

# UNDERWOOD

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May 20, 2019

Desiree Caufield, Research Analystist  
Economic Development and Analysis Division  
Texas Comptroller of Public Accounts  
111 E. 17th St.  
Austin, TX 78774

*Via Email and Federal Express*

Re: App No. 1286 – Plano ISD – Texas Instruments Incorporated

Dear Desiree:

Enclosed please find amended applications pages from applicant comprising Amendment No. 2 to the application, along with the revised schedules in Excel format. Applicant advises that based upon current market conditions, it must delay construction of the facility for two years beyond what it originally estimated. It therefore seeks the following changes to its Application:

- Tab 1, Section 9: Pushed back the Projected Timeline by two years
- Tab 14: Updated Schedules A1, A2, B, and C to reflect this updated investment schedule and job timing. In each instance, the timeline has been pushed back two years. In Schedule C, Applicant has removed its commitment to create qualifying jobs in years prior to the start of the value limit period
- Tab 17: New signature page for this Amendment No. 2

A CD containing this Amendment and the schedules is also enclosed. Please let me know if you require any additional information.

Sincerely,



Fred A. Stormer

Encl.  
V0D3SLN

cc: William Blaylock, VP-Sr. Tax Counsel  
Renn Neilson, Baker Botts, LLP

*via email: w-blaylock@ti.com*  
*via email: renn.neilson@bakerbotts.com*

SECTION 9: Projected Timeline

- 1. Application approval by school board April 9, 2019
2. Commencement of construction 3rd Qtr 2021
3. Beginning of qualifying time period January 2, 2022
4. First year of limitation 2025
5. Begin hiring new employees 3rd Qtr 2022
6. Commencement of commercial operations 1st Qtr 2024
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? [X] Yes [ ] No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? 4th Qtr 2022

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Collin County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Collin County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? [ ] Yes [X] No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
County: Collin .192246 100% (Name, tax rate and percent of project)
City: Richardson .62516 100% (Name, tax rate and percent of project)
Hospital District: (Name, tax rate and percent of project)
Water District: (Name, tax rate and percent of project)
Other (describe): Collin County .079810 100% (Name, tax rate and percent of project)
Other (describe): (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? [X] Yes [ ] No
5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? [ ] Yes [X] No
6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 100,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 100,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

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

Date **5/1/2019**  
 Applicant Name **Texas Instruments Incorporated**  
 ISD Name **Plano Independent School District**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	<b>Total Investment</b> (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Partial Yr	2022-2023	2022	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	100,000,000	0		100,000,000
Complete tax years of qualifying time period	QTP1	2023-2024	2023	0	50,000,000	0		50,000,000
	QTP2	2024-2025	2024	282,000,000	70,000,000	0		352,000,000
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				282,000,000	220,000,000	0	0	502,000,000
				Enter amounts from TOTAL row above in Schedule A2				
<b>Total Qualified Investment (sum of green cells)</b>				502,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Date **5/1/2019**  
 Applicant Name **Texas Instruments Incorporated**  
 ISD Name **Plano Independent School District**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	-	<b>TOTALS FROM SCHEDULE A1</b>		282,000,000	220,000,000	0	0	502,000,000
<i>Enter amounts from TOTAL row in Schedule A1 in the row below</i>								
Each year prior to start of value limitation period**	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Value limitation period***	1	2025-2026	2025	111,000,000	0	0	0	111,000,000
	2	2026-2027	2026	250,000,000	75,000,000	0	0	325,000,000
	3	2027-2028	2027	250,000,000	0	0	0	250,000,000
	4	2028-2029	2028	275,000,000	60,000,000	0	0	335,000,000
	5	2029-2030	2029	275,000,000	0	0	0	275,000,000
	6	2030-2031	2030	200,000,000	55,000,000	0	0	255,000,000
	7	2031-2032	2031	210,000,000	0	0	0	210,000,000
	8	2032-2033	2032	430,000,000	60,000,000	0	0	490,000,000
	9	2033-2034	2033	200,000,000	0	0	0	200,000,000
	10	2034-2035	2034	200,000,000	30,000,000	0	0	230,000,000
<b>Total Investment made through limitation</b>				2,683,000,000	500,000,000	0	0	3,183,000,000
Continue to maintain viable presence	11	2035-2036	2035			259,000,000		259,000,000
	12	2036-2037	2036			15,000,000		15,000,000
	13	2037-2038	2037			15,000,000		15,000,000
	14	2038-2039	2038			15,000,000		15,000,000
	15	2039-2040	2039			15,000,000		15,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2040-2041	2040			15,000,000		15,000,000
	17	2041-2042	2041			15,000,000		15,000,000
	18	2042-2043	2042			15,000,000		15,000,000
	19	2043-2044	2043			15,000,000		15,000,000
	20	2044-2045	2044			15,000,000		15,000,000
	21	2045-2046	2045			15,000,000		15,000,000
	22	2046-2047	2046			15,000,000		15,000,000
	23	2047-2048	2047			15,000,000		15,000,000
	24	2048-2049	2048			15,000,000		15,000,000
	25	2049-2050	2049			15,000,000		15,000,000

