

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



August 22, 2012

Dr. Carrol Thomas
Superintendent
Beaumont Independent School District
3395 Harrison Ave.
Beaumont, Texas 77706-5009

Dear Superintendent Thomas:

On May 15, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in October, 2011 to the Beaumont Independent School District (Beaumont ISD) by Pandora Methanol LLC. (Pandora). This letter presents the results of the comptroller's review of the application:

- 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 C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

Beaumont ISD is currently classified as a rural school district in Category I according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$202,000,000) 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. Pandora is proposing the construction of a manufacturing facility in Jefferson County. Pandora is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by Pandora, the Comptroller's recommendation is that Pandora's application under Tax Code Chapter 313 be approved.

Our review of the application 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. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. The school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district

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

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. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of May 15, 2012, or any tangible personal property placed in service prior to that date may not be considered "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The limitation agreement must contain a provision that requires the applicant to provide sufficient information to the Central Appraisal District to distinguish between and separately appraise qualified property (as defined by 313.021(2)) from any property that is not qualified, the district to confirm with the CAD that the applicant has provided such information, and that this office is provided with the CAD approved information not later than the first annual reporting period following the execution of the agreement.
3. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
4. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
5. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, 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	Pandora Methanol LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Beaumont ISD
2010-11 Enrollment in School District	19,817
County	Jefferson
Total Investment in District	\$232,000,000
Qualified Investment	\$202,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	11
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,731
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,213
Minimum Annual Wage committed to by applicant for qualified jobs	\$90,000
Investment per Qualifying Job	\$29,000,000
Estimated 15 year M&O levy without any limit or credit:	\$10,846,069
Estimated gross 15 year M&O tax benefit	\$5,598,191
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):	\$5,365,482
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,081,577
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,480,586
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	49.5%
Percentage of tax benefit due to the limitation	80.7%
Percentage of tax benefit due to the credit	19.3%

This presents the Comptroller's economic impact evaluation of Pandora (the project) applying to Beaumont 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 11 new jobs when fully operational. 8 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 South East Texas State Planning Region, where Jefferson County is located was \$57,333 in 2010. The annual average manufacturing wage for 2011 for Jefferson County was \$86,073. That same year, the county annual average wage for all industries was \$48,321. In addition to a salary of \$90,000, each qualifying position will receive benefits such as at least 80% of its employees' health insurance premiums. Pandora also provides long-term and short-term disability insurance and vision and dental plans. The project's total investment is \$232 million, resulting in a relative level of investment per qualifying job of 29 million.

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

According to Pandora's application, "One factor in determining whether the project will proceed in the internal competition for capital among the various project opportunities for the Company's partners, both nationally and globally. Since this factor is financial in nature, Pandora is seeking assistance in the way of incentives to help ensure that the project advances. The Company allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However, the Company could redirect its expenditures."

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

During the past two years, two projects in the South East Texas State Planning 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 Pandora 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 Pandora'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 Pandora

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	661	647	1308	\$36,740,000	\$38,260,000	\$75,000,000
2013	661	665	1326	\$36,740,000	\$45,260,000	\$82,000,000
2014	11	77	88	\$990,000	\$15,010,000	\$16,000,000
2015	11	39	50	\$990,000	\$11,010,000	\$12,000,000
2016	11	23	34	\$990,000	\$9,010,000	\$10,000,000
2017	11	13	24	\$990,000	\$7,010,000	\$8,000,000
2018	11	21	32	\$990,000	\$6,010,000	\$7,000,000
2019	11	22	33	\$990,000	\$6,010,000	\$7,000,000
2020	11	31	42	\$990,000	\$6,010,000	\$7,000,000
2021	11	41	52	\$990,000	\$7,010,000	\$8,000,000
2022	11	50	61	\$990,000	\$8,010,000	\$9,000,000
2023	11	55	66	\$990,000	\$8,010,000	\$9,000,000
2024	11	63	74	\$990,000	\$9,010,000	\$10,000,000
2025	11	67	78	\$990,000	\$10,010,000	\$11,000,000
2026	11	71	82	\$990,000	\$11,010,000	\$12,000,000
2027	11	79	90	\$990,000	\$11,010,000	\$12,000,000

