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February 26, 2021

Local Government Assistance & Economic
Analysis Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Supplement1 of the Application to the Manor Independent School District from
Samsung Austin Semiconductor, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement1 of the Application to the Manor Independent School District
from Samsung Austin Semiconductor, LLC.

A copy of the Supplement1 will be submitted to the Travis County Appraisal District.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Travis CAD
Samsung Austin Semiconductor, LLC

An Executive Summary of the Economic Impact of Project Silicon Silver in Austin, Texas

February 8, 2021

Prepared by:

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An Executive Summary of the Projected Economic Impact from Project Silicon Silver

Introduction

This report summarizes the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Project Silicon Silver will have on the economy of the Austin area and the costs and benefits for City of Austin, Travis County, and other local taxing districts during construction and over the first twenty years of operations.

Description of the Facility

Project Silicon Silver is the approximately 7 million square feet of new space at the Austin campus of a semiconductor manufacturer. This additional space for operations is needed for the company to continue to be a manufacturing leader in the highly competitive electronics industry.

The company will invest \$17 billion in the expansion: \$5,069,000,000 in buildings and other real property improvements and \$9,931,000,000 in machinery and equipment.

The company will create 1,800 jobs over the first ten years, with initial average annual salaries of \$66,254.

The Estimated Economic Impact during the Facility's Construction

The facility's construction will support an estimated \$8.9 billion in gross area product or economic activity in area during its construction, an estimated 19,873 total jobs construction and related jobs each year during construction of the project, and total construction salaries estimated to be \$4.6 billion.

Further, during construction, the project will generate the following revenues for the City and Capital Metro:

City and Capital Metro Revenues During Construction of the Project			
	City	Capital Metro	Total
Sales taxes	\$30,846,607	\$30,846,607	\$61,693,215
Building permits and fees	\$40,552,000		\$40,552,000
Total	\$71,398,607	\$30,846,607	\$102,245,215

The Estimated Economic Impact of the Facility over the First Twenty Years of Operations of the Facility

The facility will have the following economic impact on the Austin area over the first twenty years of operations:

Economic Impact over the First Twenty Years of Operations of the Facility	
Economic Output:	
Direct	\$5,056,592,174
Indirect and induced	\$3,586,135,170
Total	\$8,642,727,344
Permanent jobs to be created:	
Direct	1,800
Indirect and induced	1,173
Total	2,973
Salaries for permanent workers:	
Direct	\$2,486,432,407
Indirect and induced	\$4,837,354,248
Total	\$7,323,786,655
Number of direct and indirect workers who will move to the City	542
Number of new residents in the City	1,626
Number of new residential properties to be built in the City	217
Number of new students expected in Manor ISD	20
Taxable sales and purchases expected in the City	\$2,900,456,223
The value of new residential property to be built for direct and indirect workers who move to the City by Year 20	\$76,463,740
The facility's assets added to local tax rolls	\$17,000,000,000

Costs and Benefits for Local Taxing Districts over the First Twenty Years of Operations of the Facility

Local taxing districts can expect costs and benefits over the first twenty years of the operations of the facility, as scheduled below, beginning with the additional revenues to be received.

Additional Revenues for Local Taxing Districts

Local taxing districts can expect to receive revenues over the first twenty years from the facility, its employees and workers in indirect jobs created in the community, as shown on the following page:

Additional Revenues For Local Taxing Districts Over the First Twenty Years of the Facility's Operation, Shown on Millions of Dollars					
	Sales Taxes	Property Taxes*	Utilities	Utility Franchise Fees	Hotel Occupancy Taxes
City of Austin	\$29.0	\$160.1	\$4,290.4	\$0.6	\$0.4
Travis County		\$112.0			
Manor ISD		\$1,795.3			
Austin Community College		\$204.2			
Travis Central Health		\$201.6			
Travis County ESD # 12		\$193.0			
Capital Metro	\$0.0				
Total	\$29.0	\$2,666.2	\$4,290.4	\$0.6	\$0.4

Table 2 of 2 is below.

Additional Revenues For Local Taxing Districts Over the First Twenty Years of the Facility's Operation, Shown on Millions of Dollars			
	Other Taxes and User Fees	Supplemental Payments	Total Additional Revenues
City of Austin	\$6.1		\$4,486.5
Travis County	\$3.8		\$115.9
Manor ISD		\$9.5	\$1,804.8
Austin Community College			\$204.2
Travis Central Health			\$201.6
Travis County ESD # 12			\$193.0
Capital Metro			\$0
Total	\$10	\$9	\$6,813

*Net city and county property tax collections after some taxes may be abated to the firm

Additional Costs During the First Twenty Years of Operations for Local Taxing Districts

Local taxing districts will incur the following costs over the first twenty years of the operations of the facility -- to provide services to the facility and to workers who will move to the community:

Costs for Local Taxing Districts Over the First Twenty Years of the Facility's Operation, Shown on Millions of Dollars			
	Costs of Services to New Residents	Costs of Providing Monthly Utility Services	Total
City of Austin	\$10.0	\$4,075.9	\$4,085.9
Travis County	\$4.1		\$4.1
Manor ISD			\$0.0
Austin Community College			\$0.0
Travis Central Health			\$0.0
Travis County ESD # 12			\$0.0
Capital Metro			\$0.0
Total	\$14.2	\$4,075.9	\$4,090.0

