SUSAN COMBS

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS
P.O. Box 13528 • Austin, TX 78711-3528

June 26, 2013

Dr. Suzanne J. Nelson
Superintendent
Tuloso-Midway Independent School District
9760 La Branch
Corpus Christi, Texas 78460-0900

Dear Superintendent Nelson:

On April 9, 2013, the Comptroller received the completed application (Application # 277) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted in March 2013 to the Tuloso-Midway Independent School District (the school district) by M&G USA Corporation & M&G Resins USA, LLC (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 ($751 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 Nueces 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. 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.

Note that any new building or other improvement existing as of the application review start date of April 9, 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 the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 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 Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
3) 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
4) 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

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	M&G USA Corporation & M&G Resins USA, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Tuloso-Midway ISD
2011-12 Enrollment in School District	3,577
County	Nueces
Total Investment in District	$751,000,000
Qualified Investment	$751,000,000
Limitation Amount	$30,000,000
Number of total jobs committed to by applicant	200
Number of qualifying jobs committed to by applicant	160
Average Weekly Wage of Qualifying Jobs committed to by applicant	$1,000
Minimum Weekly Wage Required Tax Code, 313.051(b)	$983
Minimum Annual Wage committed to by applicant for qualified jobs	$52,000
Investment per Qualifying Job	$4,693,750
Estimated 15 year M&O levy without any limit or credit:	$86,218,591
Estimated gross 15 year M&O tax benefit	$55,027,108
Estimated 15 year M&O tax benefit (*after* deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	$47,591,961
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$2,668,294
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	$38,626,630
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	55.2%
Percentage of tax benefit due to the limitation	95.2%
Percentage of tax benefit due to the credit	4.8%

This presents the Comptroller's economic impact evaluation of M&G USA and M&G Resins USA (the project) applying to Tuloso-Midway 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 200 new jobs when fully operational. 160 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 Coastal Bend Council of Governments Region, where Nueces County is located was $46,489 in 2011. The annual average manufacturing wage for 2011-2012 for Nueces County is $67,808. That same year, the county annual average wage for all industries was $41,704. In addition to a salary of $52,000, each qualifying position will receive benefits such as medical insurance (with the company paying 80% of the healthcare premium for "employee only" coverage), dental care assistance (provided either through a discount program or separate insurance product), vision care assistance (provided either through a discount program or a separate insurance product), life insurance (a base benefit with the premium to be paid for by the company with elective options for additional coverage paid by the employee), qualified 401(k) retirement savings plan, paid holidays, and paid vacation time. The project's total investment is $751 million, resulting in a relative level of investment per qualifying job of $4.7 million.

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

According to M&G USA and M&G Resins USA's application, "M&G Resins USA, LLC (Delaware) is a 100% owned subsidiary of M&G USA Corporation (Delaware), registered to do business in Texas as Mossi & Ghisolfi USA Corporation, which is 100% owned subsidiary of Mossi & Ghisolfi International S.A (Luxembourg), which is a 100% owned subsidiary of M&G Finanziaria (Italy), an Italian privately held company with headquarters in Milan, Italy. They operate facilities worldwide and are a leading manufacturer of PET for packaging applications and a technological leader in the polyester market. Presently in four countries, M&G has industrial units located in Italy, Mexico, Brazil, and West Virginia, United States. M&G considered locating this proposed facility in Louisiana and Mississippi, and has the ability to locate a new facility in many countries around the world as well as numerous potential locations in the United States. The Chapter 312 Tax Abatements and Chapter 313 Limitation of Appraised Value incentive was crucial in the decision to build this plant in Nueces County."

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

During the past two years, five projects in the Coastal Bend 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 M&G USA and M&G Resins USA 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 M&G USA and M&G Resins USA'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 15 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 M&G USA and M&G Resins USA

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	1200	1,170	2370	$48,000,000	$84,000,000	$132,000,000
2015	700	1,143	1843	$30,500,000	$88,500,000	$119,000,000
2016	204	677	881	$10,168,000	$60,832,000	$71,000,000
2017	200	677	877	$10,000,000	$62,000,000	$72,000,000
2018	200	665	865	$10,000,000	$64,000,000	$74,000,000
2019	200	665	865	$10,000,000	$66,000,000	$76,000,000
2020	200	667	867	$10,000,000	$69,000,000	$79,000,000
2021	200	681	881	$10,000,000	$73,000,000	$83,000,000
2022	200	691	891	$10,000,000	$76,000,000	$86,000,000
2023	200	710	910	$10,000,000	$82,000,000	$92,000,000
2024	200	685	885	$10,000,000	$82,000,000	$92,000,000
2025	200	695	895	$10,000,000	$86,000,000	$96,000,000
2026	200	702	902	$10,000,000	$91,000,000	$101,000,000
2027	200	720	920	$10,000,000	$96,000,000	$106,000,000
2028	200	738	938	$10,000,000	$102,000,000	$112,000,000