Source: CPA, REMI, Pandora

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Beaumont ISD's ad valorem tax base in 2010 was \$9.0 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Beaumont ISD's estimated wealth per WADA was \$374,968. 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, Jefferson County, City of Beaumont, Jefferson County Drainage District #7, Port of Beaumont, Sabine-Neches Navigation District, with all property tax incentives sought being granted using estimated market value from Pandora's application. Pandora has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and city. Table 3 illustrates the estimated tax impact of the Pandora 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	Beaumont ISD I&S Levy	Beaumont ISD M&O Levy	Beaumont ISD M&O and I&S Tax Levies (Before Credit Credited)	Beaumont ISD M&O and I&S Tax Levies (After Credit Credited)	Jefferson County Tax Levy	City of Beaumont Tax Levy	Jefferson County Drainage District #7 Tax Levy	Port of Beaumont Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes
2013	\$78,565,954	\$78,565,954		0.2850	1.0400	\$1,040,999	\$1,040,999	\$0	\$0	\$110,738	\$56,011	\$21,457	\$1,229,205
2014	\$85,431,860	\$85,431,860		\$243.481	\$888.491	\$1,131,972	\$1,131,972	\$31,183	\$0	\$120,415	\$60,906	\$23,332	\$1,367,809
2015	\$95,856,916	\$30,000,000		\$273.192	\$312,000	\$585,192	\$585,192	\$34,988	\$0	\$135,109	\$68,338	\$26,179	\$849,807
2016	\$96,998,183	\$30,000,000		\$276.445	\$312,000	\$588,445	\$433,934	\$35,404	\$620,788	\$136,718	\$69,152	\$26,491	\$1,322,488
2017	\$91,412,061	\$30,000,000		\$260.524	\$312,000	\$572,524	\$418,013	\$103,433	\$585,037	\$128,444	\$65,169	\$24,966	\$1,325,463
2018	\$109,622,513	\$30,000,000		\$312.424	\$312,000	\$624,424	\$469,913	\$400,122	\$701,584	\$154,512	\$78,152	\$29,939	\$1,834,222
2019	\$79,547,270	\$30,000,000		\$226.710	\$312,000	\$538,710	\$384,199	\$290,348	\$509,103	\$112,121	\$56,711	\$21,725	\$1,374,206
2020	\$73,342,455	\$30,000,000		\$209.026	\$312,000	\$521,026	\$366,515	\$267,700	\$469,392	\$103,375	\$52,287	\$20,031	\$1,279,300
2021	\$66,993,144	\$30,000,000		\$190.930	\$312,000	\$502,930	\$348,419	\$244,525	\$428,756	\$94,426	\$47,761	\$18,296	\$1,182,184
2022	\$60,517,280	\$30,000,000		\$172.474	\$312,000	\$484,474	\$329,963	\$220,888	\$387,311	\$85,299	\$43,144	\$16,528	\$1,083,132
2023	\$53,985,940	\$53,985,940		\$153.860	\$561,454	\$715,314	\$715,314	\$197,049	\$345,510	\$76,093	\$38,488	\$14,744	\$1,387,197
2024	\$47,411,623	\$47,411,623		\$135.123	\$493,081	\$628,204	\$628,204	\$173,052	\$303,434	\$66,826	\$33,801	\$12,949	\$1,218,266
2025	\$40,848,961	\$40,848,961		\$116.420	\$424,829	\$541,249	\$541,249	\$149,099	\$261,433	\$57,576	\$29,122	\$11,156	\$1,049,635
2026	\$34,348,641	\$34,348,641		\$97.894	\$357,226	\$455,119	\$455,119	\$125,373	\$219,831	\$48,414	\$24,488	\$9,381	\$882,606
2027	\$28,008,412	\$28,008,412		\$79.824	\$291,287	\$371,111	\$371,111	\$102,231	\$179,254	\$39,478	\$19,968	\$7,649	\$719,691
						Total	\$8,220,117	\$2,375,393	\$5,011,433	\$1,469,945	\$743,498	\$284,824	\$18,105,211

Assumes School Value Limitation and Tax Abatements with the County and City.

Source: CPA, Pandora

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Beaumont ISD I&S Levy	Beaumont ISD M&O Levy	Beaumont ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	City of Beaumont Tax Levy	Jefferson County Drainage District #7 Tax Levy	Port of Beaumont Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes	
2013	\$78,565,954	\$78,565,954		0.2850	1.0400	\$1,040,999	\$286,766	\$502,822	\$110,738	\$56,011	\$21,457	\$2,018,793	
2014	\$85,431,860	\$85,431,860		\$243.481	\$888.491	\$1,131,972	\$311,826	\$546,764	\$120,415	\$60,906	\$23,332	\$2,195,216	
2015	\$95,856,916	\$95,856,916		\$273.192	\$996,912	\$1,270,104	\$349,878	\$613,484	\$135,109	\$68,338	\$26,179	\$2,463,093	
2016	\$96,998,183	\$96,998,183		\$276.445	\$1,008,781	\$1,285,226	\$354,043	\$620,788	\$136,718	\$69,152	\$26,491	\$2,492,419	
2017	\$91,412,061	\$91,412,061		\$260.524	\$950,685	\$1,211,210	\$333,654	\$585,037	\$128,444	\$65,169	\$24,966	\$2,348,880	
2018	\$109,622,513	\$109,622,513		\$312.424	\$1,140,074	\$1,452,498	\$400,122	\$701,584	\$154,512	\$78,152	\$29,939	\$2,816,807	
2019	\$79,547,270	\$79,547,270		\$226.710	\$827,292	\$1,054,001	\$290,348	\$509,103	\$112,121	\$56,711	\$21,725	\$2,044,008	
2020	\$73,342,455	\$73,342,455		\$209.026	\$762,762	\$971,788	\$267,700	\$469,392	\$103,375	\$52,287	\$20,031	\$1,884,573	
2021	\$66,993,144	\$66,993,144		\$190.930	\$696,729	\$887,659	\$244,525	\$428,756	\$94,426	\$47,761	\$18,296	\$1,721,424	
2022	\$60,517,280	\$60,517,280		\$172.474	\$629,380	\$801,854	\$220,888	\$387,311	\$85,299	\$43,144	\$16,528	\$1,555,023	
2023	\$53,985,940	\$53,985,940		\$153.860	\$561,454	\$715,314	\$197,049	\$345,510	\$76,093	\$38,488	\$14,744	\$1,387,197	
2024	\$47,411,623	\$47,411,623		\$135.123	\$493,081	\$628,204	\$173,052	\$303,434	\$66,826	\$33,801	\$12,949	\$1,218,266	
2025	\$40,848,961	\$40,848,961		\$116.420	\$424,829	\$541,249	\$149,099	\$261,433	\$57,576	\$29,122	\$11,156	\$1,049,635	
2026	\$34,348,641	\$34,348,641		\$97.894	\$357,226	\$455,119	\$125,373	\$219,831	\$48,414	\$24,488	\$9,381	\$882,606	
2027	\$28,008,412	\$28,008,412		\$79.824	\$291,287	\$371,111	\$102,231	\$179,254	\$39,478	\$19,968	\$7,649	\$719,691	
						Total	\$13,818,309	\$3,806,553	\$6,674,504	\$1,469,945	\$743,498	\$284,824	\$26,797,632

Source: CPA, Pandora

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 \$10,846,069. The estimated gross 15 year M&O tax benefit, or levy loss, is \$5,598,191.

