$5,759,488	\$5,759,488
2043	\$5,557,952	\$5,557,952
2044	\$5,363,470	\$5,363,470
2045	\$5,162,389	\$5,162,389
2046	\$4,968,849	\$4,968,849
2047	\$4,782,566	\$4,782,566
TOTAL	\$196,714,219	\$108,949,985
DIFFERENCE		\$(87,764,234)

As shown above, the Chapter 313 appraised value limitation is projected to result in \$87.76 million of tax savings. These savings have a material impact on the rate of return and discounted cash flow projections for the project and are equivalent to 5.9% of the projected total investment in the proposed project, and consequently are a significant and determining factor in ExxonMobil's decision to invest in this project in Texas.

News and updates › **News releases**

News Jul 26, 2016 - 10:00 a.m. EDT

ExxonMobil to Expand Ultra-Low Sulfur Fuels Production at Beaumont Refinery

- Production of ultra-low sulfur diesel and gasoline to expand by more than 40,000 barrels per day
- Proprietary technology removes sulfur and yields product with minimal octane loss
- Investment will ensure gasoline meets latest environmental standards

Dateline:

BEAUMONT, Texas

Public Company Information:

NYSE: XOM

BEAUMONT, Texas--(BUSINESS WIRE)--ExxonMobil today announced plans to increase production of ultra-low sulfur fuels at its Beaumont refinery by approximately 40,000 barrels per day, further strengthening its integrated downstream portfolio while meeting environmental standards.

Construction is scheduled during the second half of 2016 to install a selective cat naphtha hydrofining unit, which uses a proprietary catalyst system to remove sulfur while minimizing octane loss. Startup of the flexible technology, known as SCANfining, is expected in 2018. Gasoline produced using this technology will meet the U.S. Environmental Protection Agency's Tier 3 gasoline sulfur specifications.

"ExxonMobil continues to strengthen its portfolio of world-class refining assets," said Steve Cope, director of North America refining, for ExxonMobil. "This investment further enhances the competitiveness of our U.S. Gulf Coast refineries."

Installation of the selective cat naphtha hydrofining unit is the facility's second expansion project in a year, following the announcement of the Beaumont refinery's capacity expansion in 2015, and demonstrates ExxonMobil's long-term view and disciplined approach toward advantaged business investments. Beaumont is well positioned to competitively supply high-demand growth markets around the U.S. in the face of a challenging industry environment.

“This specialized unit will improve our product yield, and demonstrates our technology advantage and focus on increasing energy efficiency,” said Fernando Salazar, manager of the Beaumont refinery. “This project represents the largest capital investment in our Beaumont refinery operations in more than a decade, and will benefit the local economy with both temporary and full-time jobs.”

About ExxonMobil Refining & Supply

ExxonMobil Refining & Supply and its stewarded affiliates operate a global network of reliable and efficient manufacturing plants, transportation systems, and distribution centers that provide a range of fuels, lubricants, and other high-value products and feedstocks to our customers around the world.

About Beaumont Refinery

ExxonMobil’s Beaumont refinery is part of the company’s integrated operations in Beaumont, Texas, which includes a 345,000 barrel-per-day capacity refinery, as well as chemical, lubricants and polyethylene plants. ExxonMobil has approximately 2,100 area employees, and its operations account for approximately 1 in every 7 jobs in the region. A 20,000 barrel-per-day expansion of the refinery’s crude processing ability, announced in 2015, is currently under way.

Cautionary Statement: Statements of future events or conditions in this release are forward-looking statements. Actual future results, including project plans, timing and capacities and the impact of new technologies, could vary depending on changes in long-term market prices for oil, gas and refined products; the development and

competitiveness of alternative technologies; technical and operating factors; political and regulatory developments including changes in environmental regulations; and other factors discussed in this release and under the heading "Factors Affecting Future Results" on the Investors page of ExxonMobil's website at exxonmobil.com.

Contact:

Media Line

Todd Spitler, 832-624-4000

News and updates › **News releases**

News Nov 14, 2016 - 01:00 p.m. EST

ExxonMobil to Increase Beaumont Polyethylene Capacity by 65 Percent

- New facility will add 650,000 tonnes of high performance polyethylene per year
- Abundant supply of domestic shale gas enables expansion to meet strong product demand
- ExxonMobil investing billions along U.S. Gulf Coast; creating thousands of jobs

Dateline:

BEAUMONT, Texas

Public Company Information:

NYSE: XOM

BEAUMONT, Texas--(BUSINESS WIRE)--ExxonMobil announced today plans to add a new production unit at its Beaumont polyethylene plant that will increase capacity by 65 percent – or approximately 650,000 tonnes per year -- to meet growing demand for high performance plastics.

ExxonMobil is a leader in the manufacture of polyethylene products for packaging applications that deliver light-weight, tough, damage-resistant films. Construction of the new unit has begun at the plant, where current polyethylene production capacity is one million tonnes per year. Startup is expected in 2019.

As the U.S. continues to produce abundant supplies of oil and natural gas, ExxonMobil is investing billions of dollars along the U.S. Gulf Coast to help meet growing global energy demand. These investments will not only expand existing refining and chemical capacity, but also stimulate economic growth and create jobs. In fact, ExxonMobil's investments could create more than 28,000 temporary jobs in construction and more than 1,200 permanent jobs over the next few years and beyond.

"The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene," said Cindy Shulman, vice president of ExxonMobil's plastics and resins

business.

The Beaumont project builds on supply advantages created by ExxonMobil's expansion of its Mont Belvieu Plastics Plant in Texas, where two similar polyethylene units are being added. Combined, this multi-billion dollar investment will increase the company's U.S. polyethylene production by 40 percent, or nearly two million tonnes per year, making Texas the largest polyethylene supply point for ExxonMobil.

"ExxonMobil is committed to continuing investments in its world-class, integrated facilities," Shulman said. "We combine our state-of-the-art production expertise with a first-class technology organization, which enables us to offer innovative polyethylene products for applications such as flexible food packaging that increases product shelf life and safety."

The Beaumont expansion project will employ 1,400 construction workers and create 40 permanent jobs upon completion, as well as generate \$20 billion in economic activity in the first 13 years of operation based on 2015 Impact Data Source estimates.

"We're part of the growth in an area that is primed for new business," said Jason Duncan, manager of the Beaumont polyethylene plant. "The expansion of the polyethylene plant is now ExxonMobil's third significant investment in the Beaumont area over the past 18 months, the impact of which will benefit the local economy in the years to come."

ExxonMobil's previously announced investments at Beaumont include

expansion of the refinery's crude refining capacity in 2015 and, earlier this year, construction of a new unit to increase domestic supply of ultra-low sulfur gasoline and diesel.

About ExxonMobil Beaumont

ExxonMobil's integrated operations in Beaumont, Texas, include refining and chemical manufacturing. The operations have 2,100 employees, accounting for one out of every 7 jobs in the Beaumont area, according to the economic analysis firm, the Perryman group.

About ExxonMobil Chemical Company

ExxonMobil Chemical Company is one of the largest petrochemical companies worldwide. The company holds leadership positions in some of the largest-volume and highest-growth commodity petrochemical products in the world. ExxonMobil Chemical Company has manufacturing capacity in every major region of the world, serving large and growing markets. More than 90 percent of the Company's chemical capacity is integrated with large refineries or natural gas processing plants. To learn more, visit www.exxonmobilchemical.com.

Cautionary Statement: Statements of future events or conditions in this release are forward-looking statements. Actual future results, including project plans, schedules, and capacities and local impacts, could differ materially due to factors such as changes in prices of oil, gas, or petrochemicals and other market factors affecting the chemical industry and the supply and demand for our products; the occurrence and duration of economic recessions; timely completion of construction projects and unforeseen technical or operating difficulties;

legal or regulatory events; the actions of competitors; and other factors discussed under the heading Factors Affecting Future Results on the Investors page of our website at exxonmobil.com.

Contact:

ExxonMobil

Media Relations: 832-625-4000

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Business Wire NewsHQSM



From the Houston Business Journal:

<http://www.bizjournals.com/houston/news/2016/07/27/exxon-mobil-to-invest-a-reported-450m-in-beaumont.html>

Exxon Mobil to invest a reported \$450M in Beaumont expansion

Jul 27, 2016, 2:45pm CDT

Irving, Texas-based Exxon Mobil Corp. (NYSE: XOM) will expand capacity again at its refinery in Beaumont, Texas, less than a year after a previous expansion was announced.

According to the Beaumont Enterprise, the expansion announced July 26 will cost \$450 million, create 750 construction jobs and add five permanent jobs.

The expansion will increase production of ultra-low sulfur fuels by approximately 40,000 barrels per day, Exxon said in a press release. The project will install a selective cat naphtha unit, which removes sulfur while minimizing octane loss.

San Francisco-based Bechtel has already begun design work. Construction is expected to begin in mid-2016, and the unit is expected to start up in 2018.

"This project represents the largest capital investment in our Beaumont refinery operations in more than a decade, and will benefit the local economy with both temporary and full-time jobs," Fernando Salazar, manager of the Beaumont refinery, said in Exxon's release.

Last August, Exxon announced it would expand the refinery's capacity by approximately 20,000 barrels a day. That expansion is currently underway.

Exxon's operations in Beaumont include the currently 345,000-barrels-per-day refinery, as well as chemical, lubricants and polyethylene plants. The Beaumont Enterprise also notes the company has been considering building a polyethylene plant at its petrochemical complex, which would cost more than \$1 billion, create 1,400 construction jobs and add 40 permanent jobs. The company has approximately 2,100 employees in the Beaumont area.

In the Houston area, Exxon employs thousands of people at its new 385-acre campus in Springwoods Village.

Olivia Pulsinelli
Senior web editor
Houston Business Journal



Irving, Texas-based Exxon Mobil Corp. (NYSE: XOM) will expand capacity again at its refinery in Beaumont, Texas, less than a year after a previous expansion was announced.

BEAUMONT ENTERPRISE<http://www.beaumontenterprise.com/business/texas/article/ExxonMobil-announces-Beaumont-refinery-expansion-8423286.php>**ExxonMobil announces \$450M Beaumont refinery expansion**By **Eric Besson** Updated 11:40 am, Wednesday, July 27, 2016

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IMAGE 1 OF 43

Exxon Mobil Corporation has filed permits to increase activity at their Beaumont refinery. The company reportedly plans an expansion that will make the facility the largest in the United States. Photo ... more

After two-plus years of speculation, **ExxonMobil's** planned upgrades to its two Beaumont complexes are coming into focus, with one of the area's largest employers introducing dozens of new jobs even as it falls short, for now, of a more-ambitious goal.

The company on Tuesday announced a \$450 million expansion to its Beaumont refinery, the second wave of growth at that property that will together increase capacity by 17 percent.

Those projects are **separate** from the company's proposed \$1 billion-plus polyethylene plant at its petrochemical complex on the city's western outskirts. That would entail 40 new permanent jobs, according to a tax abatement agreement with Jefferson County.

Combined, the three announced or publicly known projects will cost the company in excess of \$1.5 billion.

"Southeast Texas is a great place to do business," ExxonMobil Beaumont spokesman **Patrick Trahan** said.

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Construction of the 40,000-barrel-per-day addition announced Tuesday is expected to start this year and be finished by 2018, the company said in a press release. The segment will produce ultra-low sulfur fuels in line with EPA gasoline standards that go into effect next year.

Related Stories

Official: ExxonMobil pondering \$1.5B Beaumont expansion



Permits indicate ExxonMobil will expand Beaumont refinery



Report: ExxonMobil Beaumont to double in size



"This project represents the largest capital investment in our Beaumont refinery operations in more than a decade, and will benefit the local economy with both temporary and full-time jobs," **Fernando Salazar**, the refinery's manager, said in a press release.

It will complement a 20,000-bpd expansion already underway to handle the light variety of U.S. crude unlocked from shale plays at such a volume that it has helped sink trading prices.

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Those low prices, according to the wire service Reuters, cut into ExxonMobil's capital budget, postponing plans to double the refinery's capacity to 850,000 bpd. That would have made the refinery the largest in the U.S. and among the world's biggest.

The two refinery expansions would boost ExxonMobil to a daily capacity of 405,000 barrels, about two-thirds of capacity at Motiva's Port Arthur refinery, currently the largest in the U.S.

ExxonMobil's Beaumont refinery would still rank eighth in size in the U.S., fourth in Texas and second in

Jefferson County.

The news came one day after ExxonMobil and **Sabir** announced plans for a jointly owned, multi-billion dollar ethane cracker. The companies are looking at sites in Texas and Louisiana, according to a press release, but it does not appear Beaumont-Port Arthur is on their radar.