Source: CPA, REMI, M&G USA and M&G Resins USA

The statewide average ad valorem tax base for school districts in Texas was $1.74 billion in 2011-2012. Tuloso-Midway ISD's ad valorem tax base in 2011-2012 was $1.7 billion. The statewide average wealth per WADA was estimated at $347,943 for fiscal 2011-2012. During that same year, Tuloso-Midway ISD's estimated wealth per WADA was $379,012. 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, Nueces County, Delmar College District, Nueces County Emergency Services District #1, and Nueces County Hospital District, with all property tax incentives sought being granted using estimated market value from M&G USA and M&G Resins USA's application. M&G USA and M&G Resins USA has applied for a value limitation under Chapter 313, Tax Code, and tax abatements with the county and the college district. Table 3 illustrates the estimated tax impact of the M&G USA and M&G Resins USA 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		Tuloso-Midway ISD I&S Levy	Tuloso-Midway ISD M&O Levy	Tuloso-Midway ISD M&O and I&S Tax Levies (Before Credit Credited)	Tuloso-Midway ISD M&O and I&S Tax Levies (After Credit Credited)	Nueces County Tax Levy	Del Mar College District Tax Levy	Nueces County Emergency Services District #1 Tax Levy	Nueces County Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2636	1.0686			0.3510	0.2580	0.1000	0.1624	
2014	$9,200,000	$9,200,000		$24,251	$98,311	$122,562	$122,562	$0	$0	$9,200	$14,943	$146,706
2015	$279,700,000	$279,700,000		$737,289	$2,988,874	$3,726,163	$3,726,163	$0	$0	$279,700	$454,311	$4,460,175
2016	$711,995,000	$30,000,000		$1,876,819	$320,580	$2,197,399	$2,197,399	$0	$0	$711,995	$1,156,479	$4,065,873
2017	$690,915,000	$30,000,000		$1,821,252	$320,580	$2,141,832	$1,760,647	$727,531	$534,774	$690,915	$1,122,239	$4,836,107
2018	$670,459,000	$30,000,000		$1,767,330	$320,580	$2,087,910	$1,706,725	$705,991	$518,941	$670,459	$1,089,013	$4,691,130
2019	$650,625,000	$30,000,000		$1,715,048	$320,580	$2,035,628	$1,654,443	$685,106	$503,590	$650,625	$1,056,797	$4,550,561
2020	$631,385,000	$30,000,000		$1,664,331	$320,580	$1,984,911	$1,603,726	$664,847	$488,698	$631,385	$1,025,546	$4,414,201
2021	$612,719,000	$30,000,000		$1,615,127	$320,580	$1,935,707	$1,554,522	$645,191	$474,250	$612,719	$995,227	$4,281,910
2022	$594,610,000	$30,000,000		$1,567,392	$320,580	$1,887,972	$1,506,787	$626,123	$460,233	$594,610	$965,813	$4,153,566
2023	$577,050,000	$30,000,000		$1,521,104	$320,580	$1,841,684	$1,460,499	$607,632	$446,642	$577,050	$937,291	$4,029,114
2024	$560,012,000	$560,012,000		$1,476,192	$5,984,288	$7,460,480	$7,460,480	$1,965,637	$1,444,848	$560,012	$909,616	$12,340,592
2025	$543,489,000	$543,489,000		$1,432,637	$5,807,723	$7,240,360	$7,240,360	$1,907,641	$1,402,218	$543,489	$882,778	$11,976,487
2026	$527,456,000	$527,456,000		$1,390,374	$5,636,395	$7,026,769	$7,026,769	$1,851,365	$1,360,852	$527,456	$856,736	$11,623,179
2027	$511,917,000	$511,917,000		$1,349,413	$5,470,345	$6,819,758	$6,819,758	$1,796,824	$1,320,761	$511,917	$831,497	$11,280,757
2028	$496,837,000	$496,837,000		$1,309,662	$5,309,200	$6,618,863	$6,618,863	$1,743,893	$1,281,854	$496,837	$807,002	$10,948,449
						Total	$52,459,704	$13,927,780	$10,237,662	$8,068,369	$13,105,290	$97,798,805

Assumes School Value Limitation and Tax Abatements with the County and College District.

Source: CPA, M&G USA and M&G Resins USA

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Tuloso-Midway ISD I&S Levy	Tuloso-Midway ISD M&O Levy		Tuloso-Midway ISD M&O and I&S Tax Levies	Nueces County Tax Levy	Del Mar College District Tax Levy	Nueces County Emergency Services District #1 Tax Levy	Nueces County Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2636	1.0686			0.3510	0.2580	0.1000	0.1624	
2014	$9,200,000	$9,200,000		$24,251	$98,311		$122,562	$32,292	$23,736	$9,200	$14,943	$202,734
2015	$279,700,000	$279,700,000		$737,289	$2,988,874		$3,726,163	$981,744	$721,634	$279,700	$454,311	$6,163,553
2016	$711,995,000	$711,995,000		$1,876,819	$7,608,379		$9,485,197	$2,499,095	$1,836,968	$711,995	$1,156,479	$15,689,735
2017	$690,915,000	$690,915,000		$1,821,252	$7,383,118		$9,204,370	$2,425,105	$1,782,581	$690,915	$1,122,239	$15,225,210
2018	$670,459,000	$670,459,000		$1,767,330	$7,164,525		$8,931,855	$2,353,304	$1,729,804	$670,459	$1,089,013	$14,774,436
2019	$650,625,000	$650,625,000		$1,715,048	$6,952,579		$8,667,626	$2,283,687	$1,678,632	$650,625	$1,056,797	$14,337,368
2020	$631,385,000	$631,385,000		$1,664,331	$6,746,980		$8,411,311	$2,216,155	$1,628,992	$631,385	$1,025,546	$13,913,389
2021	$612,719,000	$612,719,000		$1,615,127	$6,547,515		$8,162,643	$2,150,638	$1,580,833	$612,719	$995,227	$13,502,060
2022	$594,610,000	$594,610,000		$1,567,392	$6,354,002		$7,921,394	$2,087,075	$1,534,112	$594,610	$965,813	$13,103,004
2023	$577,050,000	$577,050,000		$1,521,104	$6,166,356		$7,687,460	$2,025,440	$1,488,806	$577,050	$937,291	$12,716,047
2024	$560,012,000	$560,012,000		$1,476,192	$5,984,288		$7,460,480	$1,965,637	$1,444,848	$560,012	$909,616	$12,340,592
2025	$543,489,000	$543,489,000		$1,432,637	$5,807,723		$7,240,360	$1,907,641	$1,402,218	$543,489	$882,778	$11,976,487
2026	$527,456,000	$527,456,000		$1,390,374	$5,636,395		$7,026,769	$1,851,365	$1,360,852	$527,456	$856,736	$11,623,179
2027	$511,917,000	$511,917,000		$1,349,413	$5,470,345		$6,819,758	$1,796,824	$1,320,761	$511,917	$831,497	$11,280,757
2028	$496,837,000	$496,837,000		$1,309,662	$5,309,200		$6,618,863	$1,743,893	$1,281,854	$496,837	$807,002	$10,948,449
						Total	$107,486,812	$28,319,895	$20,816,634	$8,068,369	$13,105,290	$177,797,000

Source: CPA, M&G USA and M&G Resins USA

[1]Tax Rate per $100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be $86,218,591. The estimated gross 15 year M&O tax benefit, or levy loss, is $55,027,108.