Attachment 3 is an economic overview of Jefferson 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 2010): Investment

Form 50-296

Applicant Name: Pandora Methanol LLC
 ISD Name: Besantwood Ltd

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year (YYYY-YYYY)	Tax Year (File in actual tax year below) YYYY	Column A: Tangible Personal Property (This amount of new investment (original cost) placed in service of building during this year)	Column B: Building or permanent nonremovable component of building (annual amount)	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)	2011-12	2011				28,000,000	25,000,000
	2012-13	2012		148,000,000			148,000,000
	2012-13	2012					
Complete tax years of qualifying time period	1	2013-14		9,000,000	9,000,000		9,000,000
	2	2014-15		9,000,000	9,000,000		9,000,000
	3	2015-16		40,000,000	40,000,000		40,000,000
	4	2016-17					
	5	2017-18					
	6	2018-19					
	7	2019-20					
	8	2020-21					
	9	2021-22					
	10	2022-23					
Value Limitation Period	11	2023-24					
	12	2024-25					
	13	2025-26					
Continue to Maintain Viable Presence	14	2026-27					
	15	2027-28					
Credit Settle-Up Period	Post-Settle-Up Period						
	Post-Settle-Up Period						

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 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 §313.02(1)(A)-(D).
 For the purposes of investment, please list amount invested each year, not cumulative totals.
 (For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property.)
 Column B: Include 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 §313.02(1)(E).
 Column D: 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.
 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.

8/9/2012

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Pandora Methanol LLC

Form 50-296

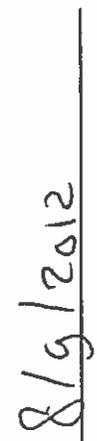
Applicant Name
 ISD Name

Beaumont ISD

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	Total Market Value of tangible personal property in the new building or new "in or on the new improvement"		Final taxable value for ISD - after all reductions	Final taxable value for M&D--after all reductions
pre-year 1	2012-13	2012	\$ 197,560				\$ 197,560	\$ 197,560
Complete tax years of qualifying time period	1	2013-14	\$ 197,560	\$ 78,368,394			\$ 78,565,954	\$ 78,565,954
	2	2014-15	\$ 197,560	\$ 85,234,300			\$ 85,431,860	\$ 85,431,860
	3	2015-16	\$ 197,560	\$ 95,659,356			\$ 95,856,916	\$ 30,000,000
	4	2016-17	\$ 197,560	\$ 96,800,623			\$ 96,998,183	\$ 30,000,000
	5	2017-18	\$ 197,560	\$ 91,214,501			\$ 91,412,061	\$ 30,000,000
Tax Credit Period (with 50% cap on credit)	6	2018-19	\$ 197,560	\$ 109,424,953			\$ 109,622,513	\$ 30,000,000
	7	2019-20	\$ 197,560	\$ 79,349,710			\$ 79,547,270	\$ 30,000,000
	8	2020-21	\$ 197,560	\$ 73,144,895			\$ 73,342,455	\$ 30,000,000
	9	2021-22	\$ 197,560	\$ 66,795,584			\$ 66,993,144	\$ 30,000,000
	10	2022-23	\$ 197,560	\$ 60,319,720			\$ 60,517,280	\$ 30,000,000
Credit Settle- Up Period	11	2023-24	\$ 197,560	\$ 53,788,380			\$ 53,985,940	\$ 53,985,940
	12	2024-25	\$ 197,560	\$ 47,214,063			\$ 47,411,623	\$ 47,411,623
	13	2025-26	\$ 197,560	\$ 40,651,401			\$ 40,848,961	\$ 40,848,961
Post-Settle-Up Period	14	2026-27	\$ 197,560	\$ 34,151,081			\$ 34,348,641	\$ 34,348,641
	15	2027-28	\$ 197,560	\$ 27,810,852			\$ 28,008,412	\$ 28,008,412

* Market value excludes S32M of ammonia and existing property

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.


 8/9/2012

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule C- Application: Employment Information

Applicant Name: Pandora Methanol LLC
 ISD Name: Beaumont ISD

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 FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits 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	2012-13	2012	650 FTE	55,000	11	90,000	8	90,000
Complete tax years of qualifying time period	1	2013-14	2013	650 FTE	55,000	11	90,000	8	90,000
	2	2014-15	2014			11	90,000	8	90,000
	3	2015-16	2015			11	90,000	8	90,000
	4	2016-17	2016			11	90,000	8	90,000
	5	2017-18	2017			11	90,000	8	90,000
Tax Credit Period (with 50% cap on credit)	6	2018-19	2018			11	90,000	8	90,000
	7	2019-20	2019			11	90,000	8	90,000
	8	2020-21	2020			11	90,000	8	90,000
	9	2021-22	2021			11	90,000	8	90,000
	10	2022-23	2022			11	90,000	8	90,000
Credit Settle-Up Period	11	2023-24	2023			11	90,000	8	90,000
	12	2024-25	2024			11	90,000	8	90,000
	13	2025-26	2025			11	90,000	8	90,000
Post-Settle-Up Period	14	2026-27	2026			11	90,000	8	90,000
	15	2027-28	2027			11	90,000	8	90,000

