UNDERWOOD

FRED STORMER
Phone: 806.379.0306
Fax: 806.379.0316
www.uwlaw.com
Fred.Stormer@uwlaw.com

ADDRESS:
145 W. 3rd Street
Hereford, Texas
MAILING ADDRESS:
P.O. Box 1655
Hereford, TX 79045

September 20, 2018

Desiree Caufield, Research Analysist
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. 1 to the application, along with the revised schedules in Excel format.

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.
MYXT0KFM0D4OEF

cc: William Blaylock, VP-Sr.Tax Counsel ***via email: w-blaylock@ti.com***
Renn Neilson, Baker Botts, LLP ***via email: renn.neilson@bakerbotts.com***

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School DI ic Info mation

1. Authorized School District Representative

August 21, 2018
Date Application Received by District

Sara
First Name

Bonser
Last Name

Superintendent of Schools
Title

Plano Independent School District
School District Name

2700 W. 15th Street
Street Address

2700 W. 15th Street
Mailing Address

Plano
City

Texas
State

75075
ZIP

469-752-8100
Phone Number

Fax Number

Mobile Number (optional)

sara.bonser@pisd.edu
Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? . . . . . [X] Yes [ ] No

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
   - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
   - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? . . . . . ☐ Yes ☑ No
   - 2a. If yes, attach complete documentation including:
     - a. legal description of the land (**Tab 9**);
     - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
     - c. owner (**Tab 9**);
     - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
     - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . . ☐ Yes ☑ No
   - 3a. If yes, attach the applicable supporting documentation:
     - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
     - b. legal description of reinvestment zone (**Tab 16**);
     - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
     - d. guidelines and criteria for creating the zone (**Tab 16**); and
     - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
   - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? . . . . . October 2018

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.

2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).

3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.

4. Total estimated market value of existing property (that property described in response to question 1): . . . . . $ 184,112,105,.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.

6. Total estimated market value of proposed property not eligible to become qualified property *(that property described in response to question 2)*: . . . . . $ 0,.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application reviaw start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:

   ☐ First Quarter ☑ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 9,071

   Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 7

5. What is the number of new non-qualifying jobs you are estimating you will create? 625

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ..... ☑ Yes ☐ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is 1,245.00

   b. 110% of the average weekly wage for manufacturing jobs in the county is 2,238.50

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,179.26

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ..... ☑ §313.021(5)(A) or ☐ §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 116,402.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 116,402.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☑ Yes ☐ No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ..... ☐ Yes ☑ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ..... ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. *(not required)*
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Tab 5

Information Supporting Limitation as a Determining Factor and Explanation of Affirmative Answers in Section 8

Texas Instruments Incorporated (Texas Instruments or TI) takes a disciplined, long-term approach to capital investment. TI consistently evaluates manufacturing capacity needs and conducts extensive evaluation of all options before making any final investment decision. Key decision-making factors in our analysis are economic return and cash flow, including any related property tax burden.

Currently, TI is reviewing its options for expanding semiconductor wafer fabrication capacity. These options include the possibilities of acquiring an existing factory operation or constructing a new 300mm plant. In connection with the option to construct a new plant, TI is evaluating three possible locations: Singapore; Utica, New York; and Richardson, Texas. TI believes each of these sites has the infrastructure and skilled workforce necessary for TI to build, and successfully operate, a semiconductor manufacturing site. New York and Singapore are both offering significant and competitive incentives (e.g., tax, capital grant, training, utilities, etc.). Governmental agencies in each of New York and Singapore are involved in discussions with TI and are working hard to prevail in the site-selection process. TI has modeled the financial impact of the locations and various packages (both which are subject to an NDA).

