

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



June 26, 2013

Lloyd W. Graham
Superintendent
La Porte Independent School District
1002 San Jacinto St.
La Porte, Texas 77571-6496

Dear Superintendent Graham:

On March 28, 2013, the Comptroller received the completed application (Application # 273) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in February 2013 to the La Porte Independent School District (the school district) by Noltex L.L.C. (the applicant). 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.

The school district is currently classified as a rural school district in Category 1 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 (\$180 million) 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Harris County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in 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 the applicant, the Comptroller's recommendation is that this 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 only approve an application if the school district finds that the information in the application is true and

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of March 28, 2013, 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 submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district 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 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 ten (10) days prior to the meeting scheduled by the school 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 provisions that require:
 - a. the applicant to provide sufficient information to the Central Appraisal District (CAD) to distinguish between and separately appraise qualified property (as defined by 313.021(2)) from any property that is not qualified;
 - b. the school district to confirm with the CAD that the applicant has provided such information; and
 - c. that the Comptroller is provided with the CAD approved information no later than the first annual reporting period following the execution of the agreement;
- 3) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 4) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 5) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

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	Noltex L.L.C
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	La Porte ISD
2011-2012 Enrollment in School District	7,739
County	Harris
Total Investment in District	\$180,000,000
Qualified Investment	\$180,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	8*
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,144
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,136
Minimum Annual Wage committed to by applicant for qualified jobs	\$59,470
Investment per Qualifying Job	\$22,500,000
Estimated 15 year M&O levy without any limit or credit:	\$18,559,767
Estimated gross 15 year M&O tax benefit	\$10,454,506
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):	\$10,403,868
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,405,145
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$8,155,899
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	56.1%
Percentage of tax benefit due to the limitation	86.6%
Percentage of tax benefit due to the credit.	13.4%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

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

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

After construction, the project will create eight new jobs when fully operational. All eight jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Harris County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-2012 for Harris County is \$78,910. That same year, the county annual average wage for all industries was \$63,648. In addition to a salary of \$59,470, each qualifying position will receive benefits including but not limited to the following: medical coverage equal to or greater than 80% of the associated premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage. The project's total investment is \$180 million resulting in a relative level of investment per qualifying job of \$22.5 million.

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

According to Noltex's application, "Noltex is capable of constructing a new facility versus expanding its current La Porte facility in many countries around the world, as well as numerous potential locations in the United States."

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

During the past two years, 29 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

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

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Noltex 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 Noltex'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 Noltex

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	128	166	294	\$7,675,760	\$10,324,240	\$18,000,000
2014	88	127	215	\$5,335,864	\$9,664,136	\$15,000,000
2015	8	38	46	\$591,600	\$4,408,400	\$5,000,000
2016	8	33	41	\$591,600	\$3,408,400	\$4,000,000
2017	8	29	37	\$591,600	\$3,408,400	\$4,000,000
2018	8	27	35	\$591,600	\$3,408,400	\$4,000,000
2019	8	27	35	\$591,600	\$3,408,400	\$4,000,000
2020	8	31	39	\$591,600	\$3,408,400	\$4,000,000
2021	8	35	43	\$591,600	\$4,408,400	\$5,000,000
2022	8	35	43	\$591,600	\$3,408,400	\$4,000,000
2023	8	37	45	\$591,600	\$4,408,400	\$5,000,000
2024	8	31	39	\$591,600	\$4,408,400	\$5,000,000
2025	8	35	43	\$591,600	\$4,408,400	\$5,000,000
2026	8	33	41	\$591,600	\$5,408,400	\$6,000,000
2027	8	33	41	\$591,600	\$4,408,400	\$5,000,000
2028	8	33	41	\$591,600	\$5,408,400	\$6,000,000

Source: CPA, REMI, Noltex

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. La Porte ISD's ad valorem tax base in 2011-2012 was \$6.1 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, La Porte ISD's estimated wealth per WADA was \$667,833. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Hospital District, Harris County Education Department, and San Jacinto College District, with all property tax incentives sought being granted using estimated market value from Equistar Chemicals, L.P.'s application. Noltex has applied only for a value limitation under Chapter 313, Tax Code. Table 3 illustrates the estimated tax impact of the Noltex 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 ¹	La Porte ISD I&S Levy	La Porte ISD M&O Levy	La Porte ISD M&O and I&S Tax Levies (Before Credit Credited)	La Porte ISD M&O and I&S Tax Levies (After Credit Credited)	Harris County Tax Levy	Harris County Flood Control District Tax Levy	Port of Houston Authority Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	San Jacinto Jr. College District Tax Levy	Estimated Total Property Taxes
2014	\$22,500,000	\$22,500,000		0.2900	1.0400	\$65,250	\$299,250	\$90,047	\$6,320	\$4,392	\$40,986	\$1,489	\$41,760	\$484,245
2015	\$165,110,135	\$165,110,135		\$478,819	\$1,717,145	\$2,195,965	\$2,195,965	\$660,787	\$46,379	\$32,229	\$300,765	\$10,925	\$306,448	\$3,553,499
2016	\$159,339,545	\$300,000,000		\$462,085	\$312,000	\$774,085	\$774,085	\$637,693	\$44,758	\$31,103	\$290,253	\$10,543	\$295,737	\$2,084,173
2017	\$153,545,159	\$300,000,000		\$445,281	\$312,000	\$757,281	\$556,546	\$614,503	\$43,131	\$29,972	\$279,698	\$10,160	\$284,983	\$1,818,993
2018	\$147,719,367	\$300,000,000		\$428,386	\$312,000	\$740,386	\$539,651	\$591,188	\$41,494	\$28,835	\$269,086	\$9,775	\$274,170	\$1,754,198
2019	\$141,854,013	\$300,000,000		\$411,377	\$312,000	\$723,377	\$522,642	\$567,714	\$39,847	\$27,690	\$258,401	\$9,386	\$263,284	\$1,688,954
2020	\$135,940,786	\$300,000,000		\$394,228	\$312,000	\$706,228	\$505,493	\$544,049	\$38,186	\$26,536	\$247,630	\$8,995	\$252,309	\$1,623,197
2021	\$129,971,132	\$300,000,000		\$376,916	\$312,000	\$688,916	\$488,181	\$520,157	\$36,509	\$25,370	\$236,755	\$8,600	\$241,229	\$1,556,803
2022	\$123,935,739	\$300,000,000		\$359,414	\$312,000	\$671,414	\$470,679	\$496,003	\$34,814	\$24,192	\$225,761	\$8,201	\$230,027	\$1,489,677
2023	\$117,825,083	\$300,000,000		\$341,693	\$312,000	\$653,693	\$452,958	\$471,548	\$33,097	\$22,999	\$214,630	\$7,796	\$218,686	\$1,421,714
2024	\$111,053,950	\$111,053,950		\$322,056	\$1,154,961	\$1,477,018	\$1,477,018	\$444,449	\$31,195	\$21,678	\$202,296	\$7,348	\$206,118	\$2,390,102
2025	\$104,254,989	\$104,254,989		\$302,339	\$1,084,252	\$1,386,591	\$1,386,591	\$417,239	\$29,285	\$20,351	\$189,911	\$6,899	\$193,499	\$2,243,775
2026	\$97,418,272	\$97,418,272		\$282,513	\$1,013,150	\$1,295,663	\$1,295,663	\$389,878	\$27,365	\$19,016	\$177,457	\$6,446	\$180,810	\$2,096,635
2027	\$90,533,837	\$90,533,837		\$262,548	\$941,552	\$1,204,100	\$1,204,100	\$362,325	\$25,431	\$17,672	\$164,916	\$5,991	\$168,033	\$1,948,468
2028	\$83,591,022	\$83,591,022		\$242,414	\$869,347	\$1,111,761	\$1,111,761	\$334,540	\$23,481	\$16,317	\$152,269	\$5,531	\$155,147	\$1,799,045
						Total	\$13,280,581	\$7,142,120	\$501,292	\$348,353	\$3,250,815	\$118,087	\$3,312,240	\$27,953,487

Assumes School Value Limitation.

