



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 4, 2019

AMENDED CERTIFICATION

Dr. Paul Clore
Superintendent
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Gregory-Portland Independent School District and Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC, Application 1180

Dear Superintendent Clore:

This application (Application 1180) was originally submitted on March 6, 2017, to the Gregory-Portland Independent School District (school district) by Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On April 5, 2017, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on April 26, 2017. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on August 29, 2017.

On August 22, 2019, Comptroller received an amendment to the agreement to move the start of the qualifying time period from 2020 to 2023, the latest start date allowed by the statute for a Series project. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement 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)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of

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

Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, 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 previously 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.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

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 amendment to the agreement within a year from the date of this letter.

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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (project) applying to Gregory-Portland 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 Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC.

	Original	Amendment No. 1
Applicant	Corpus Christi Liquefaction, LLC	Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Gregory-Portland ISD	Gregory-Portland ISD
2015-2016 Average Daily Attendance	4,336	4,336
County	San Patricio	San Patricio
Proposed Total Investment in District	\$1,920,000,000	\$2,082,000,000
Proposed Qualified Investment	\$1,631,000,000	\$1,631,000,000
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022	2023-2024
Number of new qualifying jobs committed to by applicant	10	10
Number of new non-qualifying jobs estimated by applicant	25	25
Average weekly wage of qualifying jobs committed to by applicant	\$1,250	\$1,250
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,250	\$1,250
Minimum annual wage committed to by applicant for qualified jobs	\$65,000	\$65,000
Minimum weekly wage required for non-qualifying jobs	\$888	\$888
Minimum annual wage required for non-qualifying jobs	\$46,164	\$46,164
Investment per Qualifying Job	\$192,000,000	\$208,200,000
Estimated M&O levy without any limit (15 years)	\$221,843,163	\$190,388,696
Estimated M&O levy with Limitation (15 years)	\$72,195,261	\$55,150,399
Estimated gross M&O tax benefit (15 years)	\$149,647,901	\$135,238,298

Table 2 is the estimated statewide economic impact of Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	1250	1,174	2,424	\$75,000,000	\$107,373,000	\$182,373,000
2023	1000	1,004	2003.91	\$60,000,000	\$107,480,000	\$167,480,000
2024	800	804	1604	\$48,000,000	\$99,095,000	\$147,095,000
2025	510	574	1084	\$30,515,460	\$81,422,540	\$111,938,000
2026	35	190	225	\$1,804,110	\$40,920,890	\$42,725,000
2027	35	141	176	\$1,804,110	\$33,107,890	\$34,912,000
2028	35	119	154	\$1,804,110	\$28,468,890	\$30,273,000
2029	35	127	162	\$1,804,110	\$27,004,890	\$28,809,000
2030	35	147	182	\$1,804,110	\$26,515,890	\$28,320,000
2031	35	166	201	\$1,804,110	\$28,224,890	\$30,029,000
2032	35	195	230	\$1,804,110	\$30,177,890	\$31,982,000
2033	35	217	252	\$1,804,110	\$33,595,890	\$35,400,000
2034	35	240	275	\$1,804,110	\$37,502,890	\$39,307,000
2035	35	209	244	\$1,804,110	\$34,572,890	\$36,377,000
2036	35	203	238	\$1,804,110	\$35,549,890	\$37,354,000
2037	35	205	240	\$1,804,110	\$36,769,890	\$38,574,000
2038	35	203	238	\$1,804,110	\$38,966,890	\$40,771,000
2039	35	215	250	\$1,804,110	\$40,431,890	\$42,236,000