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, 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

8/9/2012

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

Applicant Name: Pandora Methanol LLC

ISD Name: Beaumont ISD

Form 50-296
Other Property Tax Abatements Sought

	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought						
				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	County	City	Hospital	Other		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2012-13	2012		36,600,000	148,400,000	161,000	100%	100%				
Complete tax years of qualifying time period	1	2013-14	2013		1,600,000	7,200,000	\$1,610,000	100%	100%				
	2	2014-15	2014		8,000,000	32,000,000	\$1,610,000	90%	100%				
	3	2015-16	2015				\$1,610,000	90%	100%				
	4	2016-17	2016				\$1,610,000	90%					
	5	2017-18	2017				\$1,610,000	69%					
Value Limitation Period	6	2018-19	2018				\$1,610,000						
	7	2019-20	2019				\$1,610,000						
	8	2020-21	2020				\$1,610,000						
	9	2021-22	2021				\$1,610,000						
	10	2022-23	2022				\$1,610,000						
Credit Settle-Up Period	11	2023-24	2023				\$1,610,000						
	12	2024-25	2024				\$1,610,000						
	13	2025-26	2025				\$1,610,000						
Post-Settle-Up Period	14	2026-27	2026										
	15	2027-28	2027										

8/9/2012

For planning, construction and operation of the facility.

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 2



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

August 20, 2012

Mr. Robert Wood
Director, Economic Development and Analysis
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 Pandora Methanol project for the Beaumont Independent School District (BISD). Projections prepared by our Office of School Finance 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 Pandora Methanol project on BISD are correct.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads "Belinda Dyer". The signature is written in a cursive, flowing style.

Belinda Dyer
Division Manager
Office of School Finance

BD/bd



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

August 20, 2012

Mr. Robert Wood
Director, Economic Development and Analysis
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 Pandora Methanol project on the number and size of school facilities in Beaumont Independent School District (BISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a communication with the BISD superintendent, Dr. Carrol Thomas, the TEA has found that the Pandora Methanol project would not have a significant impact on the number or size of school facilities in BISD.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads "Belinda Dyer". The signature is written in a cursive, flowing style.

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED PANDORA
METHANOL PROJECT ON THE FINANCES OF THE BEAUMONT
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

August 8, 2012

Final Report-REVISED

PREPARED BY



Estimated Impact of the Proposed Pandora Methanol Project on the Finances of the Beaumont Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Pandora Methanol (Pandora) has requested that the Beaumont Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on October 21, 2011, Pandora proposes to invest \$232 million to construct two new methanol plants in BISD. This report reflects the adjusted values related to the construction period.

The Pandora 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, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production 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.

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2013-14 and 2014-15 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2013-14 and 2014-15 school years. Beginning in 2015-16, 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 BISD currently levying a \$0.285 I&S tax rate. The full value of the investment is expected to reach \$109 million in 2018-19, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Pandora 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. BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$55,528).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$5.4 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

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 its 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.

The third year is often problematical for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, assuming a similar deduction is made in the state property values.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 797 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 227 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the appropriations bill. The recent legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

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 Pandora 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 general 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. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding the 92.35 percent reduction enacted for the 2012-13 school year and thereafter, until the 2017-18 school year. There is a statement of legislative intent adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Pandora Methanol project are factored into the base model used here. The impact of the limitation value for the proposed Pandora project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 17,779 students in average daily attendance (ADA) in analyzing the effects of the Pandora project on the finances of BISD. The District's local tax base reached \$9,487.4 million for the 2011 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 is used throughout this analysis. BISD has estimated state property wealth per weighted ADA or WADA of approximately \$393,422 for the 2011-12 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BISD under the assumptions outlined above through the 2027-28 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. 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 model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Pandora facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Pandora value but imposes the proposed property value limitation effective in the third year, which in this case is the 2015-16 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).

A summary of the differences between these models is shown in Table 4. The model results show approximately \$130.9 million a year in annual net General Fund revenue, after recapture (if appropriate) and other adjustments have been made, as needed.

Under these assumptions, BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$55,528). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year, although it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2015-16 school year. The formula loss of \$55,528 cited above between the base and the limitation models is based on an assumption of Beaumont ISD in M&O tax savings for Pandora when the \$30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding or a reduction in recapture costs may offset some or all of the reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses little if any financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$30 million value limitation takes effect.

The Comptroller's state property value study influences these calculations, as noted previously. 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. The Comptroller's Property Tax Assistance Division recently announced that beginning with the 2011 state property value study, two value determinations will be made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

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 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$5.6 million over the life of the agreement. In addition, Pandora would be eligible for a tax credit for M&O and I&S taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$1.1 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BISD revenue losses are expected to total approximately -\$232,709 over the course of the agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-

harmless payments are made) are estimated to total \$5.4 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Pandora under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Pandora project remains fully taxable for debt services taxes, with BISD currently levying a \$0.285 I&S rate. The value of the Pandora project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$526,928 in the peak year of I&S taxable project value. At its peak taxable value, there will be minimal impact on the district's current I&S tax rate.

The Pandora project is not expected to affect BISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Pandora two methanol plants project enhances the tax base of BISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$5.4 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BISD in meeting its future debt service obligations.

