

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



April 15, 2011

Lloyd W. Graham
Superintendent
La Porte Independent School District
1002 San Jacinto Street
La Porte, Texas 77571

Dear Superintendent Graham:

On Mar. 11, 2011, the agency received the completed application for a limitation on appraised value originally submitted to the La Porte Independent School District (La Porte ISD) by Arkema Inc. (Arkema) on Dec. 30, 2010, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Arkema's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, La Porte ISD is currently classified as a rural school district in Category 1. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$104,400,000) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

Arkema is proposing the construction of a manufacturing facility in Harris County. Arkema is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by Arkema, the Comptroller's recommendation is that Arkema's application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Mr. Graham
April 15, 2011
Page Two

The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. This recommendation is contingent on the following:

1. No later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, applicant submitting to this office a draft limitation agreement that complies with the statutes, the Comptroller's rules, and is consistent with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district approving and executing a limitation agreement that has been reviewed by this office within a year from the date of this letter. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution.

During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at www.window.state.tx.us/taxinfo/proptax/hb1200 to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Local Government Assistance and Economic Development, by e-mail at robert.wood@cpa.state.tx.us or by phone at (800) 531-5441, ext. 3-3973, or direct in Austin at (512) 463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Arkema Inc.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	La Porte ISD
2009-10 Enrollment in School District	7,818
County	Harris
Total Investment in District	\$104,400,000
Qualified Investment	\$104,400,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	5*
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,250
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,008
Minimum Annual Wage committed to by applicant for qualified jobs	\$65,000
Investment per Qualifying Job	\$26,100,000
Estimated 15 year M&O levy without any limit or credit:	\$11,422,722
Estimated gross 15 year M&O tax benefit	\$4,995,332
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$4,902,830
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$68,874
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$6,519,892
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	42.9%
Percentage of tax benefit due to the limitation	98.6%
Percentage of tax benefit due to the credit.	1.4%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Arkema Inc. (the project) applying to La Porte Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create five new jobs when fully operational. Four of these jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Harris County is located was \$47,629 in 2009. The annual average manufacturing wage for 2009-2010 for Harris County is \$72,748. During that time, the county annual average wage for all industries was \$58,019. In addition to a salary of \$65,000, each qualifying position will receive benefits such as medical coverage, a dental plan, a vision plan, prescription drug benefits, flexible spending accounts, life insurance, disability plans, paid holidays, paid vacation, a 401(k) retirement savings plan, retiree medical benefit plan, education assistance, and an employee assistance program. The project's total investment is \$104.4 million, resulting in a relative level of investment per qualifying job of \$26.1 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Arkema Inc.'s application, "Arkema Inc. is a global chemical company and France's leading chemical producer. Arkema operates three acrylic acid production facilities: one in France (Carling), and two in the United States at Bayport, TX (a joint venture with Nippon Shokubai) and Clear Lake, TX (acquired from Dow Chemical in January 2010 as part of the acquisition of certain Dow acrylic assets). Arkema has the ability to locate a new facility in many countries around the world as well as numerous existing facilities in the United States."

Number of new facilities in region [313.026(12)]

During the past two years, five projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Arkema Inc. project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Arkema Inc.'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 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Arkema Inc.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2011	5	99	104	355,993	4,644,007	5,000,000
2012	14	273	287	1,039,212	15,960,788	17,000,000
2013	18	267	285	1,292,295	17,707,705	19,000,000
2014	5	41	46	325,000	4,675,000	5,000,000
2015	5	31	36	325,000	4,675,000	5,000,000
2016	5	25	30	325,000	3,675,000	4,000,000
2017	5	22	27	325,000	3,675,000	4,000,000
2018	5	20	25	325,000	3,675,000	4,000,000
2019	5	21	26	325,000	3,675,000	4,000,000
2020	5	22	27	325,000	2,675,000	3,000,000
2021	5	22	27	325,000	3,675,000	4,000,000
2022	5	22	27	325,000	3,675,000	4,000,000
2023	5	19	24	325,000	3,675,000	4,000,000
2024	5	20	25	325,000	3,675,000	4,000,000
2025	5	22	27	325,000	3,675,000	4,000,000
2026	5	22	27	325,000	3,675,000	4,000,000

Source: CPA, REMI, Arkema Inc.

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. La Porte ISD's ad valorem tax base in 2010 was \$6.1 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2009-2010. During that same year, La Porte ISD's estimated wealth per WADA was \$648,889. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Hospital District, Harris County Education Department, and San Jacinto College District, with all property tax incentives sought being granted using estimated market value from Arkema Inc.'s application. Arkema Inc. has applied for a value limitation under Chapter 313, Tax Code and no other additional tax incentives. Table 3 illustrates the estimated tax impact of the Arkema Inc. project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	La Porte ISD I&S Levy	La Porte ISD M&O Levy	La Porte ISD M&O and I&S Tax Levies (Before Credit Credited)	La Porte ISD M&O and I&S Tax Levies (After Credit Credited)	Harris County	Harris County Flood Control District	Port of Houston Authority	Harris County Hospital District	Harris County Education Department	San Jacinto College District	Estimated Total Property Taxes
2012	\$3,875,000	\$3,875,000		0.2850	1.0400	\$51,344	\$51,344	\$15,037	\$1,133	\$796	\$7,446	\$255	\$6,831	\$82,841
2013	\$36,622,500	\$36,622,500		\$104,374	\$380,874	\$485,248	\$485,248	\$142,114	\$10,705	\$7,522	\$70,374	\$2,410	\$64,557	\$782,930
2014	\$99,180,000	\$30,000,000		\$282,663	\$312,000	\$594,663	\$594,663	\$384,868	\$28,990	\$20,372	\$190,584	\$6,527	\$174,832	\$1,400,836
2015	\$97,196,400	\$30,000,000		\$277,010	\$312,000	\$589,010	\$579,171	\$377,171	\$28,411	\$19,964	\$186,773	\$6,396	\$171,335	\$1,369,220
2016	\$95,252,460	\$30,000,000		\$271,470	\$312,000	\$583,470	\$573,630	\$369,627	\$27,842	\$19,565	\$183,037	\$6,269	\$167,908	\$1,347,879
2017	\$91,442,300	\$30,000,000		\$260,611	\$312,000	\$572,611	\$562,771	\$354,842	\$26,729	\$18,782	\$175,716	\$6,018	\$161,192	\$1,306,049
2018	\$87,784,700	\$30,000,000		\$250,186	\$312,000	\$562,186	\$552,347	\$340,649	\$25,659	\$18,031	\$168,687	\$5,777	\$154,744	\$1,265,895
2019	\$84,273,300	\$30,000,000		\$240,179	\$312,000	\$552,179	\$542,340	\$327,023	\$24,633	\$17,310	\$161,940	\$5,546	\$148,554	\$1,227,345
2020	\$80,902,400	\$30,000,000		\$230,572	\$312,000	\$542,572	\$532,733	\$313,942	\$23,648	\$16,617	\$155,462	\$5,324	\$142,612	\$1,190,338
2021	\$77,666,300	\$30,000,000		\$221,349	\$312,000	\$533,349	\$523,510	\$301,384	\$22,702	\$15,953	\$149,244	\$5,111	\$136,908	\$1,154,811
2022	\$74,559,600	\$74,559,600		\$212,495	\$775,420	\$987,915	\$987,915	\$289,329	\$21,794	\$15,315	\$143,274	\$4,907	\$131,431	\$1,593,963
2023	\$71,577,200	\$71,577,200		\$203,995	\$744,403	\$948,398	\$948,398	\$277,755	\$20,922	\$14,702	\$137,543	\$4,710	\$126,174	\$1,530,205
2024	\$68,714,100	\$68,714,100		\$195,835	\$714,627	\$910,462	\$910,462	\$266,645	\$20,085	\$14,114	\$132,041	\$4,522	\$121,127	\$1,468,996
2025	\$65,965,500	\$65,965,500		\$188,002	\$686,041	\$874,043	\$874,043	\$255,979	\$19,282	\$13,549	\$126,759	\$4,341	\$116,282	\$1,410,236
2026	\$63,326,900	\$63,326,900		\$180,482	\$658,600	\$839,081	\$839,081	\$245,740	\$18,510	\$13,007	\$121,689	\$4,168	\$111,631	\$1,353,827
						Total	\$9,557,656	\$4,262,103	\$321,044	\$225,599	\$2,110,568	\$72,282	\$1,936,118	\$18,485,369