ExxonMobil's Beaumont growth

ExxonMobil is planning two expansions — one at its Beaumont refinery and a new polyethylene plant at its petrochemical complex. The run-down below does not include a separate, ongoing 20,000-bpd expansion at the refinery:

Ultra-low sulfur unit

Where: Beaumont refinery
Capacity: 40,000 bpd
Investment: \$450 million
Construction jobs: 750
Permanent jobs: 5
Est. completion: 2018

Polyethylene plant

Where: Alongside existing polyethylene plant on U.S. 90
Capacity: unknown
Investment: \$1 billion-plus
Construction jobs: 1,400
Permanent jobs: 40
Est. completion: January 2020

Source: ExxonMobil and Jefferson County public records

Jefferson County commissioners agreed to abate 100 percent of new property taxes for 10 years to help entice development they hope will be on the tax rolls for several decades.

ExxonMobil also worked out a deal with Beaumont to pay annual lump sums in exchange for promises the city won't annex the properties.

At its two complexes, ExxonMobil employs more than 2,000 workers and 1,000 contract workers in a county where total employment was 101,000 in June.

The company and economists say expansions and the permanent jobs they create cascade throughout the area's broader economy.

ExxonMobil is also one of Southeast Texas' largest polluters.

The refinery and polyethylene plant emitted a combined 2,100 tons of volatile organic compounds in 2014, or about one-fifth of all VOCs released in the three-county area that year, according to TCEQ records.

VOCs, depending on the specific compound, range from being extremely toxic to having no health impacts, according to the **U.S. National Library of Medicine**.

EBesson@BeaumontEnterprise.com

[Twitter.com/EricBesson_news](https://twitter.com/EricBesson_news)

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H E A R S T



From the Houston Business Journal:

<http://www.bizjournals.com/houston/news/2016/11/14/exxon-mobil-announces-another-major-beaumont.html>

Exxon Mobil announces another major Beaumont expansion

Nov 14, 2016, 2:46pm CST

Exxon Mobil Corp. (NYSE: XOM) announced Nov. 14 that construction has begun on a new production unit at its polyethylene plant in Beaumont, about 80 miles east of downtown Houston.

Cost of the project was not disclosed, but Exxon said it is part of a multibillion-dollar investment along the Gulf Coast.

The new unit is expected to start up in 2019 and expand capacity by about 65 percent, or approximately 650,000 tons per year. Exxon also is adding two similar polyethylene units at its Mont Belvieu Plastics Plant, about 30 miles east of downtown Houston. Combined, the two projects will expand the company's U.S. polyethylene production by 40 percent, or nearly 2 million tons per year, and make Texas the largest polyethylene supply point for Exxon.

Expanding the Beaumont polyethylene plant will create 1,400 construction jobs and 40 permanent jobs.

"The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene," Cindy Shulman, vice president of Exxon Mobil's plastics and resins business, said in a press release.

This is the third major investment that Exxon has made in the Beaumont area over the past 18 months. Over the summer, the company announced it would expand capacity at its Beaumont refinery, increasing production of ultra-low sulfur fuels by approximately 40,000 barrels per day. That expansion reportedly is expected to close \$450 million and was announced less than a year after a previous expansion. Exxon also is building a new unit at the Beaumont refinery to increase domestic supply of ultra-low sulfur gasoline and diesel.

Irving, Texas-based Exxon Mobil is the third-largest energy employer in the Houston area, based on its 11,000 local employees, according to Houston Business Journal research.

Olivia Pulsinelli
Senior web editor
Houston Business Journal



Exxon Mobil Corp. has begun construction on a new production unit at its polyethylene plant in Beaumont, about 80 miles east of downtown Houston.



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Exxon Mobil expanding Beaumont petrochemical plant

By **David Hunn** | November 14, 2016

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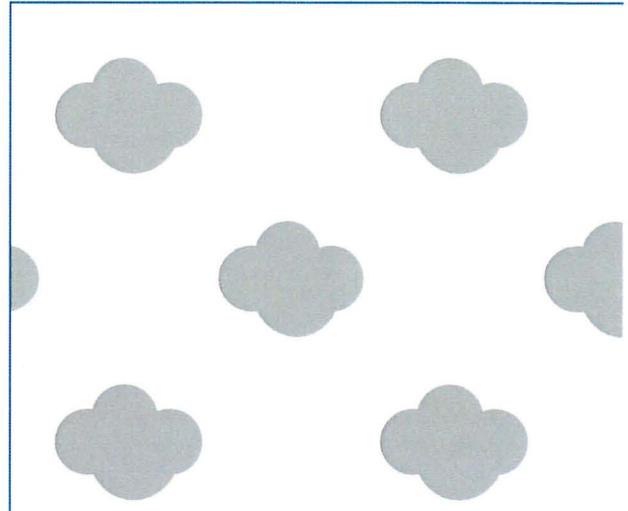
Phoebe and Bobby Tudor at "An Evening for Rice's Honour." (For the Chronicle/Gary Fountain, November 1, 2016)

Exxon Mobil is expanding its Beaumont polyethylene chemical plant, adding a new unit and increasing the facility's capacity by 65 percent, the company said Monday.

It estimated the work will create 1,400 construction jobs and 40 permanent positions.

A growing demand for high-performance plastics plus an abundant supply of cheap U.S. shale gas, the feedstock for plastics, is motivating the expansion, the company said.

It is part of the petrochemical boom in Houston and Texas, in which companies are expected to have invested some \$50 billion in Texas by 2022.



Polyethylene is one of the most common plastics.

Exxon Mobil manufactures polyethylene products for packaging applications that deliver light-weight, damage-resistant films.

Construction has started. The new unit will begin operations in 2019. Exxon Mobil estimates it will generate \$20 billion in economic activity in the first 13 years of operation.

Current polyethylene production capacity is 1 million metric tons per year.

The new unit will add another 650,000 metric tons, bringing total production at the Beaumont plant to just under 1.7 million metric tons.

"The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene," Cindy Shulman, vice president of Exxon Mobil's plastics and resins business, said in a statement.

The plant expansion is Exxon Mobil's third significant investment in the Beaumont area in 18 months, the company said. Exxon Mobil previously announced two projects to expand capacity at its refinery.

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Exxon expanding Beaumont plastics plant, adding jobs

Posted by [David Hunn](#) Date: November 14, 2016



Exxon Mobil's Beaumont refinery (Jake Daniels/The Enterprise)

ExxonMobil is expanding its Beaumont polyethylene chemical plant, adding a new unit and increasing the facility's capacity by 65 percent, the company announced on Monday. It estimated the work will create 1,400 construction jobs and 40 permanent positions.

A growing demand for high performance plastics plus an abundant supply of cheap U.S. shale gas, the feedstock for plastics, is motivating the expansion, Exxon said.

The company manufactures polyethylene products for packaging applications that deliver light-weight, damage-resistant films.

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Current polyethylene production capacity is 1 million metric tons per year. The new unit will add another 650,000.

"The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene," Cindy Shulman, vice president of ExxonMobil's plastics and resins business, said in a statement.

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ExxonMobil Petchem Expansion Near Houston Fueled by Shale Gas, Liquids

[Carolyn Davis](#)

November 14, 2016

A production unit is being added to ExxonMobil's Beaumont polyethylene plant east of Houston fueled by unconventional natural gas to boost capacity by 65%, or 650,000 metric tons/year, as growth for high performance plastics accelerates, the supermajor said.

Construction of the new petrochemical unit has begun at the plant, where current polyethylene production capacity is 1 million metric tons/year (mmt). Startup is expected in 2019.

"The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene," said ExxonMobil's Cindy Shulman, vice president of the plastics and resins business.

As U.S. unconventional gas and oil production has grown, ExxonMobil has poured billions into facility investments along the Gulf Coast to expand existing refining and chemical capacity. The expansions have in turn stimulated economic growth and created jobs. Investments in the next few years "and beyond" could create more than 28,000 temporary jobs in construction and more than 1,200 permanent jobs, according to ExxonMobil.

The Beaumont project builds on supply advantages created by ExxonMobil's [expansion of its Mont Belvieu Plastics Plant](#) in Texas, where two similar polyethylene units are being added. Combined, the multi-billion dollar investment would increase the company's U.S. polyethylene production by 40%, or nearly 2 mmt, making Texas the largest polyethylene supply point for the company.

"ExxonMobil is committed to continuing investments in its world-class, integrated facilities," Shulman said. "We combine our state-of-the-art production expertise with a first-class technology organization, which enables us to offer innovative polyethylene products for applications such as flexible food packaging that increases product shelf life and safety."

The Beaumont expansion project is to employ 1,400 construction workers and create 40 permanent jobs upon completion, as well as generate \$20 billion in economic activity in the first 13 years of operation based on 2015 Impact Data Source estimates.

"We're part of the growth in an area that is primed for new business," said ExxonMobil's Jason Duncan, who manages the Beaumont polyethylene plant. "The expansion of the polyethylene plant is now ExxonMobil's third significant investment in the Beaumont area over the past 18 months, the impact of which will benefit the local economy in the years to come."

ExxonMobil had already planned to expand the Beaumont refinery's crude refining capacity, and earlier this year it began constructing a unit to increase domestic supply of ultra-low sulfur gasoline and diesel. The integrated operations in Beaumont, which include refining and chemical manufacturing, employ 2,100 people.



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Carolyn Davis joined the editorial staff of Intelligence Press Inc. in Houston in May, 2000. Prior to that, she covered regulatory issues for environmental and occupational safety and health publications. She also has worked as a reporter for several daily newspapers in Texas, including the Waco Tribune-Herald, the Temple Daily Telegram and the Killeen Daily Herald. She attended Texas A&M University and received a Bachelor of Arts degree in journalism from the University of Houston.

carolyn.davis@naturalgasintel.com



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ExxonMobil announces Beaumont expansion

Published 12:36 pm Monday, November 14, 2016



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BEAUMONT — ExxonMobil (<http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.exxonmobil.com%2FCorporate%2Fdefault.aspx&sheet=514597US&anchor=ExxonMobil&index=1&md5=00a4a5196559c2f22828be60cdfa267e>) announced today plans to add a new production unit at its Beaumont polyethylene plant that will increase capacity by 65 percent – or approximately 650,000 tonnes per year – to meet growing demand for high performance plastics.

ExxonMobil is a leader in the manufacture of polyethylene products for packaging applications that deliver light-weight, tough, damage-resistant films. Construction of the new unit has begun at the plant, where current polyethylene production capacity is one million tonnes per year. Startup is expected in 2019.

As the U.S. continues to produce abundant supplies of oil and natural gas, ExxonMobil is investing billions of dollars along the U.S. Gulf Coast to help meet growing global energy demand. These investments will not only expand existing refining and chemical capacity, but also stimulate economic growth and create jobs. In fact, ExxonMobil's investments could create more than 28,000 temporary jobs in construction and more than 1,200 permanent jobs over the next few years and beyond.

“The availability of vast new supplies of U.S. shale gas and associated liquids for feedstock and energy is a significant advantage that enables expansion to meet strong global demand growth in polyethylene,” said Cindy Shulman, vice president of ExxonMobil's plastics and resins business.

The Beaumont project builds on supply advantages created by ExxonMobil's expansion of its Mont Belvieu Plastics Plant in Texas, where two similar polyethylene units are being added. Combined, this multi-billion dollar investment will increase the company's U.S. polyethylene production by 40 percent, or nearly two million tonnes per year, making Texas the largest polyethylene supply point for ExxonMobil.

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“We’re part of the growth in an area that is primed for new business,” said Jason Duncan, manager of the Beaumont polyethylene plant. “The expansion of the polyethylene plant is now ExxonMobil’s third significant investment in the Beaumont area over the past 18 months, the impact of which will benefit the local economy in the years to come.”

ExxonMobil’s previously announced investments at Beaumont include expansion of the refinery’s crude refining capacity in 2015 and, earlier this year, construction of a new unit to increase domestic supply of ultra-low sulfur gasoline and diesel.

About ExxonMobil Beaumont

ExxonMobil’s integrated operations in Beaumont, Texas, include refining and chemical manufacturing. The operations have 2,100 employees, accounting for one out of every 7 jobs in the Beaumont area, according to the economic analysis firm, the Perryman group.

SOURCE: ExxonMobil



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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 2016 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) Beaumont ISD	\$1.315000

TAB 7

Description of Qualified Investment

ExxonMobil Oil Corporation (“ExxonMobil” or the “Applicant”) proposes to design and construct a new crude fractionation tower, a new diesel hydro-treating unit, a new jet hydro-treating unit and related facilities on approximately 6.9 acres of unimproved land located within the Applicant’s existing Beaumont, Texas, Refinery Complex (the “Project”). The proposed Project facilities would allow for production of petroleum intermediate products and high quality ultra-low sulfur fuels.

