
FINDINGS
OF THE

GOOSE CREEK CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY

EXXON MOBIL CORPORATION
TEXAS TAXPAYER ID #11354090059
APPLICATION #1275

April 2, 2019

FINDINGS OF THE GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT
ACT ON THE APPLICATION SUBMITTED BY EXXON MOBIL CORPORATION

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On the 2nd day of April, 2019, a public meeting of the Board of Trustees of the Goose Creek Consolidated Independent School 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 Trustees took up and considered the Application of Exxon Mobil Corporation (Application #1275) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Goose Creek Consolidated Independent School District makes the following findings with respect to the Application of Exxon Mobil Corporation #1275, and the economic impact of that Application:

On June 4, 2018, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Exxon Mobil Corporation #1275 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is posted on the Texas Comptroller's website at:

<https://comptroller.texas.gov/economy/local/ch313/agreement-docs-details.php?id=1275>.

The Applicant, Exxon Mobil Corporation (Taxpayer ID 11354090059) ("Applicant"), consists of entities subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. The Board of Trustees acknowledges receipt of the Application, along with the required Application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Harris County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054. The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the Application was complete was issued on September 7, 2018.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation on October 18, 2018 pursuant to Texas Tax Code § 313.026, and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Exhibit A**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Goose Creek Consolidated Independent School District. A copy of a report prepared by Education Service Center, Region 12 is

attached to these findings as **Exhibit B**. The Texas Commissioner of Education has determined that the project will not impact school enrollment.

The Board of Trustees has confirmed that the taxable value of property in the Goose Creek Consolidated Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in the 2018 ISD Summary Worksheet posted on the Texas Comptroller's website at:

<https://comptroller.texas.gov/data/property-tax/prs/2018p/1011019110D.php>.

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Exhibit C**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Texas Tax Code § 313.024 in the eligibility category of Manufacturing.

Board Finding Number 2.

The Applicant's entire proposed investment in the Goose Creek Consolidated Independent School District is \$1,872,000,000—all of which is proposed to be Qualified Investment under Texas Tax Code § 313.021.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$66,222.20 per year. The review of the Application by the State Comptroller's Office indicates that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for Qualified Jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$74.9 Million on the basis of the 25 new qualifying positions committed to by the Applicant for this project. The project's total investment is \$1.872 Billion resulting in a relative level of investment per qualifying job of \$74,880,000.

Board Finding Number 5.

The Applicant has not requested a waiver of the job creation requirement under Texas Tax Code § 313.25(f-1), and the Board finds that the project meets state job creating requirements.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding 6, the economic impact evaluation states:

Table 2 depicts this project's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels.

Table 2—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	\$ 181,960,000	\$ 181,960,000
2019	0	3,765	3,765	\$ 0	\$ 296,220,000	\$ 296,220,000
2020	0	232	232	\$ 0	\$ 43,150,000	\$ 43,150,000
2021	1,600	3,385	4,985	\$ 174,400,000	\$ 357,560,000	\$ 531,960,000
2022	1,700	3,772	5,472	\$ 204,000,000	\$ 426,160,000	\$ 630,160,000
2023	125	598	723	\$ 12,955,575	\$ 116,094,425	\$ 129,050,000
2024	25	40	65	\$ 1,655,575	\$ 53,604,425	\$ 55,260,000
2025	25	(228)	-203	\$ 1,655,575	\$ 20,694,425	\$ 22,350,000
2026	25	(318)	-293	\$ 1,655,575	\$ 3,434,425	\$ 5,090,000
2027	25	(299)	-274	\$ 1,655,575	-\$ 2,585,575	-\$ 930,000
2028	25	(222)	-197	\$ 1,655,575	-\$ 955,575	\$ 700,000
2029	25	(123)	-98	\$ 1,655,575	\$ 5,064,425	\$ 6,720,000
2030	25	(25)	0	\$ 1,655,575	\$ 13,044,425	\$ 14,700,000
2031	25	60	85	\$ 1,655,575	\$ 21,394,425	\$ 23,050,000
2032	25	126	151	\$ 1,655,575	\$ 29,104,425	\$ 30,760,000

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, and Harris County, with all property tax incentives sought being granted using estimated market value from the Application. The difference noted in the last line is the difference between Table 3 and Table 4:

Board Findings of the Goose Creek Consolidated Independent School District

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	GCCISD I&S Tax Levy	GCCISD M&O Tax Levy	GCCISD 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
			Tax Rate ¹	0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126
2022	\$ 126,000,000	\$ 126,000,000	\$	329,981	\$ 1,474,200	\$ 1,804,181	\$ 533,245	\$ 315,504	\$ 215,586	\$ 35,671	\$ 2,652,930
2023	\$ 324,000,000	\$ 324,000,000	\$	848,524	\$ 3,790,800	\$ 4,639,324	\$ 1,371,200	\$ 811,296	\$ 554,364	\$ 91,724	\$ 6,821,820
2024	\$ 739,720,000	\$ 100,000,000	\$	1,937,253	\$ 1,170,000	\$ 3,107,253	\$ 3,130,569	\$ 1,852,259	\$ 1,265,661	\$ 209,415	\$ 8,090,081
2025	\$ 724,925,600	\$ 100,000,000	\$	1,898,508	\$ 1,170,000	\$ 3,068,508	\$ 3,067,958	\$ 1,815,214	\$ 1,240,348	\$ 205,226	\$ 7,951,679
2026	\$ 710,427,088	\$ 100,000,000	\$	1,860,538	\$ 1,170,000	\$ 3,030,538	\$ 3,006,598	\$ 1,778,909	\$ 1,215,541	\$ 201,122	\$ 7,816,045
2027	\$ 696,218,546	\$ 100,000,000	\$	1,823,327	\$ 1,170,000	\$ 2,993,327	\$ 2,946,467	\$ 1,743,331	\$ 1,191,230	\$ 197,099	\$ 7,683,125
2028	\$ 682,294,175	\$ 100,000,000	\$	1,786,860	\$ 1,170,000	\$ 2,956,860	\$ 2,887,537	\$ 1,708,465	\$ 1,167,405	\$ 193,157	\$ 7,552,862
2029	\$ 668,648,292	\$ 100,000,000	\$	1,751,123	\$ 1,170,000	\$ 2,921,123	\$ 2,829,786	\$ 1,674,295	\$ 1,144,057	\$ 189,294	\$ 7,425,205
2030	\$ 655,275,326	\$ 100,000,000	\$	1,716,101	\$ 1,170,000	\$ 2,886,101	\$ 2,773,191	\$ 1,640,809	\$ 1,121,176	\$ 185,508	\$ 7,300,101
2031	\$ 642,169,819	\$ 100,000,000	\$	1,681,779	\$ 1,170,000	\$ 2,851,779	\$ 2,717,727	\$ 1,607,993	\$ 1,098,753	\$ 181,798	\$ 7,177,499
2032	\$ 629,326,423	\$ 100,000,000	\$	1,648,143	\$ 1,170,000	\$ 2,818,143	\$ 2,663,372	\$ 1,575,833	\$ 1,076,778	\$ 178,162	\$ 7,057,349
2033	\$ 616,739,895	\$ 100,000,000	\$	1,615,180	\$ 1,170,000	\$ 2,785,180	\$ 2,610,105	\$ 1,544,317	\$ 1,055,242	\$ 174,599	\$ 6,939,602
2034	\$ 604,405,097	\$ 604,405,097	\$	1,582,877	\$ 7,071,540	\$ 8,654,416	\$ 2,557,903	\$ 1,513,430	\$ 1,034,137	\$ 171,107	\$ 12,725,749
2035	\$ 592,316,995	\$ 592,316,995	\$	1,551,219	\$ 6,930,109	\$ 8,481,328	\$ 2,506,745	\$ 1,483,162	\$ 1,013,454	\$ 167,685	\$ 12,471,234
2036	\$ 580,470,655	\$ 580,470,655	\$	1,520,195	\$ 6,791,507	\$ 8,311,701	\$ 2,456,610	\$ 1,453,499	\$ 993,185	\$ 164,331	\$ 12,221,810
2037	\$ 568,861,242	\$ 568,861,242	\$	1,489,791	\$ 6,655,677	\$ 8,145,467	\$ 2,407,478	\$ 1,424,429	\$ 973,322	\$ 161,045	\$ 11,977,373
2038	\$ 557,484,017	\$ 557,484,017	\$	1,459,995	\$ 6,522,563	\$ 7,982,558	\$ 2,359,328	\$ 1,395,940	\$ 953,855	\$ 157,824	\$ 11,737,826
Total			\$26,501,391	\$50,936,395	\$77,437,785	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$145,602,289
Diff			\$ 0	\$ 67,459,218	\$ 67,459,218	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 88,909,063

¹Tax Rate per \$100 Valuation

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

Table 3—Estimated Direct Ad Valorem Taxes without Property Tax Incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	GCCISD I&S Tax Levy	GCCISD M&O Tax Levy	GCCISD 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
			Tax Rate ¹	0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126
2022	\$ 126,000,000	\$ 126,000,000	\$	329,981	\$ 1,474,200	\$ 1,804,181	\$ 533,245	\$ 315,504	\$ 215,586	\$ 35,671	\$ 2,920,012
2023	\$ 324,000,000	\$ 324,000,000	\$	848,524	\$ 3,790,800	\$ 4,639,324	\$ 1,371,200	\$ 811,296	\$ 554,364	\$ 91,724	\$ 7,508,603
2024	\$ 739,720,000	\$ 739,720,000	\$	1,937,253	\$ 8,654,724	\$ 10,591,977	\$ 3,130,569	\$ 1,852,259	\$ 1,265,661	\$ 209,415	\$ 17,142,789
2025	\$ 724,925,600	\$ 724,925,600	\$	1,898,508	\$ 8,481,630	\$ 10,380,137	\$ 3,067,958	\$ 1,815,214	\$ 1,240,348	\$ 205,226	\$ 16,799,933
2026	\$ 710,427,088	\$ 710,427,088	\$	1,860,538	\$ 8,311,997	\$ 10,172,534	\$ 3,006,598	\$ 1,778,909	\$ 1,215,541	\$ 201,122	\$ 16,463,935
2027	\$ 696,218,546	\$ 696,218,546	\$	1,823,327	\$ 8,145,757	\$ 9,969,084	\$ 2,946,467	\$ 1,743,331	\$ 1,191,230	\$ 197,099	\$ 16,134,656
2028	\$ 682,294,175	\$ 682,294,175	\$	1,786,860	\$ 7,982,842	\$ 9,769,702	\$ 2,887,537	\$ 1,708,465	\$ 1,167,405	\$ 193,157	\$ 15,811,963
2029	\$ 668,648,292	\$ 668,648,292	\$	1,751,123	\$ 7,823,185	\$ 9,574,308	\$ 2,829,786	\$ 1,674,295	\$ 1,144,057	\$ 189,294	\$ 15,495,724
2030	\$ 655,275,326	\$ 655,275,326	\$	1,716,101	\$ 7,666,721	\$ 9,382,822	\$ 2,773,191	\$ 1,640,809	\$ 1,121,176	\$ 185,508	\$ 15,185,809
2031	\$ 642,169,819	\$ 642,169,819	\$	1,681,779	\$ 7,513,387	\$ 9,195,165	\$ 2,717,727	\$ 1,607,993	\$ 1,098,753	\$ 181,798	\$ 14,882,093
2032	\$ 629,326,423	\$ 629,326,423	\$	1,648,143	\$ 7,363,119	\$ 9,011,262	\$ 2,663,372	\$ 1,575,833	\$ 1,076,778	\$ 178,162	\$ 14,584,451
2033	\$ 616,739,895	\$ 616,739,895	\$	1,615,180	\$ 7,215,857	\$ 8,831,037	\$ 2,610,105	\$ 1,544,317	\$ 1,055,242	\$ 174,599	\$ 14,292,762
2034	\$ 604,405,097	\$ 604,405,097	\$	1,582,877	\$ 7,071,540	\$ 8,654,416	\$ 2,557,903	\$ 1,513,430	\$ 1,034,137	\$ 171,107	\$ 14,006,907
2035	\$ 592,316,995	\$ 592,316,995	\$	1,551,219	\$ 6,930,109	\$ 8,481,328	\$ 2,506,745	\$ 1,483,162	\$ 1,013,454	\$ 167,685	\$ 13,726,769
2036	\$ 580,470,655	\$ 580,470,655	\$	1,520,195	\$ 6,791,507	\$ 8,311,701	\$ 2,456,610	\$ 1,453,499	\$ 993,185	\$ 164,331	\$ 13,452,233
2037	\$ 568,861,242	\$ 568,861,242	\$	1,489,791	\$ 6,655,677	\$ 8,145,467	\$ 2,407,478	\$ 1,424,429	\$ 973,322	\$ 161,045	\$ 13,183,189
2038	\$ 557,484,017	\$ 557,484,017	\$	1,459,995	\$ 6,522,563	\$ 7,982,558	\$ 2,359,328	\$ 1,395,940	\$ 953,855	\$ 157,824	\$ 12,919,525
Total			\$26,501,391	\$118,395,613	\$144,897,004	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$234,511,352

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

Board Findings of the Goose Creek Consolidated Independent School District

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.

Board Finding Number 8.

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 suggesting little underlying enrollment growth based on the impact of the project.

Board Finding Number 9.

The Applicant's 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 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. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

	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	2021	\$ 0	\$ 0	\$ 0	\$ 0
	2022	\$ 1,474,200	\$ 1,474,200	\$ 0	\$ 0
	2023	\$ 3,790,800	\$ 5,265,000	\$ 0	\$ 0
Limitation Period (10 Years)	2024	\$ 1,170,000	\$ 6,435,000	\$ 7,484,724	\$ 7,484,724
	2025	\$ 1,170,000	\$ 7,605,000	\$ 7,311,630	\$ 14,796,354
	2026	\$ 1,170,000	\$ 8,775,000	\$ 7,141,997	\$ 21,938,350
	2027	\$ 1,170,000	\$ 9,945,000	\$ 6,975,757	\$ 28,914,107
	2028	\$ 1,170,000	\$ 11,115,000	\$ 6,812,842	\$ 35,726,949
	2029	\$ 1,170,000	\$ 12,285,000	\$ 6,653,185	\$ 42,380,134
	2030	\$ 1,170,000	\$ 13,455,000	\$ 6,496,721	\$ 48,876,856
	2031	\$ 1,170,000	\$ 14,625,000	\$ 6,343,387	\$ 55,220,243
	2032	\$ 1,170,000	\$ 15,795,000	\$ 6,193,119	\$ 61,413,362
	2033	\$ 1,170,000	\$ 16,965,000	\$ 6,045,857	\$ 67,459,218
	2034	\$ 7,071,540	\$ 24,036,540	\$ 0	\$ 67,459,218
Maintain Viable Presence (5 Years)	2035	\$ 6,930,109	\$ 30,966,648	\$ 0	\$ 67,459,218
	2036	\$ 6,791,507	\$ 37,758,155	\$ 0	\$ 67,459,218
	2037	\$ 6,655,677	\$ 44,413,832	\$ 0	\$ 67,459,218
	2038	\$ 6,522,563	\$ 50,936,395	\$ 0	\$ 67,459,218
Additional Years as Required by § 313.026(c)(1) (10 Years)	2039	\$ 6,392,112	\$ 57,328,506	\$ 0	\$ 67,459,218
	2040	\$ 6,264,270	\$ 63,592,776	\$ 0	\$ 67,459,218
	2041	\$ 6,138,984	\$ 69,731,760	\$ 0	\$ 67,459,218
	2042	\$ 6,016,204	\$ 75,747,964	\$ 0	\$ 67,459,218
	2043	\$ 5,895,880	\$ 81,643,845	\$ 0	\$ 67,459,218
	2044	\$ 5,777,963	\$ 87,421,808	\$ 0	\$ 67,459,218
	2045	\$ 5,662,403	\$ 93,084,211	\$ 0	\$ 67,459,218
	2046	\$ 5,549,155	\$ 98,633,366	\$ 0	\$ 67,459,218
	2047	\$ 5,438,172	\$ 104,071,539	\$ 0	\$ 67,459,218
	2048	\$ 5,329,409	\$ 109,400,948	\$ 0	\$ 67,459,218

\$ 109,400,948	is greater than	\$ 67,459,218
----------------	-----------------	---------------

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
--	------------

Board Finding Number 10.