Source: CPA, Noltex

¹Tax 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 ¹	La Porte ISD I&S Levy	La Porte ISD M&O Levy	La Porte ISD M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Flood Control District Tax Levy	Port of Houston Authority Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	San Jacinto Jr. College District Tax Levy	Estimated Total Property Taxes	
2014	\$22,500,000	\$22,500,000		0.2900	1.0400	\$299,250	\$90,047	\$6,320	\$4,392	\$40,986	\$1,489	\$41,760	\$484,245	
2015	\$165,110,135	\$165,110,135		\$478,819	\$1,717,145	\$2,195,965	\$660,787	\$46,379	\$32,229	\$300,765	\$10,925	\$306,448	\$3,553,499	
2016	\$159,339,545	\$159,339,545		\$462,085	\$1,657,131	\$2,119,216	\$637,693	\$44,758	\$31,103	\$290,253	\$10,543	\$295,737	\$3,429,304	
2017	\$153,545,159	\$153,545,159		\$445,281	\$1,596,870	\$2,042,151	\$614,503	\$43,131	\$29,972	\$279,698	\$10,160	\$284,983	\$3,304,597	
2018	\$147,719,367	\$147,719,367		\$428,386	\$1,536,281	\$1,964,668	\$591,188	\$41,494	\$28,835	\$269,086	\$9,775	\$274,170	\$3,179,215	
2019	\$141,854,013	\$141,854,013		\$411,377	\$1,475,282	\$1,886,658	\$567,714	\$39,847	\$27,690	\$258,401	\$9,386	\$263,284	\$3,052,981	
2020	\$135,940,786	\$135,940,786		\$394,228	\$1,413,784	\$1,808,012	\$544,049	\$38,186	\$26,536	\$247,630	\$8,995	\$252,309	\$2,925,716	
2021	\$129,971,132	\$129,971,132		\$376,916	\$1,351,700	\$1,728,616	\$520,157	\$36,509	\$25,370	\$236,755	\$8,600	\$241,229	\$2,797,237	
2022	\$123,935,739	\$123,935,739		\$359,414	\$1,288,932	\$1,648,345	\$496,003	\$34,814	\$24,192	\$225,761	\$8,201	\$230,027	\$2,667,344	
2023	\$117,825,083	\$117,825,083		\$341,693	\$1,225,381	\$1,567,074	\$471,548	\$33,097	\$22,999	\$214,630	\$7,796	\$218,686	\$2,535,830	
2024	\$111,053,950	\$111,053,950		\$322,056	\$1,154,961	\$1,477,018	\$444,449	\$31,195	\$21,678	\$202,296	\$7,348	\$206,118	\$2,390,102	
2025	\$104,254,989	\$104,254,989		\$302,339	\$1,084,252	\$1,386,591	\$417,239	\$29,285	\$20,351	\$189,911	\$6,899	\$193,499	\$2,243,775	
2026	\$97,418,272	\$97,418,272		\$282,513	\$1,013,150	\$1,295,663	\$389,878	\$27,365	\$19,016	\$177,457	\$6,446	\$180,810	\$2,096,635	
2027	\$90,533,837	\$90,533,837		\$262,548	\$941,552	\$1,204,100	\$362,325	\$25,431	\$17,672	\$164,916	\$5,991	\$168,033	\$1,948,468	
2028	\$83,591,022	\$83,591,022		\$242,414	\$869,347	\$1,111,761	\$334,540	\$23,481	\$16,317	\$152,269	\$5,531	\$155,147	\$1,799,045	
						Total	\$23,735,087	\$7,142,120	\$501,292	\$348,353	\$3,250,815	\$118,087	\$3,312,240	\$38,407,993

Source: CPA, Noltex

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 \$18,559,767. The estimated gross 15 year M&O tax benefit, or levy loss, is \$10,403,868.

Attachment 3 is an economic overview of Harris County.

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachments

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

Attachment 1

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: **Nolox, LLC**
 ISD Name: **La Porte Independent School District**

PROPERTY INVESTMENT AMOUNTS

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

Year	School Year (YYYY-YYYY)	Tax Year (FY in actual tax year below)	Column A: Tangible Personal Property (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 (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) 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 Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	2013-2014	2013	0	6,811,000	6,811,000	0	6,811,000	
	1	2014-2015	2014	0	108,000,000	108,000,000	0	108,000,000
	2	2015-2016	2015	0	0	0	0	0
	3	2016-2017	2016	0	0	0	0	0
	4	2017-2018	2017	0	0	0	0	0
	5	2018-2019	2018	0	0	0	0	0
	6	2019-2020	2019	0	0	0	0	0
	7	2020-2021	2020	0	0	0	0	0
	8	2021-2022	2021	0	0	0	0	0
	9	2022-2023	2022	0	0	0	0	0
	10	2023-2024	2023	0	0	0	0	0
	11	2024-2025	2024	0	0	0	0	0
	12	2025-2026	2025	0	0	0	0	0
	13	2026-2027	2026	0	0	0	0	0
	14	2027-2028	2027	0	0	0	0	0
15	2028-2029	2028	0	0	0	0	0	

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.

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 C: 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.

Column D: 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.

Column E: SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE: 2-19-13

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

Form 50-296

Applicant Name: Nolex, LLC

ISD Name: La Porte Independent School District

	Year	School Year (YYYY-YYYY)	Tax Year (FBI in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O-after all reductions
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or in or on the new improvement			
	pre-year 1	2013-2014	2013						
Complete tax years of qualifying time period	1	2014-2015	2014		22,500,000			22,500,000	
	2	2015-2016	2015		177,537,780	12,427,645		165,110,135	
	3	2016-2017	2016		171,332,844	11,993,299		159,339,545	
	4	2017-2018	2017		165,102,322	11,557,163		153,545,159	
	5	2018-2019	2018		158,838,029	11,118,662		147,719,367	
Value Limitation Period	6	2019-2020	2019		152,531,197	10,677,184		141,854,013	
	7	2020-2021	2020		146,172,888	10,232,102		135,940,785	
	8	2021-2022	2021		139,753,905	9,782,773		129,971,131	
	9	2022-2023	2022		133,264,235	9,328,496		123,935,738	
	10	2023-2024	2023		126,693,637	8,868,555		117,825,083	
Credit Settle-Up Period	11	2024-2025	2024		119,412,850	8,358,899		111,053,950	
	12	2025-2026	2025		112,102,139	7,847,150		104,254,989	
	13	2026-2027	2026		104,750,830	7,332,558		97,418,272	
Post-Settle-Up Period	14	2027-2028	2027		97,348,211	6,814,375		90,533,837	
Post-Settle-Up Period	15	2028-2029	2028		89,882,819	6,291,797		83,591,022	

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.

[Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

2-19-13

DATE

Schedule C- Application: Employment Information

Form 50-296

Applicant Name **Noltex, LLC**
 ISD Name **La Porte 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 applicants 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	2013-2014	2013	120 FTE's	60,000	8	59,470	8	59,470
1	2014-2015	2014	80 FTE's	60,000	8	66,983	8	66,983
2	2015-2016	2015			8	73,950	8	73,950
3	2016-2017	2016			8	73,950	8	73,950
4	2017-2018	2017			8	73,950	8	73,950
5	2018-2019	2018			8	73,950	8	73,950
6	2019-2020	2019			8	73,950	8	73,950
7	2020-2021	2020			8	73,950	8	73,950
8	2021-2022	2021			8	73,950	8	73,950
9	2022-2023	2022			8	73,950	8	73,950
10	2023-2024	2023			8	73,950	8	73,950
11	2024-2025	2024			8	73,950	8	73,950
12	2025-2026	2025			8	73,950	8	73,950
13	2026-2027	2026			8	73,950	8	73,950
14	2027-2028	2027			8	73,950	8	73,950
15	2028-2029	2028			8	73,950	8	73,950
Complete tax years of qualifying time period								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period							
Credit Settle-Up Period	Continue to Maintain Viable Presence							
Post- Settle-Up Period								
Post- Settle-Up Period								

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 2-19-13

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

Applicant Name
Noltex LLC

ISD Name
La Porte Independent School District Form 50-296
Other Property Tax Abatements Sought

		Sales Tax Information			Franchise Tax				Other			
		Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other				
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	5,120,000	66,880,000	6,000	0%	0%	0%			
Complete tax years of qualifying time period	1	2014-2015	2014	7,680,000	100,320,000	6,000	0%	0%	0%			
	2	2015-2016	2015	930,000	2,400,000	6,000	0%	0%	0%			
	3	2016-2017	2016	930,000	2,400,000	6,000	0%	0%	0%			
	4	2017-2018	2017	930,000	2,400,000	6,000	0%	0%	0%			
	5	2018-2019	2018	930,000	2,400,000	6,000	0%	0%	0%			
	6	2019-2020	2019	930,000	2,400,000	6,000	0%	0%	0%			
	7	2020-2021	2020	930,000	2,400,000	6,000	0%	0%	0%			
	8	2021-2022	2021	930,000	2,400,000	6,000	0%	0%	0%			
	9	2022-2023	2022	930,000	2,400,000	6,000	0%	0%	0%			
	10	2023-2024	2023	930,000	2,400,000	6,000	0%	0%	0%			
	11	2024-2025	2024	930,000	2,400,000	6,000	0%	0%	0%			
	12	2025-2026	2025	930,000	2,400,000	6,000	0%	0%	0%			
	13	2026-2027	2026	930,000	2,400,000	6,000	0%	0%	0%			
	14	2027-2028	2027	930,000	2,400,000	6,000	0%	0%	0%			
	15	2028-2029	2028	930,000	2,400,000	6,000	0%	0%	0%			
Tax Credit Period (with 50% cap on credit)												
Credit Settle-Up Period												
Post-Settle-Up Period												
Post-Settle-Up Period												

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE



DATE
2-19-13

Attachment 2

June 17, 2013

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 Noltex LLC project on the number and size of school facilities in La Porte Independent School District (LPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the LPISD superintendent, Mr. Lloyd Graham, the TEA has found that the Noltex LLC project would not have a significant impact on the number or size of school facilities in LPISD.

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

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

June 17, 2013

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 Noltex LLC project for the La Porte Independent School District (LPISD). 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 the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Noltex LLC project on LPISD are correct.

Please feel free to contact me 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,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED NOLTEX
LLC PROJECT ON THE FINANCES OF THE LA PORTE
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

April 30, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Noltex LLC Project on the Finances of the La Porte Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Noltex LLC (Noltex) has requested that the La Porte Independent School District (LPISD) 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 LPISD on February 26, 2013, Noltex proposes to invest \$180 million to construct a new ethylene-vinyl alcohol copolymer (EVOH) plant in LPISD.

The Noltex 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, LPISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 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 2014-15 and 2015-16 school years. Beginning in the 2016-17 school year, 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 (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 LPISD currently levying a \$0.29 per \$100 I&S tax rate. The full taxable value of the investment is expected to reach \$165 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement. This represents about a two percent increase in the District's I&S tax base.

In the case of the Noltex 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. LPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$50,638). No out-year revenue losses are expected under current law.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$10.4 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 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 l&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 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. LPISD has a target revenue level of \$5,533 per WADA, which is about \$300 above the state average.

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 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 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 formulas. This resulted in 336 districts receiving ASATR funding, with an estimated 688 districts operating on state funding formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 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 expected that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

The initial legislation in the 2013 legislative session shows a further reduction in the number of ASATR districts being reduced to 308 districts under the Senate language, compared with an estimated 266 districts under the initial House language. The final bill language is probably a month away as this report is being written. As a result, current law will be the basis for the estimates presented below.

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 Noltex 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 Noltex project are factored into the base model used here. The impact of the limitation value for the proposed Noltex project is isolated separately and the focus of this analysis.

Student enrollment counts are held at approximately 7,000 students in average daily attendance (ADA) in analyzing the effects of the Noltex project on the finances of LPISD. The District's local tax base reached nearly \$6.3 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 three previous Chapter 313 value limitation agreement approved by the LPISD Board of Trustees are also factored into both the baseline and limitation model assumptions so that they are neutralized in order to isolate the financial impact of the Noltex agreement.

School Finance Impact

School finance models were prepared for LPISD under the assumptions outlined above through the 2028-29 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. Also, the property wealth per WADA estimates for LPISD would indicate that the District exceeds the Austin yield and is not subject to recapture for its four cents of Tier II tax effort.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Noltex facility to the model. This model does not assume that a value limitation is approved for the new project. The results of the model are shown in Table 2.

A second model is developed which adds the Noltex value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 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.

Under these assumptions, LPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$50,638). The revenue reduction results from the mechanics of the four cents beyond the compressed M&O tax rate 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 2016-17 school year. The formula loss of \$50,638 cited above between the base and the limitation models is based on an assumption of \$1.34 million in M&O tax savings for Noltex when the \$30 million limitation is implemented. Under the estimates presented here and summarized in Table 4, an increase in ASATR funding of \$830,220 and a reduction in recapture costs of \$437,371 will offset most of the reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses little financial risk to LPISD 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. Legislation currently under consideration could have that effect in the coming biennium.

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. Two state property value determinations are 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 the 2012-13 school year and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$9.0 million over the life of the agreement. In addition, Noltex 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 \$1.4 million over the course of the agreement, with no unpaid tax credits anticipated. LPISD is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key LPISD revenue losses are expected to total approximately -\$50,638 in the initial year of the value limitation, the 2016-17 school year. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$10.4 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 Noltex under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Noltex project remains fully taxable for debt services taxes, with LPISD currently levying a \$0.290 per\$100 I&S rate. The value of the Noltex project is expected to depreciate over the life of the agreement and beyond, although it should provide modest assistance in meeting the District's debt service needs. At its peak value, the project will add about two percent to the LPISD tax base for debt service.

The Noltex project is not expected to affect LPISD in terms of enrollment. Only eight qualifying jobs are expected when the project goes into operation. 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 Noltex ethylene-vinyl alcohol co-polymer (EVOH) plant project enhances the tax base of LPISD. 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 \$10.4 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of LPISD in meeting its future debt service obligations.