Attachment 3 is an economic overview of Nueces 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

Applicant Name M&G Resins USA, LLC LLC
ISD Name Tuloso Midway ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)		2013-2014	2013	$ -	$ -		$ -	$ -
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)				$ -	$ -		$ -	$ -
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)				$ -	$ -	$ -	$ -	$ -
	Complete tax years of qualifying time period	1	2014-2015	2014	$ 494,000,000	$ 47,000,000	$ 541,000,000	$ -	$ 541,000,000.00
		2	2015-2016	2015	$ 190,000,000	$ 20,000,000	$ 210,000,000	$ -	$ 210,000,000.00
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016	$ -	$ -		$ -	$ -
		4	2017-2018	2017				$ -	$ -
		5	2018-2019	2018				$ -	$ -
		6	2019-2020	2019				$ -	$ -
		7	2020-2021	2020				$ -	$ -
		8	2021-2022	2021				$ -	$ -
		9	2022-2023	2022				$ -	$ -
		10	2023-2024	2023				$ -	$ -
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024				$ -	$ -
		12	2025-2026	2025				$ -	$ -
		13	2026-2027	2026				$ -	$ -
Post- Settle-Up Period		14	2027-2028	2027				$ -	$ -
Post- Settle-Up Period		15	2028-2029	2028				$ -	$ -

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, please list amount invested each year, not cumulative totals.
[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

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

[signature] 13 Feb 2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE DATE

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

Applicant Name: M&G Resins USA, LLC LLC

ISD Name: Tuloso Midway ISD

Form 50-296

					Qualified Property			Reductions from Market Value	Estimated Taxable Value	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O—after all reductions
		pre- year 1	2013-2014	2013						
	Complete tax years of qualifying time period	1	2014-2015	2014	$ 9,200,000			$ -	$ 9,200,000	$ 9,200,000
		2	2015-2016	2015	$ 9,200,000	$ 23,500,000	$ 247,000,000	$ -	$ 279,700,000	$ 279,700,000
	Value Limitation Period	3	2016-2017	2016	$ 9,200,000	$ 65,995,000	$ 670,320,000	$ 33,520,000	$ 711,995,000	$ 30,000,000
Tax Credit Period (with 50% cap on credit)		4	2017-2018	2017	$ 9,200,000	$ 64,015,000	$ 650,210,000	$ 32,510,000	$ 690,915,000	$ 30,000,000
		5	2018-2019	2018	$ 9,200,000	$ 62,095,000	$ 630,704,000	$ 31,540,000	$ 670,459,000	$ 30,000,000
		6	2019-2020	2019	$ 9,200,000	$ 60,232,000	$ 611,783,000	$ 30,590,000	$ 650,625,000	$ 30,000,000
		7	2020-2021	2020	$ 9,200,000	$ 58,425,000	$ 593,430,000	$ 29,670,000	$ 631,385,000	$ 30,000,000
		8	2021-2022	2021	$ 9,200,000	$ 56,672,000	$ 575,627,000	$ 28,780,000	$ 612,719,000	$ 30,000,000
		9	2022-2023	2022	$ 9,200,000	$ 54,972,000	$ 558,358,000	$ 27,920,000	$ 594,610,000	$ 30,000,000
		10	2023-2024	2023	$ 9,200,000	$ 53,323,000	$ 541,607,000	$ 27,080,000	$ 577,050,000	$ 30,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	$ 9,200,000	$ 51,723,000	$ 525,359,000	$ 26,270,000	$ 560,012,000	$ 560,012,000
		12	2025-2026	2025	$ 9,200,000	$ 50,171,000	$ 509,598,000	$ 25,480,000	$ 543,489,000	$ 543,489,000
		13	2026-2027	2026	$ 9,200,000	$ 48,666,000	$ 494,310,000	$ 24,720,000	$ 527,456,000	$ 527,456,000
Post- Settle-Up Period		14	2027-2028	2027	$ 9,200,000	$ 47,206,000	$ 479,481,000	$ 23,970,000	$ 511,917,000	$ 511,917,000
Post- Settle-Up Period		15	2028-2029	2028	$ 9,200,000	$ 45,790,000	$ 465,097,000	$ 23,250,000	$ 496,837,000	$ 496,837,000

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 OF AUTHORIZED COMPANY REPRESENTATIVE

13 Feb 2013

DATE

Schedule C- Application: Employment Information

Applicant Name M&G Resins USA, LLC LLC
ISD Name Tuloso Midway ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction: Column A: Number of Construction FTE's or man-hours (specify) [FTE]	Construction: Column B: Average annual wage rates for construction workers	New Jobs: Column C: Number of new jobs applicant commits to create (cumulative)	New Jobs: Column D: Average annual wage rate for all new jobs.	Qualifying Jobs: Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Qualifying Jobs: Column F: Average annual wage of qualifying jobs
		pre- year 1	2013-2014	2013	0	0	0	0	0	0
	Complete tax years of qualifying time period	1	2014-2015	2014	1200	$ 40,000	0	$ -	0	$ -
		2	2015-2016	2015	500	$ 41,000	200	$ 50,000	160	$ 52,000
	Value Limitation Period	3	2016-2017	2016	4	$ 42,000	200	$ 50,000	160	$ 52,000
Tax Credit Period (with 50% cap on credit)		4	2017-2018	2017	0	0	200	$ 50,000	160	$ 52,000
		5	2018-2019	2018	0	0	200	$ 50,000	160	$ 52,000
		6	2019-2020	2019	0	0	200	$ 50,000	160	$ 52,000
		7	2020-2021	2020	0	0	200	$ 50,000	160	$ 52,000
		8	2021-2022	2021	0	0	200	$ 50,000	160	$ 52,000
		9	2022-2023	2022	0	0	200	$ 50,000	160	$ 52,000
		10	2023-2024	2023	0	0	200	$ 50,000	160	$ 52,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	0	0	200	$ 50,000	160	$ 52,000
		12	2025-2026	2025	0	0	200	$ 50,000	160	$ 52,000
		13	2026-2027	2026	0	0	200	$ 50,000	160	$ 52,000
Post- Settle-Up Period		14	2027-2028	2027	0	0	200	$ 50,000	160	$ 52,000
Post- Settle-Up Period		15	2028-2029	2028	0	0	200	$ 50,000	160	$ 52,000

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

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

[signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

13 Feb 2013

DATE

Schedule D: (Rev. May 201[illegible]) Other Tax Information

Applicant Name: M&G Resins USA, LLC LLC | ISD Name: Tuloso Midway ISD | Form 50-296

