

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 27, 2012

Kevin Brackmeyer  
Superintendent  
Manor Independent School District  
10335 US Hwy 290 E  
Manor, Texas 78653

Dear Superintendent Brackmeyer:

On August 31, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in August 20, 2012 to the Manor Independent School District (Manor Park ISD) by Samsung Austin Semiconductor, LLC. 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 B; 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.

Manor ISD is currently classified as a non-rural school district in Category 2 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter B, applicable to non-rural school districts. The amount of proposed qualified investment (\$3.52 billion) is consistent with the proposed appraised value limitation sought (\$80 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. Samsung Austin Semiconductor, LLC is proposing the construction of a manufacturing facility in Travis County. Samsung Austin Semiconductor, LLC 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 B.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by Samsung Austin Semiconductor, LLC, the Comptroller's recommendation is that Samsung Austin Semiconductor, LLC'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 to determine if the evidence supports making specific findings that the information in the application is

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

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 August 31, 2012, or any tangible personal property placed in service prior to that date may not become "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 Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. 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
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.
5. The district providing the Comptroller all the documents necessary to establish that a reinvestment zone has been created that includes the qualified property identified in the application, as required by Section 313.021(2) of the Tax Code. When that zone has been created, please forward to our office maps and legal descriptions for the zone as well as detailed maps showing that all proposed qualified property will be located inside the reinvestment zone. The agency will not undertake the review required in #1 above until this information is submitted and is satisfactory.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at [robert.wood@cpa.state.tx.us](mailto: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	Samsung Austin Semiconductor LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Manor ISD
2009-10 Enrollment in School District	7,173
County	Travis
Total Investment in District	\$4,000,000,000
Qualified Investment	\$3,520,000,000
Limitation Amount	\$80,000,000
Number of total jobs committed to by applicant	25
Number of qualifying jobs committed to by applicant	25
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,164
Minimum Weekly Wage Required Tax Code, 313.021(5)(B)	\$1,164
Minimum Annual Wage committed to by applicant for qualified jobs	\$60,552
Investment per Qualifying Job	\$160,000,000
Estimated 15 year M&O levy without any limit or credit:	\$108,469,110
Estimated gross 15 year M&O tax benefit	\$91,809,429
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):	\$83,604,841
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$19,928,079
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$24,864,269
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	77.1%
Percentage of tax benefit due to the limitation	78.3%
Percentage of tax benefit due to the credit.	21.7%

This presents the Comptroller's economic impact evaluation of Samsung Austin Semiconductor, LLC (the project) applying to Manor 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 25 new jobs when fully operational. All 25 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 Capital Area Council of Governments Region, where Travis County is located was \$55,407 in 2011. The annual average manufacturing wage for 2011-2012 for Travis County is \$92,079. That same year, the county annual average wage for all industries was \$53,638. In addition to a salary of \$60,552, each qualifying position will receive at least 80% of medical insurance, dental insurance, vision insurance, life insurance, 401 (k) savings plan, flexible spending, vacation and holiday pay, and employee assistance program. The project's total investment is \$4 billion, resulting in a relative level of investment per qualifying job of \$160 million.

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

According to Samsung Austin Semiconductor, LLC's application, "The company has the ability and is being recruited this project both at the company's primary manufacturing site in Korea and at a new manufacturing site China, as well as the SAS plant in Austin."

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

During the past two years, one project in the Capital 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 Samsung Austin Semiconductor, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing and research and development as two 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 Samsung Austin Semiconductor'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 Samsung Austin Semiconductor, LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	515	648	1163	\$50,301,750	\$33,698,250	\$84,000,000
2013	483	642	1125	\$46,342,500	\$39,657,500	\$86,000,000
2014	25	89	114	\$1,575,000	\$14,425,000	\$16,000,000
2015	25	243	268	\$1,575,000	\$22,425,000	\$24,000,000
2016	25	446	471	\$1,575,000	\$36,425,000	\$38,000,000
2017	25	511	536	\$1,575,000	\$44,425,000	\$46,000,000
2018	25	513	538	\$1,575,000	\$47,425,000	\$49,000,000
2019	25	475	500	\$1,575,000	\$47,425,000	\$49,000,000
2020	25	420	445	\$1,575,000	\$44,425,000	\$46,000,000
2021	25	368	393	\$1,575,000	\$41,425,000	\$43,000,000
2022	25	313	338	\$1,575,000	\$38,425,000	\$40,000,000
2023	25	283	308	\$1,575,000	\$35,425,000	\$37,000,000
2024	25	260	285	\$1,575,000	\$33,425,000	\$35,000,000
2025	25	239	264	\$1,575,000	\$32,425,000	\$34,000,000
2026	25	196	221	\$1,575,000	\$29,425,000	\$31,000,000
2027	25	172	197	\$1,575,000	\$27,425,000	\$29,000,000

Source: CPA, REMI, Samsung Austin Semiconductor, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2011. Manor ISD's ad valorem tax base in 2011 was \$2.4 billion. The statewide average wealth per WADA was estimated at \$346,165 for fiscal 2011-2012. During that same year, Manor ISD's estimated wealth per WADA was \$219,328. 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, Travis County, City of Austin, Travis County Healthcare District, and Austin Community College, with all property tax incentives sought being granted using estimated market value from Samsung Austin Semiconductor, LLC's application. Samsung Austin Semiconductor, LLC has applied for both a value limitation under Chapter 313, Tax Code and has an existing tax abatement agreement with the county, city, and healthcare district. Table 3 illustrates the estimated tax impact of the Samsung Austin Semiconductor, LLC project on the region if all taxes are assessed.

**Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought**

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies (Before Credit Credited)	Manor ISD M&O and I&S Tax Levies (After Credit Credited)	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes
			0.4750	1.0400				0.4855	0.4811	0.0789	0.0948	
2013	\$100,000,000	\$100,000,000		\$475,000	\$1,040,000	\$1,515,000	\$1,515,000	\$97,100	\$0	\$15,780	\$94,800	\$1,722,680
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$31,981,650	\$2,049,781	\$0	\$333,116	\$2,001,228	\$36,365,775
2015	\$2,232,000,000	\$2,232,000,000		\$10,602,000	\$832,000	\$11,434,000	\$11,434,000	\$2,167,272	\$0	\$352,210	\$2,115,936	\$16,069,418
2016	\$1,791,650,000	\$80,000,000		\$8,510,338	\$832,000	\$9,342,338	\$6,295,138	\$1,739,692	\$0	\$282,722	\$1,698,484	\$10,016,036
2017	\$1,263,802,500	\$80,000,000		\$6,003,062	\$832,000	\$6,835,062	\$3,954,647	\$1,227,152	\$1,520,038	\$199,428	\$1,198,085	\$8,099,350
2018	\$844,482,125	\$80,000,000		\$4,011,290	\$832,000	\$4,843,290	\$2,527,205	\$1,434,986	\$1,015,701	\$233,204	\$800,569	\$6,011,665
2019	\$569,859,806	\$80,000,000		\$2,706,834	\$832,000	\$3,538,834	\$1,726,678	\$968,334	\$685,399	\$157,367	\$540,227	\$4,078,005
2020	\$398,230,835	\$80,000,000		\$1,891,596	\$832,000	\$2,723,596	\$1,331,931	\$676,694	\$478,972	\$109,971	\$377,523	\$2,975,091
2021	\$264,996,210	\$80,000,000		\$1,258,732	\$832,000	\$2,090,732	\$1,025,491	\$450,295	\$318,724	\$73,179	\$251,216	\$2,118,905
2022	\$186,646,779	\$80,000,000		\$886,572	\$832,000	\$1,718,572	\$845,288	\$317,160	\$224,489	\$51,543	\$176,941	\$1,615,420
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	-\$23,062	\$261,259	\$184,923	\$42,458	\$145,755	\$611,332
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	-\$21,291	\$241,187	\$170,715	\$39,196	\$134,557	\$564,364
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	-\$19,785	\$224,125	\$158,639	\$36,423	\$125,038	\$524,441
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$1,868,937	\$209,623	\$148,374	\$34,066	\$116,947	\$2,377,948
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$1,759,034	\$197,296	\$139,649	\$32,063	\$110,070	\$2,238,113
						<b>Total</b>	<b>\$66,200,861</b>	<b>\$12,261,957</b>	<b>\$5,045,623</b>	<b>\$1,992,726</b>	<b>\$9,887,377</b>	<b>\$95,388,544</b>

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

Source: CPA, Samsung Austin Semiconductor, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes	
			0.4750	1.0400			0.4855	0.4811	0.0789	0.0948		
2013	\$100,000,000	\$100,000,000		\$475,000	\$1,040,000	\$1,515,000	\$485,500	\$481,100	\$78,900	\$94,800	\$2,655,300	
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$10,248,905	\$10,156,021	\$1,665,579	\$2,001,228	\$56,053,383	
2015	\$2,232,000,000	\$2,232,000,000		\$10,602,000	\$23,212,800	\$33,814,800	\$10,836,360	\$10,738,152	\$1,761,048	\$2,115,936	\$59,266,296	
2016	\$1,791,650,000	\$1,791,650,000		\$8,510,338	\$18,633,160	\$27,143,498	\$8,698,461	\$8,619,628	\$1,413,612	\$1,698,484	\$47,573,682	
2017	\$1,263,802,500	\$1,263,802,500		\$6,003,062	\$13,143,546	\$19,146,608	\$6,135,761	\$6,080,154	\$997,140	\$1,198,085	\$33,557,748	
2018	\$844,482,125	\$844,482,125		\$4,011,290	\$8,782,614	\$12,793,904	\$4,099,961	\$4,062,804	\$666,296	\$800,569	\$22,423,534	
2019	\$569,859,806	\$569,859,806		\$2,706,834	\$5,926,542	\$8,633,376	\$2,766,669	\$2,741,596	\$449,619	\$540,227	\$15,131,487	
2020	\$398,230,835	\$398,230,835		\$1,891,596	\$4,141,601	\$6,033,197	\$1,933,411	\$1,915,889	\$314,204	\$377,523	\$10,574,223	
2021	\$264,996,210	\$264,996,210		\$1,258,732	\$2,755,961	\$4,014,693	\$1,286,557	\$1,274,897	\$209,082	\$251,216	\$7,036,444	
2022	\$186,646,779	\$186,646,779		\$886,572	\$1,941,127	\$2,827,699	\$906,170	\$897,958	\$147,264	\$176,941	\$4,956,032	
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	\$746,455	\$739,690	\$121,309	\$145,755	\$4,082,517	
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	\$689,106	\$682,860	\$111,989	\$134,557	\$3,768,861	
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	\$640,358	\$634,555	\$104,066	\$125,038	\$3,502,253	
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$598,923	\$593,496	\$97,333	\$116,947	\$3,275,636	
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$563,704	\$558,595	\$91,609	\$110,070	\$3,083,012	
						<b>Total</b>	<b>\$158,010,290</b>	<b>\$50,636,301</b>	<b>\$50,177,393</b>	<b>\$8,229,051</b>	<b>\$9,887,377</b>	<b>\$276,940,410</b>

Source: CPA, Samsung Austin Semiconductor, LLC

<sup>1</sup>Tax 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 \$108,469,110. The estimated gross 15 year M&O tax benefit, or levy loss, is \$91,809,429.

Attachment 3 is an economic overview of Travis 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**

Applicant Name: SAMSUNG AUSTIN SEMICONDUCTOR LLC  
 ISD Name: MANOR INDEPENDENT SCHOOL DISTRICT

PROPERTY INVESTMENT AMOUNTS																						
(Estimated investment in each year. Do not put cumulative totals.)																						
	School Year (YYYY-YYYY)	Tax Year (File 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)	Year 2012-2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
											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	2013-2014	2013	\$0	\$20,000,000	\$20,000,000	\$0	\$0	\$20,000,000
														2	2014-2015	2014	\$2,500,000,000	\$200,000,000	\$2,500,000,000	\$0	\$0	\$2,500,000,000
														3	2015-2016	2015	\$1,000,000,000	\$0	\$1,000,000,000	\$0	\$0	\$1,000,000,000
														4	2016-2017	2016	\$300,000,000	\$0	\$300,000,000	\$0	\$0	\$300,000,000
														5	2017-2018	2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														6	2018-2019	2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														7	2019-2020	2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														8	2020-2021	2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														9	2021-2022	2021	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														10	2022-2023	2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														11	2023-2024	2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														12	2024-2025	2024	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														13	2025-2026	2025	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
														14	2026-2027	2026	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	2027-2028	2027	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00														
Tax Credit Period (with 50% cap on credit)																						
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 §313.021(1)(A)-(D).  
 For the purposes of investment, please list amount invested each year, not cumulative totals.  
 Column B: Include estimates of investment for "replacement" 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.  
 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  
 8-16-2012  
 DATE