Table 1 – Base District Information with Noltex LLC 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	2013-14	7,171.42	9,094.42	\$1.0400	\$0.2900	\$6,383,115,742	\$6,383,115,742	\$6,471,964,584	\$6,471,964,584	\$711,641	\$711,641
1	2014-15	7,127.47	9,033.89	\$1.0400	\$0.2900	\$6,414,844,017	\$6,414,844,017	\$6,513,747,596	\$6,513,747,596	\$721,034	\$721,034
2	2015-16	7,083.79	9,133.65	\$1.0400	\$0.2900	\$6,527,820,365	\$6,527,820,365	\$6,494,576,327	\$6,494,576,327	\$711,060	\$711,060
3	2016-17	7,040.38	9,082.21	\$1.0400	\$0.2900	\$6,522,049,775	\$6,392,710,230	\$6,607,552,675	\$6,607,552,675	\$727,527	\$727,527
4	2017-18	6,997.24	9,031.96	\$1.0400	\$0.2900	\$6,516,255,389	\$6,392,710,230	\$6,601,782,085	\$6,472,442,540	\$730,936	\$716,616
5	2018-19	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,510,429,597	\$6,392,710,230	\$6,595,987,699	\$6,472,442,540	\$734,285	\$720,531
6	2019-20	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,504,564,243	\$6,392,710,230	\$6,590,161,907	\$6,472,442,540	\$733,636	\$720,531
7	2020-21	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,498,651,015	\$6,392,710,230	\$6,584,296,553	\$6,472,442,540	\$732,983	\$720,531
8	2021-22	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,537,240,961	\$6,437,269,830	\$6,578,383,325	\$6,472,442,540	\$732,325	\$720,531
9	2022-23	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,537,675,773	\$6,443,740,035	\$6,616,973,271	\$6,517,002,140	\$736,621	\$725,492
10	2023-24	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,557,462,275	\$6,469,637,192	\$6,617,408,083	\$6,523,472,345	\$736,669	\$726,212
11	2024-25	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,542,646,743	\$6,542,646,743	\$6,637,194,585	\$6,549,369,502	\$738,872	\$729,095
12	2025-26	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,528,211,183	\$6,528,211,183	\$6,622,379,053	\$6,622,379,053	\$737,223	\$737,223
13	2026-27	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,514,124,426	\$6,514,124,426	\$6,607,943,494	\$6,607,943,494	\$735,616	\$735,616
14	2027-28	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,500,356,336	\$6,500,356,336	\$6,593,856,736	\$6,593,856,736	\$734,047	\$734,047
15	2028-29	6,954.36	8,982.88	\$1.0400	\$0.2900	\$6,486,865,989	\$6,486,865,989	\$6,580,088,646	\$6,580,088,646	\$732,515	\$732,515

*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	2013-14	\$65,600,504	\$2,344,397	\$1,034,145	\$0	-\$20,498,917	\$2,588,277	\$0	\$0	\$51,068,405
1	2014-15	\$65,911,456	\$2,323,559	\$1,104,729	\$0	-\$21,175,591	\$2,600,698	\$0	\$0	\$50,764,851
2	2015-16	\$67,018,680	\$2,541,141	\$52,473	\$0	-\$20,927,350	\$2,844,930	\$0	\$0	\$51,329,873
3	2016-17	\$66,962,125	\$3,021,434	\$350,054	\$0	-\$21,917,220	\$2,642,671	\$0	\$0	\$51,059,064
4	2017-18	\$66,905,338	\$2,510,092	\$0	\$0	-\$22,104,540	\$2,640,402	\$0	\$0	\$49,951,292
5	2018-19	\$66,848,242	\$2,984,516	\$0	\$0	-\$22,285,919	\$2,638,121	\$0	\$0	\$50,184,960
6	2019-20	\$66,790,759	\$2,482,703	\$0	\$0	-\$22,227,887	\$2,635,825	\$0	\$0	\$49,681,399
7	2020-21	\$66,732,806	\$2,969,508	\$0	\$0	-\$22,169,433	\$2,633,510	\$0	\$0	\$50,166,391
8	2021-22	\$67,111,006	\$2,482,703	\$0	\$0	-\$22,263,028	\$2,648,618	\$0	\$0	\$49,979,300
9	2022-23	\$67,115,268	\$2,969,508	\$0	\$0	-\$22,516,126	\$2,648,788	\$0	\$0	\$50,217,439
10	2023-24	\$67,309,185	\$2,482,703	\$0	\$0	-\$22,587,430	\$2,656,535	\$0	\$0	\$49,860,994
11	2024-25	\$67,163,986	\$2,969,508	\$0	\$0	-\$22,664,101	\$2,650,735	\$0	\$0	\$50,120,127
12	2025-26	\$67,022,510	\$2,969,508	\$0	\$0	-\$22,518,333	\$2,645,083	\$0	\$0	\$50,118,768
13	2026-27	\$66,884,453	\$2,969,508	\$0	\$0	-\$22,376,212	\$2,639,568	\$0	\$0	\$50,117,317
14	2027-28	\$66,749,519	\$2,969,508	\$0	\$0	-\$22,237,432	\$2,634,177	\$0	\$0	\$50,115,773
15	2028-29	\$66,617,307	\$2,969,508	\$0	\$0	-\$22,101,660	\$2,628,896	\$0	\$0	\$50,114,051

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	2013-14	\$65,600,504	\$2,344,397	\$1,034,145	\$0	-\$20,498,917	\$2,588,277	\$0	\$0	\$51,068,405
1	2014-15	\$65,911,456	\$2,323,559	\$1,104,729	\$0	-\$21,175,591	\$2,600,698	\$0	\$0	\$50,764,851
2	2015-16	\$67,018,680	\$2,541,141	\$52,473	\$0	-\$20,927,350	\$2,644,930	\$0	\$0	\$51,329,873
3	2016-17	\$65,694,534	\$3,021,434	\$1,180,274	\$0	-\$21,479,849	\$2,592,033	\$0	\$0	\$51,008,426
4	2017-18	\$65,694,534	\$2,510,092	\$0	\$0	-\$20,837,800	\$2,592,033	\$0	\$0	\$49,958,859
5	2018-19	\$65,694,534	\$2,984,516	\$0	\$0	-\$21,077,174	\$2,592,033	\$0	\$0	\$50,193,909
6	2019-20	\$65,694,534	\$2,482,703	\$0	\$0	-\$21,077,174	\$2,592,033	\$0	\$0	\$49,692,096
7	2020-21	\$65,694,534	\$2,969,508	\$0	\$0	-\$21,077,174	\$2,592,033	\$0	\$0	\$50,178,901
8	2021-22	\$66,131,240	\$2,482,703	\$0	\$0	-\$21,225,079	\$2,609,478	\$0	\$0	\$49,998,343
9	2022-23	\$66,194,652	\$2,969,508	\$0	\$0	-\$21,542,209	\$2,612,012	\$0	\$0	\$50,233,962
10	2023-24	\$66,448,456	\$2,482,703	\$0	\$0	-\$21,672,075	\$2,622,151	\$0	\$0	\$49,881,235
11	2024-25	\$67,163,986	\$2,969,508	\$0	\$0	-\$22,090,271	\$2,650,735	\$0	\$0	\$50,693,958
12	2025-26	\$67,022,510	\$2,969,508	\$0	\$0	-\$22,518,333	\$2,645,083	\$0	\$0	\$50,118,768
13	2026-27	\$66,884,453	\$2,969,508	\$0	\$0	-\$22,376,212	\$2,639,568	\$0	\$0	\$50,117,317
14	2027-28	\$66,749,519	\$2,969,508	\$0	\$0	-\$22,237,432	\$2,634,177	\$0	\$0	\$50,115,773
15	2028-29	\$66,617,307	\$2,969,508	\$0	\$0	-\$22,101,660	\$2,628,896	\$0	\$0	\$50,114,051