Assumes School Value Limitation

Source: CPA, Arkema Inc.

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	La Porte ISD I&S Levy	La Porte ISD M&O Levy	La Porte ISD M&O and I&S Tax Levies	Harris County	Harris County Flood Control District	Port of Houston Authority	Harris County Hospital District	Harris County Education Department	San Jacinto College District	Estimated Total Property Taxes	
2012	\$3,875,000	\$3,875,000		0.2850	1.0400	\$51,344	\$15,037	\$1,133	\$796	\$7,446	\$255	\$6,831	\$82,841	
2013	\$36,622,500	\$36,622,500		\$104,374	\$380,874	\$485,248	\$142,114	\$10,705	\$7,522	\$70,374	\$2,410	\$64,557	\$782,930	
2014	\$99,180,000	\$99,180,000		\$282,663	\$1,031,472	\$1,314,135	\$384,868	\$28,990	\$20,372	\$190,584	\$6,527	\$174,832	\$2,120,308	
2015	\$97,196,400	\$97,196,400		\$277,010	\$1,010,843	\$1,287,852	\$377,171	\$28,411	\$19,964	\$186,773	\$6,396	\$171,335	\$2,077,902	
2016	\$95,252,460	\$95,252,460		\$271,470	\$990,626	\$1,262,095	\$369,627	\$27,842	\$19,565	\$183,037	\$6,269	\$167,908	\$2,036,343	
2017	\$91,442,300	\$91,442,300		\$260,611	\$951,000	\$1,211,610	\$354,842	\$26,729	\$18,782	\$175,716	\$6,018	\$161,192	\$1,954,888	
2018	\$87,784,700	\$87,784,700		\$250,186	\$912,961	\$1,163,147	\$340,649	\$25,659	\$18,031	\$168,687	\$5,777	\$154,744	\$1,876,695	
2019	\$84,273,300	\$84,273,300		\$240,179	\$876,442	\$1,116,621	\$327,023	\$24,633	\$17,310	\$161,940	\$5,546	\$148,554	\$1,801,627	
2020	\$80,902,400	\$80,902,400		\$230,572	\$841,385	\$1,071,957	\$313,942	\$23,648	\$16,617	\$155,462	\$5,324	\$142,612	\$1,729,562	
2021	\$77,666,300	\$77,666,300		\$221,349	\$807,730	\$1,029,078	\$301,384	\$22,702	\$15,953	\$149,244	\$5,111	\$136,908	\$1,660,380	
2022	\$74,559,600	\$74,559,600		\$212,495	\$775,420	\$987,915	\$289,329	\$21,794	\$15,315	\$143,274	\$4,907	\$131,431	\$1,593,963	
2023	\$71,577,200	\$71,577,200		\$203,995	\$744,403	\$948,398	\$277,755	\$20,922	\$14,702	\$137,543	\$4,710	\$126,174	\$1,530,205	
2024	\$68,714,100	\$68,714,100		\$195,835	\$714,627	\$910,462	\$266,645	\$20,085	\$14,114	\$132,041	\$4,522	\$121,127	\$1,468,996	
2025	\$65,965,500	\$65,965,500		\$188,002	\$686,041	\$874,043	\$255,979	\$19,282	\$13,549	\$126,759	\$4,341	\$116,282	\$1,410,236	
2026	\$63,326,900	\$63,326,900		\$180,482	\$658,600	\$839,081	\$245,740	\$18,510	\$13,007	\$121,689	\$4,168	\$111,631	\$1,353,827	
						Total	\$14,552,987	\$4,262,103	\$321,044	\$225,599	\$2,110,568	\$72,282	\$1,936,118	\$23,480,701

Source: CPA, Arkema Inc.

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$11,422,722. The estimated gross 15 year M&O tax benefit, or levy loss, is \$4,995,332.

Attachment 3 is an economic overview of Harris County.

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.

Attachments

1. Schedules A, B, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Schedule A (Rev. May 2011) Investment

Applicant Name
 ARKEMA INC.
 LA PORTE

Form 50-295

PROPERTY INVESTMENT AMOUNTS

		(Estimated investment in each year. Do not put cumulative totals)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property (The amount of new investment (original cost) placed in service during this year)	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2011-2012	2011	\$ -	\$ -	\$ -	\$ -	\$ -			
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)			\$ -	\$ -	\$ -	\$ -	\$ -			
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)			\$ -	\$ -	\$ -	\$ -	\$ -			
	Complete tax years of qualifying time period			1	2012-2013	2012	\$ 15,550,000	\$ -	\$ 15,550,000	\$ -	\$ 15,550,000
				2	2013-2014	2013	\$ 46,000,000	\$ 0	\$ 46,000,000	\$ -	\$ 46,000,000
				3	2014-2015	2014	\$ 42,850,000	\$ 0	\$ 42,850,000	\$ -	\$ 42,850,000
				4	2015-2016	2015	\$ -	\$ 0	\$ -	\$ -	\$ -
				5	2016-2017	2016	\$ -	\$ 0	\$ -	\$ -	\$ -
				6	2017-2018	2017	\$ -	\$ 0	\$ -	\$ -	\$ -
				7	2018-2019	2018	\$ -	\$ 0	\$ -	\$ -	\$ -
				8	2019-2020	2019	\$ -	\$ 0	\$ -	\$ -	\$ -
				9	2020-2021	2020	\$ -	\$ 0	\$ -	\$ -	\$ -
				10	2021-2022	2021	\$ -	\$ 0	\$ -	\$ -	\$ -
				11	2022-2023	2022	\$ -	\$ 0	\$ -	\$ -	\$ -
				12	2023-2024	2023	\$ -	\$ 0	\$ -	\$ -	\$ -
	13	2024-2025	2024	\$ -	\$ 0	\$ -	\$ -	\$ -			
	14	2025-2026	2025	\$ -	\$ 0	\$ -	\$ -	\$ -			
	15	2026-2027	2026	\$ -	\$ 0	\$ -	\$ -	\$ -			
Tax Credit Period (with 50% cap on credit)											
Credit Settle-Up Period											
Post-Settle-Up Period											
Qualifying Time Period											

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Includes estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Column D: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 12/28/10

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
 ARKEMA INC.