As part of the developmental process for evaluating the New York location, TI has met with officials from the offices of Empire State Development, Mohawk Valley EDGE, and the Marcy Nanocenter; reviewed a proposed site; reviewed a comprehensive quantitative workforce analysis of the area, including demographics, education, and compensation; and negotiated an incentives package for an investment. TI has similarly met with officials from the Economic Development Board of Singapore and negotiated an incentive package. Additionally, TI has had a long-term knowledge of the extensive wafer fabrication operations in Singapore and the ecosystem the government has established to support it, in part because TI formerly operated a wafer fabrication joint venture—partnering with the Singapore government and two other investors.

TI has not made any public announcements of its intent to expand wafer fabrication capacity. On a May 15, 2018 shareholder conference call, TI's COO responded to a question regarding possible expansion, saying: "We have multiple options and we're constantly looking at those options. You could buy a used facility. You could build onto an existing location that we have, like you mentioned, if we had had space or land available. You could also go depending on incentives or other things like that and different even states in the U.S., you could go to a whole new location if you wanted, and build brand new if you wanted. So I think there are going to be a lot of different options that we can look at, whether it's new in a new location, new in an existing location, or a used facility that may come up that we can look at."

Below is a chart that compares the incentive programs and estimated savings in the two other locations we are considering with Richardson, TX. With respect to water & sewer costs, Location 1's offer is approximately $1.3M per year less than projected costs in Richardson, TX, and Location 2's offer is

approximately $4.1M per year less than projected costs in Richardson, TX. With respect to other incentives offered, including tax abatement and grants, Location 1's offer is approximately $622M more in savings than projected savings in Richardson, TX and Location 2's offer is approximately $214M more in savings than projected savings in Richardson, TX. There are likely certain advantages to TI choosing the alternate sites. But TI will consider all relevant factors before deciding where to build its facility—making a decision based on what will provide the greatest return on investment for its shareholders. A 313 agreement is paramount to the economics of the Texas location.

Incentive Program Comparison to TX

Incentives	Location 1	Location 2
Water & Sewer	~$1.3M/Y savings compared to TX	~$4.1M/Y savings compared to TX
Other (tax, capital grant, training, etc.)	**~$622M more in savings than what is projected in TX**	**~$214M more in savings than what is projected in TX**

Finally, on August 30, 2018, Comptroller Glenn Hegar tweeted from his personal twitter account, "Great news! @TXInstruments will be expanding in N. Richardson. Along with the expansion will come 650 new jobs and $3.2 billion invested in the local economy." Comptroller Hegar is incorrect in his suggestion that TI has decided where to build its contemplated expansion. Comptroller Hegar's mistaken assertion appears to be based entirely on a NASDAQ.com article that he linked in his tweet, and which is attached to this Tab 5, but which does not commit TI to the N. Richardson location.

This article, written by Zacks Equity Research, is unaffiliated with TI and does not provide any quotes or citations in support of its claims. Presumably, the author based the entire article on TI's public 313 application, which was posted on PISD's website. For example, the article states that TI "plans to use $500 million for new buildings or other non-removable improvements to the property…" This data point and use of "new buildings" and "non-removable" appear to be pulled directly from Schedule A2 of TI's application. The article's opening sentence—"Texas Instruments TXN plans to consider North Richardson manufacturing facility to increase its manufacturing capacity…"—is clearly accurate, but any insinuation that TI has decided on a location for the expansion is incorrect.

Glenn Hegar
@Glenn_Hegar

Follow

Great news! @TXInstruments will be expanding in N. Richardson. Along with the expansion will come 650 new jobs and $3.2 billion invested in the local economy.

Texas Instruments Plans to Add New Facility for Expansion

Texas Instruments TXN plans to consider North Richardson manufacturing facility to increase its manufacturing capacity, in an attempt to leverage.

nasdaq.com

11:30 AM - 30 Aug 2018

 Amendment No. 1 - 09/19/2018

Texas Instruments Plans to Add New Facility for Expansion

By: Zacks.com
Posted: 8/23/2018 9:19:00 AM
Referenced Stocks: RMBS;IFNNY;CRUS;TXN

Texas Instruments TXN plans to consider North Richardson manufacturing facility to increase its manufacturing capacity, in an attempt to leverage benefits from the growing demand for the company's products.