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Del Mar College
		Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2013-2014	2013				N/A	N/A	N/A	N/A
	Complete tax years of qualifying time period	1	2014-2015	2014	$ 208,000,000	$ 333,000,000	0	100%	N/A	N/A	100%
		2	2015-2016	2015	$ 69,000,000	$ 111,000,000	0	100%	N/A	N/A	100%
	Value Limitation Period	3	2016-2017	2016	$ 50,000	$ 1,530,000,000	$ 300,000	100%	N/A	N/A	100%
Tax Credit Period (with 50% cap on credit)		4	2017-2018	2017	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		5	2018-2019	2018	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		6	2019-2020	2019	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		7	2020-2021	2020	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		8	2021-2022	2021	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		9	2022-2023	2022	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
		10	2023-2024	2023	$ 50,000	$ 1,500,000,000	$ 375,000	70%	N/A	N/A	70%
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	$ 50,000	$ 1,500,000,000	$ 375,000	N/A	N/A	N/A	N/A
		12	2025-2026	2025	$ 50,000	$ 1,500,000,000	$ 375,000	N/A	N/A	N/A	N/A
		13	2026-2027	2026	$ 50,000	$ 1,500,000,000	$ 375,000	N/A	N/A	N/A	N/A
Post- Settle-Up Period		14	2027-2028	2027	$ 50,000	$ 1,500,000,000	$ 375,000	N/A	N/A	N/A	N/A
Post- Settle-Up Period		15	2028-2029	2028	$ 50,000	$ 1,500,000,000	$ 375,000	N/A	N/A	N/A	N/A

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

13 Feb 2013

DATE

Attachment 2

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

Michael L. Williams
Commissioner

June 12, 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 M&G Resins USA, LLC project on the number and size of school facilities in Tuloso-Midway Independent School District (TMISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with Ricardo Rodriguez, the business consultant for the district, the TEA has found that the M&G Resins USA, LLC project would not have a significant impact on the number or size of school facilities in TMISD.

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

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

Michael L. Williams
Commissioner

June 12, 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 M&G Resins USA, LLC project for the Tuloso-Midway Independent School District (TMISD). 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 M&G Resins USA, LLC project on TMISD 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 M&G RESINS USA, LLC PROJECT ON THE FINANCES OF THE TULOSO-MIDWAY INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

April 1, 2013

Final Report

PREPARED BY

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed M&G Resins USA, LLC Project on the Finances of the Tuloso-Midway Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

M&G Resins USA, LLC (M&G Resins) has requested that the Tuloso-Midway Independent School District (TMISD) 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 TMISD on February 13, 2013, M&G Resins proposes to invest $751 million to construct a new polyethlene terephthalate plastics project in TMISD.

The M&G Resins 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, TMISD 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. 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 with 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 TMISD currently levying a $0.2636 per $100 I&S tax rate. The full value of the investment is expected to reach $712 million in the 2016-17 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement. Based on the assumptions presented below, the I&S tax rate could be reduced by as much as $0.073 per $100 in the 2016-17 school year, relative to the I&S tax rate that would be in place without the M&G Resins project on the tax roll.

In the case of the M&G Resins 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. TMISD would experience revenue losses as a result of the implementation of the value limitation in the 2016-17 school year that are expected to total $7.4 million over the eight value -limitation years. The District is compensated by the Company for any revenue losses under the value limitation agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement to M&G Resins could reach an estimated $42.3 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District, as well as an estimated $5.3 million in supplemental payments to TMISD.

School Finance Mechanics

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

The third year is often problematical 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.

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 815 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 209 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formulas. As a result of these changes, the number of ASATR districts fell to 421, with an estimated 603 formula districts in operation.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 legislative session saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

Based on the analysis presented below, it appears that TMISD became a formula district beginning with the 2011-12 school year. The District is not expected to qualify for ASATR funding in the 2012-13 school year or thereafter. Based on the analysis presented below, it appears that TMISD could re-qualify for ASATR funding when the value limitation takes effect in the 2016-17 school year, under what is now current law. ASATR funding is now under significant legislative scrutiny, so its status in the 2016-17 school year is yet to be determined. This issue is discussed in more detail 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 M&G Resins 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 show moderate enrollment and property value growth in order to establish a base model that can be used 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 M&G Resins project are added into the base model used here. The impact of the limitation value for the proposed M&G Resins project is isolated separately and the focus of this analysis.

Student enrollment counts are increased by one percent annually in average daily attendance (ADA) in analyzing the effects of the M&G Resins project on the finances of TMISD. The District's local tax base reached $1.83 billion for the 2012 tax year. For purposes of these estimates, it is assumed that the TMISD local tax base will increase by five percent for the 2013 tax year, with three percent annual value increases expected for the remainder of the forecast period. An M&O tax rate of $1.0686 per $100 is used throughout this analysis. TMISD has estimated state property wealth per weighted ADA or WADA of approximately $410,309 for the 2013-14 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for TMISD 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.

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

A second model is developed which adds the M&G Resins 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, TMISD would experience revenue losses as a result of the implementation of the value limitation that are expected to total $7.4 million over the course of the agreement, with $6.7 million expected in the initial 2016-17 value limitation year. As noted previously, M&G Resins would compensate TMISD for any formula losses as a result of the implementation of the value limitation agreement.

No attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year. 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 $6.7 million cited above between the base and the limitation models for the 2016-17 school year is based on an assumption of $7.3 million in M&O tax savings for M&G Resins when the $30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding of $0.6 million is expected to offset the remaining reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses no financial risk to TMISD 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 for M& G Resins in the first year that the $30 million value limitation takes effect.

The Comptroller's state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two value determinations are now made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on Recapture

The impact the M&G Resins project and the requested value limitation would have on TMISD in terms of recapture costs is a topic of concern with the District. Under current law, recapture occurs for the first $1.00 of M&O tax effort—the compressed tax rate—for districts with state property wealth in excess of $476,500 per WADA. For the next six cents of tax effort, a district is either equalized to the Austin yield—equivalent to the guarantee of a tax base of $599,700 per WADA—or not subject to recapture for districts with wealth above this level.