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

SAMSUNG AUSTIN SEMICONDUCTOR LLC  
MANOR INDEPENDENT SCHOOL DISTRICT

Form 50-296

Applicant Name ISD Name	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"		Final taxable value for I&S after all reductions	Final taxable value for M&O--after all reductions
	pre- year 1	2012-2013	2012	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Complete tax years of qualifying time period	1	2013-2014	2013	\$0.00	\$100,000,000	\$0	\$0.00	\$100,000,000	\$100,000,000
	2	2014-2015	2014	\$0.00	\$340,000,000	\$1,771,000,000	\$0.00	\$2,111,000,000	\$2,111,000,000
	3	2015-2016	2015	\$0.00	\$289,000,000	\$1,943,000,000	\$0.00	\$2,232,000,000	\$80,000,000
	4	2016-2017	2016	\$0.00	\$245,650,000	\$1,546,000,000	\$0.00	\$1,791,650,000	\$80,000,000
	5	2017-2018	2017	\$0.00	\$208,802,500	\$1,055,000,000	\$0.00	\$1,263,802,500	\$80,000,000
Tax Credit Period (with 50% cap on credit)	6	2018-2019	2018	\$0.00	\$177,482,125	\$667,000,000	\$0.00	\$844,482,125	\$80,000,000
	7	2019-2020	2019	\$0.00	\$150,859,806	\$419,000,000	\$0.00	\$569,859,806	\$80,000,000
	8	2020-2021	2020	\$0.00	\$128,230,835	\$270,000,000	\$0.00	\$398,230,835	\$80,000,000
	9	2021-2022	2021	\$0.00	\$108,996,210	\$156,000,000	\$0.00	\$264,996,210	\$80,000,000
	10	2022-2023	2022	\$0.00	\$92,646,779	\$94,000,000	\$0.00	\$186,646,779	\$80,000,000
Credit Settle-Up Period	11	2023-2024	2023	\$0.00	\$78,749,762	\$75,000,000	\$0.00	\$153,749,762	\$153,749,762
	12	2024-2025	2024	\$0.00	\$66,937,297	\$75,000,000	\$0.00	\$141,937,297	\$141,937,297
	13	2025-2026	2025	\$0.00	\$56,896,703	\$75,000,000	\$0.00	\$131,896,703	\$131,896,703
Post- Settle-Up Period	14	2026-2027	2026	\$0.00	\$48,362,197	\$75,000,000	\$0.00	\$123,362,197	\$123,362,197
Post- Settle-Up Period	15	2027-2028	2027	\$0.00	\$41,107,868	\$75,000,000	\$0.00	\$116,107,868	\$116,107,868

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.

*Cuteo Mesa*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-16-12

DATE

**Schedule C - Application: Employment Information**

Form 50-296

Applicant Name: SAMSUNG AUSTIN SEMICONDUCTOR LLC  
 ISD Name: MANOR INDEPENDENT SCHOOL DISTRICT

	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	2012-2013	2012	1,070,250 man hrs	\$47.00/hr				
	1	2013-2014	2013	952,500 man hrs	\$47.00/hr	25	\$63,000.00	25	\$63,000.00
	2	2014-2015	2014			25	\$63,000.00	25	\$63,000.00
	3	2015-2016	2015			25	\$63,000.00	25	\$63,000.00
	4	2016-2017	2016			25	\$63,000.00	25	\$63,000.00
	5	2017-2018	2017			25	\$63,000.00	25	\$63,000.00
	6	2018-2019	2018			25	\$63,000.00	25	\$63,000.00
	7	2019-2020	2019			25	\$63,000.00	25	\$63,000.00
	8	2020-2021	2020			25	\$63,000.00	25	\$63,000.00
	9	2021-2022	2021			25	\$63,000.00	25	\$63,000.00
	10	2022-2023	2022			25	\$63,000.00	25	\$63,000.00
	11	2023-2024	2023			25	\$63,000.00	25	\$63,000.00
	12	2024-2025	2024			25	\$63,000.00	25	\$63,000.00
	13	2025-2026	2025			25	\$63,000.00	25	\$63,000.00
	14	2026-2027	2026			25	\$63,000.00	25	\$63,000.00
	15	2027-2028	2027			25	\$63,000.00	25	\$63,000.00
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period								
	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence								
	Post-Settle-Up Period								
	Post-Settle-Up Period								

Notes: For job definitions see TAC 99.1051(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.

*Catherine M...*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-16-12  
DATE

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

Form 50-296

Applicant Name

Samsung Austin Semiconductor, LLC

ISD Name: Manor I

				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	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)		2012-2013	2012	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
Complete tax years of qualifying time period	1	2013-2014	2013	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
	2	2014-2015	2014	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
	3	2015-2016	2015	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
	4	2016-2017	2016	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
	5	2017-2018	2017	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	75%	80%	--
	6	2018-2019	2018	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	7	2019-2020	2019	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	8	2020-2021	2020	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	9	2021-2022	2021	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	10	2022-2023	2022	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
Tax Credit Period (with 50% cap on credit)	11	2023-2024	2023	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	12	2024-2025	2024	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	13	2025-2026	2025	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
Credit Settle-Up Period	14	2026-2027	2026	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
	15	2027-2028	2027	\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	65%	75%	65%	--
Post-Settle-Up Period										

\*For planning, construction and operation of the facility.

*Rutledge*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-16-17

DATE

# **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](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

November 7, 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 Samsung Austin Semiconductor project on the number and size of school facilities in Manor Independent School District (MISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the MISD superintendent, Kevin Brackmeyer, the TEA has found that the precise impact of the Samsung Austin Semiconductor project on the number and size of school facilities in MISD cannot be determined at this time, as prospective project employees may choose to locate in a part of the Austin metropolitan area other than Manor. The project may increase MISD enrollment, but the impact on district facilities is not expected to be significant.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie, Manager  
State Funding Division

AM/bd



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

November 7, 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 (TEA) has analyzed the revenue gains that would be realized by the proposed Samsung Austin Semiconductor project for the Manor Independent School District (MISD). Projections prepared by the TEA State Funding 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 Samsung Austin Semiconductor project on MISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie, Manager  
State Funding Division

AM/bd

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED SAMSUNG  
AUSTIN SEMICONDUCTOR PROJECT ON THE FINANCES OF THE  
MANOR INDEPENDENT SCHOOL DISTRICT UNDER A  
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

September 11, 2012

Final Report

**PREPARED BY**



---

# **Estimated Impact of the Proposed Samsung Austin Semiconductor Project on the Finances of the Manor Independent School District under a Requested Chapter 313 Property Value Limitation**

## **Introduction**

Samsung Austin Semiconductor (Samsung) has requested that the Manor ISD Independent School District (MISD) 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 MISD on August 20, 2012, Samsung proposes to invest \$2.2 billion to construct a new semiconductor project in MISD.

The Samsung 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, MISD may offer a minimum value limitation of \$80 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 the 2015-16 school year, the project would go on the local tax roll at \$80 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) 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 MISD currently levying a \$0.475 I&S tax rate. The full taxable value of the investment is expected to reach \$2.2 billion in the 2015-16 school year, with relatively rapid depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Samsung 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. MISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$8.2 million).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$83.6 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 state 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 financially 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 or no revenue losses would be anticipated when the state M&O 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.

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 count of weighted students in average daily attendance (WADA) and resulted in an estimated 815 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 209 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. As a result, only 421 districts are expected to receive ASATR funds for the 2012-13 school year, while 603 districts will operate purely on the state formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. 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. Based on the estimates presented here, MISD would be expected to receive substantial ASATR funding in the 2015-16 school year to offset much of the initial financial impact of the \$80 million value limitation.

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 Samsung 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 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 is maintained until the 2017-18 school year. A statement of legislative intent was 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 proposed Samsung Austin Semiconductor project are factored into the base model used here. The impact of the limitation value for the proposed Samsung project is isolated separately and the focus of this analysis.