Table 1 – Base District Information with Pandora Methanol 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
Pra-Year 1	2012-13	17,719.93	23,537.88	\$1.0400	\$0.2850	\$9,547,356,995	\$9,547,356,995	\$9,012,710,732	\$9,012,710,732	\$382,902	\$382,902
1	2013-14	17,719.93	23,537.88	\$1.0400	\$0.2850	\$9,657,922,949	\$9,657,922,949	\$9,012,710,732	\$9,012,710,732	\$382,902	\$382,902
2	2014-15	17,719.93	23,537.88	\$1.0400	\$0.2850	\$9,823,614,727	\$9,823,614,727	\$9,123,276,686	\$9,123,276,686	\$387,600	\$387,600
3	2015-16	17,719.93	23,537.88	\$1.0400	\$0.2850	\$9,831,924,727	\$9,766,067,811	\$9,288,968,464	\$9,288,968,464	\$394,639	\$394,639
4	2016-17	17,719.93	23,537.88	\$1.0400	\$0.2850	\$9,831,024,484	\$9,764,026,301	\$9,297,278,464	\$9,231,421,548	\$394,992	\$392,194
5	2017-18	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,823,467,840	\$9,762,055,779	\$9,296,378,221	\$9,229,380,038	\$389,127	\$386,323
6	2018-19	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,839,776,290	\$9,760,153,777	\$9,288,821,577	\$9,227,409,516	\$388,811	\$386,240
7	2019-20	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,807,865,181	\$9,758,317,911	\$9,305,130,027	\$9,225,507,514	\$389,494	\$386,161
8	2020-21	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,789,888,338	\$9,756,545,883	\$9,273,218,918	\$9,223,671,648	\$388,158	\$386,064
9	2021-22	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,791,828,616	\$9,754,835,472	\$9,265,242,075	\$9,221,899,620	\$387,824	\$386,010
10	2022-23	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,783,701,816	\$9,753,184,538	\$9,257,182,353	\$9,220,189,209	\$387,467	\$385,938
11	2023-24	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,775,576,947	\$9,775,576,947	\$9,249,055,553	\$9,218,538,273	\$387,146	\$385,869
12	2024-25	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,767,464,512	\$9,767,464,512	\$9,240,930,684	\$9,240,930,684	\$386,806	\$386,806
13	2025-26	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,759,417,215	\$9,759,417,215	\$9,232,818,249	\$9,232,818,249	\$386,467	\$386,467
14	2026-27	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,751,483,885	\$9,751,483,885	\$9,224,770,952	\$9,224,770,952	\$386,130	\$386,130
15	2027-28	17,719.93	23,890.33	\$1.0400	\$0.2850	\$9,743,760,475	\$9,775,760,475	\$9,216,837,622	\$9,216,837,622	\$385,798	\$385,798

*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
Pra-Year 1	2012-13	\$89,957,496	\$29,943,158	\$2,840,060	\$0	\$0	\$5,179,234	\$2,932,459	\$0	\$130,852,408
1	2013-14	\$91,023,036	\$29,943,158	\$1,774,520	\$0	\$0	\$5,240,582	\$2,967,194	\$0	\$130,948,490
2	2014-15	\$92,619,832	\$28,855,872	\$1,265,009	\$0	\$0	\$5,332,516	\$2,918,031	\$0	\$130,991,261
3	2015-16	\$92,699,917	\$27,226,488	\$2,814,309	\$0	\$0	\$5,337,127	\$2,773,258	\$0	\$130,851,099
4	2016-17	\$92,691,241	\$27,144,769	\$2,904,703	\$0	\$0	\$5,336,628	\$2,765,750	\$0	\$130,843,092
5	2017-18	\$92,618,417	\$28,883,211	\$0	\$0	\$0	\$5,332,435	\$2,885,601	\$0	\$129,719,665
6	2018-19	\$92,775,584	\$28,957,522	\$0	\$0	\$0	\$5,341,464	\$2,897,195	\$0	\$129,971,785
7	2019-20	\$92,468,052	\$28,797,148	\$0	\$0	\$0	\$5,323,778	\$2,873,200	\$0	\$129,462,178
8	2020-21	\$92,391,178	\$29,110,956	\$0	\$0	\$0	\$5,319,352	\$2,898,995	\$0	\$129,720,481
9	2021-22	\$92,313,505	\$29,189,399	\$0	\$0	\$0	\$5,314,880	\$2,903,628	\$0	\$129,721,412
10	2022-23	\$92,235,186	\$29,268,657	\$0	\$0	\$0	\$5,310,371	\$2,908,314	\$0	\$129,722,528
11	2023-24	\$92,156,885	\$29,348,574	\$0	\$0	\$0	\$5,305,863	\$2,913,060	\$0	\$129,724,382
12	2024-25	\$92,078,704	\$29,428,473	\$0	\$0	\$0	\$5,301,361	\$2,917,809	\$0	\$129,726,348
13	2025-26	\$92,001,151	\$29,508,249	\$0	\$0	\$0	\$5,296,896	\$2,922,567	\$0	\$129,728,864
14	2026-27	\$91,924,697	\$29,587,385	\$0	\$0	\$0	\$5,292,495	\$2,927,303	\$0	\$129,731,879
15	2027-28	\$91,850,265	\$29,665,400	\$0	\$0	\$0	\$5,288,209	\$2,932,002	\$0	\$129,735,877