Applicant Name
 ISD Name

LA PORTE

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	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 building or in or on the new improvement		
pre-year 1	2011-2012	2011	\$ -	\$ -	\$ -	\$ -	\$ -
1	2012-2013	2012	\$ -	\$ -	\$ 3,875,000	\$ -	\$ 3,875,000
2	2013-2014	2013	\$ -	\$ -	\$ 38,550,000	\$ 1,927,500	\$ 36,622,500
3	2014-2015	2014	\$ -	\$ -	\$ 104,400,000	\$ 5,220,000	\$ 99,180,000
4	2015-2016	2015	\$ -	\$ -	\$ 102,312,000	\$ 5,115,600	\$ 97,196,400
5	2016-2017	2016	\$ -	\$ -	\$ 100,265,760	\$ 5,013,300	\$ 95,252,460
6	2017-2018	2017	\$ -	\$ -	\$ 96,255,100	\$ 4,812,800	\$ 91,442,300
7	2018-2019	2018	\$ -	\$ -	\$ 92,404,900	\$ 4,620,200	\$ 87,784,700
8	2019-2020	2019	\$ -	\$ -	\$ 88,708,700	\$ 4,435,400	\$ 84,273,300
9	2020-2021	2020	\$ -	\$ -	\$ 85,160,400	\$ 4,258,000	\$ 80,902,400
10	2021-2022	2021	\$ -	\$ -	\$ 81,754,000	\$ 4,087,700	\$ 77,666,300
11	2022-2023	2022	\$ -	\$ -	\$ 78,483,800	\$ 3,924,200	\$ 74,559,600
12	2023-2024	2023	\$ -	\$ -	\$ 75,344,400	\$ 3,767,200	\$ 71,577,200
13	2024-2025	2024	\$ -	\$ -	\$ 72,330,600	\$ 3,616,500	\$ 68,714,100
14	2025-2026	2025	\$ -	\$ -	\$ 69,437,400	\$ 3,471,900	\$ 65,965,500
15	2026-2027	2026	\$ -	\$ -	\$ 66,659,900	\$ 3,333,000	\$ 63,326,900

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

St. O'Neil

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12/28/10

DATE

Schedule C- Application: Employment Information

Applicant Name
 ISD Name
 ARKEMA INC.
 LA PORTE

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTEs or man-hours (specify)*	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant creates to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2011-2012	2011	9,900	\$ 75,000	0	n/a	n/a	n/a
	1	2012-2013	2012	28,900	\$ 75,000	0	n/a	n/a	n/a
	2	2013-2014	2013	26,900	\$ 75,000	5	\$ 65,000	4	\$ 65,000
	3	2014-2015	2014	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	4	2015-2016	2015	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	5	2016-2017	2016	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	6	2017-2018	2017	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	7	2018-2019	2018	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	8	2019-2020	2019	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	9	2020-2021	2020	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	10	2021-2022	2021	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	11	2022-2023	2022	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	12	2023-2024	2023	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	13	2024-2025	2024	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	14	2025-2026	2025	n/a	n/a	5	\$ 65,000	4	\$ 65,000
	15	2026-2027	2026	n/a	n/a	5	\$ 65,000	4	\$ 65,000

* man hours
 Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replaces original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.


 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12/28/20
 DATE

Schedule D: (Rev. May 2010), Other Tax Information

Applicant Name

ARKEMA INC.

ISD Name

LA PORTE

Form 50-296

		Sales Tax Information			Other Property Tax Abatements Sought				
		Sales Taxable-Expenditures			Franchise Tax	County	City	Hospital	Other
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2011-2012	2011	\$ 1,399,500	\$ 14,150,500		N/A	N/A	N/A
Complete tax years of qualifying time period	1	2012-2013	2012	\$ 4,140,000	\$ 41,860,000	\$ -	N/A	N/A	N/A
	2	2013-2014	2013	\$ 3,856,500	\$ 38,993,500	\$ 750,000	N/A	N/A	N/A
	3	2014-2015	2014	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	4	2015-2016	2015	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	5	2016-2017	2016	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	6	2017-2018	2017	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	7	2018-2019	2018	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	8	2019-2020	2019	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	9	2020-2021	2020	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	10	2021-2022	2021	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	11	2022-2023	2022	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	12	2023-2024	2023	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	13	2024-2025	2024	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	14	2025-2026	2025	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
	15	2026-2027	2026	\$ -	\$ -	\$ 750,000	N/A	N/A	N/A
Tax Credit Period (with 50% cap on credit)	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence								
Post-Settle-Up Period									
Post-Settle-Up Period									

*For planning, construction and operation of the facility.

12/28/10

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 2



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

April 11, 2011

Mr. Robert Wood
Director, Local Government Assistance and Economic Development
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Arkema Inc. project on the number and size of school facilities in La Porte Independent School District (LPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the LPISD superintendent, Mr. Lloyd Graham, the TEA has found that the Arkema Inc. project would not have a significant impact on the number or size of school facilities in LPISD.

Please feel free to contact me by phone at (512) 463-9268 or by email at helen.daniels@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads "Helen Daniels".

Helen Daniels
Director of State Funding

HD/hd



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

April 11, 2011

Mr. Robert Wood
Director, Local Government Assistance and Economic Development
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Arkema Inc. project for the La Porte Independent School District (LPISD). Projections prepared by our Forecasting and Fiscal Analysis Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Arkema Inc. project on LPISD are correct.

Please feel free to contact me by phone at (512) 463-9268 or by email at helen.daniels@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads "Helen Daniels".

Helen Daniels
Director of State Funding

HD/hd

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
ARKEMA, INC. PROJECT ON THE FINANCES OF THE LA PORTE
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

March 7, 2011

Final Report

PREPARED BY



Estimated Impact of the Proposed ARKEMA, Inc. Project on the Finances of the La Porte Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

ARKEMA, Inc. (ARKEMA) has requested that the La Porte Independent School District (LPISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a chemical manufacturing project. An application was submitted to LPISD on December 30, 2010. ARKEMA proposes to invest \$104 million to construct this project in LPISD.