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	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$1,267,591	\$0	\$830,220	\$0	\$437,371	-\$50,638	\$0	\$0	-\$50,638
4	2017-18	-\$1,210,803	\$0	\$0	\$0	\$1,266,739	-\$48,369	\$0	\$0	\$7,567
5	2018-19	-\$1,153,707	\$0	\$0	\$0	\$1,208,745	-\$46,088	\$0	\$0	\$8,949
6	2019-20	-\$1,096,224	\$0	\$0	\$0	\$1,150,713	-\$43,792	\$0	\$0	\$10,697
7	2020-21	-\$1,038,272	\$0	\$0	\$0	\$1,092,259	-\$41,477	\$0	\$0	\$12,510
8	2021-22	-\$979,766	\$0	\$0	\$0	\$1,037,949	-\$39,140	\$0	\$0	\$19,044
9	2022-23	-\$920,616	\$0	\$0	\$0	\$973,917	-\$36,777	\$0	\$0	\$16,524
10	2023-24	-\$860,729	\$0	\$0	\$0	\$915,354	-\$34,384	\$0	\$0	\$20,241
11	2024-25	\$0	\$0	\$0	\$0	\$573,831	\$0	\$0	\$0	\$573,831
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	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	2013-14	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$22,500,000	\$22,500,000	\$0	\$1.040	\$234,000	\$234,000	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$165,110,135	\$165,110,135	\$0	\$1.040	\$1,717,145	\$1,717,145	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$159,339,545	\$30,000,000	\$129,339,545	\$1.040	\$1,657,131	\$312,000	\$1,345,131	\$0	\$1,345,131	-\$50,638	\$1,294,494
4	2017-18	\$153,545,159	\$30,000,000	\$123,545,159	\$1.040	\$1,596,870	\$312,000	\$1,284,870	\$200,735	\$1,485,605	\$0	\$1,485,605
5	2018-19	\$147,719,367	\$30,000,000	\$117,719,367	\$1.040	\$1,536,281	\$312,000	\$1,224,281	\$200,735	\$1,425,016	\$0	\$1,425,016
6	2019-20	\$141,854,013	\$30,000,000	\$111,854,013	\$1.040	\$1,475,282	\$312,000	\$1,163,282	\$200,735	\$1,364,017	\$0	\$1,364,017
7	2020-21	\$135,940,785	\$30,000,000	\$105,940,785	\$1.040	\$1,413,784	\$312,000	\$1,101,784	\$200,735	\$1,302,519	\$0	\$1,302,519
8	2021-22	\$129,971,131	\$30,000,000	\$99,971,131	\$1.040	\$1,351,700	\$312,000	\$1,039,700	\$200,735	\$1,240,435	\$0	\$1,240,435
9	2022-23	\$123,935,738	\$30,000,000	\$93,935,738	\$1.040	\$1,288,932	\$312,000	\$976,932	\$200,735	\$1,177,667	\$0	\$1,177,667
10	2023-24	\$117,825,083	\$30,000,000	\$87,825,083	\$1.040	\$1,225,381	\$312,000	\$913,381	\$200,735	\$1,114,116	\$0	\$1,114,116
11	2024-25	\$111,053,950	\$111,053,950	\$0	\$1.040	\$1,154,961	\$1,154,961	\$0	\$0	\$0	\$0	\$0
12	2025-26	\$104,254,989	\$104,254,989	\$0	\$1.040	\$1,084,252	\$1,084,252	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$97,418,272	\$97,418,272	\$0	\$1.040	\$1,013,150	\$1,013,150	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$90,533,837	\$90,533,837	\$0	\$1.040	\$941,552	\$941,552	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$83,591,022	\$83,591,022	\$0	\$1.040	\$869,347	\$869,347	\$0	\$0	\$0	\$0	\$0
Totals						\$18,559,767	\$9,510,407	\$9,049,361	\$1,405,145	\$10,454,506	-\$50,638	\$10,403,868
Tax Credit for Value Over Limit in First 2 Years								Year 1	Year 2	Max Credits		
								\$0	\$1,405,145	\$1,405,145		
								Credits Eamed		\$1,405,145		
								Credits Paid		<u>\$1,405,145</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

Harris County

Population

- Total county population in 2010 for Harris County: 4,147,218 , up 1.8 percent from 2009. State population increased 1.8 percent in the same time period.
- Harris County was the state's 1th largest county in population in 2010 and the 46 th fastest growing county from 2009 to 2010.
- Harris County's population in 2009 was 35.3 percent Anglo (below the state average of 46.7 percent), 17.9 percent African-American (above the state average of 11.3 percent) and 39.8 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Harris County:

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

Economy and Income

Employment

- September 2011 total employment in Harris County: 1.9 million, up 1.8 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 Harris County unemployment rate: 8.6 percent, up from 8.3 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:

Houston:	8.5 percent, up from 8.1 percent in September 2010.
Pasadena:	10.0 percent, unchanged from 10.0 percent in September 2010.
Baytown:	11.6 percent, up from 11.3 percent in September 2010.
La Porte:	8.9 percent, down from 9.4 percent in September 2010.
Deer Park:	8.4 percent, unchanged from 8.4 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

- Harris County's ranking in per capita personal income in 2009: 7th with an average per capita income of \$48,337, down 6.1 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 Harris County averaged \$419.01 million annually from 2007 to 2010. County total agricultural values in 2010 were unchanged 0.0 percent from 2009. Major agriculture related commodities in Harris County during 2010 included:
 - Timber
 - Horses
 - Hay
 - Other Beef
 - Nursery
- 2011 oil and gas production in Harris County: 756,538.0 barrels of oil and 13.6 million Mcf of gas. In September 2011, there were 328 producing oil wells and 146 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 Harris County during the fourth quarter 2010: \$16.08 billion, up 11.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Houston:	\$12.97 billion, up 12.2 percent from the same quarter in 2009.
Pasadena:	\$352.50 million, up 3.3 percent from the same quarter in 2009.
Baytown:	\$193.94 million, up 3.5 percent from the same quarter in 2009.
La Porte:	\$71.70 million, up 25.1 percent from the same quarter in 2009.
Deer Park:	\$93.27 million, up 13.2 percent from the same quarter in 2009.
Bellaire:	\$38.04 million, down 9.7 percent from the same quarter in 2009.
South Houston:	\$27.61 million, up 0.7 percent from the same quarter in 2009.
West University Place:	\$14.26 million, up 5.1 percent from the same quarter in 2009.
Humble:	\$272.85 million, up 3.3 percent from the same quarter in 2009.
Katy:	\$161.63 million, up 6.3 percent from the same quarter in 2009.