Student enrollment counts are expected to increase by two percent annually under the estimates presented here. The District's local tax base reached \$2.3 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. The existing Samsung Chapter 313 value limitation is also incorporated into these base estimates. An M&O tax rate of \$1.04 is used throughout this analysis. MISD has estimated state property wealth per WADA of approximately \$269,731 for the 2012-13 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 MISD under the assumptions outlined above through the 2027-28 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88<sup>th</sup> 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 Samsung 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 Samsung 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 \$60 to \$70 million a year in annual net General Fund revenue, reflecting anticipated enrollment growth over the period subject to this analysis.

Under these assumptions, MISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$8,204,589). 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 values 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 \$8.2 million cited above between the base and the limitation models is based on an assumption that Samsung would realize \$22.4 million in M&O tax savings in the 2015-16 school year, of which \$14.5 million will be offset by an estimated increase in ASATR funding. This estimate is reflected in Table 4.

In general, the ASATR offset poses little 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 to Samsung in the first year that the \$80 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 makes two value determinations 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 for the 2012-13 school year and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$71.9 over the life of the agreement. In addition, Samsung would be eligible for a tax credit for M&O 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 \$19.9 million over the life of the agreement, with an estimated \$1.4 million in unpaid tax credits anticipated. MISD is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key MISD revenue losses are expected to total approximately -\$8.2 million in the 2015-16 school year. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$83.6 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 Samsung under the value limitation agreement for the remaining years that the limitation is in effect.

### **Facilities Funding Impact**

The Samsung project remains fully taxable for debt services taxes, with MISD currently levying a \$0.475 I&S rate. The value of the Samsung project is expected to depreciate over the life of the agreement, but the initial project value added in the 2014-15 school year could potentially reduce the District's I&S tax rate to \$0.26 per \$100, with the I&S tax rate increasing as the value of the Samsung project is depreciated.

MISD is expected to show continued enrollment growth as part of the overall economic growth in the local economy. The Samsung project and related job growth could bolster enrollment in MISD, although prospective employees and their families have options as to where to locate in the Austin metropolitan area, making it difficult to assess the impact of the plant expansion on the local school-age population.

### **Conclusion**

The proposed Samsung semiconductor project enhances the tax base of MISD. 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 \$83.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of MISD in meeting its future debt service obligations.

**Table 1 – Base District Information with Samsung Austin Semiconductor 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
Pre-Year 1	2012-13	6,998.00	9,038.92	\$1.0400	\$0.4750	\$2,373,821,135	\$2,373,821,135	\$2,438,077,568	\$2,438,077,568	\$269,731	\$269,731
1	2013-14	7,098.42	9,140.41	\$1.0400	\$0.3300	\$2,473,821,135	\$2,473,821,135	\$1,495,930,489	\$1,495,930,489	\$163,661	\$163,661
2	2014-15	7,200.28	9,271.58	\$1.0400	\$0.2600	\$4,484,821,135	\$4,484,821,135	\$1,595,930,489	\$1,595,930,489	\$172,132	\$172,132
3	2015-16	7,303.61	9,546.35	\$1.0400	\$0.2800	\$4,605,821,135	\$2,453,821,135	\$3,606,930,489	\$3,606,930,489	\$377,834	\$377,834
4	2016-17	7,408.41	9,683.34	\$1.0400	\$0.3300	\$4,752,137,802	\$3,040,487,802	\$3,727,930,489	\$1,575,930,489	\$384,984	\$162,747
5	2017-18	7,514.72	9,822.30	\$1.0400	\$0.3900	\$4,002,068,079	\$2,818,265,579	\$3,874,247,155	\$2,162,597,155	\$394,434	\$220,172
6	2018-19	7,622.56	9,963.25	\$1.0400	\$0.4500	\$3,434,599,556	\$2,670,117,431	\$3,124,177,433	\$1,940,374,933	\$313,570	\$194,753
7	2019-20	7,731.94	10,106.23	\$1.0400	\$0.4900	\$3,061,211,805	\$2,571,351,999	\$2,556,708,910	\$1,792,226,785	\$252,984	\$177,339
8	2020-21	7,842.89	10,251.25	\$1.0400	\$0.4900	\$2,823,739,273	\$2,505,508,378	\$2,183,321,159	\$1,693,461,353	\$212,981	\$165,196
9	2021-22	7,955.44	10,398.36	\$1.0400	\$0.4900	\$2,646,608,840	\$2,461,612,630	\$1,945,848,627	\$1,627,617,732	\$187,130	\$156,526
10	2022-23	8,069.60	10,547.58	\$1.0400	\$0.4900	\$2,538,995,577	\$2,432,349,798	\$1,768,718,194	\$1,583,721,984	\$167,689	\$150,150
11	2023-24	8,185.40	10,698.94	\$1.0400	\$0.4900	\$2,486,589,339	\$2,486,589,339	\$1,661,104,931	\$1,554,458,152	\$155,259	\$145,291
12	2024-25	8,302.86	10,852.48	\$1.0400	\$0.4900	\$2,461,770,727	\$2,461,770,727	\$1,608,698,693	\$1,608,698,693	\$148,233	\$148,233
13	2025-26	8,422.00	11,008.21	\$1.0400	\$0.4900	\$2,443,059,368	\$2,443,059,368	\$1,583,880,081	\$1,583,880,081	\$143,882	\$143,882
14	2026-27	8,542.86	11,166.18	\$1.0400	\$0.4900	\$2,428,744,352	\$2,428,744,352	\$1,565,168,722	\$1,565,168,722	\$140,170	\$140,170
15	2027-28	8,665.44	11,326.42	\$1.0400	\$0.4900	\$2,417,636,350	\$2,417,636,350	\$1,550,853,706	\$1,550,853,706	\$136,924	\$136,924