Reportedly, Texas Instruments plans to invest $3.2 billion in the project and bring an estimated 650 new jobs to Richardson by 2030.The construction on the property in expected to begin in 2019, with commercial operations slated to begin in the first quarter of 2022.

Notably, the stock has underperformed the industry in the past 12 months. It has gained 38.7% compared with the industry 's growth of 41.3%.

Business Strengthening Through Capacity Expansion

Capacity expansion has been a priority for Texas Instruments over time. Its capital allocation policy primarily includes acquisitions of meaningful businesses, returning capital to its shareholders and investing in research and development activities, as well as in equipment and manufacturing facilities.

Out of the $3.2 billion to be invested in the Richardson manufacturing facilityproject, Texas Instruments plans to use $500 million for new buildings or other non-removable improvements to the property, and the remaining $2.7 billion for items such as computers, machinery or other movable goods.

Reportedly, the company already has 15 manufacturing sites in nine countries. Also, the deal is expected to save the company from paying $100 million in property taxes over the span of a decade.

Bright Growth Prospects

Constant innovation of products, differentiation in business and manufacturing efficiencies that

Constant innovation of products, differentiation in business and manufacturing efficiencies that include growing 300-millimeter Analog output, increasing exposure in growth markets, especially industrial and automotive markets, are increasingly proving to be advantageous for the company. We believe that Texas Instruments is uniquely positioned to leverage benefits from such favorable market trends. In addition, the company is working toward expanding its geographical footprint, adding new customers, focusing on developing new manufacturing processes and offering improvised products.

For the third quarter, Texas Instruments anticipates revenues between $4.11 billion and $4.45 billion (up 7% sequentially at the midpoint of the guided range). Earnings for the quarter are expected in the range of $1.41-$1.63 per share. The guidance includes an estimated $10 million discrete tax benefit.

In the past 60 days, 11 estimates for 2018 and 10 estimates for 2019 have been revised upward. The Zacks Consensus Estimate is now pegged at $5.66 for 2018 and $6.12 for 2019, reflecting growth of 32.2% and 8.2% from 60 days ago respective tallies.

Texas Instruments Incorporated Price and Consensus

Texas Instruments Incorporated Price and Consensus | Texas Instruments Incorporated Quote

Zacks Rank & Other Stocks to Consider

Currently, Texas Instruments has a Zacks Rank #2 (Buy). Other top-ranked stocks in the technology sector are Cirrus Logic, Inc. CRUS , Infineon Technologies AG IFNNY and Rambus Inc. RMBS , each carrying a Zacks Rank #2. You can see **the complete list of today's Zacks #1 Rank (Strong Buy) stocks here** .

Long-term earnings growth for Cirrus Logic, Infineon Technologies and Rambus is currently projected to be 15%, 7.5% and 10%, respectively.

The Hottest Tech Mega-Trend of All

Last year, it generated $8 billion in global revenues. By 2020, it's predicted to blast through the roof to $47 billion. Famed investor Mark Cuban says it will produce ""the world's first trillionaires,"" but that should still leave plenty of money for regular investors who make the right trades early.

See Zacks' 3 Best Stocks to Play This Trend >>

Want the latest recommendations from Zacks Investment Research? Today, you can download 7 Best Stocks for the Next 30 Days. Click to get this free report

Tab 7

Description of Qualified Investment

The site under consideration is located at 300 W. Renner Road, Richardson, TX 75080. As explained in more detail in Tab 4, the building and adjacent facilities would support the operation of a semiconductor wafer fabrication facility (the "Facility").

The Facility would include a two-story concrete structure to support manufacturing operations. The size is estimated to be 870,000 square feet of space, of which 317,000 net square feet would be cleanroom (fab) space. As an investment, the Facility would be very capital intensive and operate with advanced manufacturing equipment.

