



Chapter 313 Annual Eligibility Report Form

Economic Development
and Analysis

Form 50-772-A

SECTION 1: Applicant and District Information

- Tax year covered by this report: 2015
NOTE: This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.
- Application number: #34
NOTE: You can find your application number and all agreement documents and reports on the website www.texasahead.org/tax_programs/chapter313/applicants
- Name of school district: Manor ISD
- Name of project on original application (or short description of facility): Project Sky (Samsung 300mm Wafer Fab)
- Name of applicant on original application: Samsung Austin Semiconductor, LLC
- Name the company entering into original agreement with district: Samsung Austin Semiconductor, LLC
- Amount of limitation at time of application approval: \$80,000,000
- If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.)

N/A

SECTION 2: Current Agreement Information

- Name of current agreement holder(s) Samsung Austin Semiconductor, LLC
- Complete mailing address of current agreement holder 12100 Samsung Blvd. Austin, TX 78754
- Company contact person for agreement holder:

<u>Joseph Lee</u>	<u>Senior Director of Business Supporting</u>
Name	Title
<u>512-672-1066</u>	<u>joe.lee@samsung.com</u>
Phone	Email
- Texas franchise tax ID number of current agreement holder: 32017943922
- If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

<u>N/A</u>	<u>N/A</u>
Name	Tax ID
- If the authorized company representative (same as signatory for this form) is different from the contact person listed above, complete the following:

<u>N/A</u>	<u>N/A</u>
Name	Title
<u>N/A</u>	
Complete Mailing Address	
<u>N/A</u>	<u>N/A</u>
Phone	Email
- If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. (Use attachments if necessary.)

N/A

SECTION 3: Applicant Eligibility Information

- 1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? (Attach printout from Comptroller Web site: <http://www.window.state.tx.us/taxinfo/coasintr.html>) Yes No
 - 2. Is the business entity current on all taxes due to the State of Texas? Yes No
 - 3. Is the business activity of the project an eligible business activity under Section 313.024(b)? Yes No
- 3a. Please identify business activity: Manufacturing

SECTION 4: Qualified Property Information

- 1. Market value for reporting year: \$ 960,886,040.00
- 2. I&S taxable value for reporting year: \$ 960,886,040.00
- 3. M&O taxable value for reporting year: \$ 80,000,000.00

SECTION 5A: Wage and Employment Information for Applications Prior to Jan. 1, 2014 (#1 Through 999)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

NOTE: All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

- 1. How many new jobs were based on the qualified property in the year covered by this report? (See note above) 1,465
- 2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 25
- 3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 3a. If yes, how many new jobs must the approved applicant create under the waiver? N/A
- 4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 1,172
- 5. What is the minimum required annual wage for each qualifying job in the year covered by the report? \$ 56,800.00
- 6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:
 - §313.021(5)(A) or §313.021(5)(B) or §313.021(3)(E)(ii) or §313.051(b)
- 6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
- 7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? Yes No
 - 7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report? N/A
 - 7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? \$ 0
 - 7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? N/A
- 8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? _____
 - 8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? _____
 - 8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? _____
 - 8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? Yes No N/A

SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? 0
2. Please describe your interest in the agreement and identify all the documents creating that interest.

N/A

SECTION 8: Approval

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

print here ▶ Joseph Lee
Print Name (Authorized Company Representative)

Senior Director of Business Supporting
Title

sign here ▶ 
Signature (Authorized Company Representative)

5/11/16
Date

print here ▶ Sujin Kang
Print Name of Preparer (Person Who Completed the Form)

512-672-1031
Phone



Franchise Tax Account Status

As of: 03/14/2016 02:36:12 PM

This Page is Not Sufficient for Filings with the Secretary of State

SAMSUNG AUSTIN SEMICONDUCTOR, LLC	
Texas Taxpayer Number	32017943922
Mailing Address	12100 SAMSUNG BLVD STE 100 AUSTIN, TX 78754-1902
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	08/05/2005
Texas SOS File Number	0800527862
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Board Finding Number 3.

Average salary levels of qualifying jobs are expected to be \$61,000, which is 18 percent above the current Travis County average salary of \$51,637 per manufacturing job.

Board Finding Number 4.

The level of the applicant's total investment per qualifying job over the term of the Agreement is estimated to be approximately \$5 million on the basis of 700 qualifying jobs.

In support of Findings 3 and 4, the economic impact evaluation contains the following information.