Seabrook:	\$26.48 million, up 3.7 percent from the same quarter in 2009.
Webster:	\$152.51 million, up 1.5 percent from the same quarter in 2009.
Tomball:	\$97.38 million, up 4.3 percent from the same quarter in 2009.
Galena Park:	\$9.24 million, up 8.2 percent from the same quarter in 2009.
Jacinto City:	\$11.37 million, down 1.1 percent from the same quarter in 2009.
Jersey Village:	\$37.18 million, up 4.2 percent from the same quarter in 2009.
Hunters Creek Village:	\$3.51 million, up 1.7 percent from the same quarter in 2009.
Nassau Bay:	\$8.79 million, up 43.1 percent from the same quarter in 2009.
Spring Valley Village:	\$20.66 million, up 26.7 percent from the same quarter in 2009.
Bunker Hill Village:	\$533,920.00, up 24.9 percent from the same quarter in 2009.
Taylor Lake Village:	\$490,161.00, down 18.9 percent from the same quarter in 2009.
Piney Point Village:	\$2.05 million, up 255.5 percent from the same quarter in 2009.
El Lago:	\$1.81 million, up 12.8 percent from the same quarter in 2009.
Hedwig Village:	\$46.87 million, up 6.5 percent from the same quarter in 2009.
Southside Place:	\$7.99 million, down 2.1 percent from the same quarter in 2009.
Shoreacres:	\$500,657.00, up 2.5 percent from the same quarter in 2009.
Hilshire Village:	\$139,643.00, down 3.3 percent from the same quarter in 2009.
Morgan's Point:	\$2.86 million, up 2.4 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 Harris County through the fourth quarter of 2010: \$58.57 billion, up 0.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Houston:	\$46.99 billion, up 0.6 percent from the same period in 2009.
Pasadena:	\$1.33 billion, down 4.8 percent from the same period in 2009.
Baytown:	\$709.79 million, down 3.8 percent from the same period in 2009.
La Porte:	\$254.55 million, up 7.9 percent from the same period in 2009.
Deer Park:	\$337.69 million, up 1.4 percent from the same period in 2009.
Bellaire:	\$164.62 million, down 1.4 percent from the same period in 2009.
South Houston:	\$111.12 million, down 4.3 percent from the same period in 2009.
West University Place:	\$51.05 million, down 2.2 percent from the same period in 2009.
Humble:	\$936.31 million, up 0.4 percent from the same period in 2009.
Katy:	\$528.44 million, up 6.1 percent from the same period in 2009.
Seabrook:	\$106.27 million, down 2.5 percent from the same period in 2009.
Webster:	\$544.62 million, down 4.9 percent from the same period in 2009.
Tomball:	\$364.93 million, up 1.7 percent from the same period in 2009.
Galena Park:	\$35.96 million, down 8.8 percent from the same period in 2009.
Jacinto City:	\$47.71 million, down 2.7 percent from the same period in 2009.
Jersey Village:	\$143.42 million, down 1.6 percent from the same period in 2009.
Hunters Creek Village:	\$12.44 million, down 7.4 percent from the same period in 2009.
Nassau Bay:	\$28.91 million, down 5.0 percent from the same period in 2009.
Spring Valley Village:	\$71.86 million, up 5.3 percent from the same period in 2009.
Bunker Hill Village:	\$2.18 million, down 15.3 percent from the same period in 2009.
Taylor Lake Village:	\$1.60 million, up 1.4 percent from the same period in 2009.
Piney Point Village:	\$5.91 million, up 129.5 percent from the same period in 2009.
El Lago:	\$7.15 million, up 6.2 percent from the same period in 2009.
Hedwig Village:	\$157.84 million, up 8.4 percent from the same period in 2009.
Southside Place:	\$26.60 million, down 0.3 percent from the same period in 2009.
Shoreacres:	\$1.98 million, up 9.3 percent from the same period in 2009.
Hilshire Village:	\$551,837.00, down 51.7 percent from the same period in 2009.
Morgan's Point:	\$12.83 million, down 3.4 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Harris County during 2010: \$58.57 billion, up 0.6 percent from 2009.
- Harris County sent an estimated \$3.66 billion (or 21.40 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Houston:	\$46.99 billion, up 0.6 percent from 2009.
Pasadena:	\$1.33 billion, down 4.8 percent from 2009.
Baytown:	\$709.79 million, down 3.8 percent from 2009.
La Porte:	\$254.55 million, up 7.9 percent from 2009.
Deer Park:	\$337.69 million, up 1.4 percent from 2009.
Bellaire:	\$164.62 million, down 1.4 percent from 2009.
South Houston:	\$111.12 million, down 4.3 percent from 2009.
West University Place:	\$51.05 million, down 2.2 percent from 2009.
Humble:	\$936.31 million, up 0.4 percent from 2009.
Katy:	\$528.44 million, up 6.1 percent from 2009.
Seabrook:	\$106.27 million, down 2.5 percent from 2009.
Webster:	\$544.62 million, down 4.9 percent from 2009.
Tomball:	\$364.93 million, up 1.7 percent from 2009.
Galena Park:	\$35.96 million, down 8.8 percent from 2009.
Jacinto City:	\$47.71 million, down 2.7 percent from 2009.
Jersey Village:	\$143.42 million, down 1.6 percent from 2009.
Hunters Creek Village:	\$12.44 million, down 7.4 percent from 2009.
Nassau Bay:	\$28.91 million, down 5.0 percent from 2009.
Spring Valley Village:	\$71.86 million, up 5.3 percent from 2009.
Bunker Hill Village:	\$2.18 million, down 15.3 percent from 2009.
Taylor Lake Village:	\$1.60 million, up 1.4 percent from 2009.
Piney Point Village:	\$5.91 million, up 129.5 percent from 2009.
El Lago:	\$7.15 million, up 6.2 percent from 2009.
Hedwig Village:	\$157.84 million, up 8.4 percent from 2009.
Southside Place:	\$26.60 million, down 0.3 percent from 2009.
Shoreacres:	\$1.98 million, up 9.3 percent from 2009.
Hilshire Village:	\$551,837.00, down 51.7 percent from 2009.
Morgan's Point:	\$12.83 million, down 3.4 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 Harris County based on the sales activity month of August 2011: \$50.26 million, up 11.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Houston:	\$41.60 million, up 12.2 percent from August 2010.
Pasadena:	\$1.88 million, up 0.6 percent from August 2010.
Baytown:	\$1.12 million, up 27.9 percent from August 2010.
La Porte:	\$496,096.00, down 1.1 percent from August 2010.
Deer Park:	\$337,908.46, down 12.2 percent from August 2010.
Bellaire:	\$151,464.38, up 1.9 percent from August 2010.
South Houston:	\$217,348.75, up 17.8 percent from August 2010.
West University Place:	\$83,229.63, down 9.1 percent from August 2010.
Humble:	\$884,514.03, up 5.0 percent from August 2010.
Katy:	\$712,343.61, up 9.7 percent from August 2010.
Seabrook:	\$156,900.34, unchanged 0.0 percent from August 2010.
Webster:	\$1.13 million, up 25.1 percent from August 2010.
Tomball:	\$782,963.98, up 9.6 percent from August 2010.
Galena Park:	\$81,533.61, up 31.3 percent from August 2010.
Jacinto City:	\$43,105.63, up 6.7 percent from August 2010.
Jersey Village:	\$209,463.65, up 4.2 percent from August 2010.
Hunters Creek Village:	\$23,962.64, up 2.7 percent from August 2010.
Nassau Bay*:	\$68,510.08, up 22.1 percent from August 2010.
Spring Valley Village:	\$81,322.11, up 21.1 percent from August 2010.
Bunker Hill Village:	\$3,742.40, down 6.9 percent from August 2010.