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
Pre-Year 1	2012-13	\$89,957,496	\$29,943,158	\$2,840,060	\$0	\$0	\$5,179,234	\$2,932,459	\$0	\$130,852,408
1	2013-14	\$91,023,036	\$29,943,158	\$1,774,520	\$0	\$0	\$5,240,582	\$2,967,194	\$0	\$130,948,490
2	2014-15	\$92,619,832	\$28,855,872	\$1,265,009	\$0	\$0	\$5,332,518	\$2,918,031	\$0	\$130,991,261
3	2015-16	\$92,065,244	\$27,226,488	\$3,448,981	\$0	\$0	\$5,300,586	\$2,754,271	\$0	\$130,795,571
4	2016-17	\$92,045,570	\$27,792,394	\$2,902,750	\$0	\$0	\$5,299,454	\$2,803,884	\$0	\$130,844,051
5	2017-18	\$92,026,580	\$29,542,060	\$0	\$0	\$0	\$5,298,360	\$2,926,438	\$0	\$129,793,438
6	2018-19	\$92,008,250	\$29,581,438	\$0	\$0	\$0	\$5,297,305	\$2,927,611	\$0	\$129,794,604
7	2019-20	\$91,990,557	\$29,580,142	\$0	\$0	\$0	\$5,296,286	\$2,928,743	\$0	\$129,795,729
8	2020-21	\$91,973,480	\$29,598,195	\$0	\$0	\$0	\$5,295,303	\$2,929,836	\$0	\$129,796,815
9	2021-22	\$91,956,997	\$29,615,621	\$0	\$0	\$0	\$5,294,354	\$2,930,891	\$0	\$129,797,864
10	2022-23	\$91,941,086	\$29,632,441	\$0	\$0	\$0	\$5,293,438	\$2,931,910	\$0	\$129,798,876
11	2023-24	\$92,156,885	\$29,648,676	\$0	\$0	\$0	\$5,305,863	\$2,940,268	\$0	\$130,051,692
12	2024-25	\$92,078,704	\$29,428,473	\$0	\$0	\$0	\$5,301,361	\$2,917,809	\$0	\$129,726,348
13	2025-26	\$92,001,151	\$29,508,249	\$0	\$0	\$0	\$5,296,896	\$2,922,567	\$0	\$129,728,864
14	2026-27	\$91,924,697	\$29,587,385	\$0	\$0	\$0	\$5,292,495	\$2,927,303	\$0	\$129,731,879
15	2027-28	\$92,158,654	\$29,665,400	\$0	\$0	\$0	\$5,305,964	\$2,941,846	\$0	\$130,071,865

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
Pre-Year 1	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2015-16	-\$634,673	\$0	\$634,673	\$0	\$0	-\$36,541	-\$18,987	\$0	-\$55,528
4	2016-17	-\$645,671	\$647,825	-\$1,954	\$0	\$0	-\$37,174	\$38,134	\$0	\$960
5	2017-18	-\$591,837	\$658,849	\$0	\$0	\$0	-\$34,075	\$40,836	\$0	\$73,774
6	2018-19	-\$767,334	\$803,916	\$0	\$0	\$0	-\$44,179	\$30,416	\$0	-\$177,181
7	2019-20	-\$477,494	\$782,994	\$0	\$0	\$0	-\$27,491	\$55,543	\$0	\$333,552
8	2020-21	-\$417,698	\$487,239	\$0	\$0	\$0	-\$24,049	\$30,841	\$0	\$76,334
9	2021-22	-\$356,508	\$426,222	\$0	\$0	\$0	-\$20,526	\$27,264	\$0	\$76,452
10	2022-23	-\$294,100	\$363,784	\$0	\$0	\$0	-\$16,933	\$23,596	\$0	\$78,348
11	2023-24	\$0	\$300,102	\$0	\$0	\$0	\$0	\$27,208	\$0	\$327,310
12	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2027-28	\$308,389	\$0	\$0	\$0	\$0	\$17,755	\$9,844	\$0	\$335,988

Table 5 - Estimated Financial impact of the Pandora Methanol Project Property Value Limitation Request Submitted to BISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	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
Pre-Year 1	2012-13	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2013-14	\$78,565,954	\$78,565,954	\$0	\$1.040	\$817,086	\$817,086	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$85,431,860	\$85,431,860	\$0	\$1.040	\$888,491	\$888,491	\$0	\$0	\$0	\$0	\$0
3	2015-16	\$95,856,916	\$30,000,000	\$65,856,916	\$1.040	\$996,912	\$312,000	\$684,912	\$0	\$684,912	-\$55,528	\$629,384
4	2016-17	\$96,998,183	\$30,000,000	\$66,998,183	\$1.040	\$1,008,781	\$312,000	\$696,781	\$154,511	\$851,292	\$0	\$851,292
5	2017-18	\$91,412,061	\$30,000,000	\$61,412,061	\$1.040	\$950,685	\$312,000	\$638,685	\$154,511	\$793,196	\$0	\$793,196
6	2018-19	\$109,622,513	\$30,000,000	\$79,622,513	\$1.040	\$1,140,074	\$312,000	\$828,074	\$154,511	\$982,585	-\$177,181	\$805,404
7	2019-20	\$79,547,270	\$30,000,000	\$49,547,270	\$1.040	\$827,292	\$312,000	\$515,292	\$154,511	\$669,803	\$0	\$669,803
8	2020-21	\$73,342,455	\$30,000,000	\$43,342,455	\$1.040	\$762,762	\$312,000	\$450,762	\$154,511	\$605,273	\$0	\$605,273
9	2021-22	\$66,993,144	\$30,000,000	\$36,993,144	\$1.040	\$696,729	\$312,000	\$384,729	\$154,511	\$539,240	\$0	\$539,240
10	2022-23	\$60,517,280	\$30,000,000	\$30,517,280	\$1.040	\$629,380	\$312,000	\$317,380	\$154,511	\$471,891	\$0	\$471,891
11	2023-24	\$53,985,940	\$53,985,940	\$0	\$1.040	\$561,454	\$561,454	\$0	\$0	\$0	\$0	\$0
12	2024-25	\$47,411,623	\$47,411,623	\$0	\$1.040	\$493,081	\$493,081	\$0	\$0	\$0	\$0	\$0
13	2025-26	\$40,848,961	\$40,848,961	\$0	\$1.040	\$424,829	\$424,829	\$0	\$0	\$0	\$0	\$0
14	2026-27	\$34,348,641	\$34,348,641	\$0	\$1.040	\$357,226	\$357,226	\$0	\$0	\$0	\$0	\$0
15	2027-28	\$28,008,412	\$28,008,412	\$0	\$1.040	\$291,287	\$291,287	\$0	\$0	\$0	\$0	\$0
Totals						\$10,846,069	\$6,329,454	\$4,516,614	\$1,081,577	\$5,598,191	-\$232,709	\$5,365,483