The ARKEMA project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, the original language in Chapter 313 of the Tax Code made companies engaged in manufacturing, research and development, and renewable electric energy production eligible to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

School Finance Mechanics

Under the provisions of Chapter 313, LPISD may offer a minimum value limitation of \$30 million. Based on the application, the qualifying time period would begin with the 2012-13 school year. The full taxable value of the investment is expected to reach \$99.2 million in 2014-15, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2012-13 and 2013-14 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2012-13 and 2013-14 school years. Beginning in 2014-15, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations taxes. The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with LPISD currently levying a \$0.285 I&S tax rate.

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct their property value study and now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. HB 1 established a “target” revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with a Chapter 313 property value limitation, at least up to a district’s compressed M&O tax rate. The additional four to six cents of tax effort that a district may levy are subject to an enriched level of equalization (or no recapture in the case of Chapter 41 school district) and operate more like the pre-HB 1 system. A value limitation must be analyzed for any potential revenue loss associated with this component of the M&O tax levy. For tax effort in excess of the compressed plus six cents rate, equalization and recapture occur at the level of \$319,500 per weighted student in average daily attendance (WADA).

Under HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point is the target revenue provisions from HB 1, that are then expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional \$120 per WADA guarantee.

Under the provisions of HB 3646, school districts do have the potential to earn revenue above the \$120 per WADA level, up to a maximum of \$350 per WADA above current law. Initial estimates indicate that about 700 school districts are funded at the minimum \$120 per WADA level, while approximately 300 school districts were expected to generate higher revenue amounts per WADA in the 2009-10 school year. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district’s base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system. In the case of LPISD, however, it appears that the District will remain at the \$120 per WADA minimum hold-harmless level under all of the scenarios examined as part of this analysis.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the ARKEMA project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f) (1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. While the new target revenue system appears to limit the impact of property value changes for a majority of school districts, changes in underlying property value growth have the potential to influence the revenue stream of a number of school districts. An earlier value limitation agreement for Air Liquide is factored into the base model used here, although the impact of the proposed ARKEMA project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 11,702 students in average daily attendance (ADA) in analyzing the effects of the ARKEMA project on the finances of LPISD. The District's local tax base reached \$5.8 billion for the 2010 tax year. While the District's tax base experienced value growth during the latter part of the last decade, it did fall off in 2010. The underlying \$5.8 billion taxable value for 2010-11 is maintained for the forecast period in order to isolate the effects of the property value limitation. LPISD is a relatively wealthy district in terms of property wealth per student but is not currently subject to recapture, with wealth per weighted ADA or WADA of approximately \$384,651 for the 2010-11 school year. These assumptions are summarized in Table 1.

School Finance Impact

A baseline model was prepared for LPISD under the assumptions outlined above through the 2026-27 school year. Beyond the 2010-11 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a second model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed ARKEMA facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A third model is developed which adds the ARKEMA value but imposes the proposed property value limitation effective in the third year, which in this case is the 2014-15 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). An M&O tax rate of \$1.04 is used throughout this analysis.

A summary of the differences between these models is presented in Table 4. The model results show approximately \$91.3 million a year in net General Fund revenue.

Under these assumptions, LPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2014-15 school year (-\$42,348). The revenue reduction results from the mechanics of the four cents eligible for the Austin ISD yield, which reflect the one-year lag in value associated with the property value study. It appears that smaller differences persist between the two models over the course of the agreement, in part due to deductions made in the state property value study.

One change that has been incorporated into these models is a more precise estimate of the deduction from the property value study conducted by the Comptroller's Office. At the school district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect.

Under the property value study conducted by the Comptroller's Office, however, only a single deduction amount is calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. This methodology has been

incorporated into these estimates and the typical result is an increase in the hold-harmless formula amounts owed to the school district by the company that receives the value limitation. The extent to which this affects a school district's finances appears to be influenced by the scale of the value limitation reduction relative to the district's underlying tax base, as well as its I&S tax rate.

In the case of LPISD, the calculated lower reduction in the state property value relative to the M&O benefit to be received by the taxpayer does not appear to be substantial. In large part this results because the underlying tax base is substantially larger than the proposed project.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2010-11 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$4.9 million over the life of the agreement. In addition, ARKEMA would be eligible for a tax credit for taxes paid on value in excess of the value limitation in each of the first two years. The tax credits are expected to total approximately \$68,874 over the life of the agreement, with no unpaid tax credits anticipated. (The school district is reimbursed by the state for the cost of the tax credit payments.) The key LPISD revenue losses are associated with the additional four-cent levy eligible for the Austin ISD yield and expected to total approximately \$92,502 over the course of the agreement. In total, the potential net tax benefits are estimated to total \$4.9 million over the life of the agreement.

Facilities Funding Impact

The ARKEMA project remains fully taxable for debt services taxes, with LPISD currently levying a \$0.285 I&S rate. The value of the ARKEMA project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's projected wealth per ADA that is currently well above what is provided for through the state's facilities program. At its peak taxable value, the project adds 1.7 percent to LPISD's current tax base, which should assist the District in meeting its debt service obligations.

The ARKEMA project is not expected to affect LPISD in terms of enrollment. Given that much of what is proposed expands existing operations, only five new full-time positions are expected to be created as a result of the project. This is not expected to have an impact on student growth in the District.

Conclusion

The proposed ARKEMA manufacturing project enhances the tax base of LPISD. It reflects continued capital investment in manufacturing, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$4.9 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of LPISD in meeting its future debt service obligations.

Table 1 – Base District Information with ARKEMA, Inc. Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
1	2012-13	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,065,415,830	\$6,065,415,830	\$6,020,945,490	\$6,020,945,490	\$387,471	\$387,471
2	2013-14	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,915,131,210	\$5,915,131,210	\$6,194,020,490	\$6,194,020,490	\$398,609	\$398,609
3	2014-15	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,977,688,710	\$5,908,508,710	\$6,081,740,269	\$6,081,740,269	\$391,384	\$391,384
4	2015-16	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,975,705,110	\$5,908,508,710	\$6,142,973,939	\$6,088,674,165	\$395,324	\$391,830
5	2016-17	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,973,761,170	\$5,908,508,710	\$6,139,706,232	\$6,086,963,398	\$395,114	\$391,720
6	2017-18	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,969,951,010	\$5,908,508,710	\$6,135,703,981	\$6,084,486,956	\$394,857	\$391,561
7	2018-19	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,966,293,410	\$5,908,508,710	\$6,129,937,878	\$6,081,711,469	\$394,485	\$391,382
8	2019-20	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,962,782,010	\$5,908,508,710	\$6,124,421,631	\$6,079,066,093	\$394,130	\$391,212
9	2020-21	11,701.96	15,539.07	\$1.0400	\$0.2850	\$5,959,411,110	\$5,908,508,710	\$6,119,144,020	\$6,076,544,600	\$393,791	\$391,049
10	2021-22	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,066,349,610	\$6,018,683,310	\$6,114,094,739	\$6,074,141,157	\$393,466	\$390,895
11	2022-23	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,052,998,750	\$6,052,998,750	\$6,194,954,270	\$6,157,540,721	\$398,670	\$396,262
12	2023-24	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,040,535,840	\$6,040,535,840	\$6,181,603,410	\$6,181,603,410	\$397,810	\$397,810
13	2024-25	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,028,898,730	\$6,028,898,730	\$6,169,140,500	\$6,169,140,500	\$397,008	\$397,008
14	2025-26	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,018,029,790	\$6,018,029,790	\$6,157,503,390	\$6,157,503,390	\$396,259	\$396,259
15	2026-27	11,701.96	15,539.07	\$1.0400	\$0.2850	\$6,007,861,308	\$6,007,861,308	\$6,146,634,450	\$6,146,634,450	\$395,560	\$395,560