\*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
Pre-Year 1	2012-13	\$23,392,978	\$20,548,023	\$3,618,711	\$0	\$0	\$1,430,982	\$1,750,557	\$0	\$50,741,250
1	2013-14	\$24,398,731	\$30,266,949	\$0	\$0	\$0	\$1,492,505	\$3,976,447	\$0	\$60,134,632
2	2014-15	\$43,713,340	\$29,914,281	\$0	\$0	\$0	\$2,674,008	\$6,642,139	\$0	\$82,943,768
3	2015-16	\$44,875,483	\$11,526,038	\$0	\$0	\$0	\$2,745,097	\$1,611,939	\$0	\$60,758,557
4	2016-17	\$46,280,778	\$11,001,825	\$0	\$0	\$0	\$2,831,061	\$1,578,960	\$0	\$61,692,624
5	2017-18	\$39,076,748	\$10,238,991	\$0	\$0	\$0	\$2,390,381	\$1,243,970	\$0	\$52,950,090
6	2018-19	\$33,626,508	\$18,270,815	\$0	\$0	\$0	\$2,056,982	\$1,876,977	\$0	\$55,831,282
7	2019-20	\$30,040,313	\$24,522,825	\$0	\$0	\$0	\$1,837,609	\$2,518,461	\$0	\$58,919,208
8	2020-21	\$27,759,513	\$28,882,657	\$0	\$0	\$0	\$1,698,089	\$3,083,298	\$0	\$61,423,556
9	2021-22	\$26,058,267	\$31,920,506	\$0	\$0	\$0	\$1,594,021	\$3,514,369	\$0	\$63,087,163
10	2022-23	\$25,024,697	\$34,377,170	\$0	\$0	\$0	\$1,530,797	\$3,943,720	\$0	\$64,876,384
11	2023-24	\$24,521,363	\$36,162,872	\$0	\$0	\$0	\$1,500,007	\$4,293,894	\$0	\$66,478,136
12	2024-25	\$24,282,993	\$37,418,009	\$0	\$0	\$0	\$1,485,425	\$4,524,084	\$0	\$67,710,511
13	2025-26	\$24,103,280	\$38,413,413	\$0	\$0	\$0	\$1,474,432	\$4,671,012	\$0	\$68,662,137
14	2026-27	\$23,965,792	\$39,359,757	\$0	\$0	\$0	\$1,466,022	\$4,806,151	\$0	\$69,597,721
15	2027-28	\$23,859,105	\$40,273,964	\$0	\$0	\$0	\$1,459,496	\$4,932,826	\$0	\$70,525,391

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	\$23,392,978	\$20,548,023	\$3,618,711	\$0	\$0	\$1,430,982	\$1,750,557	\$0	\$50,741,250
1	2013-14	\$24,398,731	\$30,266,949	\$0	\$0	\$0	\$1,492,505	\$3,976,447	\$0	\$60,134,632
2	2014-15	\$43,738,829	\$29,914,281	\$0	\$0	\$0	\$2,675,567	\$6,646,012	\$0	\$82,974,689
3	2015-16	\$24,232,130	\$11,526,038	\$14,463,467	\$0	\$0	\$1,482,314	\$870,424	\$0	\$52,574,374
4	2016-17	\$29,866,758	\$32,092,479	\$0	\$0	\$0	\$1,826,992	\$4,905,236	\$0	\$68,691,465
5	2017-18	\$27,732,429	\$27,014,000	\$0	\$0	\$0	\$1,696,432	\$2,924,271	\$0	\$59,367,132
6	2018-19	\$26,309,543	\$29,872,660	\$0	\$0	\$0	\$1,609,392	\$3,346,381	\$0	\$61,137,976
7	2019-20	\$25,360,953	\$32,015,124	\$0	\$0	\$0	\$1,551,366	\$3,694,828	\$0	\$62,622,270
8	2020-21	\$24,728,559	\$33,683,523	\$0	\$0	\$0	\$1,512,681	\$3,978,720	\$0	\$63,903,483
9	2021-22	\$24,306,963	\$35,039,325	\$0	\$0	\$0	\$1,486,892	\$4,209,842	\$0	\$65,043,021
10	2022-23	\$24,025,899	\$36,190,224	\$0	\$0	\$0	\$1,469,699	\$4,400,277	\$0	\$66,086,098
11	2023-24	\$24,546,851	\$37,208,062	\$0	\$0	\$0	\$1,501,566	\$4,696,273	\$0	\$67,952,752
12	2024-25	\$24,308,482	\$37,418,009	\$0	\$0	\$0	\$1,486,985	\$4,528,832	\$0	\$67,742,307
13	2025-26	\$24,128,769	\$38,413,413	\$0	\$0	\$0	\$1,475,991	\$4,675,952	\$0	\$68,694,124
14	2026-27	\$23,991,280	\$39,359,757	\$0	\$0	\$0	\$1,467,581	\$4,811,262	\$0	\$69,629,880
15	2027-28	\$23,884,594	\$40,273,964	\$0	\$0	\$0	\$1,461,055	\$4,938,096	\$0	\$70,557,709

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	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$3,873	\$0	\$30,921
3	2015-16	\$20,843,353	\$0	\$14,463,467	\$0	\$0	-\$1,262,783	-\$741,515	\$0	-\$8,184,183
4	2016-17	-\$16,414,020	\$21,090,654	\$0	\$0	\$0	-\$1,004,069	\$3,326,276	\$0	\$6,998,842
5	2017-18	-\$11,344,319	\$16,775,009	\$0	\$0	\$0	-\$693,948	\$1,680,300	\$0	\$6,417,042
6	2018-19	-\$7,316,965	\$11,601,845	\$0	\$0	\$0	-\$447,589	\$1,469,403	\$0	\$5,306,694
7	2019-20	-\$4,679,360	\$7,492,299	\$0	\$0	\$0	-\$286,243	\$1,176,366	\$0	\$3,703,062
8	2020-21	-\$3,030,954	\$4,800,866	\$0	\$0	\$0	-\$185,408	\$895,422	\$0	\$2,479,927
9	2021-22	-\$1,751,304	\$3,118,819	\$0	\$0	\$0	-\$107,130	\$695,473	\$0	\$1,955,858
10	2022-23	-\$998,798	\$1,813,054	\$0	\$0	\$0	-\$61,098	\$456,557	\$0	\$1,209,715
11	2023-24	\$25,489	\$1,045,190	\$0	\$0	\$0	\$1,559	\$402,379	\$0	\$1,474,617
12	2024-25	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$4,749	\$0	\$31,797
13	2025-26	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$4,939	\$0	\$31,987
14	2026-27	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$5,112	\$0	\$32,159
15	2027-28	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$5,270	\$0	\$32,318
1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial impact of the Samsung Austin Semiconductor Project Property Value Limitation Request Submitted to MISD at \$1.04 M&O Tax Rate**