For the last 11 cents of M&O tax effort—from $1.07 to $1.17—equalized funding is provided for districts with property wealth below $319,500 per WADA and recapture commences at that level for districts with property wealth in excess of $319,500 per WADA. This is critical for TMISD, since voters previously approved a $1.17 M&O tax rate for the District. Truth-in-taxation rollback calculations have kept the rate below this level in response to increases in the District's tax base.

Tables 1-4 provide information on the impact of the M&G Resins project. In Table 1, the last two columns show the state property wealth per WADA assuming the full value of the project and assuming the value limitation is in place. In the absence of a value limitation agreement, TMISD would exceed the $476,500 per WADA level for recapture on the first $1.00 of tax effort beginning with the 2017-18 school year. In the case of the District's wealth with the limitation, the current Tier I recapture level is not exceeded through most of the limitation period and crosses the current threshold in the 2023-24 school year.

The amount of recapture reduction as a result of the limitation is highlighted in Table 4. Compared with adding the project in the absence of a limitation, the limitation saves TMISD about $39 million in recapture, beginning with the 2017-18 school year and running through the 2024-25 school year. While the $319,500 recapture level for Tier II can require recapture costs, the bulk of recapture for Chapter 41 districts occurs on the first $1.00 tax rate at the $476,500 per WADA recapture level.

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 $1.07 per $100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $52.4 million over the life of the agreement. In addition, M&G Resins 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 $2.7 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key TMISD revenue losses are expected to total approximately $7.4 million over the course of the agreement, which the Company will reimburse the District for under the proposed agreement. In addition, TMISD is eligible for maximum supplemental payments of $5.3 million under the proposed agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments and supplemental payments are made) are estimated to total $42.3 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 M&G Resins under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The M&G Resins project remains fully taxable for debt services taxes, with TMISD currently levying a $0.2636 per $100 I&S rate. While the taxable value of the M&G Resins project is expected to depreciate over the life of the agreement and beyond, it has the potential to provide substantial tax relief to the taxpayers of TMISD.

Based on the estimates presented here, I&S tax rate reductions associated with adding the M&G Resins project to the local tax base range as high as $0.07 in the 2016-17 school year, when the project is at its peak estimated taxable value.

The M&G Resins project is expected to add about 200 permanent positions once the plant begins operations. The Company indicated a desire to hire locally, which may minimize the impact on student enrollments. The availability of housing will be a factor for employees who migrate to the area. TMISD admits a substantial number of transfer students, so it has greater flexibility than most districts in enrolling new student residents within its existing facilities.

Conclusion

The proposed M&G Resins polyethlene terephthalate plastics project enhances the tax base of TMISD. 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 $42.3 million. (This amount is net of any anticipated revenue losses and supplemental payments for the District.) The additional taxable value also enhances the tax base of TMISD in meeting its future debt service obligations, providing the opportunity for tax relief for local taxpayers.

Table 1 – Base District Information with M&G Resins USA, LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	Current M&O Tax Rate	Projected I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
1	2014-15	3,600.37	4,734.59	$1.0686	$0.3050	$1,989,298,930	$1,989,298,930	$1,942,644,613	$1,942,644,613	$410,309	$410,309
2	2015-16	3,636.37	4,883.99	$1.0686	$0.2600	$2,319,201,897	$2,319,201,897	$2,010,123,952	$2,010,123,952	$411,574	$411,574
3	2016-17	3,672.73	4,943.45	$1.0686	$0.2150	$2,812,681,954	$2,130,686,954	$2,340,651,670	$2,340,651,670	$473,485	$473,485
4	2017-18	3,709.46	5,003.95	$1.0686	$0.2140	$2,854,622,563	$2,193,707,563	$2,834,775,220	$2,152,780,220	$566,507	$430,216
5	2018-19	3,746.56	5,066.90	$1.0686	$0.2100	$2,899,077,790	$2,258,618,790	$2,877,378,627	$2,216,463,627	$567,878	$437,440
6	2019-20	3,784.02	5,112.74	$1.0686	$0.2070	$2,946,102,354	$2,325,477,354	$2,922,516,536	$2,282,057,536	$571,615	$446,347
7	2020-21	3,821.86	5,159.96	$1.0686	$0.2040	$2,995,726,674	$2,394,341,674	$2,970,244,262	$2,349,619,262	$575,633	$455,356
8	2021-22	3,860.08	5,207.61	$1.0686	$0.2000	$3,047,990,924	$2,465,271,924	$3,020,592,840	$2,419,207,840	$580,034	$464,552
9	2022-23	3,898.68	5,254.71	$1.0686	$0.1960	$3,102,940,082	$2,538,330,082	$3,073,603,075	$2,490,884,075	$584,923	$474,029
10	2023-24	3,937.67	5,303.24	$1.0686	$0.1930	$3,160,629,985	$2,613,579,985	$3,129,320,597	$2,564,710,597	$590,077	$483,612
11	2024-25	3,977.04	5,351.19	$1.0686	$0.1890	$3,221,099,384	$3,221,099,384	$3,187,801,915	$2,640,751,915	$595,718	$493,488
12	2025-26	4,016.81	5,400.60	$1.0686	$0.1860	$3,284,409,006	$3,284,409,006	$3,249,086,473	$3,249,086,473	$601,616	$601,616
13	2026-27	4,056.98	5,449.43	$1.0686	$0.1820	$3,350,603,606	$3,350,603,606	$3,313,235,707	$3,313,235,707	$607,997	$607,997
14	2027-28	4,097.55	5,498.69	$1.0686	$0.1780	$3,419,759,034	$3,419,759,034	$3,380,295,108	$3,380,295,108	$614,745	$614,745
15	2028-29	4,138.53	5,549.45	$1.0686	$0.1740	$3,491,914,295	$3,491,914,295	$3,450,341,281	$3,450,341,281	$621,744	$621,744