The proposed improvements will include all process facilities, infrastructure and auxiliary equipment and any other infrastructure additions related to the Project facilities, including, but not limited to, the following significant components:

- Fractionation Units, including a Crude Distillation Tower
- Process Heaters
- Reactors
- Towers, Drums & Other Vessels
- Storage Tanks
- Pumps
- Compressors
- On-site Piping & Connections to existing piping
- Analyzers
- Instrumentation & Controls
- Cooling Tower
- Condensers & Heat Exchangers
- Flare System
- Scrubbers
- Strippers
- Benzene Recovery Unit
- Desalters
- Wharves
- Buildings

The Applicant currently estimates that construction of the Project would commence in the third quarter of 2019 and would take approximately three year to complete, with commercial operations currently estimated to begin in the second quarter of 2023.

TAB 8

Description of Qualified Property

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- Pumps
- Compressors
- On-site Piping & Connections to existing piping
- Analyzers
- Instrumentation & Controls
- Cooling Tower
- Condensers & Heat Exchangers
- Flare System
- Scrubbers
- Strippers
- Benzene Recovery Unit
- Desalters
- Wharves
- Buildings

The Applicant currently estimates that construction of the Project would commence in the third quarter of 2019 and would take approximately three year to complete, with commercial operations currently estimated to begin in the second quarter of 2023.

TAB 9

Description of Land

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

Property ID No. 264048 and Geographic ID No. 019710-000-000800-00000-6 and containing approximately 407.12 acres.

See attached JCAD map and JCAD account details.

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



JCAD ID 264048
Geo ID 019710-000-000800-

Proposed site within Reinvestment Zone

All existing improvements located at the project site will be removed prior to the start of construction.

Results

Owner Information

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

Site Information

PropID: 264048
GeoID: 019710-000-000800-00000-6
Site Address:
TX
Legal: TRACT 8 EXXON MOBIL 407.119AC

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▼ **Property**

Account
 Property ID: 264048 Legal Description: TRACT 8 EXXON MOBIL 407.119AC
 Geographic ID: 019710-000-000800-00000-6 Agent Code:
 Type: Real
 Property Use Code: F5
 Property Use Description: OPERATING UNITS ACREAGE
 Location
 Address: TX Mapsco: 101-179
 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	+	\$7,466,760	Ag / Timber Use Value
(+) Agricultural Market Valuation	+	\$0	\$0
(+) Timber Market Valuation	+	\$0	\$0

(=) Market Value:	=	\$7,466,760	
(-) Ag or Timber Use Value Reduction	-	\$0	

(=) Appraised Value:	=	\$7,466,760	
(-) HS Cap	-	\$0	

(=) Assessed Value:	=	\$7,466,760	

▼ **Taxing Jurisdiction**

Owner: EXXONMOBIL CORP
 % Ownership: 100.000000000000%
 Total Value: \$7,466,760

Entity Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101 BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$7,466,760	\$7,466,760	\$98,187.89
341 PORT OF BEAUMONT	0.067278	\$7,466,760	\$7,466,760	\$5,023.49
755 SABINE-NECHES NAVIGATION DIST	0.091640	\$7,466,760	\$7,466,760	\$6,842.54
901 JEFFERSON COUNTY	0.365000	\$7,466,760	\$7,466,760	\$27,253.67
A59 FARM AND LATERAL ROAD	0.000000	\$7,466,760	\$7,466,760	\$0.00
CAD JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$7,466,760	\$7,466,760	\$0.00
T341 TIF PORT OF BMT	0.000000	\$7,466,760	\$7,466,760	\$0.00
Total Tax Rate:	1.838918			

Taxes w/Current Exemptions: \$137,307.59
 Taxes w/o Exemptions: \$137,307.59

▼ **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	59.2950	2583108.00	0.00	0.00	\$2,075,330	\$0
2	A1	Acres Style Type	347.8340	15151474.00	0.00	0.00	\$5,391,430	\$0

▼ **Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017		N/A	N/A	N/A	N/A	N/A
2016		\$0	\$7,466,760	0	7,466,760	\$0
2015		\$0	\$7,466,760	0	7,466,760	\$0
2014		\$0	\$7,466,760	0	7,466,760	\$0
2013		\$0	\$7,466,760	0	7,466,760	\$0
2012		\$0	\$7,466,760	0	7,466,760	\$0

▼ **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

TAB 10

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

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

All existing property outside the Project site and inside the boundary of the reinvestment zone is specifically excluded from this application.

In addition, see the attached.

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.*

Two (2) storage tanks are currently located at the proposed Project site at the Beaumont, Texas, Refinery Complex – see the attached maps. Both of the storage tanks will be demolished and removed in connection with site preparation for the Project.

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).*

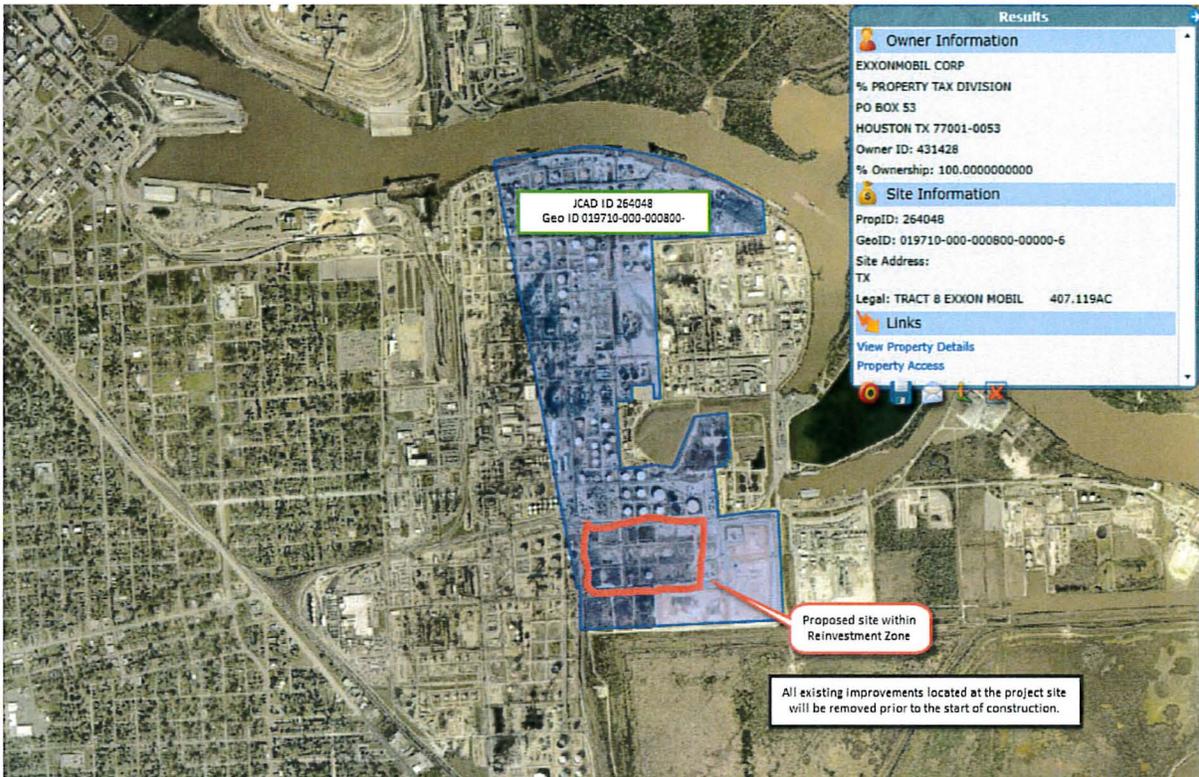
None – Not Applicable

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.*

None – Not Applicable

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.*

Two (2) storage tanks are currently located at the proposed Project site at the Beaumont, Texas, Refinery Complex – see the attached maps. Both of the storage tanks will be demolished and removed in connection with site preparation for the Project. Because the storage tanks will be demolished and removed, the storage tanks will have no appraised value at the time construction of the Project begins.



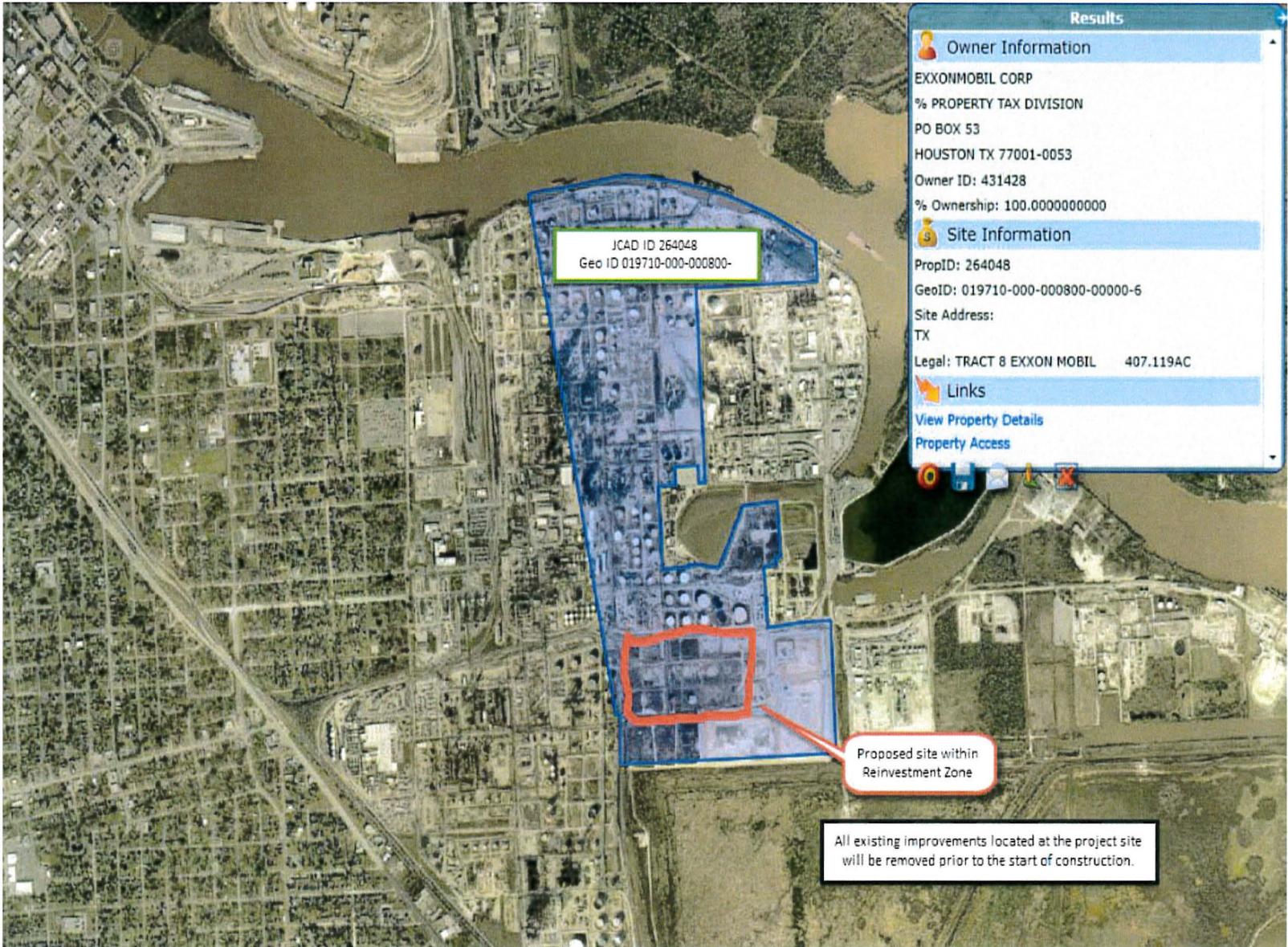
TAB 11

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





JCAD ID 264048
Geo ID 019710-000-000800-

Proposed site within
Reinvestment Zone

All existing improvements located at the project site
will be removed prior to the start of construction.

