



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

June 7, 2019

AMENDED CERTIFICATION

Sara Bronser
Superintendent
Plano Independent School District
2700 W. 15th Street
Plano, Texas 75075

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Plano Independent School District and Texas Instruments Incorporated, Application 1286

Dear Superintendent Bronser:

This application (Application 1286) was originally submitted on August 21, 2018, to the Plano Independent School District (school district) by Texas Instruments Incorporated (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On October 8, 2018, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on December 14, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 9, 2019.

On May 21, 2019, Comptroller received an amendment to the agreement to delay commencement of the Qualifying Time Period and Limitation Period by two years. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

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

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement within a year from the date of this letter.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Texas Instruments Incorporated (project) applying to Plano 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 Texas Instruments Incorporated.

	Original	Amendment No. 1
Applicant	Texas Instruments Incorporated	Texas Instruments Incorporated
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Plano ISD	Plano ISD
2017-2018 Average Daily Attendance	50,704	50,704
County	Collin	Collin
Proposed Total Investment in District	\$3,183,000,000	\$3,183,000,000
Proposed Qualified Investment	\$502,000,000	\$502,000,000
Limitation Amount	\$100,000,000	\$100,000,000
Qualifying Time Period (Full Years)	2021-2022	2023-2024
Number of new qualifying jobs committed to by applicant	7*	7*
Number of new non-qualifying jobs estimated by applicant	625	625
Average weekly wage of qualifying jobs committed to by applicant	\$2,238.50	\$2,238.50
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$2,238.50	\$2,238.50
Minimum annual wage committed to by applicant for qualified jobs	\$116,402	\$116,402
Minimum weekly wage required for non-qualifying jobs	\$1,246	\$1,246
Minimum annual wage required for non-qualifying jobs	\$64,792	\$64,792
Investment per Qualifying Job	\$454,714,285.71	\$454,714,285.71
Estimated M&O levy without any limit (15 years)	\$178,418,343	\$178,418,343
Estimated M&O levy with Limitation (15 years)	\$78,432,159	\$78,432,159
Estimated gross M&O tax benefit (15 years)	\$99,986,184	\$99,986,184

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Texas Instruments Incorporated (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	800	941	1741	\$34,084,000	\$92,796,000	\$126,880,000
2022	432	548	980	\$19,456,144	\$63,553,856	\$83,010,000
2023	326	381	707	\$17,028,992	\$48,201,008	\$65,230,000
2024	431	449	880	\$22,443,232	\$58,486,768	\$80,930,000
2025	182	263	445	\$12,153,414	\$37,116,586	\$49,270,000
2026	547	660	1207	\$30,476,594	\$83,393,406	\$113,870,000
2027	325	474	799	\$21,418,670	\$63,341,330	\$84,760,000
2028	629	832	1461	\$37,310,958	\$109,809,042	\$147,120,000
2029	453	704	1157	\$29,712,046	\$97,917,954	\$127,630,000
2030	736	1,027	1763	\$44,995,682	\$145,594,318	\$190,590,000
2031	574	890	1464	\$37,551,878	\$134,228,122	\$171,780,000
2032	839	1,180	2019	\$51,885,438	\$184,964,562	\$236,850,000
2033	632	1,028	1660	\$41,309,814	\$172,200,186	\$213,510,000
2034	752	1,169	1921	\$47,923,494	\$204,246,506	\$252,170,000
2035	632	912	1544	\$41,309,814	\$178,750,186	\$220,060,000