Source: CPA REMI, Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC

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*	Gregory-Portland ISD I&S Tax Levy	Gregory-Portland ISD M&O Tax Levy	Gregory-Portland ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
			0.1800	0.1800	1.0500		0.4919	0.0579	
2025	\$1,149,883,786	\$1,149,883,786		\$2,069,791	\$12,073,780	\$14,143,571	\$5,656,554	\$665,645	\$20,465,770
2026	\$1,578,883,786	\$1,578,883,786		\$2,841,991	\$16,578,280	\$19,420,271	\$7,766,908	\$913,984	\$28,101,163
2027	\$1,469,883,786	\$1,469,883,786		\$2,645,791	\$15,433,780	\$18,079,571	\$7,230,711	\$850,886	\$26,161,168
2028	\$1,422,883,786	\$1,422,883,786		\$2,561,191	\$14,940,280	\$17,501,471	\$6,999,507	\$823,679	\$25,324,656
2029	\$1,372,883,786	\$1,372,883,786		\$2,471,191	\$14,415,280	\$16,886,471	\$6,753,545	\$794,735	\$24,434,750
2030	\$1,328,883,786	\$1,328,883,786		\$2,391,991	\$13,953,280	\$16,345,271	\$6,537,098	\$769,264	\$23,651,633
2031	\$1,281,883,786	\$1,281,883,786		\$2,307,391	\$13,459,780	\$15,767,171	\$6,305,894	\$742,057	\$22,815,121
2032	\$1,235,883,786	\$1,235,883,786		\$2,224,591	\$12,976,780	\$15,201,371	\$6,079,609	\$715,428	\$21,996,408
2033	\$1,188,883,786	\$1,188,883,786		\$2,139,991	\$12,483,280	\$14,623,271	\$5,848,405	\$688,221	\$21,159,896
2034	\$1,149,883,786	\$1,149,883,786		\$2,069,791	\$12,073,780	\$14,143,571	\$5,656,554	\$665,645	\$20,465,770
2035	\$1,110,883,786	\$1,110,883,786		\$1,999,591	\$11,664,280	\$13,663,871	\$5,464,704	\$643,068	\$19,771,643
2036	\$1,071,883,786	\$1,071,883,786		\$1,929,391	\$11,254,780	\$13,184,171	\$5,272,854	\$620,492	\$19,077,516
2037	\$993,883,786	\$993,883,786		\$1,788,991	\$10,435,780	\$12,224,771	\$4,889,153	\$575,339	\$17,689,263
2038	\$922,883,786	\$922,883,786		\$1,661,191	\$9,690,280	\$11,351,471	\$4,539,887	\$534,239	\$16,425,596
2039	\$852,883,786	\$852,883,786		\$1,535,191	\$8,955,280	\$10,490,471	\$4,195,540	\$493,717	\$15,179,728
			Total	\$32,638,062	\$190,388,696	\$223,026,759	\$89,196,923	\$10,496,401	\$322,720,082