Results

Owner Information

EXXONMOBIL CORP
% PROPERTY TAX DIVISION
PO BOX 53
HOUSTON TX 77001-0053
Owner ID: 431428
% Ownership: 100.000000000

Site Information

PropID: 264048
GeoID: 019710-000-000800-00000-6
Site Address:
TX
Legal: TRACT 8 EXXON MOBIL 407.119AC

Links

[View Property Details](#)
[Property Access](#)

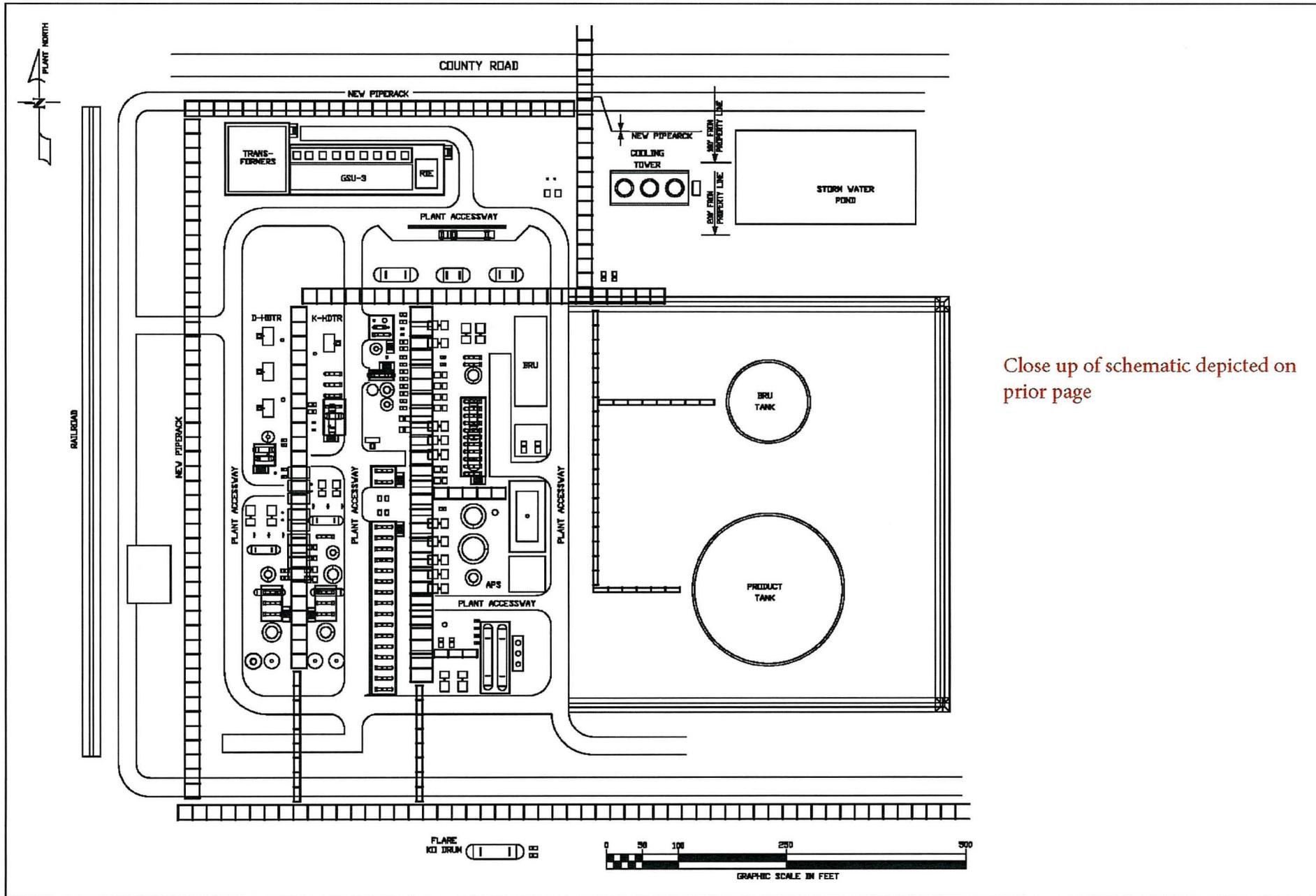
Map 11) d Existing property



**Close up of project site within larger reinvestment zone



11 b and c - Map of qualified investment/
property within reinvestment zone



Close up of schematic depicted on prior page

Map 11 b and 11c

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
 - **\$1,054.75**
- B. 110% of the average weekly wage for manufacturing jobs in Jefferson County
 - **\$2,165.90**
- 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	\$1,003
2015	4	Jefferson County	Total-All	\$1,119
2016	1	Jefferson County	Total-All	\$1,082
2016	2	Jefferson County	Total-All	\$1,015
Average of most recent 4 Qtrs.				\$1,054.75

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	\$2,282
2016	2	Jefferson County	Manufacturing	\$1,863
Average of most recent 4 Qtrs.				\$1,969.00
Chapter 313 calculation: 110% of weekly avg.				\$2,165.90

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

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Industry	Employment	Wages	Avg Weekly Wages		
2015	3rd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,003
2015	4th Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,119
2016	1st Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,082
2016	2nd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	\$1,015

\$ 4,219.00
 ÷ 4
\$ 1,054.75

x 52 weeks
\$54,847.00

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Industry	Level	Ind Code	Industry	Avg Weekly Wages
2015	3rd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,783
2015	4th Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,948
2016	1st Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$2,282
2016	2nd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	\$1,863

\$	7,876.00
÷	4
\$	1,969.00
x	110%
\$	2,165.90
x	52 weeks
\$	112,626.80

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

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

TAB 14

Schedules A1, A2, B, C and D

See attachments

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date **11/17/16**
 Applicant Name **ExxonMobil 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 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	-	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	\$13,500,000	\$121,500,000	\$0	\$0	\$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	\$40,500,000	\$364,500,000	\$0	\$0	\$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]				\$150,000,000	\$1,350,000,000	\$0	\$0	\$1,500,000,000
Total Qualified Investment (sum of green cells)				\$1,500,000,000	Enter amounts from TOTAL row above in Schedule A2			

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.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date 11/17/16
 Applicant Name ExxonMobil 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.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property [SEE NOTE]	Column E Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$150,000,000	\$1,350,000,000	\$0	\$0	\$1,500,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	N/A	N/A					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2016-2017	2016					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021					\$0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2022-2023	2022					\$0
Value limitation period***	1	2023-2024	2023					\$0
	2	2024-2025	2024					\$0
	3	2025-2026	2025					\$0
	4	2026-2027	2026					\$0
	5	2027-2028	2027					\$0
	6	2028-2029	2028					\$0
	7	2029-2030	2029					\$0
	8	2030-2031	2030					\$0
	9	2031-2032	2031					\$0
	10	2032-2033	2032					\$0
Total Investment made through limitation				\$150,000,000	\$1,350,000,000	\$0	\$0	\$1,500,000,000
Continue to maintain viable presence	11	2033-2034	2033					
	12	2034-2035	2034					
	13	2035-2036	2035					
	14	2036-2037	2036					
	15	2037-2038	2037					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038					
	17	2039-2040	2039					
	18	2040-2041	2040					
	19	2041-2042	2041					
	20	2042-2043	2042					
	21	2043-2044	2043					
	22	2044-2045	2044					
	23	2045-2046	2045					
	24	2046-2047	2046					
	25	2047-2048	2047					

** 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 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
 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 11/17/16
 Applicant Name ExxonMobil 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 <i>Insert as many rows as necessary</i>	0	2016-2017	2016						
	0	2017-2018	2017						
	0	2018-2019	2018						
	0	2019-2020	2019						
	0	2020-2021	2020	\$126,270	\$8,775,000	\$78,795,000	\$87,696,270	\$87,696,270	\$87,696,270
	Q1	2021-2022	2021	\$126,270	\$35,100,000	\$315,900,000	\$351,126,270	\$351,126,270	\$351,126,270
	Q2	2022-2023	2022	\$126,270	\$74,100,000	\$666,900,000	\$741,126,270	\$741,126,270	\$741,126,270
Value Limitation Period	1	2023-2024	2023	\$126,270	\$97,500,000	\$877,500,000	\$877,626,270	\$877,626,270	\$30,000,000
	2	2024-2025	2024	\$126,270	\$85,995,000	\$859,950,000	\$850,521,270	\$850,521,270	\$30,000,000
	3	2025-2026	2025	\$126,270	\$84,275,100	\$842,751,000	\$835,424,370	\$835,424,370	\$30,000,000
	4	2026-2027	2026	\$126,270	\$82,589,598	\$825,895,980	\$821,470,248	\$821,470,248	\$30,000,000
	5	2027-2028	2027	\$126,270	\$80,524,858	\$805,248,581	\$804,422,313	\$804,422,313	\$30,000,000
	6	2028-2029	2028	\$126,270	\$78,511,737	\$785,117,366	\$788,388,781	\$788,388,781	\$30,000,000
	7	2029-2030	2029	\$126,270	\$76,548,943	\$765,489,432	\$773,204,214	\$773,204,214	\$30,000,000
	8	2030-2031	2030	\$126,270	\$74,443,847	\$744,438,472	\$757,461,405	\$757,461,405	\$30,000,000
	9	2031-2032	2031	\$126,270	\$72,396,641	\$723,966,414	\$742,789,407	\$742,789,407	\$30,000,000
	10	2032-2033	2032	\$126,270	\$70,405,734	\$704,057,338	\$728,810,161	\$728,810,161	\$30,000,000
Continue to maintain viable presence	11	2033-2034	2033	\$126,270	\$68,293,562	\$682,935,618	\$713,358,730	\$713,358,730	\$713,358,730
	12	2034-2035	2034	\$126,270	\$66,244,755	\$662,447,549	\$698,041,231	\$698,041,231	\$698,041,231
	13	2035-2036	2035	\$126,270	\$64,257,412	\$642,574,123	\$682,643,704	\$682,643,704	\$682,643,704
	14	2036-2037	2036	\$126,270	\$62,329,690	\$623,296,899	\$667,031,001	\$667,031,001	\$667,031,001
	15	2037-2038	2037	\$126,270	\$60,148,151	\$601,481,508	\$647,808,144	\$647,808,144	\$647,808,144
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2037	\$126,270	\$58,042,965	\$580,429,655	\$628,486,747	\$628,486,747	\$628,486,747
	17	2039-2040	2039	\$126,270	\$56,011,462	\$560,114,617	\$606,140,205	\$606,140,205	\$606,140,205
	18	2040-2041	2040	\$126,270	\$54,051,061	\$540,510,605	\$584,575,793	\$584,575,793	\$584,575,793
	19	2041-2042	2041	\$126,270	\$52,159,273	\$521,592,734	\$563,766,134	\$563,766,134	\$563,766,134
	20	2042-2043	2042	\$126,270	\$50,333,699	\$503,336,989	\$543,684,814	\$543,684,814	\$543,684,814
	21	2043-2044	2043	\$126,270	\$48,572,019	\$485,720,194	\$524,306,340	\$524,306,340	\$524,306,340
	22	2044-2045	2044	\$126,270	\$46,871,999	\$468,719,987	\$505,606,112	\$505,606,112	\$505,606,112
	23	2045-2046	2045	\$126,270	\$45,114,299	\$451,142,988	\$486,271,413	\$486,271,413	\$486,271,413
	24	2046-2047	2046	\$126,270	\$43,422,513	\$434,225,126	\$467,661,765	\$467,661,765	\$467,661,765
25	2047-2048	2047	\$126,270	\$41,794,168	\$417,941,683	\$449,749,978	\$449,749,978	\$449,749,978	

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	11/17/16							Form 50-296A	
Applicant Name	ExxonMobil Oil Corporation								Revised May 2014
ISD Name	Beaumont ISD								
				Construction		Non-Qualifying Jobs	Qualifying Jobs		
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	FTE Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2016-2017	2016				0		
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2017-2018	2017				0		
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2018-2019	2018				0		
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2019-2020	2019	750 FTE's	\$101,257.24		1	\$69,571.70	
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2020-2021	2020	1500 FTE's	\$101,257.24		1	\$69,571.70	
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2021-2022	2021	1850 FTE's	\$101,257.24		3	\$69,571.70	
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2022-2023	2022	1850 FTE's	\$101,257.24		7	\$69,571.70	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023	750 FTE's	\$101,257.24		25	\$69,571.70	
	2	2024-2025	2024				25	\$69,571.70	
	3	2025-2026	2025				25	\$69,571.70	
	4	2026-2027	2026				25	\$69,571.70	
	5	2027-2028	2027				25	\$69,571.70	
	6	2028-2029	2028				25	\$69,571.70	
	7	2029-2030	2029				25	\$69,571.70	
	8	2030-2031	2030				25	\$69,571.70	
	9	2031-2032	2031				25	\$69,571.70	
	10	2032-2033	2032				25	\$69,571.70	
Years Following Value Limitation Period	11 through 25	2033-2034 through 2047-2048	2033-2047				25	\$69,571.70	

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
- 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 **11/17/2016**
 Applicant Name **ExxonMobil 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	2023	10 yrs.	\$3,048,996	\$3,048,996	\$0
	City: See Below					
	Other: Port of Beaumont	2023	10 yrs.	\$540,273	\$540,273	\$0
	Other: Sabine-Neches Navigation District	2023	10 yrs.	\$746,578	\$746,578	\$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: Tax Code Chapter 42 Extraterritorial Jurisdiction of Municipalities	City: Beaumont	2023	10 yrs.	\$5,763,856	\$5,763,856	0
Other:						
Other:						
Other:						
TOTAL				\$10,099,703	\$10,099,703	\$0

Additional information on incentives for this project:

TAB 15

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

None – Not Applicable

TAB 16

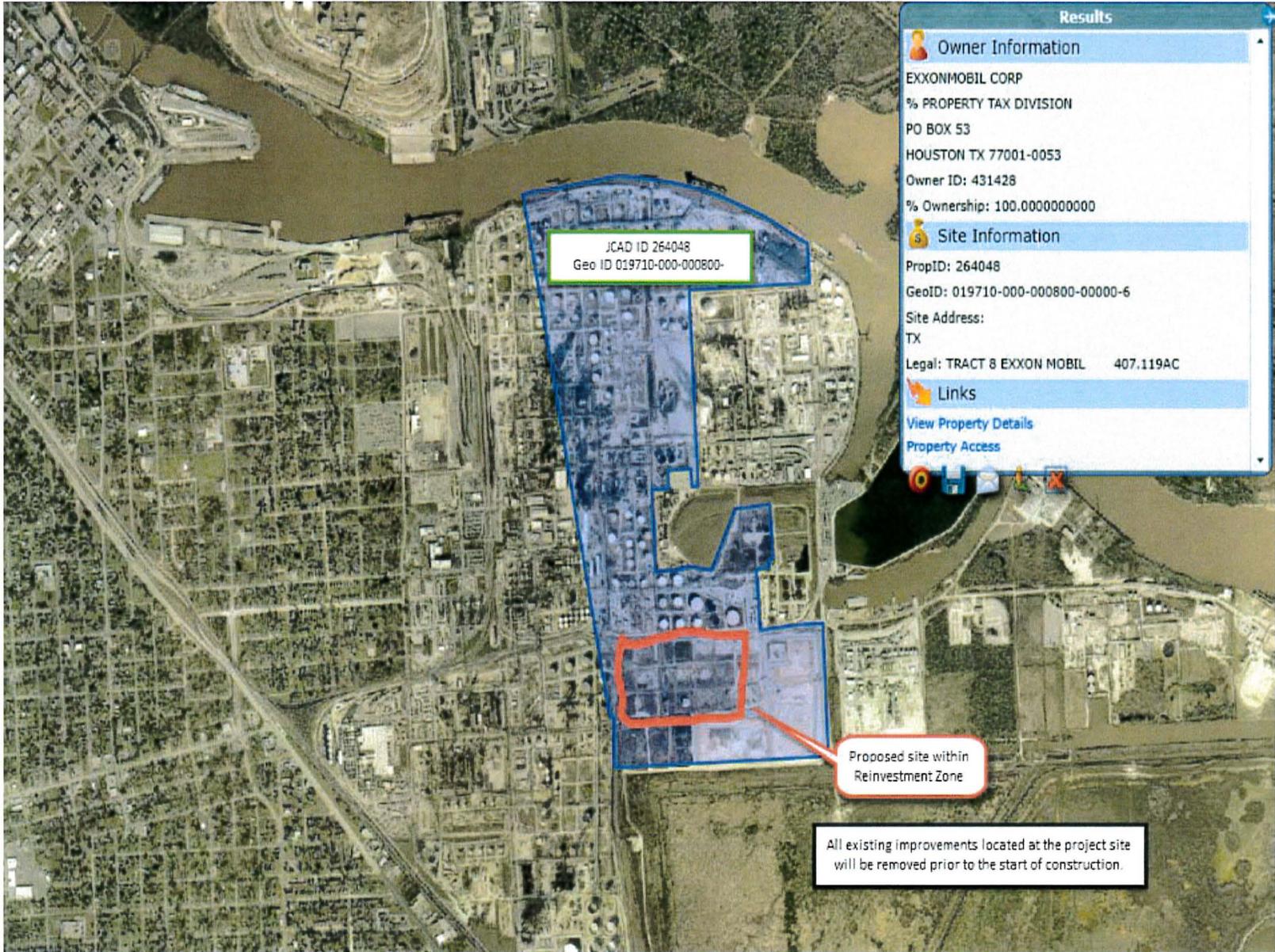
Description of Reinvestment Zone

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 the parcel of land identified on the appraisal records of the Jefferson County Appraisal District ("JCAD") by the following account:

Property ID No. 264048 and Geographic ID No. 019710-000-000800-00000-6 and containing approximately 407.12 acres.

See attached JCAD map and JCAD account details.



Property Search Results > 264048 EXXONMOBIL CORP for Year 2016

[New Search](#)

[Details](#)

Click on a title bar to expand or collapse the information.

[Expand All](#)

Property

Account
 Property ID: 264048 Legal Description: TRACT 8 EXXON MOBIL 407.119AC
 Geographic ID: 019710-000-000800-00000-6 Agent Code:
 Type: Real
 Property Use Code: F5
 Property Use Description: OPERATING UNITS ACREAGE
Location
 Address: TX Mapsco: 101-179
 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:	+	\$7,466,760	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$7,466,760	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$7,466,760	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$7,466,760	

Taxing Jurisdiction

Owner: EXXONMOBIL CORP
 % Ownership: 100.000000000000%
 Total Value: \$7,466,760

Entity Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
101 BEAUMONT INDEPENDENT SCHOOL DISTRICT	1.315000	\$7,466,760	\$7,466,760	\$98,187.89
341 PORT OF BEAUMONT	0.067278	\$7,466,760	\$7,466,760	\$5,023.49
755 SABINE-NECHES NAVIGATION DIST	0.091640	\$7,466,760	\$7,466,760	\$6,842.54
901 JEFFERSON COUNTY	0.365000	\$7,466,760	\$7,466,760	\$27,253.67
A59 FARM AND LATERAL ROAD	0.000000	\$7,466,760	\$7,466,760	\$0.00
CAD JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$7,466,760	\$7,466,760	\$0.00
T341 TIF PORT OF BMT	0.000000	\$7,466,760	\$7,466,760	\$0.00
Total Tax Rate:	1.839918			

Taxes w/Current Exemptions: \$137,307.59
 Taxes w/o Exemptions: \$137,307.59

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	59.2950	2583108.00	0.00	0.00	\$2,075,330	\$0
2	A1	Acres Style Type	347.8340	15151474.80	0.00	0.00	\$5,391,430	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	N/A	N/A	N/A	N/A	N/A	N/A
2016	\$0	\$7,466,760	0	7,466,760	\$0	\$7,466,760
2015	\$0	\$7,466,760	0	7,466,760	\$0	\$7,466,760
2014	\$0	\$7,466,760	0	7,466,760	\$0	\$7,466,760
2013	\$0	\$7,466,760	0	7,466,760	\$0	\$7,466,760
2012	\$0	\$7,466,760	0	7,466,760	\$0	\$7,466,760

Deed History - (Last 3 Deed Transactions)

Deed Date Type Description Grantor Grantee Volume Page Deed Number

Questions Please Call (409) 840-9944

TAB 17

Authorized Signatures and Applicant Certification

See attached.



Application for Appraised Value Limitation on Qualified Property

SECTION 15: 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] 11-30-16
Signature (Authorized School District Representative) Date

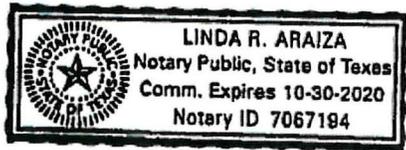
2. Authorized Company Representative (Applicant) Signature and Notarization

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] 11/11/2016
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

11th day of November, 2016

[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.



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

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

January 12, 2017

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

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

Re: Chapter 313 Applicant: ExxonMobil Oil Corporation (“ExxonMobil”)
Beaumont Independent School District Chapter 313 Application No. 1163 (the “Application”)

Dear Ms. Caufield:

We are submitting this supplemental information in response to the request for additional information contained in your e-mail of December 19, 2016. No amendments are required to the Application to provide this information.

1. **Project Feedstock and Outputs.** Please provide more information regarding project feedstock and output.

Project Feedstock:

The proposed project is a new crude fractionation tower, a new diesel hydro-treating unit, a new jet (kerosene) hydro-treating unit and related facilities (collectively, the “Crude Unit “), as more fully described in the Application.

The Crude Unit would use crude oil as feedstock. The crude oil feedstock is available from multiple sources.

Project Outputs:

The Crude Unit would produce a number of finished and intermediate product outputs from the crude oil feedstock:

Ms. Desiree Caufield
Texas Comptroller of Public Accounts
January 12, 2017
Page 2

- the recovered ethane and liquefied petroleum gas would be sold in regional markets and/or supplied as feedstock to existing steam crackers at the chemical plant located at ExxonMobil's Beaumont, Texas, refinery and chemical complex (the "Beaumont Complex");
 - the produced light naphtha stream would be supplied to existing reformers at the Beaumont Complex for further processing and then blended into the gasoline pool at the Beaumont Complex for sale in domestic and export markets;
 - the produced heavy naphtha would be supplied to existing reformers at the Beaumont Complex for further processing;
 - the produced middle distillate would be processed in the new hydro-treating units included in the Crude Unit project and converted to ultra-low sulfur diesel and jet fuel for sale in domestic and export markets;
 - the produced heavy gasoil stream would be supplied to the existing fluid catalytic cracker or the existing hydrocracker unit at the Beaumont Complex for further processing;
 - the produced tower bottoms would be supplied to the existing fluid catalytic cracker at the Beaumont Complex for further processing and/or sold in domestic and export markets;
 - the produced overhead gases would be run through the existing gas plant at the Beaumont Complex, and light gases (C2-) from the existing gas plant, supplemented by fuel gas from the Beaumont Complex and purchased natural gas, would be used to fire furnaces at the Crude Unit and existing units at the Beaumont Complex; and
 - excess feedstocks produced by the Crude Unit would be sold to other refineries on the US Gulf Coast market and/or other markets.
2. **Interconnections.** Please provide information regarding possible interconnections with operations at or near the site that may impact the proposed project.

Project Feedstock:

The crude oil would be delivered by pipeline or ship to terminals (collectively, the "Crude Oil Terminals") located in the area of the Beaumont Complex, including terminals operated by Sunoco Logistics Partners LP, Phillips 66, and Enterprise Products Partners L.P., and/or by ship to existing dock facilities at the Beaumont Complex. The crude oil feedstock delivered to the Crude Oil Terminals would in turn be delivered by pipeline from the Crude Oil Terminals to the existing tank farm at the Beaumont Complex and in turn would be delivered to the Crude Unit via intraplant piping. The crude oil feedstock delivered to existing dock facilities at the Beaumont Complex would be delivered by intraplant piping to the existing tank farm at the

Ms. Desiree Caufield
Texas Comptroller of Public Accounts
January 12, 2017
Page 3

NORTON ROSE FULBRIGHT

Beaumont Complex and in turn would be delivered to the Crude Unit via intraplant piping. The existing tank farm and existing dock facilities are not a part of the project qualified investment or qualified property.

Project Outputs:

Intermediate product outputs produced by the Crude Unit and supplied to various existing units at the Beaumont Complex for further processing as described above would be delivered to those units via intraplant piping. These existing units are not a part of the project qualified investment or qualified property.

Intermediate and finished product outputs and excess feedstocks produced by the Crude Unit for sale would be delivered via intraplant piping to existing shipping facilities at the Beaumont Complex for shipment. The existing shipping facilities are not a part of the project qualified investment or qualified property.

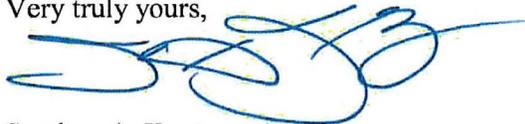
Utilities:

Existing utility infrastructure at the Beaumont Complex would interconnect with the Crude Unit via intraplant piping and electrical connections. The existing utility infrastructure is not a part of the project qualified investment or qualified property.

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

cc: Ms. Stephanie Jones, Texas Comptroller of Public Accounts

Via e-mail to: stephanie.jones@cpa.state.tx.us

Mr. Kevin T. O'Hanlon, O'Hanlon, McCollom & Demerath

Via e-mail to: kohanlon@808west.com

Ms. Amalia Hanley, O'Hanlon, McCollom & Demerath

Via e-mail to: mhanley@808west.com

Mr. Darren D. Owen, ExxonMobil Oil Corporation

Via e-mail to: darren.d.owen@exxonmobil.com

Mr. William F. Rogers, ExxonMobil Oil Corporation

Via e-mail to: william.f.rogers@exxonmobil.com

Mr. Craig E. Mann, ExxonMobil Oil Corporation

Via e-mail to: craig.e.mann@exxonmobil.com

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 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. **\$1,073.75**

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. **\$2,167.00**

Year	Month	Region	Avg. Annual Wage
2015	July	South East Texas Regional Planning Commission	\$63,247

Chapter 313 calculation: 110% of weekly avg. **\$69,571.70**

Weekly Wage **\$1,337.92**

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
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

\$ 4,295.00
÷ 4
\$ 1,073.75

x 52 weeks
\$55,835.00

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	County	Employment Status	Employment	Wage Rate	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

\$	7,880.00
÷	4
\$	1,970.00
x	110%
\$	<u>2,167.00</u>
x	52 weeks
\$	<u>112,684.00</u>

**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

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date **11/17/16**
 Applicant Name **ExxonMobil 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.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E
				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	--	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
Total Qualified Investment (sum of green cells)				\$960,000,000				

Enter amounts from TOTAL row above in Schedule A2

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 → [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.