Source: CPA REMI, Texas Instruments Incorporated

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Plano ISD I&S Tax Levy	Plano ISD M&O Tax Levy	Plano M&O and I&S Tax Levies	Collin County Tax Levy	Richardson Tax Levy	Collin County Tax Levy	Estimated Total Property Taxes
				0.2690	1.1700		0.1923	0.6252	0.0798	
2022	\$195,000,000	\$195,000,000		\$524,550	\$2,281,500	\$2,806,050	\$374,888	\$1,219,062	\$155,630	\$4,555,629
2023	\$287,625,000	\$287,625,000		\$773,711	\$3,365,213	\$4,138,924	\$552,959	\$1,798,116	\$229,554	\$6,719,553
2024	\$329,184,375	\$329,184,375		\$885,506	\$3,851,457	\$4,736,963	\$632,857	\$2,057,929	\$262,722	\$7,690,471
2025	\$609,164,766	\$609,164,766		\$1,638,653	\$7,127,228	\$8,765,881	\$1,171,119	\$3,808,254	\$486,174	\$14,231,429
2026	\$626,794,646	\$626,794,646		\$1,686,078	\$7,333,497	\$9,019,575	\$1,205,013	\$3,918,469	\$500,245	\$14,643,302
2027	\$802,902,780	\$802,902,780		\$2,159,808	\$9,393,963	\$11,553,771	\$1,543,581	\$5,019,427	\$640,797	\$18,757,575
2028	\$886,198,961	\$886,198,961		\$2,383,875	\$10,368,528	\$12,752,403	\$1,703,718	\$5,540,161	\$707,275	\$20,703,557
2029	\$1,002,046,087	\$1,002,046,087		\$2,695,504	\$11,723,939	\$14,419,443	\$1,926,434	\$6,264,391	\$799,733	\$23,410,001
2030	\$1,048,590,735	\$1,048,590,735		\$2,820,709	\$12,268,512	\$15,089,221	\$2,015,916	\$6,555,370	\$836,880	\$24,497,386
2031	\$1,069,814,216	\$1,069,814,216		\$2,877,800	\$12,516,826	\$15,394,627	\$2,056,718	\$6,688,051	\$853,819	\$24,993,214
2032	\$1,046,106,411	\$1,046,106,411		\$2,814,026	\$12,239,445	\$15,053,471	\$2,011,140	\$6,539,839	\$834,898	\$24,439,347
2033	\$1,263,667,151	\$1,263,667,151		\$3,399,265	\$14,784,906	\$18,184,170	\$2,429,400	\$7,899,942	\$1,008,533	\$29,522,045
2034	\$1,190,541,972	\$1,190,541,972		\$3,202,558	\$13,929,341	\$17,131,899	\$2,288,817	\$7,442,792	\$950,172	\$27,813,680
2035	\$1,158,056,173	\$1,158,056,173		\$3,115,171	\$13,549,257	\$16,664,428	\$2,226,363	\$7,239,704	\$924,245	\$27,054,740
2036	\$1,169,080,018	\$1,169,080,018		\$3,144,825	\$13,678,236	\$16,823,061	\$2,247,556	\$7,308,621	\$933,043	\$27,312,281
2037	\$974,484,768	\$974,484,768		\$2,621,364	\$11,401,472	\$14,022,836	\$1,873,447	\$6,092,089	\$777,736	\$22,766,108
2038	\$837,991,899	\$837,991,899		\$2,254,198	\$9,804,505	\$12,058,703	\$1,611,039	\$5,238,790	\$668,801	\$19,577,334
2039	\$752,181,101	\$752,181,101		\$2,023,367	\$8,800,519	\$10,823,886	\$1,446,068	\$4,702,335	\$600,316	\$17,572,605
			Total	\$41,020,970	\$178,418,343	\$219,439,313	\$29,317,031	\$95,333,343	\$12,170,571	\$356,260,258