Tax Credit for Value Over Limit in First 2 Years

	Year 1	Year 2	Max Credits
	\$505,086	\$576,491	\$1,081,577
Credits Earned			\$1,081,577
Credits Paid			<u>\$1,081,577</u>
Excess Credits Unpaid			\$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment 3

Jefferson County

Population

- Total county population in 2010 for Jefferson County: 243,933 , up 0.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Jefferson County was the state's 20st largest county in population in 2010 and the 181st fastest growing county from 2009 to 2010.
- Jefferson County's population in 2009 was 46.6 percent Anglo (below the state average of 46.7 percent), 34.1 percent African-American (above the state average of 11.3 percent) and 15.2 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Jefferson County:

Beaumont:	110,110	Port Arthur:	56,694
Nederland:	16,053	Groves:	14,299
Port Neches:	12,525	Bevil Oaks:	1,204
China:	1,023	Nome:	477
Taylor Landing:	211		

Economy and Income

Employment

- September 2011 total employment in Jefferson County: 105,661 , up 0.6 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Jefferson County unemployment rate: 11.9 percent, up from 10.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

Beaumont:	11.1 percent, up from 9.6 percent in September 2010.
Port Arthur:	14.9 percent, up from 14.4 percent in September 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

- Jefferson County's ranking in per capita personal income in 2009: 59th with an average per capita income of \$37,139, up 0.1 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Jefferson County averaged \$44.36 million annually from 2007 to 2010. County total agricultural values in 2010 were up 16.0 percent from 2009. Major agriculture related commodities in Jefferson County during 2010 included:
 - Aquaculture - Nursery - Hay - Rice - Other Beef
- 2011 oil and gas production in Jefferson County: 568,759.0 barrels of oil and 38.6 million Mcf of gas. In September 2011, there were 175 producing oil wells and 145 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Jefferson County during the fourth quarter 2010: \$840.90 million, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Beaumont:	\$561.42 million, up 6.5 percent from the same quarter in 2009.
Port Arthur:	\$161.68 million, up 6.1 percent from the same quarter in 2009.
Nederland:	\$36.71 million, down 9.8 percent from the same quarter in 2009.
Groves:	\$18.33 million, up 3.2 percent from the same quarter in 2009.
Port Neches:	\$10.90 million, up 7.2 percent from the same quarter in 2009.
Bevil Oaks:	\$328,690.00, up 28.6 percent from the same quarter in 2009.
China:	\$476,378.00, up 11.0 percent from the same quarter in 2009.
Nome:	\$589,066.00, down 41.1 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Jefferson County through the fourth quarter of 2010: \$3.07 billion, down 3.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Beaumont:	\$2.05 billion, down 3.0 percent from the same period in 2009.
Port Arthur:	\$576.60 million, down 4.2 percent from the same period in 2009.

Nederland:	\$151.56 million, down 8.1 percent from the same period in 2009.
Groves:	\$73.47 million, down 2.4 percent from the same period in 2009.
Port Neches:	\$42.85 million, down 2.4 percent from the same period in 2009.
Bevil Oaks:	\$982,394.00, up 10.1 percent from the same period in 2009.
China:	\$1.63 million, up 0.1 percent from the same period in 2009.
Nome:	\$2.40 million, down 31.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Jefferson County during 2010: \$3.07 billion, down 3.6 percent from 2009.
- Jefferson County sent an estimated \$191.61 million (or 1.12 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Beaumont:	\$2.05 billion, down 3.0 percent from 2009.
Port Arthur:	\$576.60 million, down 4.2 percent from 2009.
Nederland:	\$151.56 million, down 8.1 percent from 2009.
Groves:	\$73.47 million, down 2.4 percent from 2009.
Port Neches:	\$42.85 million, down 2.4 percent from 2009.
Bevil Oaks:	\$982,394.00, up 10.1 percent from 2009.
China:	\$1.63 million, up 0.1 percent from 2009.
Nome:	\$2.40 million, down 31.3 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Jefferson County based on the sales activity month of August 2011: \$4.92 million, up 28.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Beaumont:	\$2.86 million, up 14.7 percent from August 2010.
Port Arthur:	\$1.52 million, up 75.1 percent from August 2010.
Nederland:	\$328,832.49, up 25.1 percent from August 2010.
Groves:	\$120,684.08, up 6.6 percent from August 2010.
Port Neches:	\$85,567.84, up 3.5 percent from August 2010.
Bevil Oaks:	\$1,447.39, down 20.4 percent from August 2010.
China:	\$3,609.75, down 4.3 percent from August 2010.
Nome:	\$4,512.68, down 4.5 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Jefferson County based on sales activity months from September 2010 through August 2011: \$53.88 million, up 4.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Beaumont:	\$34.13 million, up 3.7 percent from fiscal 2010.
Port Arthur:	\$13.08 million, up 8.4 percent from fiscal 2010.
Nederland:	\$3.62 million, up 3.9 percent from fiscal 2010.
Groves:	\$1.66 million, up 1.3 percent from fiscal 2010.
Port Neches:	\$1.25 million, up 6.6 percent from fiscal 2010.
Bevil Oaks:	\$21,324.67, up 29.3 percent from fiscal 2010.
China:	\$59,742.82, down 12.9 percent from fiscal 2010.
Nome:	\$53,336.94, down 3.9 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Jefferson County based on sales activity months through August 2011: \$34.25 million, up 3.4 percent from the same period in 2010.