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

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings 10 and 11, **Attachment C** of the economic impact study states:

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. This is based on information available, including information provided by the Applicant. Specifically, the Comptroller notes the following:

- I. Per Exxon Mobil Corporation in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "ExxonMobil group has the ability to invest, locate, and develop new projects, such as the one that is subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at ExxonMobil's petrochemical manufacturing location in Baton Rouge, Louisiana."
 - B. "The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the project. No regulatory permit applications have been filed. No public announcements of a definitive intent to construct the project have been made."
 - C. "Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace."
 - D. For the tax year 2017, Goose Creek CISD's maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the ExxonMobil Baytown Complex location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in ExxonMobil's decision to invest capital and construct the project in the State of Texas."
 - E. "Obtaining a limitation on appraised value under Chapter 313 of the Texas Tax Code is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without a limitation on appraised value under Chapter 313 from Goose Creek CISD, siting the project in Harris County is less attractive."
- II. According to a *West Chambers Country EDF News* article dated July 13, 2018, Exxon Mobil "has purchased nearly 100 acres adjacent to one of its refineries in Baytown. The energy company bought 93 acres off of Baker Road in Baytown, adjacent to its Baytown refinery, according to public findings.

- III. An August 27, 2018 *ICIS* article states “ExxonMobil revealed on Monday details of a proposal to build [two] new units at its complex in Baytown, Texas, saying that one of them will produce its *Vistamaxx* copolymer and the second will produce linear alpha olefins (LAO).”
- IV. *The Houston Chronicle* reported on September 27, 2018 that “Exxon Mobil recently completed plastics expansion at its plant in Mont Belvieu near Houston. The expansion allows Exxon to produce an additional 1.3 million tons of polyethylene a year. Exxon Mobil is considering another plastics project at its nearby Baytown campus, where it already manufactures ethylene, the chemical building block of most plastics. Ethylene and polyethylene are made from cheap and abundant ethane that’s produced along with oil and natural gas in the shale plays of Texas and other regions. The availability of the low-cost raw materials has triggered a petrochemical boom along the Gulf Coast.”
- V. Per the *Baytown Sun*, in an article dated May 16, 2018:
 - A. “ExxonMobil is looking to expand polymer manufacturing at its Baytown chemical plant.”
 - B. “ExxonMobil recently submitted a permit application to construct a performance polymers unit and a monomer preparation facility at its plant on Bayway Drive.”
 - C. “According to a permit application, the performance polymers unit will combine monomers and generate a pelletized resin. The monomers and catalyst are combined in a reactor, and the resultant polymer is then separated from the reaction components, pelletized and dried. Additionally, the monomer preparation facility will be constructed to prepare monomers for use in polymerization.”
 - D. “The project would be in addition to the company’s 10-year, \$20 billion Growing the Gulf initiative.”
- VI. Investor information from ExxonMobil’s website states “ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand manufacturing facilities in the U.S. Gulf region” and that “ExxonMobil is considering an expansion of its Baytown chemical plant that would include a *Vistamaxx* unit and full-range linear alpha olefins production unit.”
- VII. Supplemental information provided by the applicant stated the following:
 - A. “This email confirms that this project has not received any local or state permits for activities on the proposed project site.”
 - B. “One permit application relating to the project has been filed for a New Source Review (“NSR”) air quality permit. This is an application for a standalone permit for air pollution control issued by the Texas Commission on Environmental Quality (“TCEQ”). The identifying number of the application is 149177. The TCEQ has made no determination with respect to the application. The TCEQ’s determination with respect to the permit application will be based on TCEQ’s review of a potential project’s control technology, health impacts demonstration, and compliance with TCEQ rules. In addition, the permit process offers an opportunity for public participation. This permit is a long lead item as the process for obtaining the permit is lengthy and often protracted. The ability to obtain this permit is an important part of the [applicant’s] evaluation of the viability of the site as a potential location for the project. For these reasons, the permit application is filed at an early stage of the site selection process. The applicant has not received this permit. Tab 5 of the application inadvertently included a statement that no regulatory permit applications have been filed. This e-mail supplements the application to correct this inadvertent oversight by deleting that statement from Tab 5 and replacing it with the information above concerning the NSR air quality permit application. We emphasize that no permits have been received for this project. We note that an application is pending with the TCEQ for renewal of the Texas Pollution Discharge Elimination System (“TPDES”) individual water quality permit for the existing Baytown Chemical Plant facilities located near the unimproved land that is one of the potential

locations for the project. The identifying number of the application is TPDES WQ0001215000. As the application for the renewal of this permit relates to the existing Baytown Chemical Plant facilities, the application is not related to the potential project.”

- C. “The permit application a New Source Review (“NSR”) air quality permit was submitted to TCEQ on November 1, 2017.”

VIII. Railroad Commission of Texas Public GIS Viewer Map depicting carbon dioxide pipelines.

Supporting Information

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

Board Finding Number 12.

The Board of Trustees of the Goose Creek Consolidated Independent School District hired consultants to review and verify the information in Application #1275. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees has determined that the Tax Limitation Amount requested by the Applicant is currently One Hundred Million Dollars (\$100,000,000), which is consistent with the minimum values currently set out by Texas Tax Code § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer ID 11354090059) is eligible for the limitation on appraised value of Qualified Property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Exhibit C, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.


Considering the purpose and effect of the law and the terms of the Agreement, 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.

Board Findings of the Goose Creek Consolidated Independent School District

It is therefore ORDERED that the Agreement attached hereto as **Exhibit C** is approved and hereby authorized to be executed and delivered by and on behalf of the Goose Creek Consolidated Independent School 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 Trustees of the Goose Creek Consolidated Independent School District.

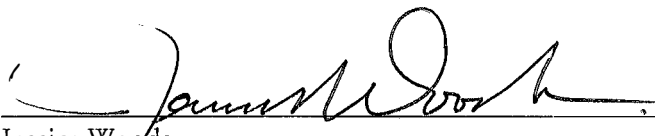
Dated the 2nd day of April, 2019.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 

Pete Pape
President, Board of Trustees

ATTEST:

By: 

Jessica Woods
Secretary, Board of Trustees

Findings and Order of the Goose Creek Consolidated Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Exxon Mobil Corporation (Tax ID 11354090059) (Application #1275)

EXHIBIT A

Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 18, 2018

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

Re: 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:

On September 10, 2018, the Comptroller issued written notice that Exxon Mobil Corporation (applicant) submitted a completed application (Application 1275) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 4, 2018, to the Goose Creek Consolidated 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 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)

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.

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

- 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 1275.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

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 September 10, 2018, 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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

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.

Applicant	Exxon Mobil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Goose Creek CISD
2017-2018 Average Daily Attendance	22,310
County	Harris
Proposed Total Investment in District	\$1,872,000,000
Proposed Qualified Investment	\$1,872,000,000
Limitation Amount	\$100,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$1,210.97
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,273.50
Minimum annual wage committed to by applicant for qualified jobs	\$66,222.20
Minimum weekly wage required for non-qualifying jobs	\$1,331.50
Minimum annual wage required for non-qualifying jobs	\$69,238
Investment per Qualifying Job	\$74,880,000
Estimated M&O levy without any limit (15 years)	\$118,395,613
Estimated M&O levy with Limitation (15 years)	\$50,936,395
Estimated gross M&O tax benefit (15 years)	\$67,459,218

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	\$181,960,000	\$181,960,000
2019	0	3,765	3,765.43	\$0	\$296,220,000	\$296,220,000
2020	0	232	232	\$0	\$43,150,000	\$43,150,000
2021	1600	3,385	4985	\$174,400,000	\$357,560,000	\$531,960,000
2022	1700	3,772	5472	\$204,000,000	\$426,160,000	\$630,160,000
2023	125	598	723	\$12,955,575	\$116,094,425	\$129,050,000
2024	25	40	65	\$1,655,575	\$53,604,425	\$55,260,000
2025	25	(228)	-203	\$1,655,575	\$20,694,425	\$22,350,000
2026	25	(318)	-293	\$1,655,575	\$3,434,425	\$5,090,000
2027	25	(299)	-274	\$1,655,575	-\$2,585,575	-\$930,000
2028	25	(222)	-197	\$1,655,575	-\$955,575	\$700,000
2029	25	(123)	-98	\$1,655,575	\$5,064,425	\$6,720,000
2030	25	(25)	0	\$1,655,575	\$13,044,425	\$14,700,000
2031	25	60	85	\$1,655,575	\$21,394,425	\$23,050,000
2032	25	126	151	\$1,655,575	\$29,104,425	\$30,760,000

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		Goose Creek Cisd I&S Tax Levy	Goose Creek Cisd M&O Tax Levy	Goose Creek Cisd 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
			Tax Rate*	0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126	
2022	\$126,000,000	\$126,000,000		\$329,981	\$1,474,200	\$1,804,181	\$533,245	\$315,504	\$215,586	\$35,671	\$15,826	\$2,920,012
2023	\$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
2024	\$739,720,000	\$739,720,000		\$1,937,253	\$8,654,724	\$10,591,977	\$3,130,569	\$1,852,259	\$1,265,661	\$209,415	\$92,909	\$17,142,789
2025	\$724,925,600	\$724,925,600		\$1,898,508	\$8,481,630	\$10,380,137	\$3,067,958	\$1,815,214	\$1,240,348	\$205,226	\$91,051	\$16,799,933
2026	\$710,427,088	\$710,427,088		\$1,860,538	\$8,311,997	\$10,172,534	\$3,006,598	\$1,778,909	\$1,215,541	\$201,122	\$89,230	\$16,463,935
2027	\$696,218,546	\$696,218,546		\$1,823,327	\$8,145,757	\$9,969,084	\$2,946,467	\$1,743,331	\$1,191,230	\$197,099	\$87,445	\$16,134,656
2028	\$682,294,175	\$682,294,175		\$1,786,860	\$7,982,842	\$9,769,702	\$2,887,537	\$1,708,465	\$1,167,405	\$193,157	\$85,696	\$15,811,963
2029	\$668,648,292	\$668,648,292		\$1,751,123	\$7,823,185	\$9,574,308	\$2,829,786	\$1,674,295	\$1,144,057	\$189,294	\$83,982	\$15,495,724
2030	\$655,275,326	\$655,275,326		\$1,716,101	\$7,666,721	\$9,382,822	\$2,773,191	\$1,640,809	\$1,121,176	\$185,508	\$82,303	\$15,185,809
2031	\$642,169,819	\$642,169,819		\$1,681,779	\$7,513,387	\$9,195,165	\$2,717,727	\$1,607,993	\$1,098,753	\$181,798	\$80,657	\$14,882,093
2032	\$629,326,423	\$629,326,423		\$1,648,143	\$7,363,119	\$9,011,262	\$2,663,372	\$1,575,833	\$1,076,778	\$178,162	\$79,043	\$14,584,451
2033	\$616,739,895	\$616,739,895		\$1,615,180	\$7,215,857	\$8,831,037	\$2,610,105	\$1,544,317	\$1,055,242	\$174,599	\$77,463	\$14,292,762
2034	\$604,405,097	\$604,405,097		\$1,582,877	\$7,071,540	\$8,654,416	\$2,557,903	\$1,513,430	\$1,034,137	\$171,107	\$75,913	\$14,006,907
2035	\$592,316,995	\$592,316,995		\$1,551,219	\$6,930,109	\$8,481,328	\$2,506,745	\$1,483,162	\$1,013,454	\$167,685	\$74,395	\$13,726,769
2036	\$580,470,655	\$580,470,655		\$1,520,195	\$6,791,507	\$8,311,701	\$2,456,610	\$1,453,499	\$993,185	\$164,331	\$72,907	\$13,452,233
2037	\$568,861,242	\$568,861,242		\$1,489,791	\$6,655,677	\$8,145,467	\$2,407,478	\$1,424,429	\$973,322	\$161,045	\$71,449	\$13,183,189
2038	\$557,484,017	\$557,484,017		\$1,459,995	\$6,522,563	\$7,982,558	\$2,359,328	\$1,395,940	\$953,855	\$157,824	\$70,020	\$12,919,525
			Total	\$26,501,391	\$118,395,613	\$144,897,004	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$234,511,352

Source: CPA, Exxon Mobil Corporation

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Harris 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		Goose Creek CISD I&S Tax Levy	Goose Creek CISD M&O Tax Levy	Goose Creek CISD 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
			Tax Rate*	0.2619	1.1700		0.4232	0.2504	0.1711	0.0283	0.0126	
2022	\$126,000,000	\$126,000,000		\$329,981	\$1,474,200	\$1,804,181	\$533,245	\$315,504	\$215,586	\$35,671	\$15,826	\$2,652,930
2023	\$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	\$6,821,820
2024	\$739,720,000	\$100,000,000		\$1,937,253	\$1,170,000	\$3,107,253	\$3,130,569	\$1,852,259	\$1,265,661	\$209,415	\$92,909	\$8,090,081
2025	\$724,925,600	\$100,000,000		\$1,898,508	\$1,170,000	\$3,068,508	\$3,067,958	\$1,815,214	\$1,240,348	\$205,226	\$91,051	\$7,951,679
2026	\$710,427,088	\$100,000,000		\$1,860,538	\$1,170,000	\$3,030,538	\$3,006,598	\$1,778,909	\$1,215,541	\$201,122	\$89,230	\$7,816,045
2027	\$696,218,546	\$100,000,000		\$1,823,327	\$1,170,000	\$2,993,327	\$2,946,467	\$1,743,331	\$1,191,230	\$197,099	\$87,445	\$7,683,125
2028	\$682,294,175	\$100,000,000		\$1,786,860	\$1,170,000	\$2,956,860	\$2,887,537	\$1,708,465	\$1,167,405	\$193,157	\$85,696	\$7,552,862
2029	\$668,648,292	\$100,000,000		\$1,751,123	\$1,170,000	\$2,921,123	\$2,829,786	\$1,674,295	\$1,144,057	\$189,294	\$83,982	\$7,425,205
2030	\$655,275,326	\$100,000,000		\$1,716,101	\$1,170,000	\$2,886,101	\$2,773,191	\$1,640,809	\$1,121,176	\$185,508	\$82,303	\$7,300,101
2031	\$642,169,819	\$100,000,000		\$1,681,779	\$1,170,000	\$2,851,779	\$2,717,727	\$1,607,993	\$1,098,753	\$181,798	\$80,657	\$7,177,499
2032	\$629,326,423	\$100,000,000		\$1,648,143	\$1,170,000	\$2,818,143	\$2,663,372	\$1,575,833	\$1,076,778	\$178,162	\$79,043	\$7,057,349
2033	\$616,739,895	\$100,000,000		\$1,615,180	\$1,170,000	\$2,785,180	\$2,610,105	\$1,544,317	\$1,055,242	\$174,599	\$77,463	\$6,939,602
2034	\$604,405,097	\$604,405,097		\$1,582,877	\$7,071,540	\$8,654,416	\$2,557,903	\$1,513,430	\$1,034,137	\$171,107	\$75,913	\$12,725,749
2035	\$592,316,995	\$592,316,995		\$1,551,219	\$6,930,109	\$8,481,328	\$2,506,745	\$1,483,162	\$1,013,454	\$167,685	\$74,395	\$12,471,234
2036	\$580,470,655	\$580,470,655		\$1,520,195	\$6,791,507	\$8,311,701	\$2,456,610	\$1,453,499	\$993,185	\$164,331	\$72,907	\$12,221,810
2037	\$568,861,242	\$568,861,242		\$1,489,791	\$6,655,677	\$8,145,467	\$2,407,478	\$1,424,429	\$973,322	\$161,045	\$71,449	\$11,977,373
2038	\$557,484,017	\$557,484,017		\$1,459,995	\$6,522,563	\$7,982,558	\$2,359,328	\$1,395,940	\$953,855	\$157,824	\$70,020	\$11,737,826
			Total	\$26,501,391	\$50,936,395	\$77,437,785	\$42,825,818	\$25,338,685	\$17,314,094	\$2,864,769	\$1,270,982	\$145,602,289
			Diff	\$0	\$67,459,218	\$67,459,218	\$0	\$0	\$0	\$0	\$0	\$88,909,063