Year of Agreement	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	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	\$100,000,000	\$100,000,000	\$0	\$1.040	\$1,040,000	\$1,040,000	\$0	\$0	\$0	\$0	\$0
2	\$2,111,000,000	\$2,111,000,000	\$0	\$1.040	\$21,954,400	\$21,954,400	\$0	\$0	\$0	\$0	\$0
3	\$2,232,000,000	\$80,000,000	\$2,152,000,000	\$1.040	\$23,212,800	\$832,000	\$22,380,800	\$0	\$22,380,800	-\$8,204,589	\$14,176,211
4	\$1,791,650,000	\$80,000,000	\$1,711,650,000	\$1.040	\$18,633,160	\$832,000	\$17,801,160	\$3,047,200	\$20,848,360	\$0	\$20,848,360
5	\$1,263,802,500	\$80,000,000	\$1,183,802,500	\$1.040	\$13,143,546	\$832,000	\$12,311,546	\$2,880,415	\$15,191,961	\$0	\$15,191,961
6	\$844,482,125	\$80,000,000	\$764,482,125	\$1.040	\$8,782,614	\$832,000	\$7,950,614	\$2,316,085	\$10,266,699	\$0	\$10,266,699
7	\$569,859,806	\$80,000,000	\$489,859,806	\$1.040	\$5,926,542	\$832,000	\$5,094,542	\$1,812,157	\$6,906,699	\$0	\$6,906,699
8	\$398,230,895	\$80,000,000	\$318,230,895	\$1.040	\$4,141,601	\$832,000	\$3,309,601	\$1,391,666	\$4,701,267	\$0	\$4,701,267
9	\$264,996,210	\$80,000,000	\$184,996,210	\$1.040	\$2,755,961	\$832,000	\$1,923,961	\$1,065,241	\$2,989,201	\$0	\$2,989,201
10	\$186,646,779	\$80,000,000	\$106,646,779	\$1.040	\$1,941,127	\$832,000	\$1,109,127	\$673,285	\$1,982,411	\$0	\$1,982,411
11	\$153,749,762	\$153,749,762	\$0	\$1.040	\$1,598,998	\$1,598,998	\$0	\$2,352,371	\$2,352,371	\$0	\$2,352,371
12	\$141,937,297	\$141,937,297	\$0	\$1.040	\$1,476,148	\$1,476,148	\$0	\$2,171,641	\$2,171,641	\$0	\$2,171,641
13	\$131,896,703	\$131,896,703	\$0	\$1.040	\$1,371,726	\$1,371,726	\$0	\$2,018,020	\$2,018,020	\$0	\$2,018,020
14	\$123,362,197	\$123,362,197	\$0	\$1.040	\$1,282,967	\$1,282,967	\$0	\$0	\$0	\$0	\$0
15	\$116,107,868	\$116,107,868	\$0	\$1.040	\$1,207,522	\$1,207,522	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>					<b>\$108,469,110</b>	<b>\$36,587,760</b>	<b>\$71,881,350</b>	<b>\$19,928,079</b>	<b>\$91,809,429</b>	<b>-\$8,204,589</b>	<b>\$83,604,841</b>
<b>Tax Credit for Value Over Limit in First 2 Years</b>							<b>Year 1</b>	<b>Year 2</b>	<b>Max Credits</b>		
							\$208,000	\$21,122,400	\$21,330,400		
							Credits Earned		\$21,330,400		
							Credits Paid		<u>\$19,928,079</u>		
							Excess Credits Unpaid		\$1,402,321		

**\*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, although it does not appear to be a factor in these estimates beyond the 2015-16 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

# Attachment 3

## Travis County

### Population

- Total county population in 2010 for Travis County: 1,054,052 , up 2.6 percent from 2009. State population increased 1.8 percent in the same time period.
- Travis County was the state's 5th largest county in population in 2010 and the 24th fastest growing county from 2009 to 2010.
- Travis County's population in 2009 was 51.6 percent Anglo (above the state average of 46.7 percent), 8.0 percent African-American (below the state average of 11.3 percent) and 33.3 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Travis County:

Austin:	786,386	Pflugerville:	42,696
Lakeway:	11,467	Lago Vista:	6,445
Manor:	3,724	West Lake Hills:	3,224
Bee Cave:	3,110	Jonestown:	2,562
The Hills:	2,233	Rollingwood:	1,461

### Economy and Income

#### *Employment*

- September 2011 total employment in Travis County: 528,843 , up 1.2 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 Travis County unemployment rate: 7.3 percent, up from 6.9 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:

Austin:	6.9 percent, up from 6.5 percent in September 2010.
Pflugerville:	6.3 percent, up from 5.5 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*

- Travis County's ranking in per capita personal income in 2009: 29th with an average per capita income of \$40,544, down 3.6 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 Travis County averaged \$23.69 million annually from 2007 to 2010. County total agricultural values in 2010 were up 48.3 percent from 2009. Major agriculture related commodities in Travis County during 2010 included:
  - Sorghum
  - Other Beef
  - Horses
  - Corn
  - Nursery
- 2011 oil and gas production in Travis County: 2,705.0 barrels of oil and 0.0 Mcf of gas. In September 2011, there were 20 producing oil wells and 0 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 Travis County during the fourth quarter 2010: \$3.74 billion, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Austin:	\$3.33 billion, up 6.3 percent from the same quarter in 2009.
Pflugerville:	\$64.37 million, up 11.9 percent from the same quarter in 2009.
Lakeway:	\$22.77 million, up 8.9 percent from the same quarter in 2009.
Lago Vista:	\$4.80 million, down 3.3 percent from the same quarter in 2009.
Manor:	\$5.77 million, up 37.0 percent from the same quarter in 2009.
West Lake Hills:	\$32.55 million, up 4.0 percent from the same quarter in 2009.
Bee Cave:	\$85.25 million, up 9.2 percent from the same quarter in 2009.
Jonestown:	\$1.64 million, up 2.4 percent from the same quarter in 2009.
Rollingwood:	\$5.89 million, down 13.1 percent from the same quarter in 2009.
Mustang Ridge:	\$710,300.00, up 119.5 percent from the same quarter in 2009.
Sunset Valley:	\$69.45 million, up 6.2 percent from the same quarter in 2009.
Briarcliff:	\$229,913.00, down 10.8 percent from the same quarter in 2009.
Webberville:	\$221,401.00, up 13.3 percent from the same quarter in 2009.

<b>Volente:</b>	\$560,165.00, up 133.7 percent from the same quarter in 2009.
<b>Creedmoor:</b>	\$7.26 million, up 1.0 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 Travis County through the fourth quarter of 2010: \$13.93 billion, up 3.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

<b>Austin:</b>	\$12.36 billion, up 3.4 percent from the same period in 2009.
<b>Pflugerville:</b>	\$233.79 million, up 13.1 percent from the same period in 2009.
<b>Lakeway:</b>	\$90.44 million, up 6.9 percent from the same period in 2009.
<b>Lago Vista:</b>	\$19.93 million, up 0.6 percent from the same period in 2009.
<b>Manor:</b>	\$20.22 million, up 9.6 percent from the same period in 2009.
<b>West Lake Hills:</b>	\$118.38 million, up 0.8 percent from the same period in 2009.
<b>Bee Cave:</b>	\$297.43 million, up 9.6 percent from the same period in 2009.
<b>Jonestown:</b>	\$6.83 million, down 2.0 percent from the same period in 2009.
<b>Rollingwood:</b>	\$23.81 million, down 23.7 percent from the same period in 2009.
<b>Mustang Ridge:</b>	\$2.92 million, up 122.1 percent from the same period in 2009.
<b>Sunset Valley:</b>	\$242.94 million, up 4.1 percent from the same period in 2009.
<b>Briarcliff:</b>	\$1.31 million, up 8.2 percent from the same period in 2009.
<b>Webberville:</b>	\$849,183.00, up 20.8 percent from the same period in 2009.
<b>Volente:</b>	\$3.21 million, up 44.1 percent from the same period in 2009.
<b>Creedmoor:</b>	\$29.13 million, down 2.7 percent from the same period in 2009.