Taylor Lake Village:	\$3,504.55, down 8.0 percent from August 2010.
Piney Point Village:	\$20,019.31, up 91.3 percent from August 2010.
El Lago:	\$10,406.16, up 2.7 percent from August 2010.
Hedwig Village:	\$110,761.01, up 4.8 percent from August 2010.
Southside Place:	\$24,973.30, up 0.1 percent from August 2010.
Shoreacres*:	\$5,381.38, up 16.4 percent from August 2010.
Hilshire Village:	\$3,000.30, up 13.7 percent from August 2010.
Morgan's Point:	\$22,653.71, down 3.0 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 Harris County based on sales activity months from September 2010 through August 2011: \$604.18 million, up 5.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Houston:	\$499.83 million, up 6.1 percent from fiscal 2010.
Pasadena:	\$23.73 million, up 4.0 percent from fiscal 2010.
Baytown:	\$12.14 million, up 2.9 percent from fiscal 2010.
La Porte:	\$5.62 million, up 4.4 percent from fiscal 2010.
Deer Park:	\$4.21 million, up 1.0 percent from fiscal 2010.
Bellaire:	\$2.04 million, down 9.6 percent from fiscal 2010.
South Houston:	\$2.32 million, up 3.6 percent from fiscal 2010.
West University Place:	\$971,835.68, down 7.3 percent from fiscal 2010.
Humble:	\$11.13 million, up 5.1 percent from fiscal 2010.
Katy:	\$8.88 million, up 12.3 percent from fiscal 2010.
Seabrook:	\$2.12 million, up 1.2 percent from fiscal 2010.
Webster:	\$13.59 million, up 4.8 percent from fiscal 2010.
Tomball:	\$9.16 million, up 5.0 percent from fiscal 2010.
Galena Park:	\$835,705.85, up 15.4 percent from fiscal 2010.
Jacinto City:	\$586,319.01, up 2.4 percent from fiscal 2010.
Jersey Village:	\$2.50 million, up 5.9 percent from fiscal 2010.
Hunters Creek Village:	\$280,913.52, up 1.4 percent from fiscal 2010.
Nassau Bay*:	\$697,089.68, up 0.9 percent from fiscal 2010.
Spring Valley Village:	\$909,058.37, up 15.4 percent from fiscal 2010.
Bunker Hill Village:	\$70,751.11, up 2.6 percent from fiscal 2010.
Taylor Lake Village:	\$54,619.56, up 9.9 percent from fiscal 2010.
Piney Point Village:	\$117,523.19, up 2.1 percent from fiscal 2010.
El Lago:	\$127,088.67, down 4.6 percent from fiscal 2010.
Hedwig Village:	\$1.55 million, up 8.0 percent from fiscal 2010.
Southside Place:	\$295,068.35, up 0.1 percent from fiscal 2010.
Shoreacres*:	\$65,389.62, up 7.7 percent from fiscal 2010.
Hilshire Village:	\$33,321.98, up 0.3 percent from fiscal 2010.
Morgan's Point:	\$318,555.46, up 20.7 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 Harris County based on sales activity months through August 2011: \$397.02 million, up 6.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Houston:	\$329.28 million, up 7.1 percent from the same period in 2010.
Pasadena:	\$15.53 million, up 3.3 percent from the same period in 2010.
Baytown:	\$8.03 million, up 3.4 percent from the same period in 2010.
La Porte:	\$3.63 million, up 0.9 percent from the same period in 2010.
Deer Park:	\$2.71 million, up 1.6 percent from the same period in 2010.
Bellaire:	\$1.30 million, down 13.9 percent from the same period in 2010.
South Houston:	\$1.53 million, up 3.0 percent from the same period in 2010.
West University Place:	\$637,456.21, down 10.9 percent from the same period in 2010.

Humble:	\$7.12 million, up 5.0 percent from the same period in 2010.
Katy:	\$5.55 million, up 6.6 percent from the same period in 2010.
Seabrook:	\$1.38 million, down 0.1 percent from the same period in 2010.
Webster:	\$8.77 million, up 6.6 percent from the same period in 2010.
Tomball:	\$5.98 million, up 4.1 percent from the same period in 2010.
Galena Park:	\$575,774.79, up 17.3 percent from the same period in 2010.
Jacinto City:	\$388,281.03, up 1.2 percent from the same period in 2010.
Jersey Village:	\$1.70 million, up 6.4 percent from the same period in 2010.
Hunters Creek Village:	\$190,726.12, up 4.9 percent from the same period in 2010.
Nassau Bay*:	\$455,909.40, up 3.9 percent from the same period in 2010.
Spring Valley Village:	\$640,187.56, up 18.7 percent from the same period in 2010.
Bunker Hill Village:	\$47,170.87, down 2.8 percent from the same period in 2010.
Taylor Lake Village:	\$35,502.33, up 9.6 percent from the same period in 2010.
Piney Point Village:	\$72,779.00, down 9.4 percent from the same period in 2010.
El Lago:	\$79,540.23, down 9.2 percent from the same period in 2010.
Hedwig Village:	\$976,432.35, up 7.9 percent from the same period in 2010.
Southside Place:	\$182,173.91, up 1.1 percent from the same period in 2010.
Shoreacres*:	\$44,169.76, up 7.7 percent from the same period in 2010.
Hilshire Village:	\$19,496.08, up 3.1 percent from the same period in 2010.
Morgan's Point:	\$185,767.94, down 7.8 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 Harris County based on sales activity in the 12 months ending in August 2011: \$604.18 million, up 5.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Houston:	\$499.83 million, up 6.1 percent from the previous 12-month period.
Pasadena:	\$23.73 million, up 4.0 percent from the previous 12-month period.
Baytown:	\$12.14 million, up 2.9 percent from the previous 12-month period.
La Porte:	\$5.62 million, up 4.4 percent from the previous 12-month period.
Deer Park:	\$4.21 million, up 1.0 percent from the previous 12-month period.
Bellaire:	\$2.04 million, down 9.6 percent from the previous 12-month period.
South Houston:	\$2.32 million, up 3.6 percent from the previous 12-month period.
West University Place:	\$971,835.68, down 7.3 percent from the previous 12-month period.
Humble:	\$11.13 million, up 5.1 percent from the previous 12-month period.
Katy:	\$8.88 million, up 12.3 percent from the previous 12-month period.
Seabrook:	\$2.12 million, up 1.2 percent from the previous 12-month period.
Webster:	\$13.59 million, up 4.8 percent from the previous 12-month period.
Tomball:	\$9.16 million, up 5.0 percent from the previous 12-month period.
Galena Park:	\$835,705.85, up 15.4 percent from the previous 12-month period.
Jacinto City:	\$586,319.01, up 2.4 percent from the previous 12-month period.
Jersey Village:	\$2.50 million, up 5.9 percent from the previous 12-month period.
Hunters Creek Village:	\$280,913.52, up 1.4 percent from the previous 12-month period.
Nassau Bay*:	\$697,089.68, up 0.9 percent from the previous 12-month period.
Spring Valley Village:	\$909,058.37, up 15.4 percent from the previous 12-month period.
Bunker Hill Village:	\$70,751.11, up 2.6 percent from the previous 12-month period.
Taylor Lake Village:	\$54,619.56, up 9.9 percent from the previous 12-month period.
Piney Point Village:	\$117,523.19, up 2.1 percent from the previous 12-month period.
El Lago:	\$127,088.67, down 4.6 percent from the previous 12-month period.
Hedwig Village:	\$1.55 million, up 8.0 percent from the previous 12-month period.
Southside Place:	\$295,068.35, up 0.1 percent from the previous 12-month period.
Shoreacres*:	\$65,389.62, up 7.7 percent from the previous 12-month period.
Hilshire Village:	\$33,321.98, up 0.3 percent from the previous 12-month period.
Morgan's Point:	\$318,555.46, up 20.7 percent from the previous 12-month period.