Source: CPA, Exxon Mobil Corporation
*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 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)
Limitation Pre-Years	2021	\$0	\$0	\$0	\$0
	2022	\$1,474,200	\$1,474,200	\$0	\$0
	2023	\$3,790,800	\$5,265,000	\$0	\$0
Limitation Period (10 Years)	2024	\$1,170,000	\$6,435,000	\$7,484,724	\$7,484,724
	2025	\$1,170,000	\$7,605,000	\$7,311,630	\$14,796,354
	2026	\$1,170,000	\$8,775,000	\$7,141,997	\$21,938,350
	2027	\$1,170,000	\$9,945,000	\$6,975,757	\$28,914,107
	2028	\$1,170,000	\$11,115,000	\$6,812,842	\$35,726,949
	2029	\$1,170,000	\$12,285,000	\$6,653,185	\$42,380,134
	2030	\$1,170,000	\$13,455,000	\$6,496,721	\$48,876,856
	2031	\$1,170,000	\$14,625,000	\$6,343,387	\$55,220,243
	2032	\$1,170,000	\$15,795,000	\$6,193,119	\$61,413,362
	2033	\$1,170,000	\$16,965,000	\$6,045,857	\$67,459,218
Maintain Viable Presence (5 Years)	2034	\$7,071,540	\$24,036,540	\$0	\$67,459,218
	2035	\$6,930,109	\$30,966,648	\$0	\$67,459,218
	2036	\$6,791,507	\$37,758,155	\$0	\$67,459,218
	2037	\$6,655,677	\$44,413,832	\$0	\$67,459,218
	2038	\$6,522,563	\$50,936,395	\$0	\$67,459,218
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	\$6,392,112	\$57,328,506	\$0	\$67,459,218
	2040	\$6,264,270	\$63,592,776	\$0	\$67,459,218
	2041	\$6,138,984	\$69,731,760	\$0	\$67,459,218
	2042	\$6,016,204	\$75,747,964	\$0	\$67,459,218
	2043	\$5,895,880	\$81,643,845	\$0	\$67,459,218
	2044	\$5,777,963	\$87,421,808	\$0	\$67,459,218
	2045	\$5,662,403	\$93,084,211	\$0	\$67,459,218
	2046	\$5,549,155	\$98,633,366	\$0	\$67,459,218
	2047	\$5,438,172	\$104,071,539	\$0	\$67,459,218
	2048	\$5,329,409	\$109,400,948	\$0	\$67,459,218

\$109,400,948

is greater than

\$67,459,218

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.

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 Exxon Mobil 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 Exxon Mobil Corporation in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “ExxonMobil group has the ability to invest, locate, and develop new projects, such as the one that is subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at ExxonMobil’s petrochemical manufacturing location in Baton Rouge, Louisiana.”
 - B. “The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the project. No regulatory permit applications have been filed. No public announcements of a definitive intent to construct the project have been made.”
 - C. “Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace.”
 - D. “For the tax year 2017, Goose Creek CISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the ExxonMobil Baytown Complex location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in ExxonMobil’s decision to invest capital and construct the project in the State of Texas.”
 - E. “Obtaining a limitation on appraised value under Chapter 313 of the Texas Tax Code is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without a limitation on appraised value under Chapter 313 from Goose Creek CISD, siting the project in Harris County is less attractive.”

- According to a *West Chambers Country EDF News* article dated July 13, 2018, Exxon Mobil “has purchased nearly 100 acres adjacent to one of its refineries in Baytown. The energy company bought 93 acres off of Baker Road in Baytown, adjacent to its Baytown refinery, according to public findings.”
- An August 27, 2018 *ICIS* article states “ExxonMobil revealed on Monday details of a proposal to build [two] new units at its complex in Baytown, Texas, saying that one of them will produce its *Vistamaxx* copolymer and the second will produce linear alpha olefins (LAO).”
- The *Houston Chronicle* reported on September 27, 2018 that “Exxon Mobil recently completed plastics expansion at its plant in Mont Belvieu near Houston. The expansion allows Exxon to produce an additional 1.3 million tons of polyethylene a year. Exxon Mobil is considering another plastics project at its nearby Baytown campus, where it already manufactures ethylene, the chemical building block of most plastics. Ethylene and polyethylene are made from cheap and abundant ethane that’s produced along with oil and natural gas in the shale plays of Texas and other regions. The availability of the low-cost raw materials has triggered a petrochemical boom along the Gulf Coast.”
- Per the *Baytown Sun*, in an article dated May 16, 2018:
 - A. “ExxonMobil is looking to expand polymer manufacturing at its Baytown chemical plant” and
 - B. “ExxonMobil recently submitted a permit application to construct a performance polymers unit and a monomer preparation facility at its plant on Bayway Drive.”
 - C. “According to a permit application, the performance polymers unit will combine monomers and generate a pelletized resin. The monomers and catalyst are combined in a reactor, and the resultant polymer is then separated from the reaction components, pelletized and dried. Additionally, the monomer preparation facility will be constructed to prepare monomers for use in polymerization.”
 - D. “The project would be in addition to the company’s 10-year, \$20 billion Growing the Gulf initiative.”
- Investor information from ExxonMobil’s website states “ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand manufacturing facilities in the U.S. Gulf region” and that “ExxonMobil is considering an expansion of its Baytown chemical plant that would include a Vistamaxx unit and full-range linear alpha olefins production unit.”
- Supplemental information provided by the applicant stated the following:
 - A. “This email confirms that this project has not received any local or state permits for activities on the proposed project site.”
 - B. “One permit application relating to the project has been filed for a New Source Review (“NSR”) air quality permit. This is an application for a standalone permit for air pollution control issued by the Texas Commission on Environmental Quality (“TCEQ”). The identifying number of the application is 149177. The TCEQ has made no determination with respect to the application. The TCEQ’s determination with respect to the permit application will be based on TCEQ’s review of a potential project’s control technology, health impacts demonstration, and compliance with TCEQ rules. In addition, the permit process offers an opportunity for public participation. This permit is a long lead item as the process for obtaining the permit is lengthy and often protracted. The ability to obtain this permit is an important part of the [applicant’s] evaluation of the viability of the site as a potential location for the project. For these reasons, the permit application is filed at an early stage of the site selection process. The applicant has not received this permit. Tab 5 of the application inadvertently included a statement that no regulatory permit applications have been filed. This e-mail supplements the application to correct this inadvertent oversight by deleting that statement from Tab 5 and replacing it with the information above concerning the NSR air quality permit application. We emphasize that no permits have been received for this project. We note that an application is pending with the TCEQ for renewal of the Texas Pollution Discharge Elimination System (“TPDES”) individual water quality permit for the existing Baytown Chemical Plant facilities located near the unimproved land that is one of the potential locations for the project. The identifying number of the application is TPDES WQ0001215000. As the application for the renewal of this permit relates to the existing Baytown Chemical Plant facilities, the application is not related to the potential project.”

C. "The permit application a New Source Review ("NSR") air quality permit was submitted to TCEQ on November 1, 2017."

- Attached Railroad Commission of Texas Public GIS Viewer map depicting Carbon Dioxide pipelines.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) 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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

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:

☒ Land has no existing improvements
☐ Expansion of existing operation on the land (complete Section 13)

☐ Land has existing improvements (complete Section 13)
☐ 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.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Exxon Mobil Corporation

Chapter 313 Application to Goose Creek CISD

Tab 5

Documentation to assist in determining if limitation is a determining factor

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.

Exxon Mobil Corporation (“ExxonMobil”) is one of the largest integrated international oil & gas companies in the world and, together with its subsidiaries, has operations in more than 200 countries. As such, this project competes with other potential projects in the ExxonMobil 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 ExxonMobil group has the ability to invest, locate, and develop new projects, such as the one that is subject of this application, in numerous locations throughout the world. For example, with respect to potential locations in North America, the proposed new facilities could be constructed at ExxonMobil’s petrochemical manufacturing location in Baton Rouge, Louisiana.

ExxonMobil takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. ExxonMobil consistently seeks new global investment opportunities that create value for our shareholders. ExxonMobil’s business model is to conduct an extensive evaluation before making any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration.

The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the project. No regulatory permit applications have been filed. No public announcements of a definitive intent to construct the project have been made. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace.

Competitive abatement programs for the proposed new facilities exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facilities is an important factor in ExxonMobil’s site selection evaluation and decision, as well as in obtaining approval for the project internally within ExxonMobil. For the tax year 2017, Goose Creek CISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the ExxonMobil Baytown Complex location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in ExxonMobil’s decision to invest capital and construct the project in the State of Texas.

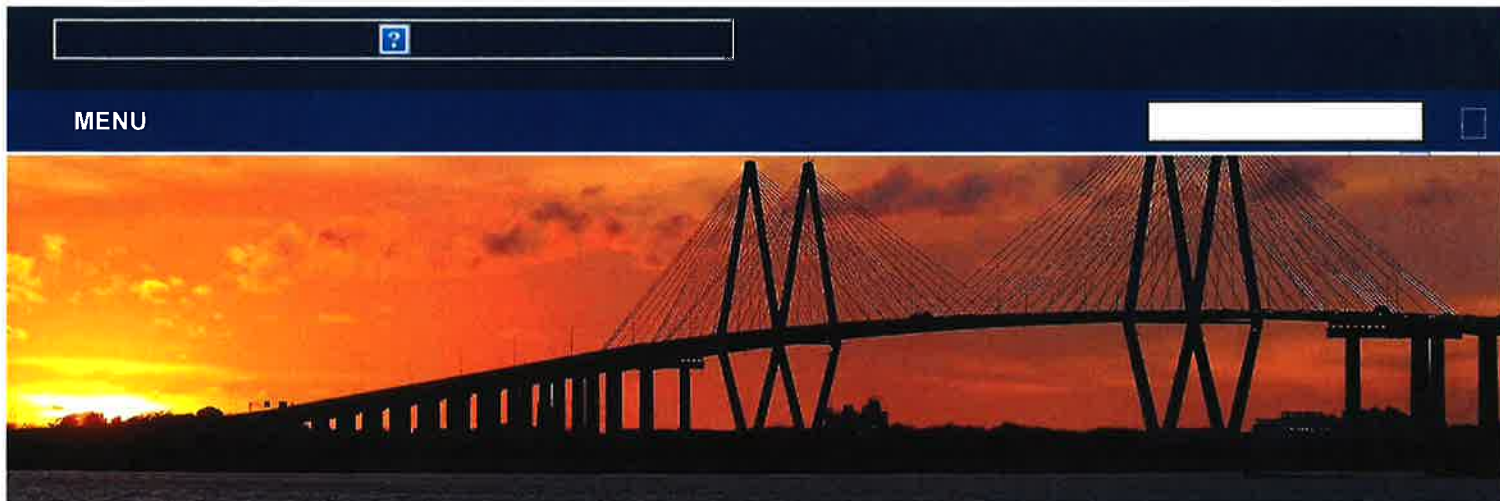
Exxon Mobil Corporation

Chapter 313 Application to Goose Creek CISD

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining a limitation on appraised value under Chapter 313 of the Texas Tax Code is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without a limitation on appraised value under Chapter 313 from Goose Creek CISD, siting the project in Harris County is less attractive.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Exxon Mobil buys nearly 100 acres in Baytown

July 13, 2018

Irving, Texas-based Exxon Mobil Corp. (NYSE: XOM) has purchased nearly 100 acres adjacent to one of its refineries in Baytown.

The energy company bought 93 acres off of Baker Road in Baytown, adjacent to its Baytown refinery, according to public filings. The deal closed in early June. New York-based SI Group Inc., a chemical company, sold the land to Exxon in two contiguous tracts comprised of 55 acres and 38 acres, per the filings.

SI Group has several property tracts in the area, including a chemical facility, according to Harris County Appraisal District records. The SI chemical facilities at the site were not included in the deal, according to a company spokesperson. Those facilities are appraised at more than \$19 million, according to the records.

Exxon Mobil does not have any immediate plans for the land's use, said an Exxon Mobil spokesperson.

It's not uncommon for energy companies to buy the land that neighbors its existing refineries, industry sources said, to make sure there aren't any future liabilities with competition next door. An increasing number of downstream companies are engaging in these purchases, too, following the passage of more business-friendly tax codes in recent years.

An example of a similar purchase closed recently. The Woodlands-based Chevron Phillips Chemical purchased a house and land adjacent to its Cedar Bayou plant in Baytown in June. In CP Chem's case, the deal primarily created a buffer zone between the facilities and occupied land, CP Chem's CEO Mark Lashier told the Houston Business Journal. It also gives the facility room for future expansion, including growth projects or efforts to harden the site against floods, Lashier said.

Earlier this year, Exxon Mobil CEO Darren Woods said the company plans to invest \$50 billion over the next five years in its U.S. operations, helped along in part by tax breaks passed last year.

Meanwhile, Exxon Mobil has 11 projects on the U.S. Gulf Coast that it expects to have created more than 45,000 jobs between 2013 and 2022. The projects — in Texas and Louisiana — stretch across the chemical, refining, lubricant and liquefied natural gas markets.

An Exxon Mobil subsidiary, XTO Energy, is in the process of relocating its headquarters from Fort Worth to Exxon's Springwoods Village campus in north Houston.

By Cara Smith, Houston Business Journal

<https://www.bizjournals.com/houston/news/2018/07/13/exclusive-exxon-mobil-buys-nearly-100-acres-in.html>

The Latest News

Summit focuses on Cedar Bayou

July 25, 2018 - Representatives from multiple agencies gathered for the Cedar Bayou Summit, a meeting held to discuss a way to provide funding... [READ MORE](#)

Exxon Mobil buys nearly 100 acres in Baytown

July 13, 2018 - Irving, Texas-based Exxon Mobil Corp. (NYSE: XOM) has purchased nearly 100 acres adjacent to one of its refineries in Baytown... [READ MORE](#)

Wide spread: How new developments push the limits of Houston's suburban sprawl

July 12, 2018 - Last year, more people left Harris County than moved in, while the opposite happened in nearby counties such as Fort... [READ MORE](#)

Living Here



Sites & Buildings



FOLLOW US:

Cookies on the ICIS website

Our website uses cookies, which are small text files that are widely used in order to make websites work more effectively. To continue using our website and consent to the use of cookies, click away from this box or click 'Close'

close [x]

[Find out about our cookies and how to change them](#)


Compliance & Methodology

Search site...



Chemicals

Energy

Fertilizers

Services

Free Trial

Contact Sales

Login

You are here: [Home](#) [Resources](#) US ExxonMobil considers Vistamaxx, LAO plants in Baytown

US ExxonMobil considers Vistamaxx, LAO plants in Baytown

27 August 2018 22:59 Source: ICIS News

HOUSTON (ICIS)--US-based producer ExxonMobil revealed on Monday details of a proposal to build two new units at its complex in Baytown, Texas, saying that one of them will produce its Vistamaxx copolymer and the second will produce linear alpha olefins (LAO).