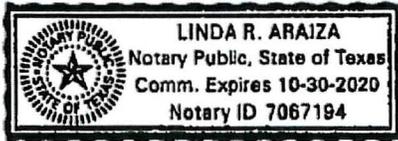
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

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

Property Tax Division Manager
Title

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

12/5/2016
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
5th day of December.
Linda R Araiza
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.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 05/15/2017 08:50:45

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

EXXONMOBIL OIL CORPORATION	
Texas Taxpayer Number	11354015700
Mailing Address	1735 HUGHES LANDING BLVD # WO4.N162 THE WOODLANDS, TX 77380-1688
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

January 27, 2017

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

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Beaumont Independent School District and ExxonMobil Oil Corporation, Application 1163

Dear Superintendent Frossard:

On December 19, 2016, the Comptroller issued written notice that ExxonMobil Oil Corporation (applicant) submitted a completed application (Application 1163) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on November 17, 2016, to the Beaumont Independent School District (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 1163.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district'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, 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 December 19, 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 Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of ExxonMobil Oil Corporation (project) applying to Beaumont Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of ExxonMobil Oil Corporation.

Applicant	ExxonMobil Oil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Beaumont ISD
2015-2016 Average Daily Attendance	17,393
County	Jefferson
Proposed Total Investment in District	\$1,500,000,000
Proposed Qualified Investment	\$960,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,337.92
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,337.92
Minimum annual wage committed to by applicant for qualified jobs	\$69,571.70
Minimum weekly wage required for non-qualifying jobs	\$1,074.75
Minimum annual wage required for non-qualifying jobs	\$55,887
Investment per Qualifying Job	\$60,000,000
Estimated M&O levy without any limit (15 years)	\$130,717,081
Estimated M&O levy with Limitation (15 years)	\$50,843,849
Estimated gross M&O tax benefit (15 years)	\$79,873,232

Table 2 is the estimated statewide economic impact of ExxonMobil Oil Corporation (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	751	1,004	1755	\$76,012,502	\$84,987,498	\$161,000,000
2020	1501	2,047	3548	\$151,955,432	\$188,044,568	\$340,000,000
2021	1853	2,592	4445	\$187,534,609	\$261,465,391	\$449,000,000
2022	1857	2,651	4508	\$187,812,896	\$296,187,104	\$484,000,000
2023	775	1,530	2305	\$77,682,223	\$212,317,778	\$290,000,000
2024	25	533	558	\$1,739,293	\$114,260,708	\$116,000,000
2025	25	351	376	\$1,739,293	\$93,260,708	\$95,000,000
2026	25	262	287	\$1,739,293	\$80,260,708	\$82,000,000
2027	25	240	265	\$1,739,293	\$74,260,708	\$76,000,000
2028	25	256	281	\$1,739,293	\$73,260,708	\$75,000,000
2029	25	292	317	\$1,739,293	\$76,260,708	\$78,000,000
2030	25	336	361	\$1,739,293	\$81,260,708	\$83,000,000
2031	25	381	406	\$1,739,293	\$87,260,708	\$89,000,000
2032	25	424	449	\$1,739,293	\$94,260,708	\$96,000,000
2033	25	451	476	\$1,739,293	\$98,260,708	\$100,000,000

Source: CPA REMI, ExxonMobil Oil Corporation

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont ISD M&O and I&S Tax Levies	City of Beaumont Tax Levy	Jefferson County Tax Levy	Port of Beaumont Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes
2020	\$87,696,270	\$87,696,270	0.2750	\$241,165	\$912,041	\$1,153,206	\$605,104	\$320,091	\$59,002	\$80,365	\$2,217,769
2021	\$351,126,270	\$351,126,270		\$965,597	\$3,651,713	\$4,617,310	\$2,422,771	\$1,281,611	\$236,238	\$321,772	\$8,879,702
2022	\$741,126,270	\$741,126,270		\$2,038,097	\$7,707,713	\$9,745,810	\$5,113,771	\$2,705,111	\$498,630	\$679,168	\$18,742,490
2023	\$877,626,270	\$877,626,270		\$2,413,472	\$9,127,313	\$11,540,785	\$6,055,621	\$3,203,336	\$590,467	\$804,257	\$22,194,466
2024	\$850,521,270	\$850,521,270		\$2,338,933	\$8,845,421	\$11,184,355	\$5,868,597	\$3,104,403	\$572,231	\$779,418	\$21,509,003
2025	\$835,424,370	\$835,424,370		\$2,297,417	\$8,688,413	\$10,985,830	\$5,764,428	\$3,049,299	\$562,074	\$765,583	\$21,127,214
2026	\$821,470,248	\$821,470,248		\$2,259,043	\$8,543,291	\$10,802,334	\$5,668,145	\$2,998,366	\$552,685	\$752,795	\$20,774,325
2027	\$804,422,313	\$804,422,313		\$2,212,161	\$8,365,992	\$10,578,153	\$5,550,514	\$2,936,141	\$541,215	\$737,173	\$20,343,197
2028	\$788,388,781	\$788,388,781		\$2,168,069	\$8,199,243	\$10,367,312	\$5,439,883	\$2,877,619	\$530,428	\$722,479	\$19,937,722
2029	\$773,204,214	\$773,204,214		\$2,126,312	\$8,041,324	\$10,167,635	\$5,335,109	\$2,822,195	\$520,212	\$708,564	\$19,553,716
2030	\$757,461,405	\$757,461,405		\$2,083,019	\$7,877,599	\$9,960,617	\$5,226,484	\$2,764,734	\$509,620	\$694,138	\$19,155,593
2031	\$742,789,407	\$742,789,407		\$2,042,671	\$7,725,010	\$9,767,681	\$5,125,247	\$2,711,181	\$499,749	\$680,692	\$18,784,550
2032	\$728,810,161	\$728,810,161		\$2,004,228	\$7,579,626	\$9,583,854	\$5,028,790	\$2,660,157	\$490,343	\$667,882	\$18,431,026
2033	\$713,358,730	\$713,358,730		\$1,961,737	\$7,418,931	\$9,380,667	\$4,922,175	\$2,603,759	\$479,948	\$653,722	\$18,040,272
2034	\$698,041,231	\$698,041,231		\$1,919,613	\$7,259,629	\$9,179,242	\$4,816,484	\$2,547,850	\$469,642	\$639,685	\$17,652,904
2035	\$682,643,704	\$682,643,704		\$1,877,270	\$7,099,495	\$8,976,765	\$4,710,242	\$2,491,650	\$459,283	\$625,575	\$17,263,513
2036	\$667,031,001	\$667,031,001		\$1,834,335	\$6,937,122	\$8,771,458	\$4,602,514	\$2,434,663	\$448,778	\$611,267	\$16,868,680
2037	\$647,808,144	\$647,808,144		\$1,781,472	\$6,737,205	\$8,518,677	\$4,469,876	\$2,364,500	\$435,845	\$593,651	\$16,382,550
			Total	\$34,564,613	\$130,717,081	\$165,281,693	\$86,725,755	\$45,876,668	\$7,112,483	\$9,687,693	\$317,858,692

Source: CPA, ExxonMobil Oil Corporation

¹Tax Rate per \$100 Valuation

Table 2 is the estimated statewide economic impact of ExxonMobil Oil Corporation (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	751	1,004	1755	\$76,012,502	\$84,987,498	\$161,000,000
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2022	1857	2,651	4508	\$187,812,896	\$296,187,104	\$484,000,000
2023	775	1,530	2305	\$77,682,223	\$212,317,778	\$290,000,000
2024	25	533	558	\$1,739,293	\$114,260,708	\$116,000,000
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2027	25	240	265	\$1,739,293	\$74,260,708	\$76,000,000
2028	25	256	281	\$1,739,293	\$73,260,708	\$75,000,000
2029	25	292	317	\$1,739,293	\$76,260,708	\$78,000,000
2030	25	336	361	\$1,739,293	\$81,260,708	\$83,000,000
2031	25	381	406	\$1,739,293	\$87,260,708	\$89,000,000
2032	25	424	449	\$1,739,293	\$94,260,708	\$96,000,000
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Source: CPA REMI, ExxonMobil Oil Corporation

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont ISD M&O and I&S Tax Levies	City of Beaumont Tax Levy	Jefferson County Tax Levy	Port of Beaumont Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes
2020	\$87,696,270	\$87,696,270	0.2750	\$241,165	\$912,041	\$1,153,206	\$605,104	\$320,091	\$59,002	\$80,365	\$2,217,769
2021	\$351,126,270	\$351,126,270		\$965,597	\$3,651,713	\$4,617,310	\$2,422,771	\$1,281,611	\$236,238	\$321,772	\$8,879,702
2022	\$741,126,270	\$741,126,270		\$2,038,097	\$7,707,713	\$9,745,810	\$5,113,771	\$2,705,111	\$498,630	\$679,168	\$18,742,490
2023	\$877,626,270	\$877,626,270		\$2,413,472	\$9,127,313	\$11,540,785	\$6,055,621	\$3,203,336	\$590,467	\$804,257	\$22,194,466
2024	\$850,521,270	\$850,521,270		\$2,338,933	\$8,845,421	\$11,184,355	\$5,868,597	\$3,104,403	\$572,231	\$779,418	\$21,509,003
2025	\$835,424,370	\$835,424,370		\$2,297,417	\$8,688,413	\$10,985,830	\$5,764,428	\$3,049,299	\$562,074	\$765,583	\$21,127,214
2026	\$821,470,248	\$821,470,248		\$2,259,043	\$8,543,291	\$10,802,334	\$5,668,145	\$2,998,366	\$552,685	\$752,795	\$20,774,325
2027	\$804,422,313	\$804,422,313		\$2,212,161	\$8,365,992	\$10,578,153	\$5,550,514	\$2,936,141	\$541,215	\$737,173	\$20,343,197
2028	\$788,388,781	\$788,388,781		\$2,168,069	\$8,199,243	\$10,367,312	\$5,439,883	\$2,877,619	\$530,428	\$722,479	\$19,937,722
2029	\$773,204,214	\$773,204,214		\$2,126,312	\$8,041,324	\$10,167,635	\$5,335,109	\$2,822,195	\$520,212	\$708,564	\$19,553,716
2030	\$757,461,405	\$757,461,405		\$2,083,019	\$7,877,599	\$9,960,617	\$5,226,484	\$2,764,734	\$509,620	\$694,138	\$19,155,593
2031	\$742,789,407	\$742,789,407		\$2,042,671	\$7,725,010	\$9,767,681	\$5,125,247	\$2,711,181	\$499,749	\$680,692	\$18,784,550
2032	\$728,810,161	\$728,810,161		\$2,004,228	\$7,579,626	\$9,583,854	\$5,028,790	\$2,660,157	\$490,343	\$667,882	\$18,431,026
2033	\$713,358,730	\$713,358,730		\$1,961,737	\$7,418,931	\$9,380,667	\$4,922,175	\$2,603,759	\$479,948	\$653,722	\$18,040,272
2034	\$698,041,231	\$698,041,231		\$1,919,613	\$7,259,629	\$9,179,242	\$4,816,484	\$2,547,850	\$469,642	\$639,685	\$17,652,904
2035	\$682,643,704	\$682,643,704		\$1,877,270	\$7,099,495	\$8,976,765	\$4,710,242	\$2,491,650	\$459,283	\$625,575	\$17,263,513
2036	\$667,031,001	\$667,031,001		\$1,834,335	\$6,937,122	\$8,771,458	\$4,602,514	\$2,434,663	\$448,778	\$611,267	\$16,868,680
2037	\$647,808,144	\$647,808,144		\$1,781,472	\$6,737,205	\$8,518,677	\$4,469,876	\$2,364,500	\$435,845	\$593,651	\$16,382,550
			Total	\$34,564,613	\$130,717,081	\$165,281,693	\$86,725,755	\$45,876,668	\$7,112,483	\$9,687,693	\$317,858,692