*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	$18,839,608	$5,073,597	$0	$0	$0	$1,291,391	$586,287	-$29,210	$25,761,673
1	2014-15	$19,482,361	$4,396,288	$0	$0	$0	$1,335,449	$539,536	-$35,021	$25,718,613
2	2015-16	$22,715,981	$4,463,007	$0	$0	$0	$1,557,103	$622,964	-$41,275	$29,317,779
3	2016-17	$27,554,402	$1,582,379	$0	$0	$0	$1,888,760	$440,681	-$72,783	$31,393,438
4	2017-18	$27,958,934	$1,343,680	$0	$0	-$4,220,029	$1,916,489	$98,286	-$99,013	$26,998,346
5	2018-19	$28,387,684	$1,619,409	$0	$0	-$4,339,491	$1,945,878	$95,441	-$100,845	$27,608,077
6	2019-20	$28,841,166	$1,373,345	$0	$0	-$4,559,120	$1,976,963	$85,019	-$103,318	$27,614,055
7	2020-21	$29,320,596	$1,651,959	$0	$0	-$4,797,004	$2,009,826	$73,548	-$105,965	$28,152,961
8	2021-22	$29,825,204	$1,400,948	$0	$0	-$5,057,507	$2,044,416	$60,670	-$108,808	$28,164,923
9	2022-23	$30,356,135	$1,685,163	$0	$0	-$5,345,557	$2,080,809	$46,011	-$111,880	$28,710,680
10	2023-24	$30,913,434	$1,429,108	$0	$0	-$5,652,674	$2,119,010	$30,245	-$115,132	$28,723,990
11	2024-25	$31,497,717	$1,719,036	$0	$0	-$5,988,301	$2,159,061	$12,632	-$118,620	$29,281,525
12	2025-26	$32,109,842	$1,736,226	$0	$0	-$6,343,873	$2,201,020	$0	-$122,297	$29,580,917
13	2026-27	$32,749,705	$1,753,588	$0	$0	-$6,728,914	$2,244,880	$0	-$126,216	$29,893,042
14	2027-28	$33,418,589	$1,771,124	$0	$0	-$7,139,475	$2,290,730	$0	-$130,360	$30,210,608
15	2028-29	$34,116,600	$1,788,834	$0	$0	-$7,571,411	$2,338,576	$0	-$134,704	$30,537,895

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	$18,834,414	$5,073,597	$0	$0	$0	$1,291,035	$586,126	-$29,202	$25,755,969
1	2014-15	$19,476,635	$4,396,288	$0	$0	$0	$1,335,057	$539,377	-$35,011	$25,712,346
2	2015-16	$22,713,115	$4,463,007	$0	$0	$0	$1,556,906	$622,885	-$41,270	$29,314,643
3	2016-17	$20,868,203	$1,582,379	$559,630	$0	$0	$1,430,444	$333,748	-$55,122	$24,719,282
4	2017-18	$21,479,478	$3,638,903	$0	$0	$0	$1,472,345	$507,687	-$44,897	$27,053,516
5	2018-19	$22,109,092	$3,318,026	$0	$0	$0	$1,515,502	$492,033	-$48,415	$27,386,237
6	2019-20	$22,758,737	$2,891,169	$0	$0	$0	$1,560,033	$469,133	-$52,532	$27,626,540
7	2020-21	$23,426,728	$2,451,478	$0	$0	$0	$1,605,822	$445,541	-$56,769	$27,872,801
8	2021-22	$24,114,759	$1,993,684	$0	$0	$0	$1,652,984	$420,908	-$61,156	$28,121,179
9	2022-23	$24,825,959	$1,685,163	$0	$0	$0	$1,701,734	$394,882	-$65,732	$28,542,008
10	2023-24	$25,555,967	$1,429,108	$0	$0	-$357,049	$1,751,774	$368,053	-$70,438	$28,677,416
11	2024-25	$31,504,978	$1,719,036	$0	$0	-$1,030,335	$2,159,558	$406,821	-$90,217	$34,669,841
12	2025-26	$32,117,591	$1,736,226	$0	$0	-$6,345,405	$2,201,551	$0	-$122,326	$29,587,638
13	2026-27	$32,758,244	$1,753,588	$0	$0	-$6,730,668	$2,245,465	$0	-$126,249	$29,900,379
14	2027-28	$33,427,671	$1,771,124	$0	$0	-$7,141,415	$2,291,352	$0	-$130,395	$30,218,336
15	2028-29	$34,129,364	$1,788,834	$0	$0	-$7,574,244	$2,339,451	$0	-$134,754	$30,548,652

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	-$5,194	$0	$0	$0	$0	-$356	-$162	$8	-$5,704
1	2014-15	-$5,726	$0	$0	$0	$0	-$393	-$159	$10	-$6,267
2	2015-16	-$2,866	$0	$0	$0	$0	-$196	-$79	$5	-$3,136
3	2016-17	-$6,686,198	$0	$559,630	$0	$0	-$458,316	-$106,933	$17,661	-$6,674,156
4	2017-18	-$6,479,455	$2,295,223	$0	$0	$4,220,029	-$444,144	$409,401	$54,116	$55,170
5	2018-19	-$6,278,593	$1,698,617	$0	$0	$4,339,491	-$430,376	$396,591	$52,430	-$221,839
6	2019-20	-$6,082,429	$1,517,824	$0	$0	$4,559,120	-$416,930	$384,113	$50,786	$12,485
7	2020-21	-$5,893,868	$799,519	$0	$0	$4,797,004	-$404,004	$371,993	$49,196	-$280,160
8	2021-22	-$5,710,445	$592,736	$0	$0	$5,057,507	-$391,431	$360,238	$47,652	-$43,744
9	2022-23	-$5,530,175	$0	$0	$0	$5,345,557	-$379,075	$348,871	$46,148	-$168,673
10	2023-24	-$5,357,467	$0	$0	$0	$5,295,625	-$367,236	$337,808	$44,695	-$46,574
11	2024-25	$7,261	$0	$0	$0	$4,957,966	$498	$394,189	$28,403	$5,388,316
12	2025-26	$7,750	$0	$0	$0	-$1,531	$531	$0	-$30	$6,720
13	2026-27	$8,539	$0	$0	$0	-$1,754	$585	$0	-$33	$7,337
14	2027-28	$9,081	$0	$0	$0	-$1,940	$622	$0	-$35	$7,728
15	2028-29	$12,764	$0	$0	$0	-$2,833	$875	$0	-$50	$10,756