A multi-story parking garage is also planned to accommodate approximately 800 automobiles, and which would be made available to all TI employees at this location. This parking garage is necessary because the Facility would be built over the existing facility's parking lot. If TI does not construct the new Facility, this parking garage will not be built.

Several detached buildings/structures would be constructed to house miscellaneous infrastructure-support equipment including bulk gases, waste treatment, bulk chemicals, and electrical substations.

The Facility's major components would include:

- Air compressors and dryers
- Boilers
- Bulk specialty gas and bulk chemical systems
- Bulk gas: Oxygen, argon, helium, and hydrogen supply systems
- Chillers
- Clean rooms
- Chemical supply systems
- Cooling towers
- DI Water production equipment
- Electrical infrastructure and distribution
- Exhaust scrubbers
- Fresh air fans
- Gas supply systems
- General exhaust fans
- Industrial control systems
- Nitrogen generation plant
- Process cooling water systems
- Thermal oxidizers
- Vacuum pumps
- Waste treatment and collection system

The Facility will require numerous types of machinery and equipment, including:

- Polishers
- Furnaces
- Sinters

- Implanters
- Testers
- Ashers
- Laser markers
- Reticle stockers
- Water sorters
- Resist coaters
- Wet cleanup hoods
- Metal sputters
- Automated material handling systems

The Facility will also require miscellaneous equipment and machinery required for various manufacturing processes, including:

- Chemical mechanical planarization process
- Anneal process
- Densify process
- Deposition process
- Rapid Thermal process
- Epitaxial deposition process
- Photolithography process
- Metrology process

Tab 10

Description of Existing Property

The existing facility manufactures semiconductor wafers. The types of improvements, equipment, and machinery in the existing facility are very similar to that which would be used in the proposed Facility. Existing property will be best distinguished from new property based on its physical location on the site, as illustrated in the attached map.

Manufacturing equipment in the existing facility would continue operating after construction of the new Facility. Existing equipment would not be replaced with new equipment; rather, the two facilities would operate in parallel, independent of one another—including the ability to operate while the other facility not operational. A "front office" and support area would perform the same functions for both facilities, but otherwise, each facility would have its own independent electrical distribution system, chemical storage, wastewater treatment infrastructure, and mechanical systems (e.g., independent chillers, boilers, and HVAC).

The existing facility's components include:

- Air compressors and dryers
- Boilers
- Bulk specialty gas and bulk chemical systems
- Bulk gas: Oxygen, argon, helium, and hydrogen supply systems
- Chillers
- Clean rooms
- Chemical supply systems
- Cooling towers
- DI Water production equipment
- Electrical infrastructure and distribution
- Exhaust scrubbers
- Fresh air fans
- Gas supply systems
- General exhaust fans
- Industrial control systems
- Nitrogen generation plant
- Process cooling water systems
- Thermal oxidizers
- Vacuum pumps
- Waste treatment and collection system

The existing facility includes the following types of machinery and equipment:

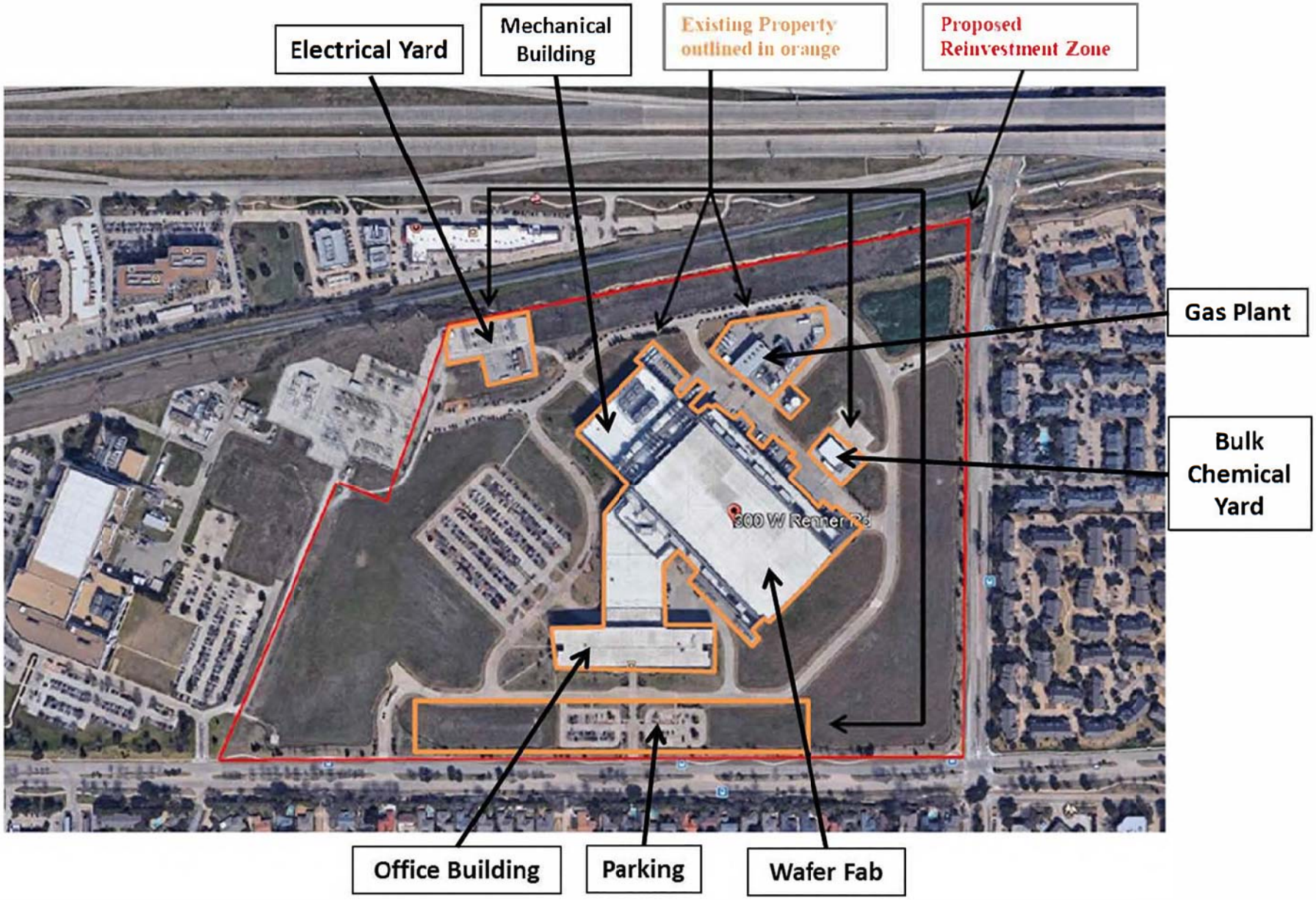
- Polishers
- Furnaces
- Sinters
- Implanters

- Resist coaters
- Testers
- Ashers
- Wet cleanup hoods
- Metal sputters
- Automated material handling systems
- Laser markers
- Reticle stockers
- Water sorters

The existing facility also includes miscellaneous equipment and machinery required for various manufacturing and related processes, including:

- Chemical mechanical planarization process
- Anneal process
- Densify process
- Deposition process
- Rapid Thermal process
- Epitaxial deposition process
- Photolithography process
- Metrology process