Source: CPA, ExxonMobil Oil Corporation

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jefferson County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the city, county, port and navigation district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought												
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Beaumont ISD I&S Tax Levy	Beaumont ISD M&O Tax Levy	Beaumont ISD M&O and I&S Tax Levies	City of Beaumont Tax Levy	Jefferson County Tax Levy	Port of Beaumont Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes	
				0.2750	1.0400		0.6900	0.3650	0.0673	0.0916		
2020	\$87,696,270	\$87,696,270		\$241,165	\$912,041	\$1,153,206	\$605,104	\$320,091	\$59,002	\$80,365	\$2,217,769	
2021	\$351,126,270	\$351,126,270		\$965,597	\$3,651,713	\$4,617,310	\$2,422,771	\$1,281,611	\$236,238	\$321,772	\$8,879,702	
2022	\$741,126,270	\$741,126,270		\$2,038,097	\$7,707,713	\$9,745,810	\$5,113,771	\$2,705,111	\$498,630	\$679,168	\$18,742,490	
2023	\$877,626,270	\$30,000,000		\$2,413,472	\$312,000	\$2,725,472	\$0	\$0	\$0	\$0	\$2,725,472	
2024	\$850,521,270	\$30,000,000		\$2,338,933	\$312,000	\$2,650,933	\$0	\$0	\$0	\$0	\$2,650,933	
2025	\$835,424,370	\$30,000,000		\$2,297,417	\$312,000	\$2,609,417	\$0	\$0	\$0	\$0	\$2,609,417	
2026	\$821,470,248	\$30,000,000		\$2,259,043	\$312,000	\$2,571,043	\$0	\$0	\$0	\$0	\$2,571,043	
2027	\$804,422,313	\$30,000,000		\$2,212,161	\$312,000	\$2,524,161	\$0	\$0	\$0	\$0	\$2,524,161	
2028	\$788,388,781	\$30,000,000		\$2,168,069	\$312,000	\$2,480,069	\$0	\$0	\$0	\$0	\$2,480,069	
2029	\$773,204,214	\$30,000,000		\$2,126,312	\$312,000	\$2,438,312	\$0	\$0	\$0	\$0	\$2,438,312	
2030	\$757,461,405	\$30,000,000		\$2,083,019	\$312,000	\$2,395,019	\$0	\$0	\$0	\$0	\$2,395,019	
2031	\$742,789,407	\$30,000,000		\$2,042,671	\$312,000	\$2,354,671	\$0	\$0	\$0	\$0	\$2,354,671	
2032	\$728,810,161	\$30,000,000		\$2,004,228	\$312,000	\$2,316,228	\$0	\$0	\$0	\$0	\$2,316,228	
2033	\$713,358,730	\$713,358,730		\$1,961,737	\$7,418,931	\$9,380,667	\$4,922,175	\$2,603,759	\$479,948	\$653,722	\$18,040,272	
2034	\$698,041,231	\$698,041,231		\$1,919,613	\$7,259,629	\$9,179,242	\$4,816,484	\$2,547,850	\$469,642	\$639,685	\$17,652,904	
2035	\$682,643,704	\$682,643,704		\$1,877,270	\$7,099,495	\$8,976,765	\$4,710,242	\$2,491,650	\$459,283	\$625,575	\$17,263,513	
2036	\$667,031,001	\$667,031,001		\$1,834,335	\$6,937,122	\$8,771,458	\$4,602,514	\$2,434,663	\$448,778	\$611,267	\$16,868,680	
2037	\$647,808,144	\$647,808,144		\$1,781,472	\$6,737,205	\$8,518,677	\$4,469,876	\$2,364,500	\$435,845	\$593,651	\$16,382,550	
				Total	\$34,564,613	\$50,843,849	\$85,408,462	\$31,662,938	\$16,749,235	\$3,087,366	\$4,205,205	\$141,113,206
				Diff	\$0	\$79,873,232	\$79,873,232	\$55,062,817	\$29,127,432	\$4,025,117	\$5,482,487	\$176,745,486

Source: CPA, ExxonMobil Oil Corporation

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that ExxonMobil Oil Corporation (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2020	\$912,041	\$912,041	\$0	\$0
	2021	\$3,651,713	\$4,563,754	\$0	\$0
	2022	\$7,707,713	\$12,271,468	\$0	\$0
Limitation Period (10 Years)	2023	\$312,000	\$12,583,468	\$8,815,313	\$8,815,313
	2024	\$312,000	\$12,895,468	\$8,533,421	\$17,348,734
	2025	\$312,000	\$13,207,468	\$8,376,413	\$25,725,148
	2026	\$312,000	\$13,519,468	\$8,231,291	\$33,956,438
	2027	\$312,000	\$13,831,468	\$8,053,992	\$42,010,430
	2028	\$312,000	\$14,143,468	\$7,887,243	\$49,897,674
	2029	\$312,000	\$14,455,468	\$7,729,324	\$57,626,998
	2030	\$312,000	\$14,767,468	\$7,565,599	\$65,192,596
	2031	\$312,000	\$15,079,468	\$7,413,010	\$72,605,606
	2032	\$312,000	\$15,391,468	\$7,267,626	\$79,873,232
Maintain Viable Presence (5 Years)	2033	\$7,418,931	\$22,810,398	\$0	\$79,873,232
	2034	\$7,259,629	\$30,070,027	\$0	\$79,873,232
	2035	\$7,099,495	\$37,169,522	\$0	\$79,873,232
	2036	\$6,937,122	\$44,106,644	\$0	\$79,873,232
	2037	\$6,737,205	\$50,843,849	\$0	\$79,873,232
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$6,737,205	\$57,581,054	\$0	\$79,873,232
	2039	\$6,303,858	\$63,884,912	\$0	\$79,873,232
	2040	\$6,079,588	\$69,964,500	\$0	\$79,873,232
	2041	\$5,863,168	\$75,827,668	\$0	\$79,873,232
	2042	\$5,654,322	\$81,481,990	\$0	\$79,873,232
	2043	\$5,452,786	\$86,934,776	\$0	\$79,873,232
	2044	\$5,258,304	\$92,193,079	\$0	\$79,873,232
	2045	\$5,057,223	\$97,250,302	\$0	\$79,873,232
	2046	\$4,863,682	\$102,113,984	\$0	\$79,873,232
	2047	\$4,677,400	\$106,791,384	\$0	\$79,873,232

\$106,791,384
 is greater than **\$79,873,232**

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

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, ExxonMobil Oil Corporation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the 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:

- Per ExxonMobil Oil Corporation in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “No public announcements of a definitive intent to construct the proposed new facilities at the Applicant’s Beaumont, Texas, Refinery Complex have been made (in that regard, there have been recent announcements by the Applicant (see attached) and related news articles (see examples attached) concerning its BPEX and SCANFiner Projects, Chapter 313 Agreement Nos. 1118 and 1119, but those announcements and news articles are unrelated to the potential project that is the subject of this application).”
 - B. “The impact of the property tax burden on the economic return of the proposed new facility is an important factor in the Applicant’s site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant’s decision to invest capital and construct the Project in the State of Texas.”
 - C. “Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil’s final investment decision to construct and operate the proposed project in Texas.”
 - D. “[T]he Chapter 313 appraised value limitation is projected to result in \$87.76 million of tax savings. These savings have a material impact on the rate of return and discounted cash flow projections for the project and are equivalent to 5.9% of the projected total investment in the proposed project, and consequently are a significant and determining factor in ExxonMobil’s decision to invest in this project in Texas.”

- According to the supplemental information provided by the applicant, multiple project outputs would be “supplied as feedstock to existing steam crackers at the chemical plant located at ExxonMobil’s Beaumont, Texas refinery and chemical complex”. Additional project outputs will also be “supplied to existing reformers at the Beaumont Complex for further processing.”
- Attached Railroad Commission of Texas Public GIS Viewer map depicting crude oil pipelines.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Supplemental Information provided by Applicant
- c) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- d) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment D

Summary of Financial Impact

BEAUMONT ISD ESTIMATED FINANCIAL IMPACT EXXON MOBIL (#1163) CHAPTER 313 VALUE LIMITATION REQUEST

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. Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system.

- ⇒ Beaumont ISD ADA—17,393
- ⇒ Local Tax Base—\$10.2 billion
- ⇒ M&O Tax Rate—\$1.0400
- ⇒ I&S Tax Rate— \$0.2750

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Year of Agreement	School Year	Project Value	Value Limitation	Initial M&O Tax Savings	Company Owed Revenue Protection	Supplemental Benefit to School District	Company Tax Benefit After Payments
QTP0	2020-21	\$87,696,270	\$87,696,270	\$0	\$0	\$0	\$0
QTP1	2021-22	\$351,126,270	\$351,126,270	\$0	\$0	\$0	\$0
QTP2	2022-23	\$741,126,270	\$741,126,270	\$0	\$0	\$0	\$0
VL1	2023-24	\$877,626,270	\$30,000,000	\$8,815,313	\$9,155,547	\$0	(\$340,234)
VL2	2024-25	\$850,521,270	\$30,000,000	\$8,533,421	\$0	\$2,319,066	\$6,214,355
VL3	2025-26	\$835,424,370	\$30,000,000	\$8,376,413	\$0	\$2,319,066	\$6,057,347
VL4	2026-27	\$821,470,248	\$30,000,000	\$8,231,291	\$0	\$2,319,066	\$5,912,225
VL5	2027-28	\$804,422,313	\$30,000,000	\$8,053,992	\$0	\$2,319,066	\$5,734,926
VL6	2028-29	\$788,388,781	\$30,000,000	\$7,887,243	\$0	\$2,319,067	\$5,568,176
VL7	2029-30	\$773,204,214	\$30,000,000	\$7,729,324	\$0	\$2,319,067	\$5,410,257
VL8	2030-31	\$757,461,405	\$30,000,000	\$7,565,599	\$0	\$2,319,067	\$5,246,532
VL9	2031-32	\$742,789,407	\$30,000,000	\$7,413,010	\$0	\$2,319,067	\$5,093,943
VL10	2032-33	\$728,810,161	\$30,000,000	\$7,267,626	\$0	\$2,319,067	\$4,948,559
VP1	2033-34	\$713,358,730	\$713,358,730	\$0	\$0	\$2,319,067	(\$2,319,067)
VP2	2034-35	\$698,041,231	\$698,041,231	\$0	\$0	\$2,319,067	(\$2,319,067)
VP3	2035-36	\$682,643,704	\$682,643,704	\$0	\$0	\$2,319,067	(\$2,319,067)
VP4	2036-37	\$667,031,001	\$667,031,001	\$0	\$0	\$0	\$0
VP5	2037-38	\$647,808,144	\$647,808,144	\$0	\$0	\$0	\$0
				\$79,873,232	\$9,155,547	\$27,828,800	\$42,888,885

KEY TAKEAWAYS:

- ⇒ \$877.6 million billion peak market value
- ⇒ \$30 million value limitation
- ⇒ \$92 million estimated revenue protection to Beaumont ISD
- ⇒ \$27,828,800 million district supplemental benefit
- ⇒ \$42.9 million net tax savings to ExxonMobil
- ⇒ Project fully taxable for debt service purposes

LEGISLATIVE ACTION ON SCHOOL FUNDING WILL AFFECT THE IMPACT OF THE VALUE LIMITATION ON SCHOOL DISTRICT'S FINANCES. ESTIMATES OF REVENUE PROTECTION PAYMENTS MAY CHANGE.

Attachment E

Taxable Value of Property


Taxes

Property Tax Assistance

2016 ISD Summary Worksheet
123/Jefferson
123-910/Beaumont ISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	3,760,432,994	.9895	3,800,336,528	3,760,432,994
B. Multi-Family Residences	344,343,387	.8972	383,797,801	344,343,387
C1. Vacant Lots	114,119,293	N/A	114,119,293	114,119,293
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	7,497,423	1.0644	7,043,656	7,497,423
D2. Real Prop Farm & Ranch	885,430	N/A	885,430	885,430
E. Real Prop NonQual Acres	93,022,350	N/A	93,022,350	93,022,350
F1. Commercial Real	1,468,604,391	.9799	1,498,728,841	1,468,604,391
F2. Industrial Real	2,767,973,490	N/A	2,767,973,490	2,767,973,490
G. Oil, Gas, Minerals	27,655,365	N/A	27,655,365	27,655,365
J. Utilities	378,733,420	1.0116	374,390,490	378,733,420
L1. Commercial Personal	939,394,552	.9750	963,481,592	939,394,552
L2. Industrial Personal	1,158,535,510	N/A	1,158,535,510	1,158,535,510

M. Other Personal	5,325,360	N/A	5,325,360	5,325,360
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	8,099,050	N/A	8,099,050	8,099,050
S. Special Inventory	48,455,340	N/A	48,455,340	48,455,340
Subtotal	11,123,077,355		11,251,850,096	11,123,077,355
Less Total Deductions	1,307,740,042		1,319,096,355	1,307,740,042
Total Taxable Value	9,815,337,313		9,932,753,741	9,815,337,313 T2

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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
10,036,040,995	9,815,337,313	10,036,040,995	9,815,337,313

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
220,703,682	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

Value Taxable For I&S Purposes

T7	T8	T9	T10
10,203,301,295	9,982,597,613	10,203,301,295	9,982,597,613

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

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

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**

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

EXXONMOBIL OIL CORPORATION

(Texas Taxpayer ID # 11354015700)

Comptroller Application # 1163

Dated

May 18, 2017

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 November 17, 2016, 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 November 17, 2016, 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 December 19, 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 January 27, 2017, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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 May 18th, 2017, 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 May 18th, 2017, 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 May 8, 2017, 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 May 18th, 2017 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 the 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 November 17, 2016. 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 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 acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either Party and that by exercise of due foresight such Party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such Party is unable to overcome. 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 6.2.A and 6.2.D, 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 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 17,393 (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 2020, which, by virtue of the deferral of the date on which the Qualifying Time Period for the project is to commence under this Agreement, is the Tax Year that includes the date of January 2, 2020, on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

“Annual Payment Limit” means, for each Tax Year in the table below, the amount set forth opposite such Tax Year in the table below:

TABLE	
TAX YEAR	AMOUNT OF ANNUAL PAYMENT LIMIT
2020	\$-0-
2021	\$-0-
2022	\$-0-
2023	\$2,319,066.00
2024	\$2,319,066.00
2025	\$2,319,066.00
2026	\$2,319,066.00
2027	\$2,319,067.00
2028	\$2,319,067.00
2029	\$2,319,067.00
2030	\$2,319,067.00
2031	\$2,319,067.00
2032	\$2,319,067.00
2033	\$2,319,067.00
2034	\$2,319,067.00
TOTAL – 2020 thru 2034	<u>\$27,828,800.00</u>
2035	*

* For the Tax Year 2035, the Annual Payment Limit is an amount equal to the excess, if any, of: (i) \$27,828,800.00, over (ii) the total amount of the Supplemental Payments paid or owed by the Applicant under Article VI for all previous Tax Years during the term of this Agreement.