Vistamaxx is a semi-crystalline copolymer of propylene and ethylene.

The Vistamaxx plant would have a capacity of about 400,000 tonnes/year, the company said.

The LAO plant would represent the company's entry into this market, ExxonMobil said. The unit would produce about 350,000 tonnes/year of the product.



ExxonMobil expects to make a final investment decision (FID) in the first half of 2019, the company said. Such a decision would depend on environmental permits, market conditions and economic competitiveness, among other factors.

If ExxonMobil proceeds with the project, operations should start in late 2021.

The project was revealed earlier when ExxonMobil applied for a state tax programme. The application gave a different start-up date.

Above: ExxonMobil is considering building a Vistamaxx copolymer unit and a linear alpha olefins (LAO) plant at its Baytown, Texas. Earlier this year, the company started up its new ethane cracker at the site. (Photo from ExxonMobil)

By [Al Greenwood](#)

Related articles:

ICIS GLOBAL CHEMICALS MID YEAR OUTLOOK 2018

A look into a review of key chemical commodities in H1 2018 and what to expect for the year for Europe and Asia.

[Download the Europe Mid-Year Outlook](#)

[Download the Asia Mid-Year Outlook](#)

Access in-depth petrochemicals data

Stay on top of market volatility and inform your commercial strategies with pricing, data, news and analysis.

az Pricing Data

Historical, current and forecast prices, together with commentaries, to help you track price fluctuation and understand price drivers and trends. Make fast and confident decisions and gauge the best time to buy or sell.

[Request a FREE report](#)

az Supply and Demand Data

An end-to-end perspective across the global petrochemical supply chain. It provides data on import and export volumes, plant capacities, production,

Exxon finishes expansion of refinery in Beaumont; - Houston Chronicle (TX) - September 27, 2018 - page B001

September 27, 2018 | Houston Chronicle (TX) | Jordan Blum | Page B001

Exxon Mobil said Wednesday it has completed a nearly \$500 million refining **expansion** at its Beaumont campus and plans to further expand the sprawling complex to add much more capacity for refining and petrochemical manufacturing.

A new plastics plant is already under construction as **Exxon Mobil** confirmed it also is conducting engineering and design work for a much larger, multibillion-dollar crude refining **expansion** that could make the Beaumont refinery the nation's largest, surpassing the Motiva Enterprise refinery in Port Arthur.

Big Oil companies rarely undertake refining projects in the United States because domestic fuel demand is relatively flat. But **Exxon** is looking to take advantage of the flood of oil coming from the Permian Basin. The idea is for the refinery to process much more of lighter crude produced in West Texas.

Most Gulf Coast refineries, including **Exxon Mobil's**, are designed to primarily process heavier grades of crude typically imported from countries such as Canada and Venezuela. Those refineries were configured long before the recent shale boom that has spurred record U.S. oil production.

Nearly two years ago, the Beaumont refinery added the flexibility to process limited volumes of light crude with the addition of 20,000 barrels per day of extra refining capacity.

Exxon Mobil said that it has finished and started up its new refining unit, which will produce another 45,000 barrels a day of ultra-low sulfur gasoline and diesel fuels to meet tougher federal emissions standards. "The new unit at Beaumont will further enhance our competitiveness and strengthen **Exxon Mobil's** position as a leader among Gulf Coast refiners," said Bryan Milton, president **Exxon Mobil** fuels and lubricants.

Construction on the refining **expansion** began in 2016. In December, a contract worker, 31-year-old Yesenia Espinoza, was killed during the project when she was struck by a large piece of pipe.

Exxon Mobil is building a new plastics plant at the Beaumont hub to manufacture up to 650,000 metric tons a year of polyethylene, the world's most common plastic. That plastics **expansion** is slated for completion next year.

Exxon Mobil recently completed plastics **expansion** at its plant in Mont Belvieu near Houston. The **expansion** allows **Exxon** to produce an additional 1.3 million tons of polyethylene a year. **Exxon Mobil** is considering another plastics project at its nearby **Baytown** campus, where it already manufactures ethylene, the chemical building block of most plastics.

Ethylene and polyethylene are made from cheap and abundant ethane that's produced along with oil and natural gas in the shale plays of Texas and other regions. The availability of the low-cost raw materials has triggered a petrochemical boom along the Gulf Coast.

On Tuesday, for example, French energy major Total and its partners said they will soon start construction on a new plastics plant at Total's Bayport campus near Pasadena. The \$1 billion project involves building a new plant to produce 625,000 tons - more than 1.3 billion pounds - of polyethylene a year.

Exxon Mobil said it is conducting front-end engineering of the refinery **expansion** and may commence construction next year, once a final decision is made. The project would be finished in 2022. **Exxon** would not detail the size or cost of the refining project, dubbed "BLADE" for Beaumont Light Atmospheric Distillation **Expansion**.

The Beaumont refinery processes more than 365,000 barrels of crude a day while the nation's largest, Motiva, can churn through about 635,000 barrels daily. Motiva is owned by Saudi Aramco, the national oil company of Saudi Arabia.

Exxon Mobil's largest U.S. refinery - at least for now - is in **Baytown**, which has about 580,000 barrels of refining capacity.

jordan.blum@chron.com

twitter.com/jdblum23"

Copyright (c), 2018, Houston Chronicle. All Rights Reserved.

Growing the Gulf ›



Growing the Gulf: Investing in America



Technological advances have unlocked vast new supplies of energy, particularly natural gas, which has helped lead a resurgence in American manufacturing. This abundance of energy has significantly reduced energy costs and is also helping contribute to the overall reduction in U.S. greenhouse gas emissions.

- ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand manufacturing facilities in the U.S. Gulf region.
- These projects are expected to create more than 45,000 jobs, of which more than 12,000 are full-time jobs.
- Full-time manufacturing jobs are mostly high-skilled and high-paying and have average annual salaries ranging from \$75,000 to \$125,000.
- The expansion covers 11 major chemical, refining, lubricant and liquefied natural gas projects along the Texas and Louisiana coasts.
- The Golden Pass Products liquefied natural gas project and most of the new chemical capacity investment in the Gulf region are geared toward external markets, which will help boost the United States' exports.
- Smart and stable tax regulatory and trade policies are critical to ensuring that U.S. manufacturing can continue to grow.

ExxonMobil is planning to invest more than \$20 billion over 10 years to build and expand 11 manufacturing facilities, creating thousands of jobs and billions of dollars' worth of economic activity.

Beaumont

ExxonMobil's Beaumont integrated operations include a refinery and chemical, lubricants and polyethylene plant. ExxonMobil has more than 2,000 area employees and its operations account for approximately one in every seven jobs in the region.

Recent and proposed investments include:

- Increased capacity to an existing crude unit by 20,000 barrels per day and added flexibility to process light crudes. The increase was made possible in large part by abundant, affordable supplies of U.S. light crude from shale.
- Increased production of ultra-low sulfur fuels by approximately 40,000 barrels per day using proprietary catalyst technology to remove sulfur while minimizing octane loss. The product meets EPA's Tier 3 specifications.
- Construction of a new production unit at the polyethylene plant that will

increase capacity by 65 percent to meet growing demand for high performance plastics that are especially well-suited for applications such as liquid and food packaging, construction liners and agricultural films; startup is expected in 2019.

- Front-end engineering, design and other preparatory work to further increase the refinery's light crude refining capacity. Construction of the new crude unit, which is subject to a final investment decision, is scheduled to begin in 2019, with startup anticipated by 2022.

Learn more about ExxonMobil's operations in Beaumont.



Baytown

ExxonMobil's Baytown complex, which employs a workforce of approximately 7,000, is one of the largest and most technologically advanced refining and petrochemical complexes in the world. The complex is located on approximately 3,400 acres along the Houston Ship Channel, about 25 miles east of Houston,

Texas. It is comprised of four manufacturing sites and a global technology center.

Investments include:

- ExxonMobil commenced operations at its 1.5 million ton ethane steam cracker at the company's Baytown olefins plant. The new cracker, part of ExxonMobil's multi-billion dollar Baytown chemical expansion project, will provide ethylene feedstock to the new performance polyethylene lines in Mont Belvieu, which began production in the fall of 2017. The Mont Belvieu plant is now one of the largest polyethylene plants in the world, with manufacturing capacity of about 1.3 million tons per year. Together, these projects represent ExxonMobil's largest chemical investment in the U.S. to date. The project is designed to meet the growing demand for high performance plastic products that deliver sustainability benefits such as lighter packaging weight, lower energy consumption and reduced emissions.
- Increasing production of advanced synthetic Group II and Group II+ EHC™ base stocks products that can help lubricant blenders achieve greater formulation flexibility, simplified global qualification testing and enhanced product integrity. These innovative products are designed to meet evolving industry requirements and incorporate ExxonMobil's proprietary catalyst and process technologies.
- A world-scale manufacturing facility able to produce up to 50,000 tons of synthetic lubricant base stocks annually. Manufactured using a proprietary metallocene catalyst process, the base stocks offer improved performance characteristics that can help address formulators' lubrication challenges, particularly in industrial applications.
- ExxonMobil is considering an expansion of its Baytown chemical plant that would include a Vistamaxx unit and full-range linear alpha olefins production unit. A final investment decision, expected in the first half of 2019, will be based on a number of factors, including receipt of environmental permits, market conditions and economic competitiveness. Should the project proceed, startup is anticipated in late 2021. The new unit would produce about 400,000

tons a year. The project is expected to create up to 2,000 construction jobs during peak periods and more than 50 new, local permanent jobs upon completion.

Learn more about ExxonMobil's operations at Baytown.



Baton Rouge

ExxonMobil operates 33 facilities in Louisiana and employs about 5,500 employees and contractors. In the last three years, the company has invested more than \$1 billion in capital projects in the Baton Rouge area, which has led to more than 4,500 direct construction jobs.

Investments include:

- A recently completed 90,000 square foot state-of-the-art aviation lubricants blending, packaging and distribution facility ships products worldwide. The

facility uses the latest manufacturing equipment and a range of sustainable features to increase electrical energy efficiency, including natural day-lighting panel, a comprehensive recycling program and dedicated water treatment facilities. Dedicated to the production of Mobil Jet Engine oils, the facility has dedicated lines, raw material and finished product tanks to meet the growing demand for advanced aviation engine oils.

- The Sulfur Expansion Project increases raw material flexibility and capacity for the refinery and decreases site sulfur emissions during maintenance activities. The project uses ExxonMobil technology to meet or exceed all federal and state requirements for hydrogen sulfide and sulfur dioxide emissions.
- ExxonMobil is evaluating an expansion of its U.S. Gulf Coast polypropylene production capacity by up to 450,000 tons per year. Front-end engineering, design and other preparatory work is proceeding. The company will perform a comprehensive analysis with a focus on local infrastructure, efficiency, scale and integration with our existing manufacturing facilities. A final investment decision will be made after this analysis is complete and all required permits have been received. Early estimates indicate this project would represent an investment of several hundred million dollars, require more than 600 workers on-site during peak construction and create more than 65 new jobs upon completion. Direct and indirect job creation, coupled with project spending, is expected to generate considerable local economic benefits.

Learn more about ExxonMobil's operations in Baton Rouge.



Gulf Coast

ExxonMobil and SABIC are evaluating jointly building a plastics manufacturing facility along the U.S. Gulf Coast. The proposed facility would include an ethane steam cracker capable of producing 1.8 million tons per year of ethylene and three derivative units. Ethane cracking involves heating ethane until it breaks down (“cracks”) to form a mixture of ethylene and small amounts of other gases. It is then distilled further in a series of processes to create pure ethylene.

The ethylene from the ethane steam cracker would feed three derivative units. One unit would produce monoethylene glycol, which is used in latex paints, automotive coolants and anti-freeze, or as a building block to create polyester for the manufacture of clothing and polyethylene terephthalate for beverage bottles and containers. The other two units would provide polyethylene for use in film, packaging, bottles and containers and various sized pipes.



The multi-billion dollar proposed investment is expected to create more than 600 new, permanent jobs with good salaries and benefits, as well as 3,500 indirect permanent jobs. It would also create up to 11,000 construction jobs during the five-year construction phase. The project could also generate more than \$22 billion in economic output during the construction phase and \$50+ billion in economic output during the first six years of operations.

[Learn more about Gulf Coast Growth Ventures.](#)



Golden Pass Products

Golden Pass Products, a partnership of Qatar Petroleum International and ExxonMobil affiliates, is proposing to add facilities to liquefy and export natural gas at the existing Golden Pass LNG import terminal in Sabine Pass, Texas.

The new facility would be built on existing Golden Pass property and utilize the existing state-of-the-art tanks, berths and pipeline infrastructure. New facilities for natural gas pre-treatment and liquefaction would be constructed. The new project's estimated send out capacity would be 15.6 million tons of LNG per year. This expansion would allow Golden Pass the flexibility to import and export natural gas.

The proposed project would be an approximately \$10 billion investment in infrastructure on the Gulf Coast, which would generate billions of dollars of economic growth and millions of dollars in annual taxes to local, state and federal governments. The project would also generate tens of thousands of jobs across the life of the facility, including approximately 9,000 construction jobs over five years

http://baytownsun.com/news/article_0444fffa-28c3-11e8-9071-ffea757ed013.html

Environmental activists hope to lower emissions on Exxon expansion

By Christopher James christopher.james@baytownsun.com Mar 16, 2018

A group of San Jacinto River activists hope they can push ExxonMobil to lesson its emissions numbers in a proposed facility expansion.

ExxonMobil is looking to expand polymer manufacturing at its Baytown chemical plant, and the San Jacinto River Coalition members want to know their rights in the public permitting process.

ExxonMobil recently submitted a permit application to construct a performance polymers unit and a monomer preparation facility at its plant on Bayway Drive.

When representatives with Lone Star Legal Aid started fielding calls from concerned citizens about the new project, they reached out to Jacquelyn Young and the Texas Health and Environmental Alliance to help educate the public.

"Permitting and this process that is going on with TCEQ and ExxonMobil is something that Lone Star Legal Aid has expertise in," said Young, director of THEA. "I believe they've received some concerns from local residents, so they're going to review the permitting process, the overview of the permit and how they can be involved in the process."

After presenting some of the air emissions numbers associated with the new ExxonMobil project at the coalition's last meeting, which included about 153 tons of carbon dioxide per year and 203 tons of volatile organic compounds per year, coalition members accepted Lone Star Legal Aid's offer, with a goal to lower some of the emission numbers.

At the next coalition meeting, Tuesday, April 10, at 6:30 p.m. at the Highlands Community Center, Lone Star Legal Aid will discuss public options in the process.

In terms of the project, ExxonMobil Public and Government Affairs Advisor Connie Tilton said the company is evaluating potential expansion and submitted an air emissions permit application with the Texas Commission for Environmental Quality as part of the evaluation process.

“The project would comply with applicable environmental requirements and utilize proven, current technology to minimize emissions. If the project proceeds, the expansion would occur within the facility's existing boundaries,” said Tilton. “A final investment decision will be made only after our analysis is complete and all required permits have been obtained.”

The two processing units will use shared facilities that include two hot oil heaters, a cooling tower and a thermal oxidizer, among other things.

According to a permit application, the performance polymers unit will combine monomers and generate a pelletized resin. The monomers and catalyst are combined in a reactor, and the resultant polymer is then separated from the reaction components, pelletized and dried. Additionally, the monomer preparation facility will be constructed to prepare monomers for use in polymerization.

Tilton said the project would be in addition to the company's 10-year, \$20 billion Growing the Gulf initiative.