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

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

Houston:	\$419.51 million, up 6.8 percent from the same period in 2010.
Pasadena:	\$19.86 million, up 3.6 percent from the same period in 2010.
Baytown:	\$10.23 million, up 2.9 percent from the same period in 2010.
La Porte:	\$4.63 million, up 2.5 percent from the same period in 2010.
Deer Park:	\$3.47 million, up 3.9 percent from the same period in 2010.
Bellaire:	\$1.69 million, down 10.0 percent from the same period in 2010.
South Houston:	\$1.92 million, up 3.2 percent from the same period in 2010.
West University Place:	\$798,014.35, down 10.3 percent from the same period in 2010.
Humble:	\$9.41 million, up 4.2 percent from the same period in 2010.
Katy:	\$7.51 million, up 12.2 percent from the same period in 2010.
Seabrook:	\$1.74 million, up 0.5 percent from the same period in 2010.
Webster:	\$11.53 million, up 8.2 percent from the same period in 2010.
Tomball:	\$7.71 million, up 5.3 percent from the same period in 2010.
Galena Park:	\$704,147.86, up 16.0 percent from the same period in 2010.
Jacinto City:	\$482,029.54, up 0.5 percent from the same period in 2010.
Jersey Village:	\$2.12 million, up 6.5 percent from the same period in 2010.
Hunters Creek Village:	\$234,813.77, up 2.1 percent from the same period in 2010.
Nassau Bay*:	\$599,365.98, up 9.7 percent from the same period in 2010.
Spring Valley Village:	\$781,620.50, up 17.6 percent from the same period in 2010.
Bunker Hill Village:	\$59,987.49, down 0.3 percent from the same period in 2010.
Taylor Lake Village:	\$45,492.06, up 6.6 percent from the same period in 2010.
Plney Point Village:	\$103,038.24, up 5.6 percent from the same period in 2010.
El Lago:	\$104,396.51, down 3.5 percent from the same period in 2010.
Hedwig Village:	\$1.30 million, up 8.0 percent from the same period in 2010.
Southside Place:	\$250,112.33, up 2.1 percent from the same period in 2010.
Shoreacres*:	\$54,222.77, up 6.2 percent from the same period in 2010.
Hilshire Village:	\$26,900.10, up 9.3 percent from the same period in 2010.
Morgan's Point:	\$250,864.49, up 10.1 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 Harris County based on sales activity months in 2010: \$579.94 million, up 0.7 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Houston:	\$478.01 million, up 0.8 percent from 2009.
Pasadena:	\$23.23 million, down 3.5 percent from 2009.
Baytown:	\$11.87 million, down 2.7 percent from 2009.
La Porte:	\$5.59 million, up 11.1 percent from 2009.
Deer Park:	\$4.16 million, down 1.9 percent from 2009.
Bellaire:	\$2.25 million, up 3.1 percent from 2009.
South Houston:	\$2.28 million, down 3.4 percent from 2009.
West University Place:	\$1.05 million, up 10.9 percent from 2009.
Humble:	\$10.78 million, down 1.2 percent from 2009.
Katy:	\$8.54 million, up 14.1 percent from 2009.
Seabrook:	\$2.12 million, down 2.9 percent from 2009.
Webster:	\$13.05 million, down 3.2 percent from 2009.
Tomball:	\$8.93 million, up 0.4 percent from 2009.
Galena Park:	\$750,580.78, up 6.6 percent from 2009.
Jacinto City:	\$581,584.28, up 3.1 percent from 2009.
Jersey Village:	\$2.40 million, up 1.2 percent from 2009.
Hunters Creek Village:	\$271,978.08, down 5.2 percent from 2009.
Nassau Bay*:	\$679,854.28, down 6.5 percent from 2009.
Spring Valley Village:	\$807,981.43, up 2.0 percent from 2009.
Bunker Hill Village:	\$72,086.00, up 17.7 percent from 2009.
Taylor Lake Village:	\$51,516.47, up 16.2 percent from 2009.

Piney Point Village:	\$125,031.28, up 26.0 percent from 2009.
El Lago:	\$135,168.06, up 4.4 percent from 2009.
Hedwig Village:	\$1.48 million, up 8.0 percent from 2009.
Southside Place:	\$293,163.92, down 0.3 percent from 2009.
Shoreacres*:	\$62,215.94, up 23.4 percent from 2009.
Hilshire Village:	\$32,733.90, down 16.1 percent from 2009.
Morgan's Point:	\$334,244.58, up 71.7 percent from 2009.

*On 1/1/2009, the city of Nassau Bay's local sales tax rate increased by 0.00 from 1.750 percent to 1.750 percent.

*On 10/1/2009, the city of Shoreacres's local sales tax rate increased by 0.00 from 1.250 percent to 1.250 percent.

Property Tax

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

State Expenditures

- Harris County's ranking in state expenditures by county in fiscal year 2010: 1st. State expenditures in the county for FY2010: \$14.82 billion, up 0.2 percent from FY2009.
- In Harris County, 50 state agencies provide a total of 46,388 jobs and \$690.59 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - University of Texas (MD Anderson)
 - University of Houston
 - University of Texas Health Science Center
 - Department of Family and Protective Services

Higher Education

- Community colleges in Harris County fall 2010 enrollment:
 - Tomball College, a Public Community College (part of Lone Star College System), had 10,791 students.
 - South Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 10,497 students.
 - North Harris College, a Public Community College (part of Lone Star College System), had 15,213 students.
 - North Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 6,573 students.
 - Lee College, a Public Community College, had 6,719 students.
 - Kingwood College, a Public Community College (part of Lone Star College System), had 9,807 students.
 - Houston Community College, a Public Community College, had 49,717 students.
 - Cy-Fair College, a Public Community College (part of Lone Star College System), had 16,861 students.
 - Central Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 15,035 students.
- Harris County is in the service area of the following:
 - Houston Community College with a fall 2010 enrollment of 49,717 . Counties in the service area include:
 - Fort Bend County
 - Harris County
 - Waller County
 - Lee College with a fall 2010 enrollment of 6,719 . Counties in the service area include:
 - Chambers County
 - Hardin County
 - Harris County
 - Liberty County
 - Lone Star College System with a fall 2010 enrollment of 63,826 . Counties in the service area include:
 - Harris County
 - Liberty County
 - Montgomery County
 - San Jacinto County
 - Walker County
 - San Jacinto Community College with a fall 2010 enrollment of 32,105 . Counties in the service area include:
 - Chambers County
 - Harris County

■ Institutions of higher education in Harris County fall 2010 enrollment:

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

School Districts

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

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

- Aldine ISD had 62,532 students in the 2009-10 school year. The average teacher salary was \$51,698. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Alief ISD had 45,410 students in the 2009-10 school year. The average teacher salary was \$51,983. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Channelview ISD had 8,628 students in the 2009-10 school year. The average teacher salary was \$51,435. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Crosby ISD had 4,997 students in the 2009-10 school year. The average teacher salary was \$47,973. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.
- Cypress-Fairbanks ISD had 103,897 students in the 2009-10 school year. The average teacher salary was \$48,160. The percentage of students meeting the 2010 TAKS passing standard for all tests was 83 percent.
- Deer Park ISD had 12,436 students in the 2009-10 school year. The average teacher salary was \$54,620. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
- Galena Park ISD had 21,409 students in the 2009-10 school year. The average teacher salary was \$49,054. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Goose Creek ISD had 20,819 students in the 2009-10 school year. The average teacher salary was \$50,503. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.
- Houston ISD had 200,944 students in the 2009-10 school year. The average teacher salary was \$52,535. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Huffman ISD had 3,150 students in the 2009-10 school year. The average teacher salary was \$46,579. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- Humble ISD had 34,689 students in the 2009-10 school year. The average teacher salary was \$46,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Katy ISD had 58,444 students in the 2009-10 school year. The average teacher salary was \$50,374. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.
- Klein ISD had 44,695 students in the 2009-10 school year. The average teacher salary was \$51,719. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.
- La Porte ISD had 7,818 students in the 2009-10 school year. The average teacher salary was \$50,976. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- North Forest ISD had 7,662 students in the 2009-10 school year. The average teacher salary was \$47,706. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
- Pasadena ISD had 51,923 students in the 2009-10 school year. The average teacher salary was \$48,436. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Sheldon ISD had 6,525 students in the 2009-10 school year. The average teacher salary was \$48,991. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
- Spring ISD had 35,276 students in the 2009-10 school year. The average teacher salary was \$48,690. The percentage of students meeting the 2010 TAKS passing standard for all tests was 69 percent.
- Spring Branch ISD had 32,415 students in the 2009-10 school year. The average teacher salary was \$50,971. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Tomball ISD had 10,212 students in the 2009-10 school year. The average teacher salary was \$51,337. The percentage of students meeting the 2010 TAKS passing standard for all tests was 85 percent.