“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 term of this Agreement, an amount equal to forty percent (40%) of the “Net Tax Benefit,” as such term is defined in this Section 1.2, for such Tax Year.

“Article VI Supplemental Payment” has the meaning given such term in Section 6.1.A. with respect to any payment required pursuant to Article VI of this Agreement.

“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 or owed 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 for all previous Tax Years during the term of this Agreement.

“Limit Calculation Period” means the sixteen-year period from and including the Tax Year 2020 through and including the Tax Year 2035.

“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 term of this Agreement, 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 from the Applicant 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 from the Applicant 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.

“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 December 19, 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 May 18th, 2017.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on January 2, 2020, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by Section 313.027(h) of the TEXAS TAX CODE; and
 - ii. Ends on December 31, 2022, 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, 2023, the first complete Tax Year that begins after the end of the Qualifying Time Period; and
 - ii. Ends on December 31, 2032, 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, 2037, 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 \$1,074.75 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 a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to, such other payments as set forth in Articles V and VI of this Agreement.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of losses that the District incurs in its Maintenance and Operations Revenue 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 that may be made from time to time 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 9.3.A.

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 Section 26.01 of the TEXAS TAX CODE 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 out-of-pocket third party legal expenses paid or incurred 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's Maintenance and Operations Revenue 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 thirty (30) 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.

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 "Article VI 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 of the 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 Article VI 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 Article VI 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 Section 313.027(i) of the TEXAS TAX CODE, as such limit is allowed to be increased by the Legislature for any future year of this Agreement, or (ii) 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 complete or partial Tax Year of the Qualifying Time Period (2020) and ending December 31 of the third Tax Year following the end of the Tax Limitation Period (2035);

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 17,393 (rounded to the nearest whole number).

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT AND ANNUAL PAYMENT LIMIT. In addition to the Supplemental Payment limitations contained in this Agreement (including, but not limited to, the limitations set forth in Section 6.2), for any Tax Year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

A. the "Applicant's Stipulated Supplemental Payment Amount," as such term is defined in Section 1.2, for such Tax Year;

B. the "Aggregate Limit," as such term is defined in Section 1.2, for such Tax Year; or

C. the "Annual Payment Limit," as such term is defined in Section 1.2, for such Tax Year.

Section 6.4. ANNUAL CALCULATION OF APPLICANT'S STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2020, 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., the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 1.2, 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, 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 0.40;

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 such changes in the data.

Section 6.5. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT AND ANNUAL PAYMENT LIMIT. For each Tax Year during the term of this Agreement beginning with the Tax Year 2020, 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, and ending with the Tax Year 2035, which is the third Tax Year following the end of the Tax Limitation 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 lesser of the Aggregate Limit and the Annual Payment Limit.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 6.2, 6.3 and 6.4 above for such Tax Year, exceeds the lesser of the Aggregate Limit and the Annual Payment Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the lesser of the Aggregate Limit and the Annual Payment Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the lesser of the Aggregate Limit and the Annual Payment Limit in any subsequent Tax Year during the term of this Agreement, 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 Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third full Tax Year following the end of the Tax Limitation Period (2035), as defined in Section 2.3(D)(ii), because such payment would exceed the lesser of the Aggregate Limit and the Annual Payment 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 the Annual Limit, the Aggregate Limit and the Annual Payment Limit; (iii) the effect, if any, of the Aggregate Limit and the Annual Payment 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 Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit and/or the Annual Payment 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, with respect to future payments only, 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, 6.3 and 6.4, 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 the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Additionally, 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 ninety-six (96) 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; and
- iv. whether or not any such breach has been cured.

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 ninety (90) 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 ninety (90) 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 ninety (90) 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, no later than, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) 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
Beaumont, Texas 77706
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; and
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement.

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.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

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).

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of May, 2017.

EXXONMOBIL OIL CORPORATION

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
Name: Fernando Salazar
Title: Agent and Attorney-in-Fact

By: _____
DR. JIMMY SIMMONS
PRESIDENT, BOARD OF MANAGERS

ATTEST:

By: _____
ROBERT TURNER
SECRETARY, BOARD OF MANAGERS

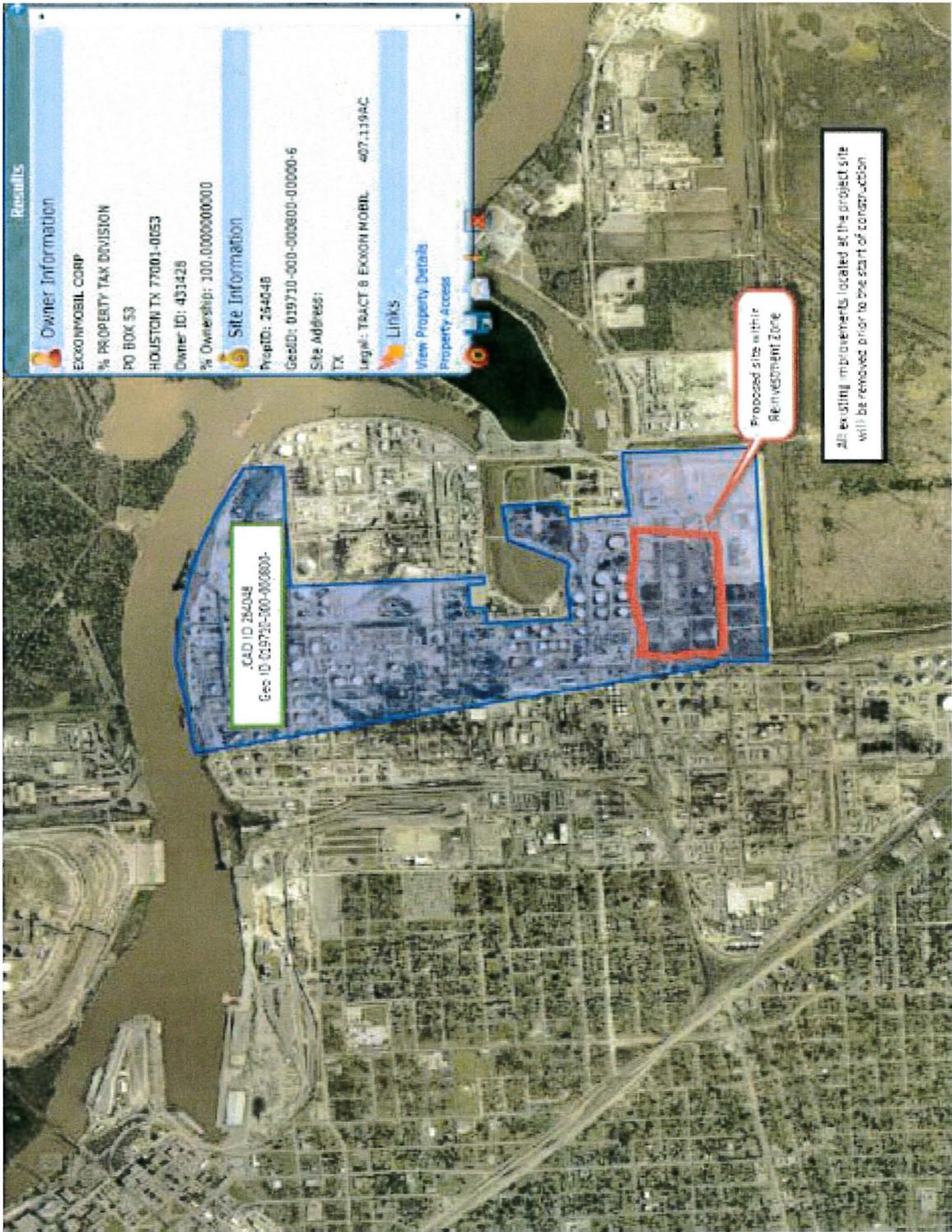
EXHIBIT 1

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 3*. The legal description of the *ExxonMobil Oil Corporation Reinvestment Zone Number 3* is described as the parcel of land identified on the appraisal records of the Jefferson County Appraisal District by the following account:

Property ID No. 264048 and Geographic ID No. 019710-000-000800-00000-6 and containing approximately 407.12 acres

A map of the *ExxonMobil Oil Corporation Reinvestment Zone Number 3* is attached as the next page of this **EXHIBIT 1**.



Agreement for Limitation on Appraised Value
 Between Beaumont ISD and ExxonMobil Oil Corporation
 May 18, 2017

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 design and construct a new crude fractionation tower, a new diesel hydro-treating unit, a new jet hydro-treating unit and related facilities on approximately 6.9 acres of unimproved land located within the Applicant’s existing Beaumont, Texas, Refinery Complex (the “Project”). The proposed Project facilities would allow for production of petroleum intermediate products and high quality ultra-low sulfur fuels.

The proposed improvements will include all process facilities, infrastructure and auxiliary equipment and any other infrastructure additions related to the Project facilities, including, but not limited to, the following significant components:

- Fractionation Units, including a Crude Distillation Tower
- Process Heaters
- Reactors
- Towers, Drums & Other Vessels
- Storage Tanks
- Pumps
- Compressors
- On-site Piping & Connections to existing piping
- Analyzers
- Instrumentation & Controls
- Cooling Tower
- Condensers & Heat Exchangers
- Flare System
- Scrubbers
- Strippers
- Benzene Recovery Unit
- Desalters
- Wharves
- Buildings

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

See **Exhibit 3**.

EXHIBIT 5
AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Deferral Period	Partial Deferral Year Beginning on the Application Approval Date (5/18/17)	January 1, 2017	2017-2018	2017	Start of Deferral Period beginning with the Application Approval Date (5/18/17). No limitation on appraised value.
	Deferral Year	January 1, 2018	2018-2019	2018	Deferral Period. No limitation on appraised value.
	Deferral Year	January 1, 2019	2019-2020	2019	Deferral Period. No limitation on appraised value.
	Partial Year Deferral Period (01/01/20)	January 1, 2020	2020-2021	2020	Deferral Period. No limitation on appraised value.
Qualifying Time Period	Partial Year Beginning on 01/02/2020	January 1, 2020	2020-2021	2020	Start of Qualifying Time Period beginning on 01/02/2020. No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2021	2021-2022	2021	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	3	January 1, 2023	2023-2024	2023	\$30 million appraised value limitation.
	4	January 1, 2024	2024-2025	2024	\$30 million appraised value limitation.
	5	January 1, 2025	2025-2026	2025	\$30 million appraised value limitation.
	6	January 1, 2026	2026-2027	2026	\$30 million appraised value limitation.
	7	January 1, 2027	2027-2028	2027	\$30 million appraised value limitation.
	8	January 1, 2028	2028-2029	2028	\$30 million appraised value limitation.
	9	January 1, 2029	2029-2030	2029	\$30 million appraised value limitation.
	10	January 1, 2030	2030-2031	2030	\$30 million appraised value limitation.
	11	January 1, 2031	2031-2032	2031	\$30 million appraised value limitation.
	12	January 1, 2032	2032-2033	2032	\$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	13	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
	16	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	17	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

May 15, 2017

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 Exxon Mobil 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 Exxon Mobil 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 Exxon Mobil Oil Corporation for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey". The signature is written in a cursive, flowing style.

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

400 W. 15th 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

May 15, 2017

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 Exxon
Mobil 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 Exxon Mobil 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 Exxon Mobil 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 Exxon Mobil 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 in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 08, 2017

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 Oil Corporation, Application 1163

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 Oil Corporation (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement 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 or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

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

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.