“As our current, broader Baytown expansion project has demonstrated, significant investments like this positively impact the local and regional economy through direct and indirect job creation and spending,” said Tilton.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Barbers Hill ISD – Exxon Mobil Corporation App. #1275

Comptroller Questions (via email on September 13, 2018):

1. *Could you please verify if this project has received any local or state permits for activities on the proposed project site? If so, please provide additional information such as the permit type and date received.*

Applicant Response (via email on September 24, 2018):

1. *This e-mail confirms that this project has not received any local or state permits for activities on the proposed project site.*

Comptroller Questions (via email on September 24, 2018):

2. *Additionally, can you tell us if any permits have been applied for regarding this project? If so, please provide additional information such as the permit type and date received.*

Applicant Response (via email on September 28, 2018):

2. *One permit application relating to the project has been filed for a New Source Review (“NSR”) air quality permit. This is an application for a standalone permit for air pollution control issued by the Texas Commission on Environmental Quality (“TCEQ”). The identifying number of the application is 149177. The TCEQ has made no determination with respect to the application. The TCEQ’s determination with respect to the permit application will be based on TCEQ’s review of a potential project’s control technology, health impacts demonstration, and compliance with TCEQ rules. In addition, the permit process offers an opportunity for public participation. This permit is a long lead item as the process for obtaining the permit is lengthy and often protracted. The ability to obtain this permit is an important part of the applicant’s evaluation of the viability of the site as a potential location for the project. For these reasons, the permit application is filed at an early stage of the site selection process. The applicant has not received this permit.*

Tab 5 of the application inadvertently included a statement that no regulatory permit applications have been filed. This e-mail supplements the application to correct this inadvertent oversight by deleting that statement from Tab 5 and replacing it with the information above concerning the NSR air quality permit application.

We emphasize that no permits have been received for this project.

We note that an application is pending with the TCEQ for renewal of the Texas Pollution Discharge Elimination System ("TPDES") individual water quality permit for the existing Baytown Chemical Plant facilities located near the unimproved land that is one of the potential locations for the project. The identifying number of the application is TPDES WQ0001215000. As the application for the renewal of this permit relates to the existing Baytown Chemical Plant facilities, the application is not related to the potential project.

Comptroller Questions (via email on October 5, 2018):

3. *Could you also give us the date that the NSR was applied for?*

Applicant Response (via email on October 8, 2018):

3. *The permit application a New Source Review ("NSR") air quality permit was submitted to TCEQ on November 1, 2017.*

Application #1275

Changchun

Findings and Order of the Goose Creek Consolidated Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Exxon Mobil Corporation (Tax ID 11354090059) (Application #1275)

EXHIBIT B

**Summary of Financial Impact on
Goose Creek Consolidated Prepared by
Education Service Center, Region 12**

**SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
EXXON MOBIL CORPORATION PROJECT
(APPLICATION #1275)
ON THE FINANCES OF
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION**

**PREPARED BY
EDUCATION SERVICE CENTER, REGION 12
MARCH 29, 2019**

Introduction

Exxon Mobil Corporation (“Exxon Mobil” or “Company”) has submitted an application to the Goose Creek Consolidated Independent School District (“GCCISD” or “District”) requesting a property value limitation on a proposed project, located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is the construction of a performance polymer unit and a monomer preparation facility, located in Baytown, TX. The company estimates that the total investment in this project will be in excess of \$1.8 billion.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009, and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories, or a Texas Priority Project. Under the provisions of this law, the Goose Creek Consolidated Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$100 million dollars for a period of ten years.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2022-23 and 2023-24 school years. Beginning with the 2024-25 school year, the value of the project would be limited to \$100 million for maintenance and operation (M&O) tax purposes and remain limited through the 2033-34 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Revenue Protection Payment to Goose Creek CISD -	\$7,902,706
Supplemental Payments to Goose Creek CISD -	\$43,212,955
M&O Taxes Paid to Goose Creek CISD -	<u>\$50,936,395</u>
Total Revenue to Goose Creek CISD -	\$102,052,056
 Total Tax Savings to Company after all Payments -	 <u>\$16,343,557</u>

School Finance Mechanics

The Texas system of public school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. State funding is calculated using a prior year value certified by the Comptroller's Property Tax Division (CPTD). Texas school districts are funded by some combination of local ad valorem property taxes and state aid. Most of the money that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2018-19, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. Beginning with the 2017-18 school year, Additional State Aid for Tax Reduction or ASATR is eliminated. Thus all school districts in the state will be formula funded. The Tier 1 formulas start with a Basic Allotment per student of \$5,140. Calculations that use the number of students in average daily attendance, the number of students who participate in special programs, and adjustments for size, sparsity, and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the previous year (CPTD) property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Goose Creek CISD is a relatively property rich district per student and so is generating most of M&O revenue from local ad valorem property taxes. In an attempt to provide some degree of funding equity among school districts, the formulas provide two equalized wealth levels. A district that exceeds the first equalized wealth level of \$514,000 per weighted ADA is subject to recapture on taxes collected at the compressed rate. A district that exceeds the second equalized wealth level of \$319,500 per weighted ADA is subject to recapture on revenues collected on pennies that exceed six pennies over the compressed rate. GCCISD currently has property wealth per weighted ADA in excess of the second equalized wealth level at over \$355,000 per weighted ADA. For this reason, GCCISD is considered a Chapter 41 or "recapture" district under the current school finance system. Exxon Mobil is requesting that the value of the processing unit project be limited to \$100,000,000 in years one through ten of the agreement, corresponding to the 2024-25 school year through the 2033-34 school year. The full value of the project would be subject to interest and sinking (I&S) taxes levied by Goose Creek CISD in all years of the agreement.

Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on GCCISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2021-22 through the 2038-39 school years.

The Revenue Protection Clause of the proposed agreement calls for the school district to be held harmless against total state and local maintenance and operation revenue losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 18 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections and current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2017 CPTD values were used as well as 2018 CAD values from Chambers County and Harris County CADs. GCCISD currently has several other approved Chapter 313 projects. These values have been included in the base data illustrated in **Table 1**.

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value No Limit	CAD Value with Limitation	CPTD No Limit	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
0	2021-22	23,546	32,002	\$1.1700	\$0.2619	\$13,516,977,538	\$13,516,977,538	\$13,418,975,538	\$13,418,975,538	\$419,321	\$419,321
QTP1	2022-23	23,970	32,578	\$1.1700	\$0.2619	\$13,642,977,538	\$13,642,977,538	\$13,516,977,538	\$13,516,977,538	\$414,915	\$414,915
QTP2	2023-24	24,401	33,164	\$1.1700	\$0.2619	\$14,043,444,281	\$14,043,444,281	\$13,642,977,538	\$13,642,977,538	\$411,378	\$411,378
L1	2024-25	24,841	33,761	\$1.1700	\$0.2619	\$15,999,240,699	\$15,359,520,699	\$14,043,444,281	\$14,043,444,281	\$415,965	\$415,965
L2	2025-26	25,288	34,369	\$1.1700	\$0.2619	\$15,686,307,413	\$15,061,381,813	\$15,999,240,699	\$15,359,520,699	\$465,517	\$446,903
L3	2026-27	25,743	34,987	\$1.1700	\$0.2619	\$16,942,087,687	\$16,331,660,599	\$15,686,307,413	\$15,061,381,813	\$448,341	\$430,480
L4	2027-28	26,206	35,617	\$1.1700	\$0.2619	\$16,832,768,653	\$16,236,550,107	\$16,942,087,687	\$16,331,660,599	\$475,672	\$458,533
L5	2028-29	26,678	36,258	\$1.1700	\$0.2619	\$16,726,997,105	\$16,144,702,930	\$16,832,768,653	\$16,236,550,107	\$464,246	\$447,802
L6	2029-30	27,158	36,911	\$1.1700	\$0.2619	\$16,636,919,460	\$16,068,271,168	\$16,726,997,105	\$16,144,702,930	\$453,172	\$437,396
L7	2030-31	27,647	37,575	\$1.1700	\$0.2619	\$16,549,407,685	\$15,994,132,359	\$16,636,919,460	\$16,068,271,168	\$442,762	\$427,628
L8	2031-32	28,145	38,252	\$1.1700	\$0.2619	\$16,506,685,534	\$15,964,515,715	\$16,549,407,685	\$15,994,132,359	\$432,645	\$418,129
L9	2032-33	28,651	38,940	\$1.1700	\$0.2619	\$16,416,534,932	\$15,887,208,509	\$16,506,685,534	\$15,964,515,715	\$423,898	\$409,975
L10	2033-34	29,167	39,641	\$1.1700	\$0.2619	\$16,327,933,915	\$15,811,194,020	\$16,416,534,932	\$15,887,208,509	\$414,129	\$400,776
MVP1	2034-35	29,692	40,355	\$1.1700	\$0.2619	\$16,242,414,562	\$16,242,414,562	\$16,327,933,915	\$15,811,194,020	\$404,610	\$391,806
MVP2	2035-36	30,226	41,081	\$1.1700	\$0.2619	\$16,897,894,083	\$16,897,894,083	\$16,242,414,562	\$16,242,414,562	\$395,375	\$395,375
MVP3	2036-37	30,771	41,821	\$1.1700	\$0.2619	\$16,799,445,990	\$16,799,445,990	\$16,897,894,083	\$16,897,894,083	\$404,057	\$404,057
MVP4	2037-38	31,324	42,573	\$1.1700	\$0.2619	\$16,703,187,660	\$16,703,187,660	\$16,799,445,990	\$16,799,445,990	\$394,600	\$394,600
MVP5	2038-39	31,888	43,340	\$1.1700	\$0.2619	\$16,609,055,767	\$16,609,055,767	\$16,703,187,660	\$16,703,187,660	\$385,402	\$385,402

To isolate the impact of the value limitation on the District's finances over this 18 year agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2018-19 school year. An ADA of 22,319, a WADA of 30,334 and an M&O tax rate of \$1.17 are used for each year of the forecast. A tax collection rate of 100% is assumed in all of the calculations used in this analysis. The Chambers County and Harris County CAD certified values for 2018 were used as the 2018 CAD value. This value was used as the basis for subsequent current year (CAD) values in this report. The final 2017 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values, certified to school districts in late July, 2018, were used as a basis for predicting prior year (CPTD) values for each of the agreement years.

On February 1, 2017 the Texas Education Agency issued a notice of a change in practice that will have an impact on the calculation of recapture amounts owed under Chapter 41 of the Texas Education Code. This change is effective for the 2016-17 school year and for future years. The changes have an impact on the way that recapture is calculated for districts that pay recapture and also have approved a local optional homestead exemption (LOHE). Goose Creek CISD falls into both of these categories and the change in rule has been taken into account for all of the calculations used in this analysis.

The proposed agreement calls for Goose Creek CISD to be held harmless against total state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these revenue losses may occur, two models were developed. One model, illustrated in **Table 2**, incorporates the full value of the project into the state and local funding calculations. The other model, shown in **Table 3**, assumes that only the limited value of the project is available for M&O taxation purposes. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 4**.

Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation revenue was estimated for each year of the agreement. **Table 4**, which summarizes the difference between the two models, indicates that there will be a total revenue loss of \$7.903 million over the course of the agreement. The revenue loss by the district, due to the agreement, is estimated to be mostly in the first year of the value limitation period. Most of the reductions in M&O taxes under this agreement are offset by reductions in recapture costs that the district would owe under current school finance law.

Table 2 "Baseline Revenue Model" - Project Value Added with No Value Limitation
Application #1275 Goose Creek CISD and Exxon Mobil Corporation

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to \$0.6 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the \$514,00 Level	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
0	2021-22	\$39,340,356	\$6,416,612	\$135,169,775	\$8,110,187	\$11,047,995	\$0	\$3,820,680	\$0	\$200,084,925
QTP1	2022-23	\$38,338,587	\$6,416,612	\$136,429,775	\$8,185,787	\$11,074,978	\$0	\$3,932,297	\$0	\$200,445,739
QTP2	2023-24	\$37,227,855	\$6,414,139	\$140,434,443	\$8,426,067	\$11,300,615	\$0	\$4,147,173	\$0	\$203,803,119
L1	2024-25	\$34,174,127	\$6,416,612	\$159,992,407	\$9,599,544	\$12,526,374	\$0	\$5,072,791	\$0	\$222,709,064
L2	2025-26	\$12,069,215	\$6,416,612	\$154,637,644	\$9,411,784	\$10,877,653	\$2,225,431	\$6,377,285	\$0	\$193,412,907
L3	2026-27	\$16,025,883	\$6,416,612	\$169,420,877	\$10,165,253	\$11,962,623	\$0	\$6,673,674	\$0	\$213,991,247
L4	2027-28	\$11,637,196	\$6,416,612	\$156,901,074	\$10,099,661	\$11,067,286	\$11,426,613	\$7,448,759	\$0	\$196,121,828
L5	2028-29	\$11,702,350	\$6,414,139	\$156,905,168	\$10,036,198	\$11,063,990	\$10,364,803	\$7,335,707	\$0	\$196,121,844
L6	2029-30	\$11,780,902	\$6,416,612	\$157,024,969	\$9,982,152	\$11,068,943	\$9,344,226	\$7,231,668	\$0	\$196,273,577
L7	2030-31	\$11,834,678	\$6,416,612	\$157,026,010	\$9,929,645	\$11,066,058	\$8,468,067	\$7,138,290	\$0	\$196,273,002
L8	2031-32	\$11,902,612	\$6,416,612	\$157,430,154	\$9,904,011	\$11,091,578	\$7,636,702	\$7,065,777	\$0	\$196,744,966
L9	2032-33	\$11,912,428	\$6,416,612	\$156,967,161	\$9,849,921	\$11,057,645	\$7,198,189	\$7,000,543	\$0	\$196,203,766
L10	2033-34	\$11,966,248	\$6,414,139	\$156,958,490	\$9,796,760	\$11,054,075	\$6,320,849	\$6,906,653	\$0	\$196,189,712
MVP1	2034-35	\$12,019,143	\$6,416,612	\$156,965,077	\$9,745,449	\$11,051,626	\$5,459,068	\$6,815,030	\$0	\$196,197,906
MVP2	2035-36	\$12,502,103	\$6,416,612	\$164,135,969	\$10,138,736	\$11,552,019	\$4,842,972	\$7,035,665	\$0	\$204,745,438
MVP3	2036-37	\$11,678,876	\$6,416,612	\$156,990,750	\$10,079,668	\$11,072,146	\$11,003,710	\$7,407,244	\$0	\$196,238,052
MVP4	2037-38	\$11,737,650	\$6,416,612	\$156,985,608	\$10,021,913	\$11,068,554	\$10,046,269	\$7,304,952	\$0	\$196,230,336
MVP5	2038-39	\$11,795,116	\$6,414,139	\$156,980,556	\$9,965,433	\$11,065,039	\$9,110,002	\$7,204,922	\$0	\$196,220,283

Table 3 "Value Limitation Revenue Model" - Project Value Added With Value Limit
Application #1275 Goose Creek CISD and Exxon Mobil Corporation

