



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 1, 2019

AMENDED CERTIFICATION

Randal O'Brien  
Superintendent  
Goose Creek Consolidated Independent School District  
4544 Interstate 10 East  
Baytown, Texas 77521

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Goose Creek Consolidated Independent School District and Exxon Mobil Corporation, Application 1275

Dear Superintendent O'Brien:

This application (Application 1275) was originally submitted on June 4, 2018, to the Goose Creek Consolidated Independent School District (school district) by Exxon Mobil Corporation (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On September 10, 2018, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on October 18, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 2, 2019.

On April 18, 2019, Comptroller received an amendment to the agreement to move the qualifying time period starting year from 2022 to 2020 and to update the estimated market and taxable value. 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 B; 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 Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

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 by December 31, 2019.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto: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

**Table 2** is the estimated statewide economic impact of Exxon Mobil Corporation (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	0	2,465	2,465	\$0	\$182,000,000	\$182,000,000
2019	1600	3,697	5297	\$174,400,000	\$346,600,000	\$521,000,000
2020	1700	4,244	5944	\$204,000,000	\$423,000,000	\$627,000,000
2021	125	799	924	\$11,300,000	\$121,700,000	\$133,000,000
2022	25	171	196	\$0	\$60,000,000	\$60,000,000
2023	25	(146)	-121	\$1,655,575	\$25,344,425	\$27,000,000
2024	25	(280)	-255	\$1,655,575	\$6,344,425	\$8,000,000
2025	25	(286)	-261	\$1,655,575	-\$1,655,575	\$0
2026	25	(224)	-199	\$1,655,575	-\$1,655,575	\$0
2027	25	(134)	-109	\$1,655,575	\$3,344,425	\$5,000,000
2028	25	(38)	-13	\$1,655,575	\$10,344,425	\$12,000,000
2029	25	47	72	\$1,655,575	\$17,344,425	\$19,000,000
2030	25	117	142	\$1,655,575	\$25,344,425	\$27,000,000
2031	25	169	194	\$1,655,575	\$31,344,425	\$33,000,000
2032	25	180	205	\$1,655,575	\$34,344,425	\$36,000,000

Source: CPA REMI, Exxon Mobil 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*	Goose Creek CISO I&S Tax Levy	Goose Creek CISO M&O Tax Levy	Goose Creek CISO M&O and I&S Tax Levies	Harris County Tax Levy	Lee Junior College Tax Levy	Harris County Hospital District Tax Levy	Harris County Flood Control Tax Levy	Port of Houston Authority Tax Levy	Estimated Total Property Taxes
2020	\$126,000,000	\$126,000,000	0.2619	\$329,981	\$1,474,200	\$1,804,181	\$533,245	\$315,504	\$215,586	\$35,671	\$15,826	\$2,920,012
2021	\$324,000,000	\$324,000,000		\$848,524	\$3,790,800	\$4,639,324	\$1,371,200	\$811,296	\$554,364	\$91,724	\$40,694	\$7,508,603
2022	\$1,114,937,672	\$1,114,937,672		\$2,919,910	\$13,044,771	\$15,964,681	\$4,718,528	\$2,791,804	\$1,907,658	\$315,639	\$140,036	\$25,838,346
2023	\$1,092,638,919	\$1,092,638,919		\$2,861,512	\$12,783,875	\$15,645,387	\$4,624,157	\$2,735,968	\$1,869,505	\$309,326	\$137,235	\$25,321,579
2024	\$1,070,786,140	\$1,070,786,140		\$2,804,282	\$12,528,198	\$15,332,480	\$4,531,674	\$2,681,248	\$1,832,115	\$303,140	\$134,491	\$24,815,148
2025	\$1,049,370,417	\$1,049,370,417		\$2,748,196	\$12,277,634	\$15,025,830	\$4,441,041	\$2,627,624	\$1,795,473	\$297,077	\$131,801	\$24,318,845
2026	\$1,028,383,009	\$1,028,383,009		\$2,693,232	\$12,032,081	\$14,725,313	\$4,352,220	\$2,575,071	\$1,759,563	\$291,135	\$129,165	\$23,832,468
2027	\$1,007,815,349	\$1,007,815,349		\$2,639,368	\$11,791,440	\$14,430,807	\$4,265,175	\$2,523,570	\$1,724,372	\$285,313	\$126,582	\$23,355,818
2028	\$987,659,042	\$987,659,042		\$2,586,580	\$11,555,611	\$14,142,191	\$4,179,872	\$2,473,098	\$1,689,885	\$279,606	\$124,050	\$22,888,702
2029	\$967,905,861	\$967,905,861		\$2,534,849	\$11,324,499	\$13,859,347	\$4,096,274	\$2,423,636	\$1,656,087	\$274,014	\$121,569	\$22,430,928
2030	\$948,547,744	\$948,547,744		\$2,484,152	\$11,098,009	\$13,582,160	\$4,014,349	\$2,375,164	\$1,622,965	\$268,534	\$119,138	\$21,982,309
2031	\$929,576,789	\$929,576,789		\$2,434,469	\$10,876,048	\$13,310,517	\$3,934,062	\$2,327,660	\$1,590,506	\$263,163	\$116,755	\$21,542,663
2032	\$910,985,253	\$910,985,253		\$2,385,779	\$10,658,527	\$13,044,307	\$3,855,381	\$2,281,107	\$1,558,696	\$257,900	\$114,420	\$21,111,810
2033	\$892,765,548	\$892,765,548		\$2,338,064	\$10,445,357	\$12,783,421	\$3,778,273	\$2,235,485	\$1,527,522	\$252,742	\$112,131	\$20,689,574
2034	\$874,910,237	\$874,910,237		\$2,291,302	\$10,236,450	\$12,527,752	\$3,702,708	\$2,190,775	\$1,496,971	\$247,687	\$109,889	\$20,275,782
2035	\$857,412,032	\$857,412,032		\$2,245,476	\$10,031,721	\$12,277,197	\$3,628,653	\$2,146,960	\$1,467,032	\$242,733	\$107,691	\$19,870,267
2036	\$840,263,792	\$840,263,792		\$2,200,567	\$9,831,086	\$12,031,653	\$3,556,080	\$2,104,021	\$1,437,691	\$237,879	\$105,537	\$19,472,861
			<b>Total</b>	<b>\$39,346,243</b>	<b>\$175,780,306</b>	<b>\$215,126,549</b>	<b>\$63,582,892</b>	<b>\$37,619,990</b>	<b>\$25,705,992</b>	<b>\$4,253,282</b>	<b>\$1,887,009</b>	<b>\$348,175,715</b>