*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

Table 2--“Baseline Revenue Model”--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$59,992,540	\$18,949,618	\$8,706,670	\$0	\$0	\$2,396,582	\$1,312,673	\$0	\$91,358,082
2	2013-14	\$58,489,618	\$17,218,781	\$11,940,428	\$0	\$0	\$2,336,543	\$1,178,740	\$0	\$91,164,110
3	2014-15	\$59,115,225	\$18,341,639	\$10,191,964	\$0	\$0	\$2,361,535	\$1,256,940	\$0	\$91,267,303
4	2015-16	\$59,095,388	\$17,729,272	\$10,824,168	\$0	\$0	\$2,360,743	\$1,220,461	\$0	\$91,230,031
5	2016-17	\$59,075,947	\$17,761,951	\$10,810,929	\$0	\$0	\$2,359,966	\$1,221,965	\$0	\$91,230,758
6	2017-18	\$59,037,844	\$17,801,975	\$10,809,008	\$0	\$0	\$2,358,444	\$1,223,512	\$0	\$91,230,783
7	2018-19	\$59,001,266	\$17,859,639	\$10,787,922	\$0	\$0	\$2,356,983	\$1,226,121	\$0	\$91,231,931
8	2019-20	\$58,966,150	\$17,914,804	\$10,767,873	\$0	\$0	\$2,355,580	\$1,228,617	\$0	\$91,233,024
9	2020-21	\$58,932,439	\$17,967,583	\$10,748,805	\$0	\$0	\$2,354,233	\$1,231,004	\$0	\$91,234,064
10	2021-22	\$60,001,878	\$18,018,079	\$9,628,870	\$0	\$0	\$2,396,955	\$1,256,357	\$0	\$91,302,140
11	2022-23	\$59,868,363	\$17,209,443	\$10,571,022	\$0	\$0	\$2,391,622	\$1,205,983	\$0	\$91,246,432
12	2023-24	\$59,743,727	\$17,342,958	\$10,562,142	\$0	\$0	\$2,386,643	\$1,211,226	\$0	\$91,246,696
13	2024-25	\$59,627,350	\$17,467,593	\$10,553,884	\$0	\$0	\$2,381,994	\$1,216,121	\$0	\$91,246,942
14	2025-26	\$59,518,656	\$17,583,970	\$10,546,202	\$0	\$0	\$2,377,651	\$1,220,692	\$0	\$91,247,171
15	2026-27	\$59,416,966	\$17,692,665	\$10,539,197	\$0	\$0	\$2,373,589	\$1,224,958	\$0	\$91,247,375

Table 3-- "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$59,992,540	\$18,949,618	\$8,706,670	\$0	\$0	\$2,396,582	\$1,312,673	\$0	\$91,358,082
2	2013-14	\$58,489,618	\$17,218,781	\$11,940,428	\$0	\$0	\$2,336,543	\$1,178,740	\$0	\$91,164,110
3	2014-15	\$58,423,390	\$18,341,639	\$10,883,798	\$0	\$0	\$2,333,898	\$1,242,230	\$0	\$91,224,955
4	2015-16	\$58,423,390	\$18,272,297	\$10,953,140	\$0	\$0	\$2,333,898	\$1,238,158	\$0	\$91,220,882
5	2016-17	\$58,423,390	\$18,289,406	\$10,936,031	\$0	\$0	\$2,333,898	\$1,239,162	\$0	\$91,221,886
6	2017-18	\$58,423,390	\$18,314,171	\$10,911,266	\$0	\$0	\$2,333,898	\$1,240,616	\$0	\$91,223,341
7	2018-19	\$58,423,390	\$18,341,927	\$10,883,510	\$0	\$0	\$2,333,898	\$1,242,247	\$0	\$91,224,972
8	2019-20	\$58,423,390	\$18,368,383	\$10,857,054	\$0	\$0	\$2,333,898	\$1,243,803	\$0	\$91,226,528
9	2020-21	\$58,423,390	\$18,393,599	\$10,831,838	\$0	\$0	\$2,333,898	\$1,245,288	\$0	\$91,228,013
10	2021-22	\$59,525,191	\$18,417,634	\$9,706,002	\$0	\$0	\$2,377,912	\$1,270,216	\$0	\$91,296,955
11	2022-23	\$59,868,363	\$17,583,597	\$10,196,868	\$0	\$0	\$2,391,622	\$1,227,842	\$0	\$91,268,291
12	2023-24	\$59,743,727	\$17,342,958	\$10,562,142	\$0	\$0	\$2,386,643	\$1,211,226	\$0	\$91,246,696
13	2024-25	\$59,627,350	\$17,467,593	\$10,553,884	\$0	\$0	\$2,381,994	\$1,216,121	\$0	\$91,246,942
14	2025-26	\$59,518,656	\$17,583,970	\$10,546,202	\$0	\$0	\$2,377,651	\$1,220,692	\$0	\$91,247,171
15	2026-27	\$59,416,966	\$17,692,665	\$10,539,197	\$0	\$0	\$2,373,589	\$1,224,958	\$0	\$91,247,375