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to \$0.6 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the \$514,000 Level	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
0	2021-22	\$39,340,356	\$6,416,612	\$135,169,775	\$8,110,187	\$11,047,995	\$0	\$3,820,680	\$0	\$200,084,925
QTP1	2022-23	\$38,338,587	\$6,416,612	\$136,429,775	\$8,185,787	\$11,074,978	\$0	\$3,932,297	\$0	\$200,445,739
QTP2	2023-24	\$37,227,855	\$6,414,139	\$140,434,443	\$8,426,067	\$11,300,615	\$0	\$4,147,173	\$0	\$203,803,119
L1	2024-25	\$33,664,654	\$6,416,612	\$153,595,207	\$9,215,712	\$12,026,768	\$0	\$4,868,705	\$0	\$214,918,953
L2	2025-26	\$18,492,745	\$6,416,612	\$150,613,818	\$9,036,829	\$10,849,046	\$0	\$5,718,474	\$0	\$195,409,050
L3	2026-27	\$22,731,623	\$6,416,612	\$163,316,606	\$9,798,996	\$11,977,414	\$0	\$5,987,412	\$0	\$214,241,252
L4	2027-28	\$12,016,918	\$6,416,612	\$156,873,450	\$9,741,930	\$11,045,316	\$5,492,051	\$6,814,889	\$0	\$196,094,226
L5	2028-29	\$12,073,699	\$6,414,139	\$156,879,787	\$9,686,822	\$11,042,637	\$4,567,242	\$6,716,536	\$0	\$196,097,084
L6	2029-30	\$12,128,531	\$6,416,612	\$157,005,914	\$9,640,963	\$11,048,467	\$3,676,798	\$6,626,631	\$0	\$196,240,486
L7	2030-31	\$12,174,161	\$6,416,612	\$157,008,717	\$9,596,479	\$11,046,149	\$2,932,607	\$6,547,397	\$0	\$196,242,117
L8	2031-32	\$12,250,912	\$6,416,612	\$157,428,547	\$9,578,709	\$11,073,141	\$2,216,610	\$6,487,826	\$0	\$196,747,921
L9	2032-33	\$12,236,103	\$6,416,612	\$156,950,710	\$9,532,325	\$11,038,669	\$1,921,375	\$6,437,261	\$0	\$196,174,418
L10	2033-34	\$13,055,225	\$6,414,139	\$156,943,391	\$9,486,716	\$11,035,612	\$1,168,549	\$6,356,701	\$0	\$196,935,084
MVP1	2034-35	\$14,170,404	\$6,416,612	\$161,981,806	\$9,745,449	\$11,386,065	\$442,339	\$6,480,591	\$0	\$203,700,336
MVP2	2035-36	\$12,502,103	\$6,416,612	\$164,135,969	\$10,138,736	\$11,552,019	\$4,842,972	\$7,035,665	\$0	\$204,745,438
MVP3	2036-37	\$11,678,876	\$6,416,612	\$156,990,750	\$10,079,668	\$11,072,146	\$11,003,710	\$7,407,244	\$0	\$196,238,052
MVP4	2037-38	\$11,737,650	\$6,416,612	\$156,985,608	\$10,021,913	\$11,068,554	\$10,046,269	\$7,304,952	\$0	\$196,230,336
MVP5	2038-39	\$11,795,116	\$6,414,139	\$156,980,556	\$9,965,433	\$11,065,039	\$9,110,002	\$7,204,922	\$0	\$196,220,283

Table 4 "Baseline Revenue Model" Less "Value Limitation Model"
Application #1275 Goose Creek CISD and Exxon Mobil Corporation

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to \$.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the \$514,000 Level	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
0	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L1	2024-25	-\$509,473	\$0	-\$6,397,200	-\$383,832	-\$499,606	\$0	-\$204,086	\$0	-\$7,790,111
L2	2025-26	\$6,423,531	\$0	-\$4,023,825	-\$374,955	-\$28,607	-\$2,225,431	-\$658,811	\$0	\$0
L3	2026-27	\$6,705,740	\$0	-\$6,104,271	-\$366,256	\$14,792	\$0	-\$686,261	\$0	\$0
L4	2027-28	\$379,722	\$0	-\$27,623	-\$357,731	-\$21,970	-\$5,934,562	-\$633,871	\$0	-\$27,602
L5	2028-29	\$371,349	\$0	-\$25,381	-\$349,377	-\$21,352	-\$5,797,561	-\$619,171	\$0	-\$24,760
L6	2029-30	\$347,629	\$0	-\$19,055	-\$341,189	-\$20,476	-\$5,667,428	-\$605,037	\$0	\$0
L7	2030-31	\$339,483	\$0	-\$17,293	-\$333,165	-\$19,909	-\$5,535,460	-\$590,894	\$0	-\$30,884
L8	2031-32	\$348,300	\$0	-\$1,606	-\$325,302	-\$18,437	-\$5,420,092	-\$577,950	\$0	\$0
L9	2032-33	\$323,675	\$0	-\$16,451	-\$317,596	-\$18,977	-\$5,276,813	-\$563,283	\$0	-\$29,348
L10	2033-34	\$1,088,978	\$0	-\$15,099	-\$310,044	-\$18,463	-\$5,152,300	-\$549,951	\$0	\$0
MVP1	2034-35	\$2,151,262	\$0	\$5,016,729	\$0	\$334,439	-\$5,016,729	-\$334,439	\$0	\$0
MVP2	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP3	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP4	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP5	2038-39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to \$100 million starting in school year 2024-25 and remaining limited through school year 2033-34. The potential gross and net tax savings to Exxon Mobil are shown in **Table 5**. As stated earlier, an M&O tax rate of \$1.17 and a collection rate of 100% is used throughout the calculations in this report. **Table 5** shows gross tax savings due to the limitation of \$67.5 million over the length of the contract. Net tax savings are estimated to be \$59.6 million. To estimate supplemental payments to the school district of \$100 per ADA, a growth model of ADA was applied to the base ADA of 22,319, which was the ADA for GCCISD through the end of the first six-weeks of the 2018-19 school year. The growth factor used was 1.8%, which is in line with the last six years of ADA data from TEA as well as demographic studies done by the district.

Facilities Funding Impact on the District

Reports submitted by Exxon Mobil show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S taxes and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The

formulas provide a guarantee of \$35 per ADA per penny of tax effort. GCCISD has property wealth per WADA that exceeds this amount and is thus not eligible for this state assistance. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Table 5 Estimated Financial Impact on Goose Creek CISD of the Exxon Mobil Corp. Project #1275

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
0	2021-22	\$0	\$0	\$0	1.1700	\$0	\$0	\$0	\$0	\$0	\$0	\$2,354,605	-\$2,354,605
QTP1	2022-23	\$126,000,000	\$126,000,000	\$0	1.1700	\$1,474,200	\$1,474,200	\$0	\$0	\$0	\$0	\$2,396,988	-\$2,396,988
QTP2	2023-24	\$324,000,000	\$324,000,000	\$0	1.1700	\$3,790,800	\$3,790,800	\$0	\$0	\$0	\$0	\$2,440,134	-\$2,440,134
L1	2024-25	\$739,720,000	\$100,000,000	\$639,720,000	1.1700	\$8,654,724	\$1,170,000	\$7,484,724	\$7,484,724	-\$7,790,111	-\$305,387	\$2,484,056	-\$2,789,443
L2	2025-26	\$724,925,600	\$100,000,000	\$624,925,600	1.1700	\$8,481,630	\$1,170,000	\$7,311,630	\$7,311,630	\$0	\$7,311,630	\$2,528,769	\$4,782,860
L3	2026-27	\$710,427,088	\$100,000,000	\$610,427,088	1.1700	\$8,311,997	\$1,170,000	\$7,141,997	\$7,141,997	\$0	\$7,141,997	\$2,574,287	\$4,567,710
L4	2027-28	\$696,218,546	\$100,000,000	\$596,218,546	1.1700	\$8,145,757	\$1,170,000	\$6,975,757	\$6,975,757	-\$27,602	\$6,948,155	\$2,620,624	\$4,327,531
L5	2028-29	\$682,294,175	\$100,000,000	\$582,294,175	1.1700	\$7,982,842	\$1,170,000	\$6,812,842	\$6,812,842	-\$24,760	\$6,788,081	\$2,667,795	\$4,120,286
L6	2029-30	\$668,648,292	\$100,000,000	\$568,648,292	1.1700	\$7,823,185	\$1,170,000	\$6,653,185	\$6,653,185	\$0	\$6,653,185	\$2,715,816	\$3,937,369
L7	2030-31	\$655,275,326	\$100,000,000	\$555,275,326	1.1700	\$7,666,721	\$1,170,000	\$6,496,721	\$6,496,721	-\$30,884	\$6,465,837	\$2,764,700	\$3,701,137
L8	2031-32	\$642,169,819	\$100,000,000	\$542,169,819	1.1700	\$7,513,387	\$1,170,000	\$6,343,387	\$6,343,387	\$0	\$6,343,387	\$2,814,465	\$3,528,922
L9	2032-33	\$629,326,423	\$100,000,000	\$529,326,423	1.1700	\$7,363,119	\$1,170,000	\$6,193,119	\$6,193,119	-\$29,348	\$6,163,771	\$2,865,125	\$3,298,646
L10	2033-34	\$616,739,895	\$100,000,000	\$516,739,895	1.1700	\$7,215,857	\$1,170,000	\$6,045,857	\$6,045,857	\$0	\$6,045,857	\$2,916,698	\$3,129,159
MVP1	2034-35	\$604,405,097	\$604,405,097	\$0	1.1700	\$7,071,540	\$7,071,540	\$0	\$0	\$0	\$0	\$2,969,198	-\$2,969,198
MVP2	2035-36	\$592,316,995	\$592,316,995	\$0	1.1700	\$6,930,109	\$6,930,109	\$0	\$0	\$0	\$0	\$3,022,644	-\$3,022,644
MVP3	2036-37	\$580,470,655	\$580,470,655	\$0	1.1700	\$6,791,507	\$6,791,507	\$0	\$0	\$0	\$0	\$3,077,051	-\$3,077,051
MVP4	2037-38	\$568,861,242	\$568,861,242	\$0	1.1700	\$6,655,677	\$6,655,677	\$0	\$0	\$0	\$0	\$0	\$0
MVP5	2038-39	\$557,484,017	\$557,484,017	\$0	1.1700	\$6,522,563	\$6,522,563	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS						\$118,395,613	\$50,936,395	\$67,459,218	\$67,459,218	-\$7,902,706	\$59,556,513	\$43,212,955	\$16,343,557

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Conclusion

The Exxon Mobil project proposed in this application will benefit the community, the district, GCCISD, and the taxpayer, Exxon Mobil. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Remember that the Texas Legislature could take action that could potentially change the impact of this agreement on the finances of Goose Creek CISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. Those changes could contain changes to the school finance formulas, property value appraisals and tax exemptions. Other factors which could change, and will impact the estimates of this agreement, include changes to property values, district tax rates and student enrollment.

Addendum

At the request of the district and the company, we conducted an analysis of the impact of this agreement on the district using a different set of project values. The schedule of project values that is included in Schedule B of the application was modified and the exact same analysis was performed on the new set of project values. **Table 6** compares the original schedule of project values that appeared in the application with the modified schedule of project values that is addressed by this addendum.

Table 6				
Comparison of Application Project Values to Addendum Project Values				
Year of Agreement	School Year	Project Value Application	Project Value Addendum	Estimated Taxable Value
0	2019-20	\$0	\$0	\$0
QTP1	2020-21	\$126,000,000	\$157,669,806	\$157,669,806
QTP2	2021-22	\$324,000,000	\$315,339,613	\$315,339,613
L1	2022-23	\$739,720,000	\$1,114,937,672	\$100,000,000
L2	2023-24	\$724,925,600	\$1,092,638,919	\$100,000,000
L3	2024-25	\$710,427,088	\$1,070,786,140	\$100,000,000
L4	2025-26	\$696,218,546	\$1,049,370,417	\$100,000,000
L5	2026-27	\$682,294,175	\$1,028,383,009	\$100,000,000
L6	2027-28	\$668,648,292	\$1,007,815,349	\$100,000,000
L7	2028-29	\$655,275,326	\$987,659,042	\$100,000,000
L8	2029-30	\$642,169,819	\$967,905,861	\$100,000,000
L9	2030-31	\$629,326,423	\$948,547,744	\$100,000,000
L10	2031-32	\$616,739,895	\$929,576,789	\$100,000,000
MVP1	2032-33	\$604,405,097	\$910,985,253	\$910,985,253
MVP2	2033-34	\$592,316,995	\$892,765,548	\$892,765,548
MVP3	2034-35	\$580,470,655	\$874,910,237	\$874,910,237
MVP4	2035-36	\$568,861,242	\$857,412,032	\$857,412,032
MVP5	2036-37	\$557,484,017	\$840,263,792	\$840,263,792

The methodology described on page 4 and 5 of this report was applied to these new project values. Comparisons of revenue available to the district were compared for each year of this 18 year agreement. The model where the agreement was in place (Value Limitation Revenue Model) did not change, but the model that assumes that the agreement was not in place (Baseline Revenue Model) has changed to include the

values listed on **Table 6** as “Project Value Addendum”. **Table 7** shows any differences, on an annual basis, between the two models and is roughly equivalent to **Table 4** on page 7 which presented the same comparison of models but used the project values listed in Schedule B from the application.

Year of Agreement	School Year	Foundation School Fund	Available School Fund	M&O Rev From Local Taxes (net of recapture and up to compressed rate)	M&O Rev From Local Taxes (up to \$.06 above compressed rate; no recapture)	M&O Rev From Local Taxes (net of any recapture)	Recapture at the \$514,000 Level	Recapture at the \$319,500 Level	Other State Aid	Total General Fund
0	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L1	2022-23	-\$782,777	\$0	-\$10,149,377	-\$608,963	-\$793,103	\$0	-\$323,328	\$0	-\$12,334,220
L2	2023-24	\$6,644,159	\$0	-\$4,101,290	-\$595,583	-\$46,139	-\$5,825,099	-\$1,045,764	\$0	\$0
L3	2024-25	\$9,739,711	\$0	-\$6,677,825	-\$582,472	\$21,169	-\$3,030,036	-\$1,089,034	\$0	\$0
L4	2025-26	\$594,496	\$0	-\$56,886	-\$569,622	-\$35,839	-\$9,436,818	-\$1,008,469	\$0	-\$67,851
L5	2026-27	\$581,827	\$0	-\$53,455	-\$557,030	-\$34,905	-\$9,230,376	-\$986,316	\$0	-\$63,562
L6	2027-28	\$554,244	\$0	-\$43,639	-\$544,689	-\$33,566	-\$9,034,515	-\$965,031	\$0	-\$67,650
L7	2028-29	\$541,966	\$0	-\$40,927	-\$532,595	-\$32,708	-\$8,835,664	-\$943,717	\$0	-\$64,264
L8	2029-30	\$547,065	\$0	-\$16,389	-\$520,744	-\$30,430	-\$8,662,670	-\$924,267	\$0	-\$20,497
L9	2030-31	\$518,140	\$0	-\$39,665	-\$509,129	-\$31,303	-\$8,445,812	-\$902,099	\$0	-\$61,957
L10	2031-32	\$1,279,553	\$0	-\$37,598	-\$497,746	-\$30,527	-\$8,258,170	-\$882,008	\$0	\$0
MVP1	2032-33	\$2,535,158	\$0	\$8,052,484	\$0	\$536,821	-\$8,052,484	-\$536,821	\$0	\$0
MVP2	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP3	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP4	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MVP5	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

As with the original analysis, the majority of the revenue loss occurs during the first year that the agreement calls for the taxable value of the project to be limited (2024-25). The size of the revenue loss is proportionally larger in this analysis because the difference between the full value of the project and the limited value of the project has become much greater.

Table 8 shows the estimated financial impact on Goose Creek CISD from the Exxon Mobil project, if the project values had been those listed in **Table 6** as “Project Value Addendum”, rather than those listed on Schedule B of the original application submitted by the company.