Source: CPA, Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and San Patricio 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.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Gregory-Portland ISD I&S Tax Levy	Gregory-Portland ISD M&O Tax Levy	Gregory-Portland ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1800	1.0500		0.4919	0.0579	
2025	\$1,149,883,786	\$30,000,000		\$2,069,791	\$315,000	\$2,384,791	\$5,656,554	\$665,645	\$8,706,990
2026	\$1,578,883,786	\$30,000,000		\$2,841,991	\$315,000	\$3,156,991	\$7,766,908	\$913,984	\$11,837,883
2027	\$1,469,883,786	\$30,000,000		\$2,645,791	\$315,000	\$2,960,791	\$7,230,711	\$850,886	\$11,042,388
2028	\$1,422,883,786	\$30,000,000		\$2,561,191	\$315,000	\$2,876,191	\$6,999,507	\$823,679	\$10,699,377
2029	\$1,372,883,786	\$30,000,000		\$2,471,191	\$315,000	\$2,786,191	\$6,753,545	\$794,735	\$10,334,471
2030	\$1,328,883,786	\$30,000,000		\$2,391,991	\$315,000	\$2,706,991	\$6,537,098	\$769,264	\$10,013,353
2031	\$1,281,883,786	\$30,000,000		\$2,307,391	\$315,000	\$2,622,391	\$6,305,894	\$742,057	\$9,670,342
2032	\$1,235,883,786	\$30,000,000		\$2,224,591	\$315,000	\$2,539,591	\$6,079,609	\$715,428	\$9,334,628
2033	\$1,188,883,786	\$30,000,000		\$2,139,991	\$315,000	\$2,454,991	\$5,848,405	\$688,221	\$8,991,617
2034	\$1,149,883,786	\$30,000,000		\$2,069,791	\$315,000	\$2,384,791	\$5,656,554	\$665,645	\$8,706,990
2035	\$1,110,883,786	\$1,110,883,786		\$1,999,591	\$11,664,280	\$13,663,871	\$5,464,704	\$643,068	\$19,771,643
2036	\$1,071,883,786	\$1,071,883,786		\$1,929,391	\$11,254,780	\$13,184,171	\$5,272,854	\$620,492	\$19,077,516
2037	\$993,883,786	\$993,883,786		\$1,788,991	\$10,435,780	\$12,224,771	\$4,889,153	\$575,339	\$17,689,263
2038	\$922,883,786	\$922,883,786		\$1,661,191	\$9,690,280	\$11,351,471	\$4,539,887	\$534,239	\$16,425,596
2039	\$852,883,786	\$852,883,786		\$1,535,191	\$8,955,280	\$10,490,471	\$4,195,540	\$493,717	\$15,179,728
			Total	\$32,638,062	\$55,150,399	\$87,788,461	\$89,196,923	\$10,496,401	\$187,481,785
			Diff	\$0	\$135,238,298	\$135,238,298	\$0	\$0	\$135,238,298

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (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 and direct, indirect and induced tax effects from project employment 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	2022	\$93,890	\$93,890	\$0	\$0
	2023	\$3,054,280	\$3,148,170	\$0	\$0
	2024	\$7,149,280	\$10,297,449	\$0	\$0
Limitation Period (10 Years)	2025	\$315,000	\$10,612,449	\$11,758,780	\$11,758,780
	2026	\$315,000	\$10,927,449	\$16,263,280	\$28,022,060
	2027	\$315,000	\$11,242,449	\$15,118,780	\$43,140,839
	2028	\$315,000	\$11,557,449	\$14,625,280	\$57,766,119
	2029	\$315,000	\$11,872,449	\$14,100,280	\$71,866,399
	2030	\$315,000	\$12,187,449	\$13,638,280	\$85,504,679
	2031	\$315,000	\$12,502,449	\$13,144,780	\$98,649,458
	2032	\$315,000	\$12,817,449	\$12,661,780	\$111,311,238
	2033	\$315,000	\$13,132,449	\$12,168,280	\$123,479,518
	2034	\$315,000	\$13,447,449	\$11,758,780	\$135,238,298
Maintain Viable Presence (5 Years)	2035	\$11,664,280	\$25,111,729	\$0	\$135,238,298
	2036	\$11,254,780	\$36,366,509	\$0	\$135,238,298
	2037	\$10,435,780	\$46,802,289	\$0	\$135,238,298
	2038	\$9,690,280	\$56,492,568	\$0	\$135,238,298
	2039	\$8,955,280	\$65,447,848	\$0	\$135,238,298
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$8,304,280	\$73,752,128	\$0	\$135,238,298
	2041	\$7,726,780	\$81,478,908	\$0	\$135,238,298
	2042	\$7,149,280	\$88,628,187	\$0	\$135,238,298
	2043	\$6,666,280	\$95,294,467	\$0	\$135,238,298
	2044	\$6,172,780	\$101,467,247	\$0	\$135,238,298
	2045	\$5,763,280	\$107,230,527	\$0	\$135,238,298
	2046	\$5,353,780	\$112,584,306	\$0	\$135,238,298
	2047	\$4,944,280	\$117,528,586	\$0	\$135,238,298
	2048	\$4,608,280	\$122,136,866	\$0	\$135,238,298
	2049	\$4,282,780	\$126,419,646	\$0	\$135,238,298