For this study, TXP has calculated the economic impact of Project Sky's proposed semiconductor manufacturing facility based on annual output and employment levels provided by the company. . . Specifically, this analysis measures the anticipated economic impacts of Project Sky's proposed semiconductor manufacturing facility using RIMS II, the IMPLAN input-output economic system, and proprietary TXP models.

Given Travis County's role in the Austin MSA economy, regional workforce commuting patterns, and existing semiconductor suppliers, TXP's economic impact analysis focused on the greater Austin region. While direct ad valorem taxes can be attributed to specific taxing jurisdictions, the strong economic linkages throughout the region reduce the ability to estimate the number of new jobs or businesses that will be attracted specifically to Travis County. The economic impact figures in this section of the report represent the economic changes for the entire Austin MSA.

In an input-output analysis of new economic activity, it is useful to distinguish three types of expenditure effects: direct, indirect, and induced. Direct effects are production changes associated with the immediate effects or final demand changes. The payment made by an out-of-town visitor to a hotel operator is an example of a direct effect, as would be the taxi fare that visitor paid to be transported into town from the airport.

ECONOMIC & TAX REVENUE IMPACT OF PROJECT SKY

Prepared for the Manor Independent School District

Regional Tax Revenue Impact

Beyond the direct, indirect, and induced economic impacts detailed above, Project Sky's expansion could generate a tremendous amount of tax revenue for local taxing jurisdictions. In the abstract, all levels of government – school districts, city, county, and special taxing authorities – would be very positively impacted by the development of Project Sky's proposed facility, although the level of ultimate benefit will be influenced by any tax incentives that are offered. Tax rates for 2004 were obtained from the Travis Central Appraisal District website⁹.

A number of important considerations should be taken into account when reviewing the economic impacts of Project Sky's plans. One issue, for example, is that part of Project Sky's economic impact transcends local taxing jurisdictions (i.e., city and county). In addition, Travis County is linked to the much larger Austin MSA regional economy. It is not unreasonable to expect workers at Project Sky to commute from surrounding counties such as Williamson County, shop in neighboring cities such as Pflugerville, and spend dollars outside of Travis County. It is difficult, if not impossible, to accurately determine the amount of tax revenue that individual communities will receive from increased retail sales activity.

Therefore, TXP has focused its efforts on determining the amount of direct ad valorem tax revenue the Manor I.S.D., City of Austin, and Travis County will receive. TXP has also conservatively projected the total amount of increased indirect sales tax revenue and ad valorem tax revenue that communities in the Austin MSA will receive.

To put this project's economic impact into perspective, the following table compares Project Sky's salary and investment projections per job with Travis County. Clearly, Project Sky's wages and investment levels are far greater than the Travis County averages.

Table 7: Project Sky Investment vs. Travis County Averages

	Travis County (2003/2004)	Texas (2003/2004)	Project Sky Average***	% Difference vs. Travis County
Average Weekly Manufacturing Wage*	\$993	\$738	\$1,340	35%
Investment Per Job**	\$137,494	N/A	\$2,580,672	1777%

* Texas Workforce Commission - Wage Information Network

** Investment per job for Travis County = 2003 Total Travis County Appraised Value / Total Travis County Employment

*** The Project Sky 15 year average wage has been used in this calculation.

Source: TXP, Project Sky

Note, the tax revenue figures shown for the Manor I.S.D. reflect the projected tax collections the District would receive based on the anticipated value of the project, in the absence of the requested limitation on value and any adjustments made under the current school finance system.

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	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	Median wage
Texas Statewide						
First-Line Supervisors/Managers of Production and Operating Workers Manufacturing	51-1011	30,870	\$58,378 \$28.07	\$36,300 \$17.45	\$69,416 \$33.37	\$54,881 \$26.38

Compensation Summary

First-Line Supervisors/Managers of Production and Operating Workers working in Manufacturing

In Texas Statewide can expect to earn a median cash salary of **\$54,881** or **\$26.38** per hour. The median wage is the 50th percentile wage estimate-- 50 percent of workers earn less than the median and 50 percent of workers earn more.