Table 8 Estimated Financial Impact on Goose Creek CISD from the Exxon Mobil Project

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
0	2019-20	\$0	\$0	\$0	1.1700	\$0	\$0	\$0	\$0	\$0	\$0	\$2,354,605	-\$2,354,605
QTP1	2020-21	\$157,669,806	\$157,669,806	\$0	1.1700	\$1,844,737	\$1,844,737	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2021-22	\$315,339,613	\$315,339,613	\$0	1.1700	\$3,689,473	\$3,689,473	\$0	\$0	\$0	\$0	\$0	\$0
L1	2022-23	\$1,114,937,672	\$100,000,000	\$1,014,937,672	1.1700	\$13,044,771	\$1,170,000	\$11,874,771	\$11,874,771	-\$11,874,771	\$0	\$0	\$0
L2	2023-24	\$1,092,638,919	\$100,000,000	\$992,638,919	1.1700	\$12,783,875	\$1,170,000	\$11,613,875	\$11,613,875	-\$459,449	\$11,154,427	\$2,107,166	\$9,047,261
L3	2024-25	\$1,070,786,140	\$100,000,000	\$970,786,140	1.1700	\$12,528,198	\$1,170,000	\$11,358,198	\$11,358,198	\$0	\$11,358,198	\$4,543,279	\$6,814,919
L4	2025-26	\$1,049,370,417	\$100,000,000	\$949,370,417	1.1700	\$12,277,634	\$1,170,000	\$11,107,634	\$11,107,634	-\$67,851	\$11,039,783	\$4,415,913	\$6,623,869
L5	2026-27	\$1,028,383,009	\$100,000,000	\$928,383,009	1.1700	\$12,032,081	\$1,170,000	\$10,862,081	\$10,862,081	-\$63,562	\$10,798,519	\$4,319,408	\$6,479,112
L6	2027-28	\$1,007,815,349	\$100,000,000	\$907,815,349	1.1700	\$11,791,440	\$1,170,000	\$10,621,440	\$10,621,440	-\$67,650	\$10,553,789	\$4,221,516	\$6,332,274
L7	2028-29	\$987,659,042	\$100,000,000	\$887,659,042	1.1700	\$11,555,611	\$1,170,000	\$10,385,611	\$10,385,611	-\$64,264	\$10,321,347	\$4,128,539	\$6,192,808
L8	2029-30	\$967,905,861	\$100,000,000	\$867,905,861	1.1700	\$11,324,499	\$1,170,000	\$10,154,499	\$10,154,499	-\$20,497	\$10,134,002	\$4,053,601	\$6,080,401
L9	2030-31	\$948,547,744	\$100,000,000	\$848,547,744	1.1700	\$11,098,009	\$1,170,000	\$9,928,009	\$9,928,009	-\$61,957	\$9,866,052	\$3,937,944	\$6,428,108
L10	2031-32	\$929,576,789	\$100,000,000	\$829,576,789	1.1700	\$10,876,048	\$1,170,000	\$9,706,048	\$9,706,048	\$0	\$9,706,048	\$2,916,698	\$6,789,351
MVP1	2032-33	\$910,985,253	\$910,985,253	\$0	1.1700	\$10,658,527	\$10,658,527	\$0	\$0	\$0	\$0	\$1,474,198	-\$1,474,198
MVP2	2033-34	\$892,765,548	\$892,765,548	\$0	1.1700	\$10,445,357	\$10,445,357	\$0	\$0	\$0	\$0	\$0	\$0
MVP3	2034-35	\$874,910,237	\$874,910,237	\$0	1.1700	\$10,236,450	\$10,236,450	\$0	\$0	\$0	\$0	\$0	\$0
MVP4	2035-36	\$857,412,032	\$857,412,032	\$0	1.1700	\$10,031,721	\$10,031,721	\$0	\$0	\$0	\$0	\$0	\$0
MVP5	2036-37	\$840,263,792	\$840,263,792	\$0	1.1700	\$9,831,086	\$9,831,086	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS						\$176,049,517	\$68,437,351	\$107,612,165	\$107,612,165	-\$12,680,001	\$94,932,164	\$37,972,865	\$56,959,299

*Note : This table presents the financial impact on GCCISD based on project values that do not appear in the original application. It is presented as an addendum to the original report.

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

This supplemental analysis shows that, with a significant increase in the project value, the size of the savings and benefits increase, even though the years in which the revenue losses occur stays roughly the same within the framework of the agreement. Under these assumptions, the revenue protection payments to GCCISD would be \$12,680,001, the M&O taxes paid by the company would be \$68,437,351 and the M&O tax savings to the company as a result of the agreement would be \$107,612,165. The total savings to the company after all payments to the district would be \$56,959,299.

All of the calculations performed in this analysis and in the addendum were performed on values that are estimates of future taxable values. For this reason, the company and the district requested that this further analysis be performed to show how the revenue protection payments, taxes due and benefits and costs associated with this project might change if the underlying assumptions of value changed. As you can see, there are benefits to both the company and the district from entering into this agreement but the magnitude of the benefit is proportional to the difference between the full value of the property and the limited value of the property called for in the agreement.

Findings and Order of the Goose Creek Consolidated Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
Exxon Mobil Corporation (Tax ID 11354090059) (Application #1275)

EXHIBIT C

**Proposed Agreement between
Goose Creek Consolidated Independent School District
and Exxon Mobil Corporation**



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 29, 2019

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

Re: Agreement 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 office has been provided with the Agreement 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 (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,

Will Counihan

Director

Data Analysis & Transparency Division

cc: Sara Leon, Powell & Leon, LLP
Darren Owen, Exxon Mobil Corporation
Ali Mollai, Exxon Mobil Corporation
Stephen Kuntz, Norton Rose Fullbright

**AGREEMENT 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

(Texas Taxpayer ID # 11354090059)

Comptroller Application # 1275

Dated

April 2, 2019

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

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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 **GOOSE CREEK CONSOLIDATED 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 **EXXON MOBIL CORPORATION**, Texas Taxpayer Identification Number 11354090059, 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 June 4, 2018, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees 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 July 20, 2018, the Board of Trustees 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 September 7, 2018, 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 Harris County Appraisal District established in Harris County, Texas (the “Harris 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 October 18, 2018, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the District’s Board of Trustees, by vote on April 2 2019, ratified the Superintendent’s January 31, 2019, written extension of the statutory deadline by which the District must consider the Application until October 18, 2019, and the Comptroller was provided notice of such

extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

WHEREAS, the Board of Trustees 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 April 2, 2019, the Board of Trustees 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 April 2, 2019, the Board of Trustees 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 March 29, 2019, 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 April 2, 2019, the Board of Trustees 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 to execute and deliver such Agreement to the Applicant;

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 Exxon Mobil Corporation (Texas Taxpayer ID # 11354090059), 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 June 4, 2018. 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 Trustees 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 Harris County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Goose Creek Consolidated Independent School District.

“Commercial Operations” shall mean the date on which all of the principal units included in the project described in the Application become commercially operational and placed into service, such that all of such units included in the project have been constructed, tested, and received all necessary permits to operate, have commenced commercial operations of receiving feedstocks and converting them into usable products for later sale or processing as intended by the final project design, and have achieved a Qualified Investment of not less than \$100,000,000.

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

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

“County” means Harris County, Texas.

“District” or “School District” means the Goose Creek Consolidated 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 B 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 313.027 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 term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying the District’s Average Daily Attendance for the school year immediately preceding the year for which the calculation is being made, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, 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 2021, 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, 2021, on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

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

“Applicant’s Stipulated Supplemental Payment Amount” means, for purposes of Article VI, for any Tax Year during the 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 Article 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.

“Initial Supplemental Payment” shall have the meaning assigned to such term in Section 6.3 of this Agreement.

“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 McO Revenue” has the meaning given such term in Section 4.2.A. i.

“Third Party” shall have the meaning set forth in Section 4.3.

“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 One Hundred Million Dollars (\$100,000,000.00)), 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 September 7, 2018, 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 April 2, 2019.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 2, 2021, 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, 2023, 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, 2024, the first complete Tax Year that begins after the date of the commencement of Commercial Operations; and
- ii. Ends on December 31, 2033, 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, 2038, 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.** One Hundred Million Dollars (\$100,000,000)), 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 313.022(b) 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 \$100,000,000 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 \$1,331.50 for all New Non-Qualifying Jobs created by the Applicant.

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

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

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

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

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

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

ARTICLE III **QUALIFIED PROPERTY**

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

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees 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 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") selected each year by the District with the consent of the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by a mediator selected in accordance with the procedures set forth in Section 9.3A.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified appraisal 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 appraisal 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 appraisal 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 and for any audits conducted by the State Auditor's Office 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 Trustees. Any such appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the Applicant's receipt of the Third Party's final determination of the certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. CUMULATIVE PAYMENT LIMITATION. Notwithstanding anything contained in this

Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the Commencement Date and ending with the Tax Year 2034, which is the first Tax Year following the end of the Tax Limitation Period, exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Cumulative Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period (i.e. the Tax Year 2034) because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.11. ADDITIONAL REPORTING. The Comptroller currently requires a Biennial Progress Report (Comptroller Form 50-773B) to be filed by the Applicant with the District each even-numbered year. The Applicant agrees that for the odd-numbered year 2021, and for each odd-numbered year thereafter through and including the odd-numbered year that includes the date of the commencement of Commercial Operations or the odd-numbered year that immediately precedes the even-numbered year that includes the date of the commencement of Commercial Operations, whichever is applicable, the Applicant shall submit to the District the information required by "4-Digit Tab #3" ("Investment and Value Table") of the Comptroller's form of Biennial Progress Report (Comptroller Form 50-773B) as in effect on the date of this Agreement. Each such submission for an odd-numbered year shall be filed with the District on or before June 15th of such odd-numbered year.

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 the Applicant's allocable share of 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 or lease of portable classrooms and the hiring of additional personnel, to accommodate a temporary increase in student enrollment attributable to such project.

In determining the Applicant's allocable share of such non-reimbursed costs for any Tax Year during the term of this Agreement, the aggregate amount of such costs for such Tax Year shall be allocated by the District's external auditor between or among the project described in the Application and each project described in an application for appraised value limitation on qualified property under Chapter 313 of the TEXAS TAX CODE with respect to which the District has entered into a written agreement pursuant to the provisions of Section 313.027 of the TEXAS TAX CODE that (i) has not terminated before such Tax Year, and (ii) includes a provision pursuant to Section 313.027(f)(2) of the TEXAS TAX CODE providing that the owner or owners of the project subject to such agreement will protect the District in the event the District incurs extraordinary education-related expenses related to such project. The District agrees to use reasonable efforts to include such a provision in any such future agreement. The amount of such non-

reimbursed costs for any Tax Year during the term of this Agreement allocated to each such project shall be determined by multiplying the total amount of such non-reimbursed costs by a fraction, the numerator of which is the total Taxable Value of such project used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, and the denominator of which is the total Taxable Value of all such projects used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year.

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, 6.3 and 6.4.

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 6.4.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

- A. the total of the Supplemental Payments made pursuant to this Article 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 (2021) and ending December 31 of the third Tax Year following the end of the Tax Limitation Period (2036);

- 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 Average Daily Attendance for the previous school year.

Section 6.3. INITIAL SUPPLEMENTAL PAYMENT

Unless this Agreement has sooner terminated as provided herein, on or before January 31, 2022, the Applicant shall make a Supplemental Payment (the "Initial Supplemental Payment") to the District in the amount of the lesser of (i) an amount calculated for the calendar year 2021 by multiplying the District's Average Daily Attendance for the school year immediately preceding the calendar year 2021, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, times \$100, or (ii) the "Aggregate Limit," as such term is defined in Section 1.2, above, for the Tax Year 2021. The Initial Supplemental Payment shall be applied against and reduce payments of amounts otherwise due under this Article VI beginning with the first payment of such an amount due, with any remaining unapplied balance of the Initial Supplemental Payment being carried forward to be applied against and reduce the next payment of such an amount due and so on until the entire amount of the Initial Supplemental Payment has been so applied.

Section 6.4. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT – SUBJECT TO AGGREGATE LIMIT. In addition to the Supplemental Payment limitation set forth in Section 6.2, and except as otherwise provided in Section 6.3 with respect to the Initial Supplemental Payment, 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; or
- B. the "Aggregate Limit," as such term is defined in Section 1.2, for such Tax Year.

Section 6.5. 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 2021, 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 0.4;

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 6.6. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT. For each Tax Year during the term of this Agreement beginning with the Tax Year 2021, 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 2036, 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 6.8 below, shall not be entitled to receive Supplemental Payments, computed under Sections 6.2, 6.3, 6.4 and 6.5 above, that exceed the Aggregate 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, 6.4 and 6.5 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate 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 Aggregate 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 (2036) following the end of the Tax Limitation Period, as defined in Section 2.3(D)(ii), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.7. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

- A. All calculations required by this Article VI, including but not limited to: (i) the calculation of the Initial Supplemental Payment; (ii) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (iii) the determination of both the Annual Limit and the Aggregate Limit; (iv) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; (v) the carry forward and application of the Initial Supplemental Payment to reduce payments of amounts otherwise due under this Article IV and the amount of any remaining balance of the Initial Supplemental Payment that has not been so applied prior to the termination of this Agreement; and (vi) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.5.
- C. The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.6.

Section 6.8. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during the term of this Agreement, the Board of Trustees 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 Trustees at a properly posted public meeting of the Board of Trustees. 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 Trustees, 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, 6.4 and 6.5, 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; or

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 Trustees 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 Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees 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 Trustees. At the hearing, the Board of Trustees shall make findings as to:

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

C. In the event that the Board of Trustees 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 Trustees 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 Harris County. 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 Harris 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 \$100,000,000 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. Randal O'Brien (or his successor)
Superintendent of Schools
Goose Creek Consolidated Independent School District
4544 Interstate 10 East
P.O. Box 30
Baytown, Texas 77522
Phone: (281) 707-3220
Facsimile: (281) 420-4815
Email: randal.obrien@gccisd.net

With a copy to:

Rick Lambert
Powell Youngblood & Taylor, LLP
108 Wild Basin #100
Austin, Texas 78746
Phone: (512) 494-1177
Facsimile: (512) 494-1188
Email: rlambert@pyt-law.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:

Exxon Mobil Corporation
Attn: Darren Owen
Property Tax Division Manger
Exxon Mobil Corporation
1735 Hughes Landing, Room W.03.N167
The Woodlands, Texas 77380
Phone: (832) 624-5089
Facsimile: (832) 648-5502
Email: darren.d.owen@exxonmobil.com

With a copy to:

Ali Mollai
Property Tax Agent
Exxon Mobil Corporation
1735 Hughes Landing, Room W.03.N117
The Woodlands, Texas 77380
Phone: (832) 624-5123
Facsimile: (832) 648-5502
Email: ali.mollai@exxonmobil.com

And:

Stephen A. Kuntz
Norton Rose Fulbright
1301 McKinney Street, Suite 5100
Houston, Texas 77010-3095
Phone: (713) 651-5241
Facsimile: (713) 651-5246
Email: stephen.kuntz@nortonrosefulbright.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 Trustees, 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 Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement

Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

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

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 Harris 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 2nd day of April, 2019.

EXXON MOBIL CORPORATION

GOOSE CREEK CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT

BY: Kate Lightfoot
Name: Kate Lightfoot
Title: Baytown Chemical Plant Site Manager

BY: Pete Pape
PETE PAPE
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

BY: Jessica Woods
JESSICA WOODS
SECRETARY, BOARD OF TRUSTEES

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 Goose Creek Independent School District Board of Trustees created the *Exxon Mobil Reinvestment Zone*. The *Exxon Mobil Reinvestment Zone* is described by reference to the parcel of land identified on the appraisal records of the Harris County Appraisal District by the following account:

Harris County Appraisal District Account Number 0410220020220, TR 8, ABST 66 W SCOTT,
and containing approximately 857.55 acres

The Harris County Appraisal District real property account information and related Harris County Appraisal District map for account number 0410220020220 are attached as the next two pages of this **Exhibit 1**.