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

\*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

\*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

**Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)**

Date **5/1/2019**  
 Applicant Name **Texas Instruments Incorporated**  
 ISD Name **Plano Independent School District**

#1286 - Texas Instruments - PISD - Amendment No. 2 - 5/1/2019

**Form 50-296A**

*Revised May 2014*

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	0	195,000,000	0		195,000,000	195,000,000
	0	2023-2024	2023	0	287,625,000	0		287,625,000	287,625,000
	0	2024-2025	2024	0	329,184,375	0		329,184,375	329,184,375
Value Limitation Period	1	2025-2026	2025	0	389,204,766	219,960,000		609,164,766	100,000,000
	2	2026-2027	2026	0	379,474,646	247,320,000		626,794,646	100,000,000
	3	2027-2028	2027	0	443,112,780	359,790,000		802,902,780	100,000,000
	4	2028-2029	2028	0	432,034,961	454,164,000		886,198,961	100,000,000
	5	2029-2030	2029	0	479,734,087	522,312,000		1,002,046,087	100,000,000
	6	2030-2031	2030	0	467,740,735	580,850,000		1,048,590,735	100,000,000
	7	2031-2032	2031	0	509,672,216	560,142,000		1,069,814,216	100,000,000
	8	2032-2033	2032	0	496,930,411	549,176,000		1,046,106,411	100,000,000
	9	2033-2034	2033	0	543,007,151	720,660,000		1,263,667,151	100,000,000
	10	2034-2035	2034	0	529,431,972	661,110,000		1,190,541,972	100,000,000
Continue to maintain viable presence	11	2035-2036	2035	0	545,446,173	612,610,000		1,158,056,173	1,158,056,173
	12	2036-2037	2036	0	531,810,018	637,270,000		1,169,080,018	1,169,080,018
	13	2037-2038	2037	0	518,514,768	455,970,000		974,484,768	974,484,768
	14	2038-2039	2038	0	505,551,899	332,440,000		837,991,899	837,991,899
	15	2039-2040	2039	0	492,913,101	259,268,000		752,181,101	752,181,101
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2040-2041	2040	0	480,590,274	199,960,000		680,550,274	680,550,274
	17	2041-2042	2041	0	468,575,517	171,500,000		640,075,517	640,075,517
	18	2042-2043	2042	0	456,861,129	149,284,000		606,145,129	606,145,129
	19	2043-2044	2043	0	445,439,601	135,400,000		580,839,601	580,839,601
	20	2044-2045	2044	0	434,303,611	129,710,000		564,013,611	564,013,611
	21	2045-2046	2045	0	423,446,020	125,280,000		548,726,020	548,726,020
	22	2046-2047	2046	0	412,859,870	125,730,000		538,589,870	538,589,870
	23	2047-2048	2047	0	402,538,373	126,180,000		528,718,373	528,718,373
	24	2048-2049	2048	0	392,474,914	126,630,000		519,104,914	519,104,914
	25	2049-2050	2049	0	382,663,041	127,080,000		509,743,041	509,743,041

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.  
 Only include market value for eligible property on this schedule.

Date **5/1/2019**  
 Applicant Name **Texas Instruments Incorporated**  
 ISD Name **Plano Independent School District**

**Schedule C: Employment Information**

**Form 50-296A**  
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction man-hours	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2021-2022	2021	1,664,000	42,605	-	-	
	0	2022-2023	2022	832,000	43,457	32	-	-
	0	2023-2024	2023	416,000	44,326	126	-	-
	0	2024-2025	2024	582,400	45,213	151	-	-
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2025-2026	2025	-	46,117	175	7	116,402
	2	2026-2027	2026	624,000	47,039	240	7	116,402
	3	2027-2028	2027	499,000	47,980	318	7	116,402
	4	2028-2029	2028	-	48,940	382	7	116,402
	5	2029-2030	2029	457,600	49,919	446	7	116,402
	6	2030-2031	2030	-	50,917	509	7	116,402
	7	2031-2032	2031	499,000	51,935	567	7	116,402
	8	2032-2033	2032	-	52,974	592	7	116,402
	9	2033-2034	2033	249,000	54,034	625	7	116,402
Years Following Value Limitation Period	10	2034-2035	2034	-	55,114	625	7	116,402
	11 through 25	2035-2050	2035-2049	-	+ 2%/Yr	625	7	116,402

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
 Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25)  Yes  No  
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts  
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?  Yes  No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?  Yes  No

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

SECTION 16. Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Sara M. Bonser
Print Name (Authorized School District Representative)

Superintendent, Plano ISD
Title

sign here Sara M. Bonser
Signature (Authorized School District Representative)

5.14.2019
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

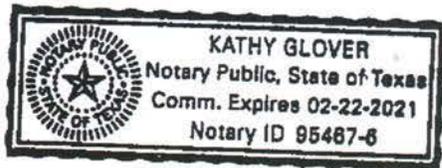
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Rafael R Lizardi
Print Name (Authorized Company Representative (Applicant))

CFO, Texas Instruments
Title

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

May 3, 2019
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

3 day of May, 2019

Kathy Glover
Notary Public in and for the State of Texas

My Commission expires: 02/22/2021

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.