Source: CPA, Texas Instruments Incorporated

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Collin 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	Tax Rate*	Plano ISD I&S Tax Levy	Plano ISD M&O Tax Levy	Plano M&O and I&S Tax Levies	Collin County Tax Levy	Richardson Tax Levy	Collin County Tax Levy	Estimated Total Property Taxes	
				0.2690	1.1700		0.1923	0.6252	0.0798		
2022	\$195,000,000	\$195,000,000		\$524,550	\$2,281,500	\$2,806,050	\$374,888	\$1,219,062	\$155,630	\$4,400,000	
2023	\$287,625,000	\$287,625,000		\$773,711	\$3,365,213	\$4,138,924	\$552,959	\$1,798,116	\$229,554	\$6,489,999	
2024	\$329,184,375	\$329,184,375		\$885,506	\$3,851,457	\$4,736,963	\$632,857	\$2,057,929	\$262,722	\$7,427,749	
2025	\$609,164,766	\$100,000,000		\$1,638,653	\$1,170,000	\$2,808,653	\$1,171,119	\$3,808,254	\$486,174	\$7,788,027	
2026	\$626,794,646	\$100,000,000		\$1,686,078	\$1,170,000	\$2,856,078	\$1,205,013	\$3,918,469	\$500,245	\$7,979,560	
2027	\$802,902,780	\$100,000,000		\$2,159,808	\$1,170,000	\$3,329,808	\$1,543,581	\$5,019,427	\$640,797	\$9,892,816	
2028	\$886,198,961	\$100,000,000		\$2,383,875	\$1,170,000	\$3,553,875	\$1,703,718	\$5,540,161	\$707,275	\$10,797,754	
2029	\$1,002,046,087	\$100,000,000		\$2,695,504	\$1,170,000	\$3,865,504	\$1,926,434	\$6,264,391	\$799,733	\$12,056,329	
2030	\$1,048,590,735	\$100,000,000		\$2,820,709	\$1,170,000	\$3,990,709	\$2,015,916	\$6,555,370	\$836,880	\$12,561,995	
2031	\$1,069,814,216	\$100,000,000		\$2,877,800	\$1,170,000	\$4,047,800	\$2,056,718	\$6,688,051	\$853,819	\$12,792,569	
2032	\$1,046,106,411	\$100,000,000		\$2,814,026	\$1,170,000	\$3,984,026	\$2,011,140	\$6,539,839	\$834,898	\$12,535,005	
2033	\$1,263,667,151	\$100,000,000		\$3,399,265	\$1,170,000	\$4,569,265	\$2,429,400	\$7,899,942	\$1,008,533	\$14,898,606	
2034	\$1,190,541,972	\$100,000,000		\$3,202,558	\$1,170,000	\$4,372,558	\$2,288,817	\$7,442,792	\$950,172	\$14,104,167	
2035	\$1,158,056,173	\$1,158,056,173		\$3,115,171	\$13,549,257	\$16,664,428	\$2,226,363	\$7,239,704	\$924,245	\$26,130,495	
2036	\$1,169,080,018	\$1,169,080,018		\$3,144,825	\$13,678,236	\$16,823,061	\$2,247,556	\$7,308,621	\$933,043	\$26,379,238	
2037	\$974,484,768	\$974,484,768		\$2,621,364	\$11,401,472	\$14,022,836	\$1,873,447	\$6,092,089	\$777,736	\$21,988,372	
2038	\$837,991,899	\$837,991,899		\$2,254,198	\$9,804,505	\$12,058,703	\$1,611,039	\$5,238,790	\$668,801	\$18,908,533	
2039	\$752,181,101	\$752,181,101		\$2,023,367	\$8,800,519	\$10,823,886	\$1,446,068	\$4,702,335	\$600,316	\$16,972,290	
				Total	\$41,020,970	\$78,432,159	\$119,453,129	\$29,317,031	\$95,333,343	\$12,170,571	\$244,103,503
				Diff	\$0	\$99,986,184	\$99,986,184	\$0	\$0	\$0	\$112,156,755

Source: CPA, Texas Instruments Incorporated

*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 Texas Instruments Incorporated (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	2022	\$2,281,500	\$2,281,500	\$0	\$0
	2023	\$3,365,213	\$5,646,713	\$0	\$0
	2024	\$3,851,457	\$9,498,170	\$0	\$0
Limitation Period (10 Years)	2025	\$1,170,000	\$10,668,170	\$5,957,228	\$5,957,228
	2026	\$1,170,000	\$11,838,170	\$6,163,497	\$12,120,725
	2027	\$1,170,000	\$13,008,170	\$8,223,963	\$20,344,688
	2028	\$1,170,000	\$14,178,170	\$9,198,528	\$29,543,215
	2029	\$1,170,000	\$15,348,170	\$10,553,939	\$40,097,155
	2030	\$1,170,000	\$16,518,170	\$11,098,512	\$51,195,666
	2031	\$1,170,000	\$17,688,170	\$11,346,826	\$62,542,493
	2032	\$1,170,000	\$18,858,170	\$11,069,445	\$73,611,938
	2033	\$1,170,000	\$20,028,170	\$13,614,906	\$87,226,843
	2034	\$1,170,000	\$21,198,170	\$12,759,341	\$99,986,184
Maintain Viable Presence (5 Years)	2035	\$13,549,257	\$34,747,427	\$0	\$99,986,184
	2036	\$13,678,236	\$48,425,663	\$0	\$99,986,184
	2037	\$11,401,472	\$59,827,135	\$0	\$99,986,184
	2038	\$9,804,505	\$69,631,640	\$0	\$99,986,184
	2039	\$8,800,519	\$78,432,159	\$0	\$99,986,184
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$7,962,438	\$86,394,597	\$0	\$99,986,184
	2041	\$7,488,884	\$93,883,481	\$0	\$99,986,184
	2042	\$7,091,898	\$100,975,379	\$0	\$99,986,184
	2043	\$6,795,823	\$107,771,202	\$0	\$99,986,184
	2044	\$6,598,959	\$114,370,161	\$0	\$99,986,184
	2045	\$6,420,094	\$120,790,256	\$0	\$99,986,184
	2046	\$6,301,501	\$127,091,757	\$0	\$99,986,184
	2047	\$6,186,005	\$133,277,762	\$0	\$99,986,184
	2048	\$6,073,527	\$139,351,290	\$0	\$99,986,184
	2049	\$5,963,994	\$145,315,283	\$0	\$99,986,184

\$145,315,283

is greater than

\$99,986,184

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, Texas Instruments Incorporated

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