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0410220020220

Tax Year: 2019



Owner and Property Information										
Owner Name & Mailing Address: EXXON MOBIL CORPORATION REF 8 BOP CHEM TECH ECLP PO BOX 53 HOUSTON TX 77001-0053				Legal Description: TR 8 (TAX ABATEMENT*0410220020404) (TAX ABATEMENT IMPS*0410220020405) NORTH BAYTOWN ABST 66 W SCOTT						
				Property Address: 2800 DECKER DR BAYTOWN TX 77520						
State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
F2 -- Real, Industrial	8002 -- Land Neighborhood Section 2	E	0	37,355,017 SF	0	0	5982.29	4022 -- Baytown	6257B	500R

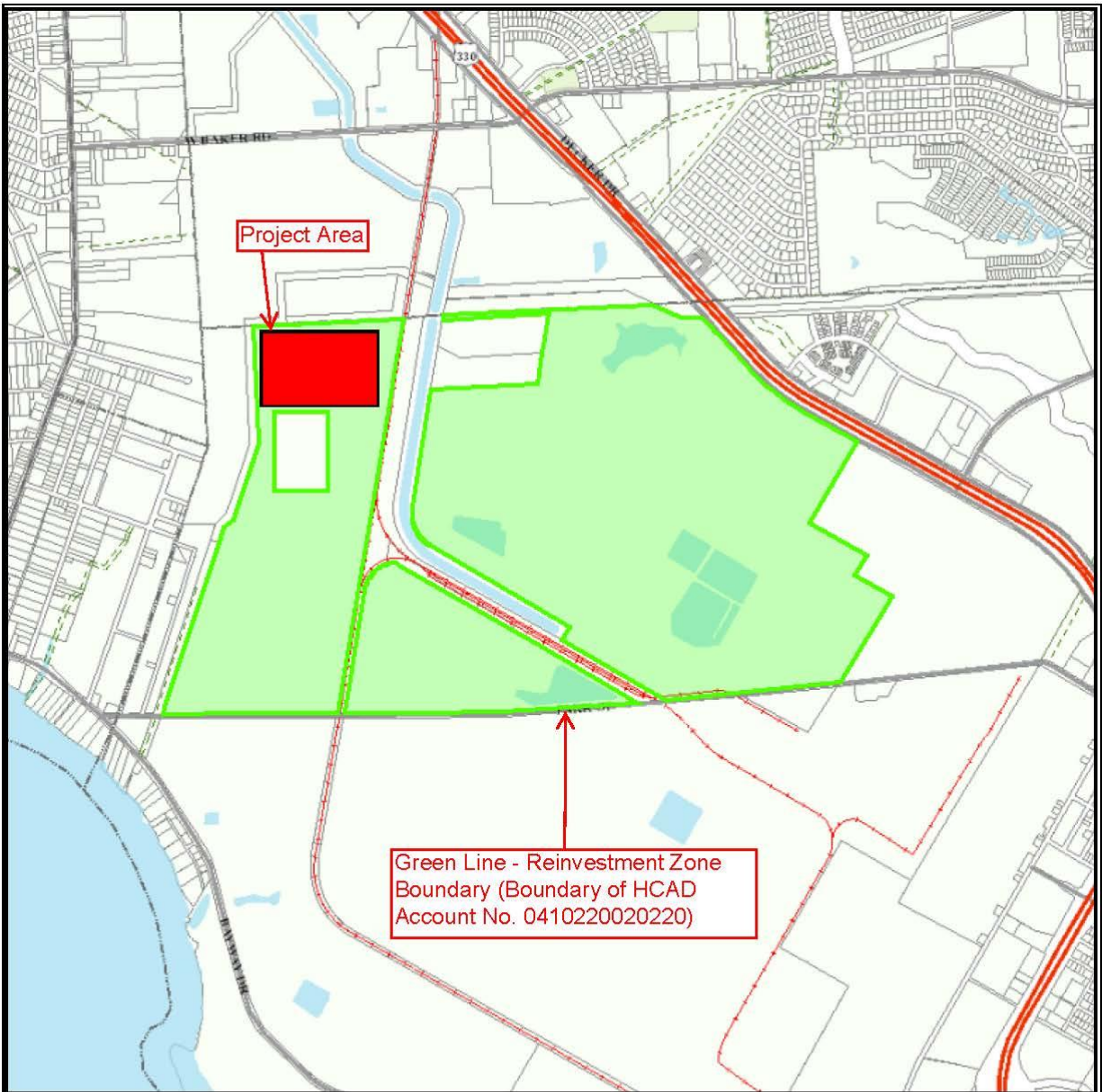
Value Status Information	
Value Status	Shared CAD
All Values Pending	No

Exemptions and Jurisdictions						
Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2018 Rate	2019 Rate
None	016	GOOSE CREEK CISD	Pending	Pending	1.431890	
	040	HARRIS COUNTY	Pending	Pending	0.418580	
	041	HARRIS CO FLOOD CNTRL	Pending	Pending	0.028770	
	042	PORT OF HOUSTON AUTHY	Pending	Pending	0.011550	
	043	HARRIS CO HOSP DIST	Pending	Pending	0.171080	
	044	HARRIS CO EDUC DEPT	Pending	Pending	0.005190	
	046	LEE JR COLLEGE DIST	Pending	Pending	0.250100	
Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at HCAD's information center at 13013 NW Freeway.						

Valuations					
Value as of January 1, 2018			Value as of January 1, 2019		
	Market	Appraised		Market	Appraised
Land	9,338,754		Land		
Improvement	498,256,370		Improvement		
Total	507,595,124	507,595,124	Total	Pending	Pending

Land												
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8002 -- Land Neighborhood Section 2	4417	SF	37,355,017	1.00	1.00	1.00	--	1.00	Pending	Pending	Pending

Building					
Vacant (No Building Data)					
Extra Features					
Line	Description	Quality	Condition	Units	Year Built
1		Average	Average	0.01	0



**Harris
County
Appraisal
District**

DETAIL MAP OF ACCOUNT NUMBER

HCAD Map of Account No. 0410220020220



Date: 3/27/2019

Geospatial or map data maintained by the Harris County Appraisal District is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents the approximate location of property boundaries.

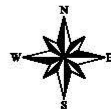


EXHIBIT 2

DESCRIPTION AND LOCATION 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 Harris County Appraisal District by the following account number: 0410220020220. See **Exhibit 1**.

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

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

The potential project would involve the development and construction of two processing units (PPU and MPF) on the same unimproved project site. The PPU and MPF would each be capable of operating independently. The PPU would combine monomers and generate a solid polymer resin. The monomers and catalyst are combined in a reactor, and the resulting polymer is then separated from the reaction components, pelletized and dried. The MPF would prepare monomers for use in polymerization.

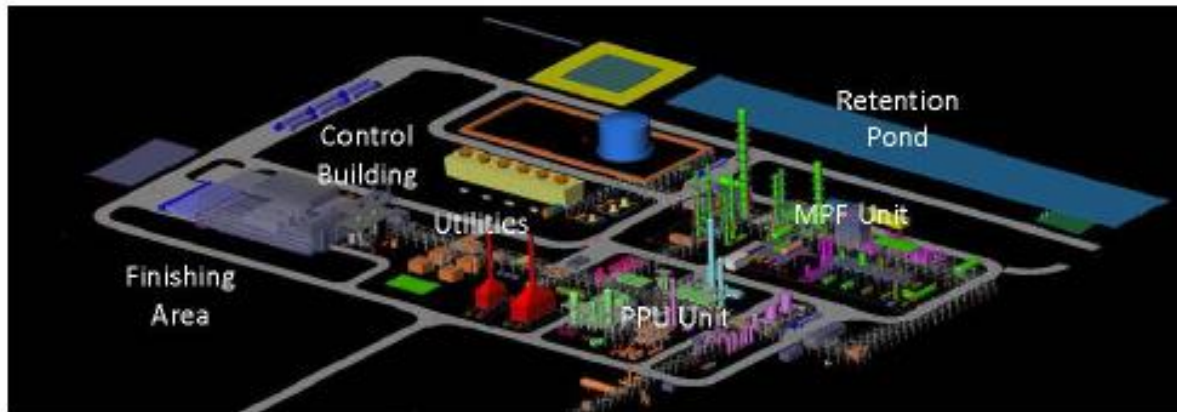
The proposed improvements for which the tax limitation is sought would include the PPU and MPF processing units along with all process infrastructure and process and auxiliary equipment including, but not limited to, two hot oil heaters, cooling towers, an elevated flare, reactor vessels, distillation columns, storage drums and tanks, equipment for unloading raw materials, packaging equipment, pipe and piping components, valves, exchangers, compressors, pumps, separation equipment, instrumentation, analyzers, clarified water and emergency fire water facilities, motors, drums, vessels, distillation towers, heat exchangers, filters, reactors, polymer packaging systems, dryers, dust collection units, mixers, feeders, rotary valves, raw material scales, truck weigh scales, trolleys and hoists, utility service lines, electrical switchgear, transformers, substations, structural foundations, structural steel supports, control equipment and facilities, raw material receipt facilities, utility distribution improvements, flare stack, vent gas thermal oxidizer and other pollution control equipment, compressed air systems, interplant piping and utilities, tie-ins, road improvements, paving, fencing and facility security systems, fire prevention and safety equipment, railroad tracks, rail car loading equipment, truck loading equipment, laboratory improvements and laboratory testing equipment and any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the PPU and MPF units. Buildings and building improvements would include a polymer resin finishing building, a control building (including locker rooms, lunch room, console control area, conference rooms and offices), electrical substations, instrument and analyzer enclosures, a covered maintenance area, maintenance shop improvements and laboratory improvements.

EXHIBIT 4

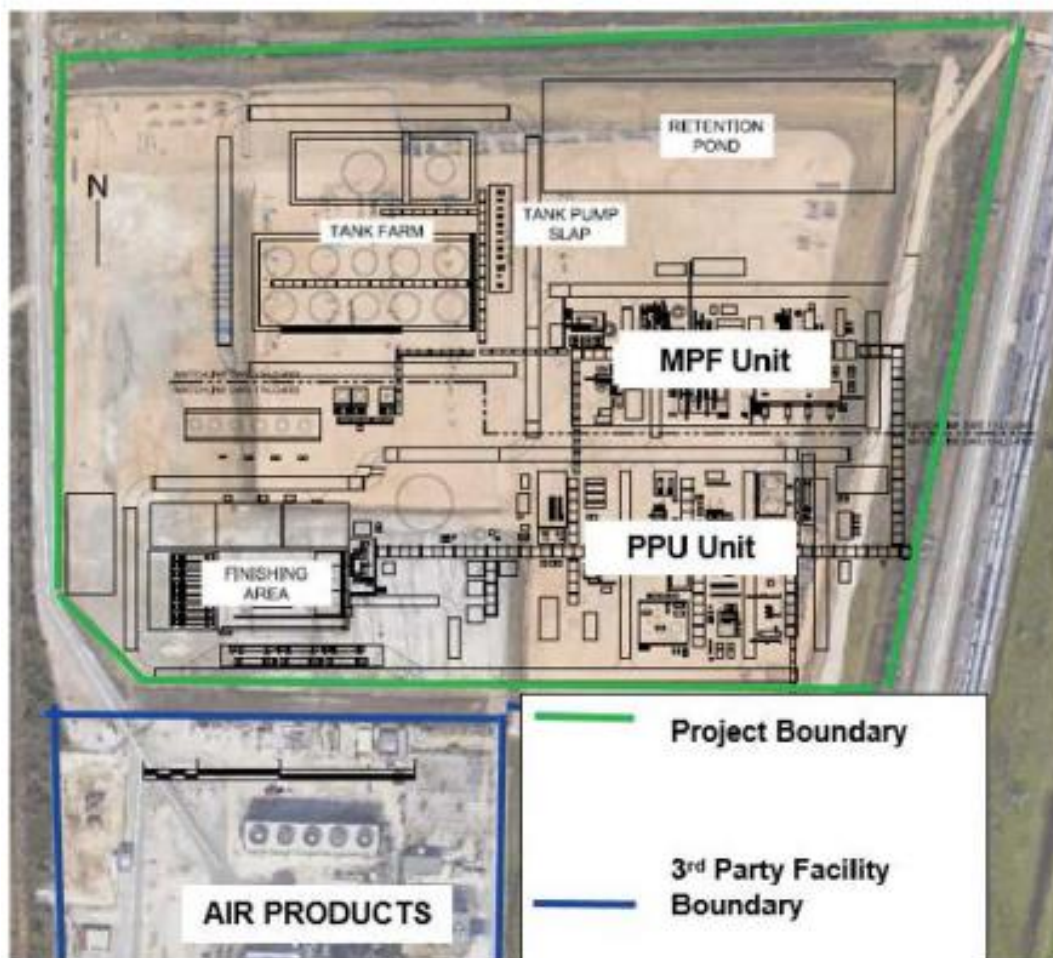
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The potential project would involve the development and construction of two processing units (PPU and MPF) on the same unimproved project site. The PPU and MPF would each be capable of operating independently. The PPU would combine monomers and generate a solid polymer resin. The monomers and catalyst are combined in a reactor, and the resulting polymer is then separated from the reaction components, pelletized and dried. The MPF would prepare monomers for use in polymerization.

The proposed improvements for which the tax limitation is sought would include the PPU and MPF processing units along with all process infrastructure and process and auxiliary equipment including, but not limited to, two hot oil heaters, cooling towers, an elevated flare, reactor vessels, distillation columns, storage drums and tanks, equipment for unloading raw materials, packaging equipment, pipe and piping components, valves, exchangers, compressors, pumps, separation equipment, instrumentation, analyzers, clarified water and emergency fire water facilities, motors, drums, vessels, distillation towers, heat exchangers, filters, reactors, polymer packaging systems, dryers, dust collection units, mixers, feeders, rotary valves, raw material scales, truck weigh scales, trolleys and hoists, utility service lines, electrical switchgear, transformers, substations, structural foundations, structural steel supports, control equipment and facilities, raw material receipt facilities, utility distribution improvements, flare stack, vent gas thermal oxidizer and other pollution control equipment, compressed air systems, interplant piping and utilities, tie-ins, road improvements, paving, fencing and facility security systems, fire prevention and safety equipment, railroad tracks, rail car loading equipment, truck loading equipment, laboratory improvements and laboratory testing equipment and any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the PPU and MPF units. Buildings and building improvements would include a polymer resin finishing building, a control building (including locker rooms, lunch room, console control area, conference rooms and offices), electrical substations, instrument and analyzer enclosures, a covered maintenance area, maintenance shop improvements and laboratory improvements.



3d Model of Facility



Aerial View Site Plan of the Project

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 (04/02/19)	January 1, 2019	2019-2020	2019	Start of Deferral Period beginning with the Application Approval Date (04/02/19). No limitation on appraised value.
	Deferral Year	January 1, 2020	2020-2021	2020	Deferral Period. No limitation on appraised value.
	Partial Year Deferral Period (01/01/21)	January 1, 2021	2021-2022	2021	Deferral Period. No limitation on appraised value.
Qualifying Time Period	Partial Year Beginning on 01/02/21	January 1, 2021	2021-2022	2021	Start of Qualifying Time Period beginning on 01/02/21. No limitation on appraised value. First year for computation of Annual Limit.
	1	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2023	2023-2024	2023	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	3	January 1, 2024	2024-2025	2024	\$100 million appraised value limitation.
	4	January 1, 2025	2025-2026	2025	\$100 million appraised value limitation.
	5	January 1, 2026	2026-2027	2026	\$100 million appraised value limitation.
	6	January 1, 2027	2027-2028	2027	\$100 million appraised value limitation.
	7	January 1, 2028	2028-2029	2028	\$100 million appraised value limitation.
	8	January 1, 2029	2029-2030	2029	\$100 million appraised value limitation.
	9	January 1, 2030	2030-2031	2030	\$100 million appraised value limitation.
	10	January 1, 2031	2031-2032	2031	\$100 million appraised value limitation.
	11	January 1, 2032	2032-2033	2032	\$100 million appraised value limitation.
	12	January 1, 2033	2033-2034	2033	\$100 million appraised value limitation.
Maintain Viable Presence (5 Years)	13	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	16	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	17	January 1, 2038	2038-2039	2038	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.