Tab 10 & 11 – Google Earth View of Existing Property



RFAB –Site Concept

Amended 9/17/2018

Map of Qualified Investment, Qualified Property, and Existing Property

WW Facilities
Strong, winning teams worldwide

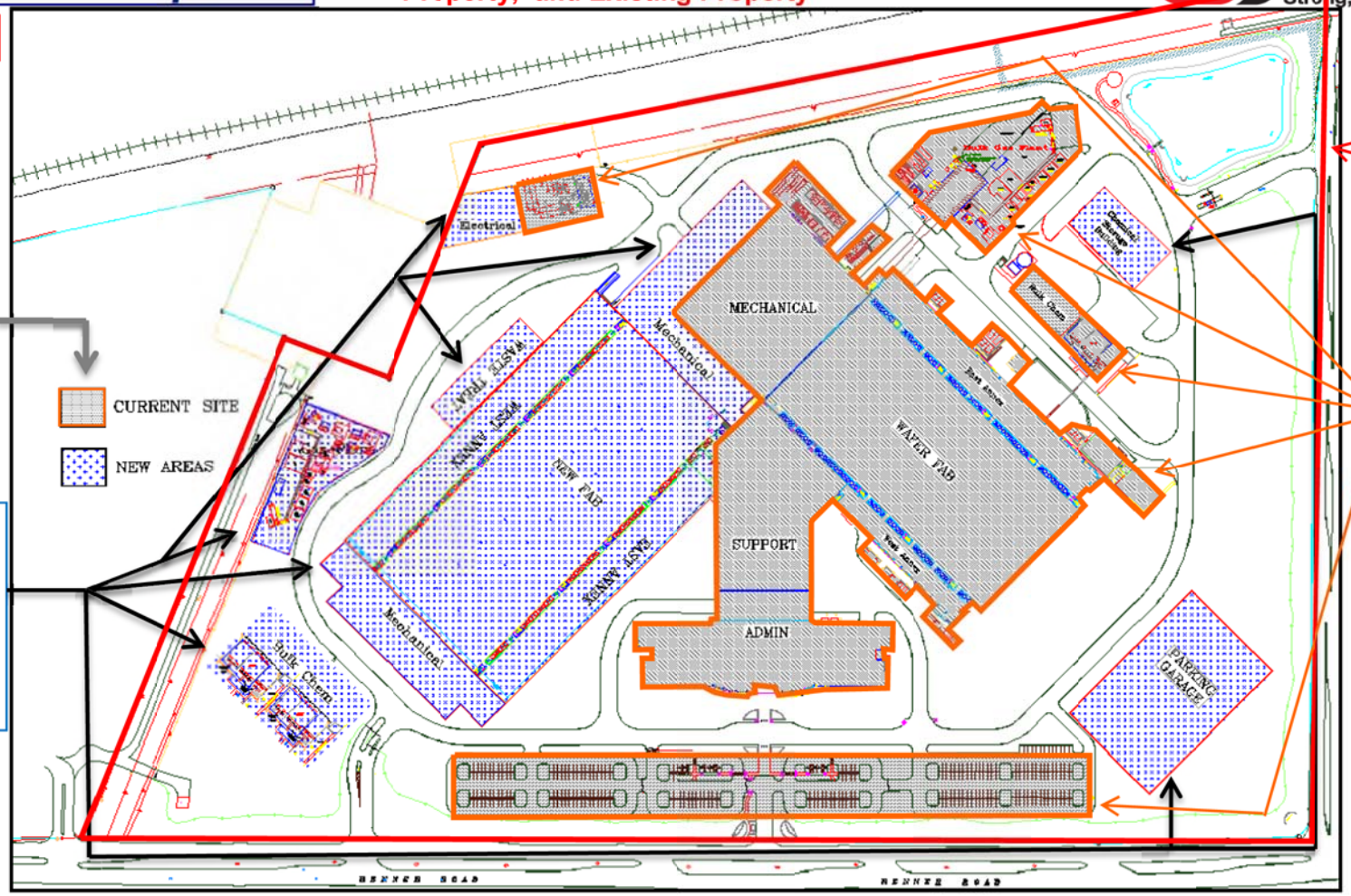
Tabs 10 & 11

Proposed Reinvestment Zone and Project Boundary

Existing Property

"Current Site" locations (in gray) represent existing, ineligible property that will not constitute qualified investment or qualified property.