Additional Net Benefits During the First Twenty Years of Operations for Local Taxing Districts

The additional public benefits less additional public costs will result in the following net benefits for the City, County and other local taxing districts over the first twenty years of the facility's operation:

Net Benefits for Local Taxing Districts Over the First Twenty Years of the Facility's Operation, Shown on Millions of Dollars			
	Benefits	Costs	Net Benefits
City of Austin	\$4,486.5	\$4,085.9	\$400.6
Travis County	\$115.9	\$4.1	\$111.7
Manor ISD	\$1,804.8	\$0.0	\$1,804.8
Austin Community College	\$204.2	\$0.0	\$204.2
Travis Central Health	\$201.6	\$0.0	\$201.6
Travis County ESD # 12	\$193.0	\$0.0	\$193.0
Capital Metro	\$29.0	\$0.0	\$29.0
Total	\$7,035.0	\$4,090.0	\$2,944.9

Property Tax Abatement Being Requested

The firm is requesting that the City of Austin and Travis County consider abating/rebating taxes on the facility's real property improvements and personal property at the percentage listed below. **These requests are not guarantees and are not commitments from the entities. Final percentages will be determined by each local entity and are used here for illustrative purposes**

Percentage of Tax Abatement Requested			
	Calendar Year	City of Austin	Travis County
Year 1	2021	85%	85%
Year 2	2022	85%	85%
Year 3	2023	85%	85%
Year 4	2024	85%	85%
Year 5	2025	85%	85%
Year 6	2026	85%	85%
Year 7	2027	85%	85%
Year 8	2028	85%	85%
Year 9	2029	85%	85%
Year 10	2030	85%	85%
Year 11	2030	85%	85%
Year 12	2030	85%	85%
Year 13	2030	85%	85%
Year 14	2030	85%	85%
Year 15	2030	85%	85%
Year 16	2030	85%	85%
Year 17	2030	85%	85%
Year 18	2030	85%	85%
Year 19	2030	85%	85%
Year 20	2030	85%	85%

If taxes are abated/rebated as requested the following property taxes will be abated for the facility:

Property Taxes Requested to be Abated for the Facility			
	City	County	Total
Year 1	\$4,351,958	\$3,045,223	\$7,397,181
Year 2	\$20,804,540	\$14,557,695	\$35,362,234
Year 3	\$31,500,982	\$22,042,385	\$53,543,367
Year 4	\$42,517,346	\$29,750,937	\$72,268,283
Year 5	\$49,055,551	\$34,325,957	\$83,381,508
Year 6	\$53,828,104	\$37,665,486	\$91,493,590
Year 7	\$57,433,504	\$40,188,316	\$97,621,819
Year 8	\$60,315,799	\$42,205,163	\$102,520,962
Year 9	\$54,940,454	\$38,443,838	\$93,384,293
Year 10	\$50,831,521	\$35,568,668	\$86,400,189
Year 11	\$47,698,640	\$33,376,477	\$81,075,116
Year 12	\$45,487,016	\$31,828,923	\$77,315,939
Year 13	\$43,825,809	\$30,666,516	\$74,492,325
Year 14	\$42,946,271	\$30,051,071	\$72,997,343
Year 15	\$42,830,913	\$29,970,351	\$72,801,264
Year 16	\$43,479,984	\$30,424,529	\$73,904,513
Year 17	\$44,142,035	\$30,887,791	\$75,029,826
Year 18	\$44,817,328	\$31,360,318	\$76,177,646
Year 19	\$45,506,127	\$31,842,296	\$77,348,422
Year 20	\$46,208,701	\$32,333,913	\$78,542,614
Total	\$872,522,582	\$610,535,853	\$1,483,058,434

Possible School District Appraised Value Limitation for the Facility Under Texas Tax Code, Chapter 313

Manor ISD may be asked for temporary limitations on the taxable value of the firm's property allowed by the Texas Economic Development Act, incorporated as Chapter 313 in the Texas Tax Code.

The limitation may begin as approved in the agreement between the school district and the taxpayer either the tax year beginning after the application date, the qualifying period, or the date commercial operations begin at the project.

Since the State of Texas funds any property taxes that the school district gives up during the Chapter 313 period, the Texas Comptroller of Public Accounts conducts its own economic impact analysis and requires a school finance analysis of the impact on the school district.

However, this analysis estimates the impact of a possible Chapter 313 agreement with the school

district. A summary of these estimates are shown below.

Estimated Property Taxes and Other Payments to be Made to the School District over Twenty Years	
The firm's tax liability with no Chapter 313 agreement	\$2,056,916,868
Property tax liability with Chapter 313	\$1,794,467,060
The firm's estimated supplemental payments to the school district	\$9,463,000
The firm's tax liability with Chapter 313 agreement & supplemental payments	\$1,803,930,060
Property taxes that may be made to the school district on new residential property constructed in the district by new workers who may move to the district	\$825,283
Total payments that the firm and new residents may make to the district	\$1,804,755,343

Conduct of the Analysis

This analysis was conducted by Impact DataSource using information supplied by the firm along with local tax rates and some Impact DataSource estimates and assumptions.

Impact DataSource is a 27-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 39 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.