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2014-15	-\$691,835	\$0	\$691,835	\$0	\$0	-\$27,637	-\$14,710	\$0	-\$42,348
4	2015-16	-\$671,998	\$543,025	\$128,973	\$0	\$0	-\$26,845	\$17,696	\$0	-\$9,149
5	2016-17	-\$652,557	\$527,455	\$125,102	\$0	\$0	-\$26,068	\$17,196	\$0	-\$8,872
6	2017-18	-\$614,454	\$512,196	\$102,258	\$0	\$0	-\$24,546	\$17,104	\$0	-\$7,442
7	2018-19	-\$577,876	\$482,288	\$95,588	\$0	\$0	-\$23,085	\$16,126	\$0	-\$6,959
8	2019-20	-\$542,760	\$453,579	\$89,181	\$0	\$0	-\$21,682	\$15,186	\$0	-\$6,496
9	2020-21	-\$509,049	\$426,016	\$83,033	\$0	\$0	-\$20,336	\$14,284	\$0	-\$6,052
10	2021-22	-\$476,687	\$399,555	\$77,132	\$0	\$0	-\$19,043	\$13,858	\$0	-\$5,185
11	2022-23	\$0	\$374,154	-\$374,154	\$0	\$0	\$0	\$21,859	\$0	\$21,859
12	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial impact of the ARKEMA, Inc. Project Property Value Limitation Request Submitted to LPISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
1	2012-13	\$3,875,000	\$3,875,000	\$0	\$40,300	\$40,300	\$0	\$0	\$0	\$0	\$0
2	2013-14	\$36,622,500	\$36,622,500	\$0	\$380,874	\$380,874	\$0	\$0	\$0	\$0	\$0
3	2014-15	\$99,180,000	\$30,000,000	\$69,180,000	\$1,031,472	\$312,000	\$719,472	\$0	\$719,472	-\$42,348	\$677,124
4	2015-16	\$97,196,400	\$30,000,000	\$67,196,400	\$1,010,843	\$312,000	\$698,843	\$9,839	\$708,682	-\$9,149	\$699,533
5	2016-17	\$95,252,460	\$30,000,000	\$65,252,460	\$990,626	\$312,000	\$678,626	\$9,839	\$688,465	-\$8,872	\$679,593
6	2017-18	\$91,442,300	\$30,000,000	\$61,442,300	\$951,000	\$312,000	\$639,000	\$9,839	\$648,839	-\$7,442	\$641,397
7	2018-19	\$87,784,700	\$30,000,000	\$57,784,700	\$912,961	\$312,000	\$600,961	\$9,839	\$610,800	-\$6,959	\$603,841
8	2019-20	\$84,273,300	\$30,000,000	\$54,273,300	\$876,442	\$312,000	\$564,442	\$9,839	\$574,281	-\$6,496	\$567,786
9	2020-21	\$80,902,400	\$30,000,000	\$50,902,400	\$841,385	\$312,000	\$529,385	\$9,839	\$539,224	-\$6,052	\$533,172
10	2021-22	\$77,666,300	\$30,000,000	\$47,666,300	\$807,730	\$312,000	\$495,730	\$9,839	\$505,569	-\$5,185	\$500,384
11	2022-23	\$74,559,600	\$74,559,600	\$0	\$775,420	\$775,420	\$0	\$0	\$0	\$0	\$0
12	2023-24	\$71,577,200	\$71,577,200	\$0	\$744,403	\$744,403	\$0	\$0	\$0	\$0	\$0
13	2024-25	\$68,714,100	\$68,714,100	\$0	\$714,627	\$714,627	\$0	\$0	\$0	\$0	\$0
14	2025-26	\$65,965,500	\$65,965,500	\$0	\$686,041	\$686,041	\$0	\$0	\$0	\$0	\$0
15	2026-27	\$63,326,900	\$63,326,900	\$0	\$658,600	\$658,600	\$0	\$0	\$0	\$0	\$0
					\$11,422,722	\$6,496,264	\$4,926,458	\$68,874	\$4,995,332	-\$92,502	\$4,902,830

Tax Credit for Value Over Limit in First 2 Years

	Year 1	Year 2	Max Credits
	\$0	\$68,874	\$68,874
Credits Earned			\$68,874
Credits Paid			<u>\$68,874</u>
Excess Credits Unpaid			\$0

Attachment 3

Harris County

Population

Total county population in 2009 for Harris County: 4,070,989, up 2.3 percent from 2008. State population increased 2.0 percent in the same time period. Harris County was the state's 1st largest county in population in 2009 and the 35th fastest growing county from 2008 to 2009. Harris County's population in 2009 was 35.3 percent Anglo (below the state average of 46.7 percent), 17.9 percent African-American (above the state average of 11.3 percent) and 39.8 percent Hispanic (above the state average of 36.9 percent).

2009 population of the largest cities and places in Harris County:

Houston:	2,257,926	Pasadena:	145,789
Baytown:	70,872	La Porte:	34,191
Deer Park:	30,938	Bellaire:	18,176
South Houston:	16,346	West University Place:	15,613
Humble:	14,865	Katy:	13,891

Economy and Income

Employment

February 2011 total employment in Harris County: 1.86 million, up 1.6 percent from February 2010. State total employment increased 1.0 percent during the same period.

February 2011 Harris County unemployment rate: 8.3 percent, down from 8.5 percent in February 2010. The statewide unemployment rate for February 2011 was 8.2 percent, unchanged from 8.2 percent in February 2010.

February 2011 unemployment rate in the city of:

Houston:	8.1 percent, down from 8.2 percent in February 2010.
Pasadena:	9.9 percent, down from 10.1 percent in February 2010.
Baytown:	12.1 percent, up from 11.7 percent in February 2010.
La Porte:	8.8 percent, down from 9.6 percent in February 2010.
Deer Park:	8.2 percent, down from 8.5 percent in February 2010.

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

Harris County's ranking in per capita personal income in 2008: 6th with an average per capita income of \$47,788, up 3.9 percent from 2007. Statewide average per capita personal income was \$37,809 in 2008, up 2.6 percent from 2007.

Industry

Agricultural cash values in Harris County averaged \$420.90 million annually from 2006 to 2009. County total agricultural values in 2009 were down 5.3 percent from 2008. Major agriculture related commodities in Harris County during 2009 included:

Timber	Horses	Hay	Other Beef	Nursery
--------	--------	-----	------------	---------

2010 oil and gas production in Harris County: 1.1 million barrels of oil and 20.8 million Mcf of gas. In February 2011, there were 317 producing oil wells and 158 producing gas wells.

Taxes

Sales Tax - Taxable Sales

Taxable sales in Harris County during the third quarter 2010: \$14.52 billion, up 7.0 percent from the same quarter in 2009.

Taxable sales during the third quarter 2010 in the city of:

Houston:	\$11.54 billion, up 7.4 percent from the same quarter in 2009.
Pasadena:	\$322.46 million, up 0.7 percent from the same quarter in 2009.
Baytown:	\$170.33 million, down 0.7 percent from the same quarter in 2009.
La Porte:	\$67.85 million, up 19.7 percent from the same quarter in 2009.
Deer Park:	\$89.19 million, up 14.1 percent from the same quarter in 2009.
Bellaire:	\$48.03 million, up 14.5 percent from the same quarter in 2009.
South Houston:	\$27.95 million, up 0.7 percent from the same quarter in 2009.
West University Place:	\$12.61 million, up 0.5 percent from the same quarter in 2009.
Humble:	\$221.68 million, up 0.8 percent from the same quarter in 2009.
Katy:	\$131.31 million, up 14.1 percent from the same quarter in 2009.
Seabrook:	\$26.67 million, up 0.9 percent from the same quarter in 2009.
Webster:	\$130.18 million, down 1.7 percent from the same quarter in 2009.
Tomball:	\$87.30 million, up 1.5 percent from the same quarter in 2009.
Galena Park:	\$9.78 million, up 3.2 percent from the same quarter in 2009.
Jacinto City:	\$11.63 million, down 3.2 percent from the same quarter in 2009.
Jersey Village:	\$35.28 million, up 0.7 percent from the same quarter in 2009.
Hunters Creek Village:	\$3.00 million, up 1.2 percent from the same quarter in 2009.
Nassau Bay:	\$7.66 million, down 2.6 percent from the same quarter in 2009.
Spring Valley Village:	\$16.88 million, up 6.2 percent from the same quarter in 2009.
Bunker Hill Village:	\$365,864.00, down 31.7 percent from the same quarter in 2009.
Taylor Lake Village:	\$366,068.00, up 18.8 percent from the same quarter in 2009.
Piney Point Village:	\$827,084.00, down 16.6 percent from the same quarter in 2009.
El Lago:	\$1.73 million, up 2.7 percent from the same quarter in 2009.