"New Areas" (in blue) represent tentative locations of proposed new improvements that would constitute qualified investment and qualified property.



Texas Instruments

Tab 12
Request for Waiver of Job Creation Requirement and supporting information

Texas Instruments Incorporated

William B. Blaylock
Vice President &
Senior Tax Counsel
w-blaylock@ti.com
Post Office Box 660199
Mail Station A3000
Dallas, Texas 75266-0199
12500 TI Boulevard
Dallas, Texas 75243

TEXAS INSTRUMENTS

Ms. Sara Bonser
Superintendent
Plano Independent School District
Administration Building
2700 W. 15th Street
Plano, TX 75075

September 17, 2018

Dear Ms. Sara Bonser:

Texas Instruments Incorporated ("TI") requests that Plano Independent School District's Board of Trustees waive the new jobs creation requirements generally imposed by Chapter 313 of the Texas Tax Code, as allowed by Tex. Tax Code § 313.025(f-1). Under this provision, a school district's governing body may waive the new jobs creation requirements imposed by Tex. Tax Code § 313.021(2)(A)(iv)(b)—which would otherwise be applicable to TI's proposed project (the "Facility")—and approve its application, if the district finds that the general, statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for operation of the Facility.

To satisfy the wage requirement for nonqualifying jobs, TI must commit to the greater of the two alternative qualifying wage thresholds permitted under Chapter 313—committing to a qualifying job wage of $116,402 per year. But for TI's unusual situation—i.e., needing to elect the higher qualifying wage alternative under § 313.021(5), because the lower qualifying wage alternative is less than the nonqualifying wage threshold in Collin County—this request would be unnecessary. TI estimates it will create more than 600 total jobs, not including construction-related jobs, as part of its proposed Facility. Many of these jobs, however, will be entry-level engineer positions.

TI pays top wages for its industry. Indeed, the average manufacturing wage in Collin County is one of the highest in Texas precisely because TI's existing

manufacturing facility pays such high wages. Paying 25 employees a minimum of $116,402 per year, however, would exceed industry standards.

Texas Instruments respectfully requests that the Plano Independent School District's Board of Trustees find that the job creation requirement exceeds the industry standard and waive the requirement for the Facility down to 7 qualifying jobs earning $116,402 per year, which is industry standard for a project of this size.

Sincerely,

William B. Blaylock

Collin County - All Jobs: § 313.024(d)

Quarter	Year		Avg Weekly Wages		Annualized
Second	2017	$	1,168	$	60,736
Third	2017	$	1,191	$	61,932
Fourth	2017	$	1,248	$	64,896
First	2018	$	1,373	$	71,396
	Average	**$**	**1,245.00**	**$**	**64,740.00**

Collin County - Manufacturing Jobs: § 9.1051(21)(A)

Quarter	Year		Avg Weekly Wages		Annualized
Second	2017	$	1,933	$	100,516
Third	2017	$	1,896	$	98,592
Fourth	2017	$	1,993	$	103,636
First	2018	$	2,318	$	120,536
	Average	$	2,035.00	$	105,820.00
	110%	**$**	**2,238.50**	**$**	**116,402.00**

North Central TX - Regional Wages - Manufacturing Jobs: § 9.1051(21)(B)

Region	Year		Avg Weekly Wages		Annualized
North Central Texas	2017	$	1,072.06	$	55,747.00
	110%	**$**	**1,179.26**	**$**	**61,321.70**

Amendment No. 1 - 09/19/2018

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Collin County	Total All	00	0	10	Total, all industries	$1,168
2017	3rd Qtr	Collin County	Total All	00	0	10	Total, all industries	$1,191
2017	4th Qtr	Collin County	Total All	00	0	10	Total, all industries	$1,248

Amendment No. 1 - 09/19/2018

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Collin County	Total All	00	0	10	Total, all industries	$1,373