Source: CPA, Exxon Mobil Corporation

\*Tax Rate per \$100 Valuation

## Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Exxon Mobil Corporation (project) applying to Goose Creek Consolidated 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 Exxon Mobil Corporation.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	Exxon Mobil Corporation	Exxon Mobil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Goose Creek CISD	Goose Creek CISD
2017-2018 Average Daily Attendance	22,310	22,310
County	Harris	Harris
Proposed Total Investment in District	\$1,872,000,000	\$1,872,000,000
Proposed Qualified Investment	\$1,872,000,000	\$1,872,000,000
Limitation Amount	\$100,000,000	\$100,000,000
Qualifying Time Period (Full Years)	2022-2023	2020-2021
Number of new qualifying jobs committed to by applicant	25	25
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,210.97	\$1,210.97
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,273.50	\$1,273.50
Minimum annual wage committed to by applicant for qualified jobs	\$66,222.20	\$66,222.20
Minimum weekly wage required for non-qualifying jobs	\$1,331.50	\$1,331.50
Minimum annual wage required for non-qualifying jobs	\$69,238	\$69,238
Investment per Qualifying Job	\$74,880,000	\$74,880,000
Estimated M&O levy without any limit (15 years)	\$118,395,613	\$175,780,306
Estimated M&O levy with Limitation (15 years)	\$50,936,395	\$68,168,141
Estimated gross M&O tax benefit (15 years)	\$67,459,218	\$107,612,165



## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$1,474,200	\$1,474,200	\$0	\$0
	2021	\$3,790,800	\$5,265,000	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$1,170,000	\$6,435,000	\$11,874,771	\$11,874,771
	2023	\$1,170,000	\$7,605,000	\$11,613,875	\$23,488,646
	2024	\$1,170,000	\$8,775,000	\$11,358,198	\$34,846,844
	2025	\$1,170,000	\$9,945,000	\$11,107,634	\$45,954,478
	2026	\$1,170,000	\$11,115,000	\$10,862,081	\$56,816,559
	2027	\$1,170,000	\$12,285,000	\$10,621,440	\$67,437,999
	2028	\$1,170,000	\$13,455,000	\$10,385,611	\$77,823,609
	2029	\$1,170,000	\$14,625,000	\$10,154,499	\$87,978,108
	2030	\$1,170,000	\$15,795,000	\$9,928,009	\$97,906,117
	2031	\$1,170,000	\$16,965,000	\$9,706,048	\$107,612,165
<b>Maintain Viable Presence (5 Years)</b>	2032	\$10,658,527	\$27,623,527	\$0	\$107,612,165
	2033	\$10,445,357	\$38,068,884	\$0	\$107,612,165
	2034	\$10,236,450	\$48,305,334	\$0	\$107,612,165
	2035	\$10,031,721	\$58,337,055	\$0	\$107,612,165
	2036	\$9,831,086	\$68,168,141	\$0	\$107,612,165
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$9,634,465	\$77,802,606	\$0	\$107,612,165
	2038	\$9,441,775	\$87,244,381	\$0	\$107,612,165
	2039	\$9,252,940	\$96,497,321	\$0	\$107,612,165
	2040	\$9,067,881	\$105,565,202	\$0	\$107,612,165
	2041	\$8,886,523	\$114,451,726	\$0	\$107,612,165
	2042	\$8,708,793	\$123,160,519	\$0	\$107,612,165
	2043	\$8,534,617	\$131,695,136	\$0	\$107,612,165
	2044	\$8,363,925	\$140,059,060	\$0	\$107,612,165
	2045	\$8,196,646	\$148,255,707	\$0	\$107,612,165
	2046	\$8,032,713	\$156,288,420	\$0	\$107,612,165

**\$156,288,420**

is greater than

**\$107,612,165**

### 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, Exxon Mobil 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.