Hedwig Village:	\$39.32 million, up 14.3 percent from the same quarter in 2009.
Southside Place:	\$6.48 million, down 4.3 percent from the same quarter in 2009.
Shoreacres:	\$472,263.00, down 3.5 percent from the same quarter in 2009.
Hilshire Village:	\$111,865.00, down 71.7 percent from the same quarter in 2009.
Morgan's Point:	\$3.56 million, up 6.8 percent from the same quarter in 2009.

Annual (2009)

Taxable sales in Harris County during 2009: \$58.29 billion, down 12.4 percent from 2008. Harris County sent an estimated \$3.64 billion (or 14.07 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2009. Taxable sales during 2009 in the city of:

Houston:	\$46.61 billion, down 13.0 percent from 2008.
Pasadena:	\$1.40 billion, down 3.9 percent from 2008.
Baytown:	\$739.26 million, down 4.9 percent from 2008.
La Porte:	\$236.00 million, down 7.0 percent from 2008.
Deer Park:	\$333.15 million, down 9.8 percent from 2008.
Bellaire:	\$167.00 million, down 10.0 percent from 2008.
South Houston:	\$116.05 million, down 7.0 percent from 2008.
West University Place:	\$52.21 million, down 15.2 percent from 2008.
Humble:	\$932.38 million, down 8.8 percent from 2008.
Katy:	\$498.13 million, down 7.6 percent from 2008.
Seabrook:	\$109.00 million, down 4.8 percent from 2008.
Webster:	\$572.85 million, down 10.6 percent from 2008.
Tomball:	\$358.86 million, down 9.4 percent from 2008.
Galena Park:	\$39.44 million, down 51.7 percent from 2008.
Jacinto City:	\$49.05 million, down 7.4 percent from 2008.
Jersey Village:	\$145.74 million, down 6.0 percent from 2008.
Hunters Creek Village:	\$13.43 million, down 12.0 percent from 2008.
Nassau Bay:	\$30.42 million, down 20.1 percent from 2008.
Spring Valley Village:	\$68.23 million, down 29.9 percent from 2008.
Bunker Hill Village:	\$2.57 million, down 21.3 percent from 2008.
Taylor Lake Village:	\$1.57 million, up 10.2 percent from 2008.
Piney Point Village:	\$2.58 million, down 16.7 percent from 2008.
El Lago:	\$6.73 million, down 2.5 percent from 2008.
Hedwig Village:	\$145.58 million, down 1.9 percent from 2008.
Southside Place:	\$26.69 million, down 2.4 percent from 2008.
Shoreacres:	\$1.81 million, down 40.6 percent from 2008.
Hilshire Village:	\$1.14 million, down 13.9 percent from 2008.
Morgan's Point:	\$13.27 million, down 19.8 percent from 2008.

Sales Tax – Local Sales Tax Allocations

Monthly

Statewide payments based on the sales activity month of January 2011: \$433.11 million, up 7.1 percent from January 2010.

Payments to all cities in Harris County based on the sales activity month of January 2011: \$44.29 million, up 4.9 percent from January 2010. Payment based on the sales activity month of January 2011 to the city of:

Houston:	\$36.85 million, up 5.1 percent from January 2010.
Pasadena:	\$1.68 million, up 7.6 percent from January 2010.
Baytown:	\$843,428.77, down 7.3 percent from January 2010.
La Porte:	\$406,449.09, up 7.3 percent from January 2010.
Deer Park:	\$371,628.83, up 36.0 percent from January 2010.
Bellaire:	\$137,110.70, down 30.2 percent from January 2010.
South Houston:	\$159,325.94, down 3.8 percent from January 2010.
West University Place:	\$85,633.29, down 6.1 percent from January 2010.
Humble:	\$764,365.05, down 3.3 percent from January 2010.
Katy:	\$567,507.73, down 16.5 percent from January 2010.
Seabrook:	\$141,236.00, down 7.5 percent from January 2010.
Webster:	\$1.01 million, up 29.2 percent from January 2010.
Tomball:	\$663,317.39, up 9.6 percent from January 2010.
Galena Park:	\$56,104.12, up 27.3 percent from January 2010.
Jacinto City:	\$37,664.53, down 2.6 percent from January 2010.
Jersey Village:	\$175,661.11, up 0.8 percent from January 2010.
Hunters Creek Village:	\$20,974.27, down 10.7 percent from January 2010.
Nassau Bay*:	\$58,670.36, up 13.1 percent from January 2010.
Spring Valley:	\$64,595.51, up 9.0 percent from January 2010.
Bunker Hill Village:	\$6,224.03, up 3.6 percent from January 2010.
Taylor Lake Village:	\$4,201.28, up 3.6 percent from January 2010.
Piney Point Village:	\$7,478.61, up 0.3 percent from January 2010.
El Lago:	\$8,670.85, down 21.1 percent from January 2010.
Hedwig Village:	\$120,663.40, up 23.4 percent from January 2010.
Southside Place:	\$18,212.15, up 1.2 percent from January 2010.
Shoreacres*:	\$4,979.06, up 21.0 percent from January 2010.
Hilshire Village:	\$2,101.36, up 124.0 percent from January 2010.
Morgan's Point:	\$19,011.15, down 1.7 percent from January 2010.

Annual (2010)

Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.

Payments to all cities in Harris County based on sales activity months in 2010: \$579.94 million, up 0.7 percent from 2009.