\$126,419,646 is less than **\$135,238,298**

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?	No

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, Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2022	1250	1,174	2,424	\$75,000,000	\$107,373,000	\$182,373,000	8545000	-4517000	\$13,062,000
2023	1000	1,004	2003.91	\$60,000,000	\$107,480,000	\$167,480,000	7446000	-1923000	\$9,369,000
2024	800	804	1604	\$48,000,000	\$99,095,000	\$147,095,000	6409000	92000	\$6,317,000
2025	510	574	1084	\$30,515,460	\$81,422,540	\$111,938,000	5135000	2029000	\$3,106,000
2026	35	190	225	\$1,804,110	\$40,920,890	\$42,725,000	2350000	4128000	-\$1,778,000
2027	35	141	176	\$1,804,110	\$33,107,890	\$34,912,000	2090000	3967000	-\$1,877,000
2028	35	119	154	\$1,804,110	\$28,468,890	\$30,273,000	1968000	3754000	-\$1,786,000
2029	35	127	162	\$1,804,110	\$27,004,890	\$28,809,000	1945000	3517000	-\$1,572,000
2030	35	147	182	\$1,804,110	\$26,515,890	\$28,320,000	1923000	3273000	-\$1,350,000
2031	35	166	201	\$1,804,110	\$28,224,890	\$30,029,000	1877000	3014000	-\$1,137,000
2032	35	195	230	\$1,804,110	\$30,177,890	\$31,982,000	1968000	2777000	-\$809,000
2033	35	217	252	\$1,804,110	\$33,595,890	\$35,400,000	1984000	2586000	-\$602,000
2034	35	240	275	\$1,804,110	\$37,502,890	\$39,307,000	1991000	2441000	-\$450,000
2035	35	209	244	\$1,804,110	\$34,572,890	\$36,377,000	1556000	2357000	-\$801,000
2036	35	203	238	\$1,804,110	\$35,549,890	\$37,354,000	1480000	2167000	-\$687,000
2037	35	205	240	\$1,804,110	\$36,769,890	\$38,574,000	1465000	2037000	-\$572,000
2038	35	203	238	\$1,804,110	\$38,966,890	\$40,771,000	1434000	1892000	-\$458,000
2039	35	215	250	\$1,804,110	\$40,431,890	\$42,236,000	1450000	1717000	-\$267,000
2040	35	217	252	\$1,804,110	\$42,629,890	\$44,434,000	1434000	1587000	-\$153,000
2041	35	227	262	\$1,804,110	\$44,826,890	\$46,631,000	1495000	1434000	\$61,000
2042	35	229	264	\$1,804,110	\$48,488,890	\$50,293,000	1633000	1373000	\$260,000
2043	35	235	270	\$1,804,110	\$52,394,890	\$54,199,000	1785000	1297000	\$488,000
2044	35	246	281	\$1,804,110	\$57,277,890	\$59,082,000	1846000	1282000	\$564,000
2045	35	252	287	\$1,804,110	\$59,718,890	\$61,523,000	1846000	1175000	\$671,000
2046	35	258	293	\$1,804,110	\$64,113,890	\$65,918,000	1938000	1198000	\$740,000
2047	35	268	303	\$1,804,110	\$69,484,890	\$71,289,000	2014000	1152000	\$862,000
2048	35	272	307	\$1,804,110	\$72,902,890	\$74,707,000	2029000	1114000	\$915,000
2049	35	276	311	\$1,804,110	\$77,785,890	\$79,590,000	2167000	1099000	\$1,068,000
Total							\$71,203,000	\$48,019,000	\$23,184,000
							\$149,603,646	is greater than	\$135,238,298

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

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.