Table 5 - Estimated Financial impact of the M&G Resins USA, LLC Project Property Value Limitation Request Submitted to TMISD at $1.07 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	$1.0686	$0	$0	$0	$0	$0	$0	$
1	2014-15	$9,200,000	$9,200,000	$0	$1.0686	$98,311	$98,311	$0	$0	$0	$0	$
2	2015-16	$279,700,000	$279,700,000	$0	$1.0686	$2,988,874	$2,988,874	$0	$0	$0	$0	$
3	2016-17	$711,995,000	$30,000,000	$681,995,000	$1.0686	$7,608,379	$320,580	$7,287,799	$0	$7,287,799	-$6,674,156	$613,64
4	2017-18	$690,915,000	$30,000,000	$660,915,000	$1.0686	$7,383,118	$320,580	$7,062,538	$381,185	$7,443,723	$0	$7,443,72
5	2018-19	$670,459,000	$30,000,000	$640,459,000	$1.0686	$7,164,525	$320,580	$6,843,945	$381,185	$7,225,130	-$221,839	$7,003,29
6	2019-20	$650,625,000	$30,000,000	$620,625,000	$1.0686	$6,952,579	$320,580	$6,631,999	$381,185	$7,013,184	$0	$7,013,18
7	2020-21	$631,385,000	$30,000,000	$601,385,000	$1.0686	$6,746,980	$320,580	$6,426,400	$381,185	$6,807,585	-$280,160	$6,527,42
8	2021-22	$612,719,000	$30,000,000	$582,719,000	$1.0686	$6,547,515	$320,580	$6,226,935	$381,185	$6,608,120	-$43,744	$6,564,37
9	2022-23	$594,610,000	$30,000,000	$564,610,000	$1.0686	$6,354,002	$320,580	$6,033,422	$381,185	$6,414,607	-$168,673	$6,245,93
10	2023-24	$577,050,000	$30,000,000	$547,050,000	$1.0686	$6,166,356	$320,580	$5,845,776	$381,185	$6,226,961	-$46,574	$6,180,38
11	2024-25	$560,012,000	$560,012,000	$0	$1.0686	$5,984,288	$5,984,288	$0	$0	$0	$0	$
12	2025-26	$543,489,000	$543,489,000	$0	$1.0686	$5,807,723	$5,807,723	$0	$0	$0	$0	$
13	2026-27	$527,456,000	$527,456,000	$0	$1.0686	$5,636,395	$5,636,395	$0	$0	$0	$0	$
14	2027-28	$511,917,000	$511,917,000	$0	$1.0686	$5,470,345	$5,470,345	$0	$0	$0	$0	$
15	2028-29	$496,837,000	$496,837,000	$0	$1.0686	$5,309,200	$5,309,200	$0	$0	$0	$0	$
				Totals		$86,218,591	$33,859,777	$52,358,814	$2,668,294	$55,027,108	-$7,435,147	$47,591,96

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	$0	$2,668,294	$2,668,294
	Credits Earned		$2,668,294
	Credits Paid		$2,668,294
	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

Nueces County

Population

- Total county population in 2010 for Nueces County: 323,196 , up 0.3 percent from 2009. State population increased 1.8 percent in the same time period.
- Nueces County was the state's 14th largest county in population in 2010 and the 174th fastest growing county from 2009 to 2010.
- Nueces County's population in 2009 was 33.8 percent Anglo (below the state average of 46.7 percent), 3.7 percent African-American (below the state average of 11.3 percent) and 60.0 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Nueces County:

Corpus Christi:	287,439	**Robstown:**	12,169
Port Aransas:	3,905	**Bishop:**	3,127
Driscoll:	805	**Agua Dulce:**	715
Petronila:	79		

Economy and Income

Employment

- September 2011 total employment in Nueces County: 159,610 , up 2.7 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 Nueces County unemployment rate: 7.8 percent, up from 7.6 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:

  Corpus Christi: 7.6 percent, up from 7.3 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

- Nueces County's ranking in per capita personal income in 2009: 58th with an average per capita income of $37,162, down 2.4 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 Nueces County averaged $80.34 million annually from 2007 to 2010. County total agricultural values in 2010 were up 755.7 percent from 2009. Major agriculture related commodities in Nueces County during 2010 included:

  • Cotton • Sesame • Nursery • Other Beef • Sorghum
- 2011 oil and gas production in Nueces County: 320,277.0 barrels of oil and 19.1 million Mcf of gas. In September 2011, there were 189 producing oil wells and 718 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 Nueces County during the fourth quarter 2010: $1.04 billion, up 15.0 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Corpus Christi:	$938.09 million, up 10.8 percent from the same quarter in 2009.
Robstown:	$57.65 million, up 113.2 percent from the same quarter in 2009.
Port Aransas:	$11.99 million, up 11.1 percent from the same quarter in 2009.
Bishop:	$1.44 million, down 2.2 percent from the same quarter in 2009.
Driscoll:	$420,248.00, up 11.6 percent from the same quarter in 2009.
Agua Dulce:	$296,518.00, down 2.7 percent from the same quarter in 2009.
Petronila:	$72,807.00, up 184.8 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 Nueces County through the fourth quarter of 2010: $3.83 billion, up 9.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Corpus Christi:	$3.46 billion, up 7.2 percent from the same period in 2009.
Robstown:	$200.33 million, up 69.6 percent from the same period in 2009.
Port Aransas:	$70.69 million, down 1.1 percent from the same period in 2009.
Bishop:	$5.79 million, up 1.1 percent from the same period in 2009.