Payment based on sales activity months in 2010 to the city of:

Houston:	\$478.01 million, up 0.8 percent from 2009.
Pasadena:	\$23.23 million, down 3.5 percent from 2009.
Baytown:	\$11.87 million, down 2.7 percent from 2009.
La Porte:	\$5.59 million, up 11.1 percent from 2009.
Deer Park:	\$4.16 million, down 1.9 percent from 2009.
Bellaire:	\$2.25 million, up 3.1 percent from 2009.
South Houston:	\$2.28 million, down 3.4 percent from 2009.
West University Place:	\$1.05 million, up 10.9 percent from 2009.
Humble:	\$10.78 million, down 1.2 percent from 2009.
Katy:	\$8.54 million, up 14.1 percent from 2009.
Seabrook:	\$2.12 million, down 2.9 percent from 2009.
Webster:	\$13.05 million, down 3.2 percent from 2009.
Tomball:	\$8.93 million, up 0.4 percent from 2009.
Galena Park:	\$750,580.78, up 6.6 percent from 2009.
Jacinto City:	\$581,584.28, up 3.1 percent from 2009.
Jersey Village:	\$2.40 million, up 1.2 percent from 2009.
Hunters Creek Village:	\$271,978.08, down 5.2 percent from 2009.
Nassau Bay*:	\$679,854.28, down 6.5 percent from 2009.
Spring Valley:	\$807,981.43, up 2.0 percent from 2009.
Bunker Hill Village:	\$72,086.00, up 17.7 percent from 2009.
Taylor Lake Village:	\$51,516.47, up 16.2 percent from 2009.
Piney Point Village:	\$125,031.28, up 26.0 percent from 2009.
El Lago:	\$135,168.06, up 4.4 percent from 2009.
Hedwig Village:	\$1.48 million, up 8.0 percent from 2009.
Southside Place:	\$293,163.92, down 0.3 percent from 2009.
Shoreacres*:	\$62,215.94, up 23.4 percent from 2009.
Hilshire Village:	\$32,733.90, down 16.1 percent from 2009.
Morgan's Point:	\$334,244.58, up 71.7 percent from 2009.

*On 10/1/2009, the city of Shoreacres's local sales tax rate increased by 1.250 from 1.250 percent to 1.250 percent.

*On 10/1/2009, the city of Nassau Bay's local sales tax rate increased by 1.750 from 0.000 percent to 1.750 percent.

Property Tax

As of January 2009, property values in Harris County: \$337.95 billion, up 1.3 percent from January 2008 values. The property tax base per person in Harris County is \$83,014, below the statewide average of \$85,809. About 0.1 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

Harris County's ranking in state expenditures by county in fiscal year 2009: 1st. State expenditures in the county for FY2009: \$13.69 billion, up 11.7 percent from FY2008.

In Harris County, 52 state agencies provide a total of 45,268 jobs and \$2.01 billion in annualized wages (as of 3rd quarter 2010).

Major state agencies in the county (as of third quarter 2010):

- University of Texas (MD Anderson)
- University of Houston
- University of Texas Health Science Center
- Department of Family and Protective Services

Higher Education

Community colleges in Harris County fall 2010 enrollment:

Tomball College, a Public Community College (part of Lone Star College System), had 10,791 students.

South Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 10,497 students.

North Harris College, a Public Community College (part of Lone Star College System), had 15,213 students.

North Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 6,573 students.

Lee College, a Public Community College, had 6,719 students.

Kingwood College, a Public Community College (part of Lone Star College System), had 9,807 students.

Houston Community College, a Public Community College, had 49,717 students.

Cy-Fair College, a Public Community College (part of Lone Star College System), had 16,861 students.

Central Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 15,035 students.

Harris County is in the service area of the following:

Houston Community College with a fall 2010 enrollment of 49,717. Counties in the service area include:
Fort Bend County
Harris County
Waller County

Lee College with a fall 2010 enrollment of 6,719. Counties in the service area include:
Chambers County
Hardin County
Harris County
Liberty County

Lone Star College System with a fall 2010 enrollment of 63,826. Counties in the service area include:
Harris County
Liberty County
Montgomery County
San Jacinto County
Walker County

San Jacinto Community College with a fall 2010 enrollment of 32,105. Counties in the service area include:
Chambers County
Harris County

Institutions of higher education in Harris County fall 2010 enrollment:

University of St. Thomas, an Independent University, had 3,437 students.
University of Houston-Downtown, a Public University (part of University of Houston System), had 12,900 students.
University of Houston-Clear Lake, a Public University (part of University of Houston System), had 8,099 students.
University of Houston, a Public University (part of University of Houston System), had 38,752 students.
The University of Texas M.D. Anderson Cancer Center, a Public Health-Related Institution (part of The University of Texas System), had 248 students.
The University of Texas Health Science Center at Houston, a Public Health-Related Institution (part of The University of Texas System), had 4,485 students.
Texas Southern University, a Public University, had 9,557 students.
Texas Chiropractic College, an Independent Senior College/University, had 292 students.
South Texas College of Law, an Independent Senior College/University, had 1,295 students.
Rice University, an Independent University, had 5,879 students.
Houston Baptist University, an Independent University, had 2,597 students.
Baylor College of Medicine, an Independent Health-Related Institution, had 1,485 students.

School Districts

Harris County had 20 school districts with 897 schools and 773,881 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

Aldine ISD had 62,532 students in the 2009-10 school year. The average teacher salary was \$51,698. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.

Alief ISD had 45,410 students in the 2009-10 school year. The average teacher salary was \$51,983. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.

Channelview ISD had 8,628 students in the 2009-10 school year. The average teacher salary was \$51,435. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.

Crosby ISD had 4,997 students in the 2009-10 school year. The average teacher salary was \$47,973. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.

Cypress-Fairbanks ISD had 103,897 students in the 2009-10 school year. The average teacher salary was \$48,160. The percentage of students meeting the 2010 TAKS passing standard for all tests was 83 percent.

Deer Park ISD had 12,436 students in the 2009-10 school year. The average teacher salary was \$54,620. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.

Galena Park ISD had 21,409 students in the 2009-10 school year. The average teacher salary was \$49,054. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.

Goose Creek ISD had 20,819 students in the 2009-10 school year. The average teacher salary was \$50,503. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.

Houston ISD had 200,944 students in the 2009-10 school year. The average teacher salary was \$52,535. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.

Huffman ISD had 3,150 students in the 2009-10 school year. The average teacher salary was \$46,579. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

Humble ISD had 34,689 students in the 2009-10 school year. The average teacher salary was \$46,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.

Katy ISD had 58,444 students in the 2009-10 school year. The average teacher salary was \$50,374. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.

Klein ISD had 44,695 students in the 2009-10 school year. The average teacher salary was \$51,719. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.

La Porte ISD had 7,818 students in the 2009-10 school year. The average teacher salary was \$50,976. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

North Forest ISD had 7,662 students in the 2009-10 school year. The average teacher salary was \$47,706. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.

Pasadena ISD had 51,923 students in the 2009-10 school year. The average teacher salary was \$48,436. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.

Sheldon ISD had 6,525 students in the 2009-10 school year. The average teacher salary was \$48,991. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.

Spring ISD had 35,276 students in the 2009-10 school year. The average teacher salary was \$48,690. The percentage of students meeting the 2010 TAKS passing standard for all tests was 69 percent.

Spring Branch ISD had 32,415 students in the 2009-10 school year. The average teacher salary was \$50,971. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.

Tomball ISD had 10,212 students in the 2009-10 school year. The average teacher salary was \$51,337. The percentage of students meeting the 2010 TAKS passing standard for all tests was 85 percent.