**Annual (2010)**

- Taxable sales in Travis County during 2010: \$13.93 billion, up 3.9 percent from 2009.
- Travis County sent an estimated \$870.59 million (or 5.09 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

<b>Austin:</b>	\$12.36 billion, up 3.4 percent from 2009.
<b>Pflugerville:</b>	\$233.79 million, up 13.1 percent from 2009.
<b>Lakeway:</b>	\$90.44 million, up 6.9 percent from 2009.
<b>Lago Vista:</b>	\$19.93 million, up 0.6 percent from 2009.
<b>Manor:</b>	\$20.22 million, up 9.6 percent from 2009.
<b>West Lake Hills:</b>	\$118.38 million, up 0.8 percent from 2009.
<b>Bee Cave:</b>	\$297.43 million, up 9.6 percent from 2009.
<b>Jonestown:</b>	\$6.83 million, down 2.0 percent from 2009.
<b>Rollingwood:</b>	\$23.81 million, down 23.7 percent from 2009.
<b>Mustang Ridge:</b>	\$2.92 million, up 122.1 percent from 2009.
<b>Sunset Valley:</b>	\$242.94 million, up 4.1 percent from 2009.
<b>Briarcliff:</b>	\$1.31 million, up 8.2 percent from 2009.
<b>Webberville:</b>	\$849,183.00, up 20.8 percent from 2009.
<b>Volente:</b>	\$3.21 million, up 44.1 percent from 2009.
<b>Creedmoor:</b>	\$29.13 million, down 2.7 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 Travis County based on the sales activity month of August 2011: \$14.53 million, up 17.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

<b>Austin:</b>	\$12.52 million, up 16.5 percent from August 2010.
<b>Pflugerville:</b>	\$488,050.67, up 23.2 percent from August 2010.
<b>Lakeway:</b>	\$202,826.54, up 23.7 percent from August 2010.
<b>Lago Vista:</b>	\$20,330.63, down 3.2 percent from August 2010.
<b>Manor:</b>	\$28,388.63, up 13.7 percent from August 2010.
<b>West Lake Hills:</b>	\$214,257.74, up 38.9 percent from August 2010.
<b>Bee Cave:</b>	\$550,311.70, up 18.9 percent from August 2010.

<b>Jonestown:</b>	\$10,110.39, up 13.7 percent from August 2010.
<b>The Hills Village*:</b>	\$7,184.45, up 446.2 percent from August 2010.
<b>Rollingwood:</b>	\$37,568.60, down 13.2 percent from August 2010.
<b>Mustang Ridge:</b>	\$10,306.45, down 12.3 percent from August 2010.
<b>Sunset Valley:</b>	\$393,277.29, up 11.8 percent from August 2010.
<b>Briarcliff:</b>	\$1,823.72, down 51.1 percent from August 2010.
<b>Webberville:</b>	\$29,688.20, up 1637.7 percent from August 2010.
<b>Volente:</b>	\$4,075.10, up 9.1 percent from August 2010.
<b>Creedmoor:</b>	\$6,235.23, down 10.5 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 Travis County based on sales activity months from September 2010 through August 2011: \$167.03 million, up 6.3 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

<b>Austin:</b>	\$143.00 million, up 4.8 percent from fiscal 2010.
<b>Pflugerville:</b>	\$5.78 million, up 14.8 percent from fiscal 2010.
<b>Lakeway:</b>	\$2.41 million, up 10.3 percent from fiscal 2010.
<b>Lago Vista:</b>	\$283,038.01, up 4.2 percent from fiscal 2010.
<b>Manor:</b>	\$371,238.20, up 12.8 percent from fiscal 2010.
<b>West Lake Hills:</b>	\$2.85 million, up 50.5 percent from fiscal 2010.
<b>Bee Cave:</b>	\$6.39 million, up 12.3 percent from fiscal 2010.
<b>Jonestown:</b>	\$107,800.48, down 0.4 percent from fiscal 2010.
<b>The Hills Village*:</b>	\$76,717.67
<b>Rollingwood:</b>	\$465,002.71, down 3.7 percent from fiscal 2010.
<b>Mustang Ridge:</b>	\$183,165.97, up 115.1 percent from fiscal 2010.
<b>Sunset Valley:</b>	\$4.90 million, up 9.3 percent from fiscal 2010.
<b>Briarcliff:</b>	\$30,689.76, up 6.6 percent from fiscal 2010.
<b>Webberville:</b>	\$51,544.27, up 134.5 percent from fiscal 2010.
<b>Volente:</b>	\$42,405.61, up 18.0 percent from fiscal 2010.
<b>Creedmoor:</b>	\$66,608.39, up 11.9 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 Travis County based on sales activity months through August 2011: \$109.18 million, up 6.3 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

<b>Austin:</b>	\$93.28 million, up 4.7 percent from the same period in 2010.
<b>Pflugerville:</b>	\$3.87 million, up 16.7 percent from the same period in 2010.
<b>Lakeway:</b>	\$1.59 million, up 10.7 percent from the same period in 2010.
<b>Lago Vista:</b>	\$185,814.37, up 3.4 percent from the same period in 2010.
<b>Manor:</b>	\$235,848.84, up 7.0 percent from the same period in 2010.
<b>West Lake Hills:</b>	\$1.89 million, up 51.3 percent from the same period in 2010.
<b>Bee Cave:</b>	\$4.16 million, up 12.2 percent from the same period in 2010.
<b>Jonestown:</b>	\$71,866.99, down 2.3 percent from the same period in 2010.
<b>The Hills Village*:</b>	\$55,592.41, up 829.7 percent from the same period in 2010.
<b>Rollingwood:</b>	\$308,470.74, down 1.8 percent from the same period in 2010.
<b>Mustang Ridge:</b>	\$120,524.04, up 59.6 percent from the same period in 2010.
<b>Sunset Valley:</b>	\$3.25 million, up 12.6 percent from the same period in 2010.
<b>Briarcliff:</b>	\$20,436.19, down 2.2 percent from the same period in 2010.
<b>Webberville:</b>	\$43,701.06, up 200.8 percent from the same period in 2010.
<b>Volente:</b>	\$32,079.69, up 14.8 percent from the same period in 2010.
<b>Creedmoor:</b>	\$37,433.93, down 8.1 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 Travis County based on sales activity in the 12 months ending in August 2011: \$167.03 million, up 6.3 percent from the previous 12-month period.

- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

<b>Austin:</b>	\$143.00 million, up 4.8 percent from the previous 12-month period.
<b>Pflugerville:</b>	\$5.78 million, up 14.8 percent from the previous 12-month period.
<b>Lakeway:</b>	\$2.41 million, up 10.3 percent from the previous 12-month period.
<b>Lago Vista:</b>	\$283,038.01, up 4.2 percent from the previous 12-month period.
<b>Manor:</b>	\$371,238.20, up 12.8 percent from the previous 12-month period.
<b>West Lake Hills:</b>	\$2.85 million, up 50.5 percent from the previous 12-month period.
<b>Bee Cave:</b>	\$6.39 million, up 12.3 percent from the previous 12-month period.
<b>Jonestown:</b>	\$107,800.48, down 0.4 percent from the previous 12-month period.
<b>The Hills Village*:</b>	\$76,717.67
<b>Rollingwood:</b>	\$465,002.71, down 3.7 percent from the previous 12-month period.
<b>Mustang Ridge:</b>	\$183,165.97, up 115.1 percent from the previous 12-month period.
<b>Sunset Valley:</b>	\$4.90 million, up 9.3 percent from the previous 12-month period.
<b>Briarcliff:</b>	\$30,689.76, up 6.6 percent from the previous 12-month period.
<b>Webberville:</b>	\$51,544.27, up 134.5 percent from the previous 12-month period.
<b>Volente:</b>	\$42,405.61, up 18.0 percent from the previous 12-month period.
<b>Creedmoor:</b>	\$66,608.39, up 11.9 percent from the previous 12-month period.

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

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

<b>Austin:</b>	\$119.92 million, up 5.0 percent from the same period in 2010.
<b>Pflugerville:</b>	\$4.88 million, up 16.2 percent from the same period in 2010.
<b>Lakeway:</b>	\$1.98 million, up 10.6 percent from the same period in 2010.
<b>Lago Vista:</b>	\$234,336.83, up 3.8 percent from the same period in 2010.
<b>Manor:</b>	\$310,344.35, up 15.4 percent from the same period in 2010.
<b>West Lake Hills:</b>	\$2.32 million, up 46.2 percent from the same period in 2010.
<b>Bee Cave:</b>	\$5.43 million, up 12.3 percent from the same period in 2010.
<b>Jonestown:</b>	\$89,762.00, down 2.4 percent from the same period in 2010.
<b>The Hills Village*:</b>	\$67,211.06
<b>Rollingwood:</b>	\$386,467.84, down 3.7 percent from the same period in 2010.
<b>Mustang Ridge:</b>	\$149,169.49, up 85.3 percent from the same period in 2010.
<b>Sunset Valley:</b>	\$4.16 million, up 11.3 percent from the same period in 2010.
<b>Briarcliff:</b>	\$25,047.00, up 0.4 percent from the same period in 2010.
<b>Webberville:</b>	\$47,714.24, up 156.5 percent from the same period in 2010.
<b>Volente:</b>	\$36,438.95, up 18.5 percent from the same period in 2010.
<b>Creedmoor:</b>	\$52,637.31, up 2.5 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 Travis County based on sales activity months in 2010: \$160.55 million, up 5.3 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

<b>Austin:</b>	\$138.82 million, up 4.9 percent from 2009.
<b>Pflugerville:</b>	\$5.22 million, up 7.0 percent from 2009.
<b>Lakeway:</b>	\$2.25 million, up 8.5 percent from 2009.
<b>Lago Vista:</b>	\$276,939.18, down 0.1 percent from 2009.
<b>Manor:</b>	\$355,828.86, up 3.1 percent from 2009.
<b>West Lake Hills:</b>	\$2.21 million, up 19.0 percent from 2009.
<b>Bee Cave:</b>	\$5.94 million, up 10.6 percent from 2009.
<b>Jonestown:</b>	\$109,459.53, up 2.2 percent from 2009.
<b>The Hills Village*:</b>	\$27,105.18, na percent from 2009.
<b>Rollingwood:</b>	\$470,695.96, down 7.8 percent from 2009.
<b>Mustang Ridge:</b>	\$138,176.98, up 373.1 percent from 2009.
<b>Sunset Valley:</b>	\$4.53 million, up 1.2 percent from 2009.
<b>Briarcliff:</b>	\$31,147.10, up 20.8 percent from 2009.

<b>Webberville:</b>	\$22,370.71, up 4.6 percent from 2009.
<b>Volente:</b>	\$38,278.98, up 26.0 percent from 2009.
<b>Creedmoor:</b>	\$69,912.75, up 12.9 percent from 2009.

\*On 4/1/2010, the city of The Hills Village's local sales tax rate increased by 0.50 from 0.750 percent to 0.750 percent.

\*On 10/1/2010, the city of The Hills Village's local sales tax rate increased by 0.00 from 0.750 percent to 0.750 percent.

### ***Property Tax***

- As of January 2009, property values in Travis County: \$120.11 billion, up 3.8 percent from January 2008 values. The property tax base per person in Travis County is \$117,048, above the statewide average of \$85,809. A negligible 0.0 percent of the property tax base is derived from oil, gas and minerals.

### **State Expenditures**

- Travis County's ranking in state expenditures by county in fiscal year 2010: 3rd. State expenditures in the county for FY2010: \$7.82 billion, up 0.1 percent from FY2009.
- In Travis County, 105 state agencies provide a total of 67,819 jobs and \$814.97 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - University of Texas
  - Department of Public Safety
  - Department of Aging and Disability Services (Austin State School)
  - Health & Human Services Commission
  - Department of State Health Services

### **Higher Education**

- Community colleges in Travis County fall 2010 enrollment:
  - Austin Community College, a Public Community College, had 41,582 students.
- Travis County is in the service area of the following:
  - Austin Community College with a fall 2010 enrollment of 41,582. Counties in the service area include:
    - Bastrop County
    - Blanco County
    - Caldwell County
    - Fayette County
    - Gillespie County
    - Gonzales County
    - Guadalupe County
    - Hays County
    - Lee County
    - Travis County
    - Williamson County
- Institutions of higher education in Travis County fall 2010 enrollment:
  - The University of Texas at Austin, a Public University (part of The University of Texas System), had 51,195 students.
  - St. Edward's University, an Independent University, had 5,441 students.
  - Huston-Tillotson College, an Independent Senior College/University, had 901 students.
  - Concordia University, an Independent University, had 2,665 students.

### **School Districts**

- Travis County had 7 school districts with 194 schools and 138,449 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.)
  - Austin ISD had 84,245 students in the 2009-10 school year. The average teacher salary was \$46,926. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.
  - Del Valle ISD had 10,032 students in the 2009-10 school year. The average teacher salary was \$47,445. The percentage of students meeting the 2010 TAKS passing standard for all tests was 67 percent.
  - Eanes ISD had 7,487 students in the 2009-10 school year. The average teacher salary was \$51,039. The percentage of students meeting the 2010 TAKS passing standard for all tests was 97 percent.

- Lago Vista ISD had 1,224 students in the 2009-10 school year. The average teacher salary was \$47,094. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.
- Lake Travis ISD had 6,546 students in the 2009-10 school year. The average teacher salary was \$49,060. The percentage of students meeting the 2010 TAKS passing standard for all tests was 94 percent.
- Manor ISD had 6,902 students in the 2009-10 school year. The average teacher salary was \$45,587. The percentage of students meeting the 2010 TAKS passing standard for all tests was 60 percent.
- Pflugerville ISD had 22,013 students in the 2009-10 school year. The average teacher salary was \$46,706. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.