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Collin County	Total All	31	2	31-33	Manufacturing	$1,933
2017	3rd Qtr	Collin County	Total All	31	2	31-33	Manufacturing	$1,896
2017	4th Qtr	Collin County	Total All	31	2	31-33	Manufacturing	$1,993

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Collin County	Total All	31	2	31-33	Manufacturing	$2,318

2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

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COG	Wages Hourly	Wages Annual
Texas	**$26.24**	**$54,587**
1. Panhandle Regional Planning Commission	$23.65	$49,190
2. South Plains Association of Governments	$19.36	$40,262
3. NORTEX Regional Planning Commission	$23.46	$48,789
4. North Central Texas Council of Governments	$26.80	$55,747
5. Ark-Tex Council of Governments	$18.59	$38,663
6. East Texas Council of Governments	$21.07	$43,827
7. West Central Texas Council of Governments	$21.24	$44,178
8. Rio Grande Council of Governments	$18.44	$38,351
9. Permian Basin Regional Planning Commission	$26.24	$54,576
10. Concho Valley Council of Governments	$19.67	$40,924
11. Heart of Texas Council of Governments	$21.53	$44,781
12. Capital Area Council of Governments	$31.49	$65,497
13. Brazos Valley Council of Governments	$17.76	$39,931
14. Deep East Texas Council of Governments	$17.99	$37,428
15. South East Texas Regional Planning Commission	$34.98	$72,755
16. Houston-Galveston Area Council	$28.94	$60,202
17. Golden Crescent Regional Planning Commission	$26.94	$56,042
18. Alamo Area Council of Governments	$22.05	$48,869
19. South Texas Development Council	$15.07	$31,343
20. Coastal Bend Council of Governments	$28.98	$60,276
21. Lower Rio Grande Valley Development Council	$17.86	$37,152
22. Texoma Council of Governments	$21.18	$44,060
23. Central Texas Council of Governments	$19.30	$40,146
24. Middle Rio Grande Development Council	$24.07	$50,058

/52 =
$1,072.06
* 110% =
$1,179.26

Source: Texas Occupational Employment and Wages
Data published: July 2018
Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

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Schedule C: Employment Information

Date

Applicant Name Texas Instruments Incorporated

ISD Name Plano ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction **man-hours**	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2019-2020	2019	1,664,000	42,605	-	-	
	0	2020-2021	2020	832,000	43,457	32	1	116,402
	0	2021-2022	2021	416,000	44,326	126	3	116,402
	0	2022-2023	2022	582,400	45,213	151	5	116,402
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2023-2024	2023	-	46,117	175	7	116,402
	2	2024-2025	2024	624,000	47,039	240	7	116,402
	3	2025-2026	2025	-	47,980	318	7	116,402
	4	2026-2027	2026	499,000	48,940	382	7	116,402
	5	2027-2028	2027	-	49,919	446	7	116,402
	6	2028-2029	2028	457,600	50,917	509	7	116,402
	7	2029-2030	2029	-	51,935	567	7	116,402
	8	2030-2031	2030	499,000	52,974	592	7	116,402
	9	2031-2032	2031	-	54,034	625	7	116,402
	10	2032-2033	2032	249,000	55,114	625	7	116,402
Years Following Value Limitation Period	11 through 25	2033-2048	2033-2047	-	+ 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 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) [X] Yes [ ] No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? [X] Yes [ ] No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? [ ] Yes [X] 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 of Plano ISD
Title

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

9/19/18
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))*

Chief Financial Officer
Title

sign here ▶
Signature *(Authorized Company Representative (Applicant))*

Sept 19, 2018
Date

KATHY GLOVER
Notary Public, State of Texas
Comm. Expires 02-22-2021
Notary ID 95467-6

(Notary Seal)

GIVEN under my hand and seal of office this, the

19 day of September, 2018

Kathy Glover
Notary Public in and for the State of Texas

My Commission expires February 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.