Driscoll:	$1.56 million, down 0.2 percent from the same period in 2009.
Agua Dulce:	$1.13 million, up 5.6 percent from the same period in 2009.
Petronila:	$211,186.00, up 54.0 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Nueces County during 2010: $3.83 billion, up 9.8 percent from 2009.
- Nueces County sent an estimated $239.49 million (or 1.40 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Corpus Christi:	$3.46 billion, up 7.2 percent from 2009.
Robstown:	$200.33 million, up 69.6 percent from 2009.
Port Aransas:	$70.69 million, down 1.1 percent from 2009.
Bishop:	$5.79 million, up 1.1 percent from 2009.
Driscoll:	$1.56 million, down 0.2 percent from 2009.
Agua Dulce:	$1.13 million, up 5.6 percent from 2009.
Petronila:	$211,186.00, up 54.0 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 Nueces County based on the sales activity month of August 2011: $6.22 million, up 24.4 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Corpus Christi:	$5.77 million, up 25.5 percent from August 2010.
Robstown:	$274,860.33, up 8.9 percent from August 2010.
Port Aransas:	$159,780.24, up 19.7 percent from August 2010.
Bishop:	$15,632.42, up 3.1 percent from August 2010.
Driscoll:	$4,054.43, up 3.6 percent from August 2010.
Agua Dulce:	$2,541.27, up 18.0 percent from August 2010.
Petronila:	$128.85, down 80.3 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 Nueces County based on sales activity months from September 2010 through August 2011: $67.37 million, up 13.5 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Corpus Christi:	$62.23 million, up 12.6 percent from fiscal 2010.
Robstown:	$3.41 million, up 32.1 percent from fiscal 2010.
Port Aransas:	$1.47 million, up 16.5 percent from fiscal 2010.
Bishop:	$181,403.13, up 3.8 percent from fiscal 2010.
Driscoll:	$46,574.81, up 20.7 percent from fiscal 2010.
Agua Dulce:	$27,564.94, up 12.4 percent from fiscal 2010.
Petronila:	$4,487.91, down 7.8 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 Nueces County based on sales activity months through August 2011: $44.88 million, up 13.9 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Corpus Christi:	$41.38 million, up 13.8 percent from the same period in 2010.
Robstown:	$2.20 million, up 13.5 percent from the same period in 2010.
Port Aransas:	$1.12 million, up 20.4 percent from the same period in 2010.
Bishop:	$118,773.55, up 1.0 percent from the same period in 2010.
Driscoll:	$32,410.79, up 24.2 percent from the same period in 2010.
Agua Dulce:	$17,822.83, up 4.8 percent from the same period in 2010.
Petronila:	$2,064.77, down 39.5 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 Nueces County based on sales activity in the 12 months ending in August 2011: $67.37 million, up 13.5 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Corpus Christi:	$62.23 million, up 12.6 percent from the previous 12-month period.
Robstown:	$3.41 million, up 32.1 percent from the previous 12-month period.
Port Aransas:	$1.47 million, up 16.5 percent from the previous 12-month period.
Bishop:	$181,403.13, up 3.8 percent from the previous 12-month period.
Driscoll:	$46,574.81, up 20.7 percent from the previous 12-month period.
Agua Dulce:	$27,564.94, up 12.4 percent from the previous 12-month period.
Petronila:	$4,487.91, down 7.8 percent from the previous 12-month period.

- *City Calendar Year-To-Date (RJ 2011)*
- Payment to the cities from January 2011 through October 2011:

Corpus Christi:	$52.50 million, up 13.5 percent from the same period in 2010.
Robstown:	$2.82 million, up 23.8 percent from the same period in 2010.
Port Aransas:	$1.27 million, up 17.3 percent from the same period in 2010.
Bishop:	$151,640.26, up 5.2 percent from the same period in 2010.
Driscoll:	$39,572.43, up 21.4 percent from the same period in 2010.
Agua Dulce:	$22,637.66, up 9.1 percent from the same period in 2010.
Petronila:	$3,017.84, down 24.5 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: $5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Nueces County based on sales activity months in 2010: $61.89 million, up 4.6 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Corpus Christi:	$57.20 million, up 2.9 percent from 2009.
Robstown:	$3.15 million, up 60.8 percent from 2009.
Port Aransas:	$1.28 million, down 3.6 percent from 2009.
Bishop:	$180,187.04, up 2.9 percent from 2009.
Driscoll:	$40,265.82, up 1.3 percent from 2009.
Agua Dulce:	$26,741.96, up 10.2 percent from 2009.
Petronila:	$5,834.13, up 11.9 percent from 2009.

Property Tax

- As of January 2009, property values in Nueces County: $23.73 billion, up 3.6 percent from January 2008 values. The property tax base per person in Nueces County is $73,450, below the statewide average of $85,809. About 2.3 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Nueces County's ranking in state expenditures by county in fiscal year 2010: 11th. State expenditures in the county for FY2010: $1.67 billion, up 0.2 percent from FY2009.
- In Nueces County, 36 state agencies provide a total of 5,862 jobs and $44.13 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Texas A & M University
  - Department of Aging and Disability Services (Corpus Christi State School)
  - Department of Family and Protective Services
  - Department of Transportation

Higher Education

- Community colleges in Nueces County fall 2010 enrollment:
  - Del Mar College, a Public Community College, had 12,236 students.
- Nueces County is in the service area of the following:

- Del Mar College with a fall 2010 enrollment of 12,236 . Counties in the service area include:
  - Aransas County
  - Kenedy County
  - Kleberg County
  - Nueces County
  - San Patricio County

- Institutions of higher education in Nueces County fall 2010 enrollment:
  - Texas A&M University-Corpus Christi, a Public University (part of Texas A&M University System), had 10,033 students.

School Districts

- Nueces County had 12 school districts with 108 schools and 59,713 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.)

- Agua Dulce ISD had 341 students in the 2009-10 school year. The average teacher salary was $41,075. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
- Banquete ISD had 831 students in the 2009-10 school year. The average teacher salary was $45,570. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.
- Bishop CISD had 1,224 students in the 2009-10 school year. The average teacher salary was $44,028. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Calallen ISD had 3,797 students in the 2009-10 school year. The average teacher salary was $47,321. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
- Corpus Christi ISD had 38,041 students in the 2009-10 school year. The average teacher salary was $50,380. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.
- Driscoll ISD had 263 students in the 2009-10 school year. The average teacher salary was $41,729. The percentage of students meeting the 2010 TAKS passing standard for all tests was 89 percent.
- Flour Bluff ISD had 5,440 students in the 2009-10 school year. The average teacher salary was $46,636. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- London ISD had 352 students in the 2009-10 school year. The average teacher salary was $46,308. The percentage of students meeting the 2010 TAKS passing standard for all tests was 93 percent.
- Port Aransas ISD had 548 students in the 2009-10 school year. The average teacher salary was $47,343. The percentage of students meeting the 2010 TAKS passing standard for all tests was 84 percent.
- Robstown ISD had 3,385 students in the 2009-10 school year. The average teacher salary was $43,354. The percentage of students meeting the 2010 TAKS passing standard for all tests was 55 percent.
- Tuloso-Midway ISD had 3,408 students in the 2009-10 school year. The average teacher salary was $45,404. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- West Oso ISD had 2,083 students in the 2009-10 school year. The average teacher salary was $45,631. The percentage of students meeting the 2010 TAKS passing standard for all tests was 63 percent.