- Payments based on sales activity months through August 2011 to the city of:

Beaumont:	\$21.39 million, down 0.5 percent from the same period in 2010.
Port Arthur:	\$8.55 million, up 13.4 percent from the same period in 2010.
Nederland:	\$2.40 million, up 7.2 percent from the same period in 2010.
Groves:	\$1.05 million, unchanged 0.0 percent from the same period in 2010.
Port Neches:	\$777,953.02, up 6.8 percent from the same period in 2010.
Bevil Oaks:	\$13,829.51, up 28.9 percent from the same period in 2010.
China:	\$36,072.52, down 15.9 percent from the same period in 2010.
Nome:	\$34,192.72, down 5.8 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Jefferson County based on sales activity in the 12 months ending in August 2011: \$53.88 million, up 4.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Beaumont:	\$34.13 million, up 3.7 percent from the previous 12-month period.
Port Arthur:	\$13.08 million, up 8.4 percent from the previous 12-month period.
Nederland:	\$3.62 million, up 3.9 percent from the previous 12-month period.
Groves:	\$1.66 million, up 1.3 percent from the previous 12-month period.
Port Neches:	\$1.25 million, up 6.6 percent from the previous 12-month period.
Bevil Oaks:	\$21,324.67, up 29.3 percent from the previous 12-month period.
China:	\$59,742.82, down 12.9 percent from the previous 12-month period.
Nome:	\$53,336.94, down 3.9 percent from the previous 12-month period.

- *City Calendar Year-To-Date (RJ 2011)*

- Payment to the cities from January 2011 through October 2011:

Beaumont:	\$28.00 million, up 2.7 percent from the same period in 2010.
Port Arthur:	\$10.95 million, up 11.8 percent from the same period in 2010.
Nederland:	\$3.01 million, up 5.2 percent from the same period in 2010.
Groves:	\$1.35 million, down 0.4 percent from the same period in 2010.
Port Neches:	\$1.00 million, up 4.9 percent from the same period in 2010.
Bevil Oaks:	\$17,539.35, up 24.4 percent from the same period in 2010.
China:	\$49,163.51, down 12.1 percent from the same period in 2010.
Nome:	\$43,857.48, down 8.6 percent from the same period in 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 Jefferson County based on sales activity months in 2010: \$52.76 million, down 5.8 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Beaumont:	\$34.24 million, down 4.0 percent from 2009.
Port Arthur:	\$12.06 million, down 11.1 percent from 2009.
Nederland:	\$3.46 million, down 5.1 percent from 2009.
Groves:	\$1.66 million, down 5.1 percent from 2009.
Port Neches:	\$1.20 million, down 3.8 percent from 2009.
Bevil Oaks:	\$18,225.09, up 24.3 percent from 2009.
China:	\$66,583.42, down 18.2 percent from 2009.
Nome:	\$55,457.98, up 10.2 percent from 2009.

Property Tax

- As of January 2009, property values in Jefferson County: \$25.13 billion, down 3.8 percent from January 2008 values. The property tax base per person in Jefferson County is \$103,315, above the statewide average of \$85,809. About 2.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Jefferson County's ranking in state expenditures by county in fiscal year 2010: 17th. State expenditures in the county for FY2010: \$1.14 billion, up 0.3 percent from FY2009.

- In Jefferson County, 31 state agencies provide a total of 4,852 jobs and \$52.56 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Lamar University
 - Lamar Institute of Technology
 - Lamar University
 - Department of Criminal Justice
 - Texas Youth Commission

Higher Education

- Community colleges in Jefferson County fall 2010 enrollment:
 - None.
- Jefferson County is in the service area of the following:
 - Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
Chambers County
Galveston County
Jefferson County
- Institutions of higher education in Jefferson County fall 2010 enrollment:
 - Lamar University, a Public University (part of Texas State University System), had 13,969 students.
 - Lamar State College-Port Arthur, a Public State College (part of Texas State University System), had 2,374 students.
 - Lamar Institute of Technology, a Public State College (part of Texas State University System), had 3,243 students.

School Districts

- Jefferson County had 6 school districts with 69 schools and 40,215 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.)
 - Beaumont ISD had 19,505 students in the 2009-10 school year. The average teacher salary was \$47,118. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.
 - Hamshire-Fannett ISD had 1,752 students in the 2009-10 school year. The average teacher salary was \$41,481. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
 - Nederland ISD had 5,022 students in the 2009-10 school year. The average teacher salary was \$47,598. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - Port Arthur ISD had 9,047 students in the 2009-10 school year. The average teacher salary was \$45,029. The percentage of students meeting the 2010 TAKS passing standard for all tests was 58 percent.
 - Port Neches-Groves ISD had 4,586 students in the 2009-10 school year. The average teacher salary was \$47,318. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - Sabine Pass ISD had 303 students in the 2009-10 school year. The average teacher salary was \$47,538. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.