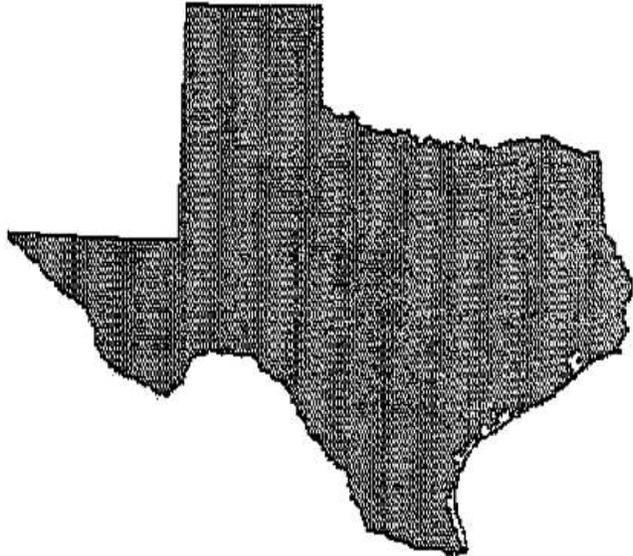
Half of the people in this job earn between **\$41,868 (\$20.13 per hour)** and **\$72,515 (\$34.86 per hour)** (i.e., between the 25th and 75th percentiles). An **entry level** worker can expect to earn **\$36,300 (\$17.45 per hour)** while an **experienced** worker can expect to earn **\$69,416 (\$33.37 per hour)**.

Annual wages have been calculated by multiplying the hourly wage by a "year-round, full-time" hours figure of **2080** hours. For those occupations where there is not an hourly wage published, the annual wage has been directly calculated from the reported survey data.

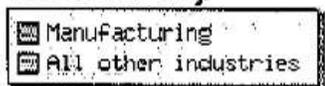
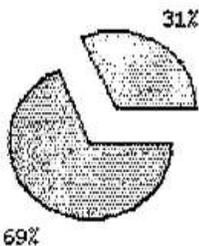
These estimates are based on **4296** mail surveys of establishments in the area taken through June, 2010 and have a relative standard error of **0.95%**. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

Job Duties and Responsibilities

Supervise and coordinate the activities of production and operating workers, such as inspectors, precision workers, machine setters and operators, assemblers, fabricators, and plant and system operators. Exclude team or work leaders.



Employment by Industry



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Texas Statewide

Total all occupations

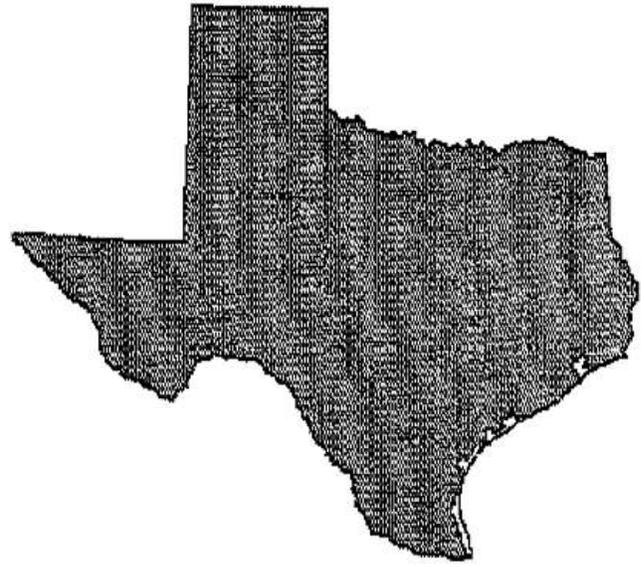
All industries

Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	Median wage
00-0000	10,089,870	\$42,215 \$20.30	\$18,317 \$8.81	\$54,164 \$26.04	\$31,490 \$15.14

Compensation Summary

Total all occupations working in Texas Statewide can expect to earn a median cash salary of **\$31,490** or **\$15.14** per hour. The median wage is the 50th percentile wage estimate--50 percent of workers earn less than the median and 50 percent of workers earn more.

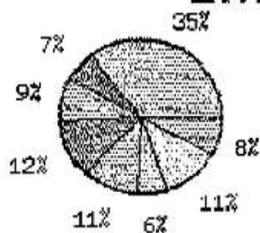
Half of the people in this job earn between **\$20,150 (\$9.69 per hour)** and **\$51,550 (\$24.78 per hour)** (i.e., between the 25th and 75th percentiles). An **entry level** worker can expect to earn **\$18,317 (\$8.81 per hour)** while an **experienced** worker can expect to earn **\$54,164 (\$26.04 per hour)**.



Annual wages have been calculated by multiplying the hourly wage by a "year-round, full-time" hours figure of **2080** hours. For those occupations where there is not an hourly wage published, the annual wage has been directly calculated from the reported survey data.

These estimates are based on **69504** mail surveys of establishments in the area taken through June, 2010 and have a relative standard error of **0.00%**. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

Employment by Industry



	Manufacturing
	Retail Trade
	Administrative and Support and Waste...
	Educational Services
	Health Care and Social Assistance
	Accommodation and Food Services
	Public Administration
	All other industries