

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



March 6, 2014

Lisa Garcia
Superintendent
Point Isabel Independent School District
101 Port Road
Port Isabel, Texas 78578

Dear Superintendent Garcia:

On Dec. 18, 2013, the Comptroller received the completed application (Application #372) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in November 2013 to the Point Isabel Independent School District (the school district) by Space Exploration Technologies Corp. (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 2 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 (\$54.9 million) is consistent with the proposed appraised value limitation sought (\$20 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 Cameron 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 Dec. 18, 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
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Space Exploration Technologies Corp.
Tax Code, 313.024 Eligibility Category	Manufacturing, Research and Development
School District	Point Isabel
2011-12 Enrollment in School District	2,561
County	Cameron
Total Investment in District	\$72,650,000
Qualified Investment	\$54,850,000
Limitation Amount	\$20,000,000
Number of total jobs committed to by applicant	100
Number of qualifying jobs committed to by applicant	80
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$718
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$718
Minimum Annual Wage committed to by applicant for qualified jobs	\$37,357
Investment per Qualifying Job	\$908,125
Estimated 15 year M&O levy without any limit or credit:	\$8,035,877
Estimated gross 15 year M&O tax benefit	\$3,425,715
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$3,071,040
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$457,478
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$4,964,837
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	38.2%
Percentage of tax benefit due to the limitation	86.6%
Percentage of tax benefit due to the credit	13.4%

This presents the Comptroller's economic impact evaluation of Space Exploration Technologies Corp. (the project) applying to Point Isabel 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 100 new jobs when fully operational. 80 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 Lower Rio Grande Valley Development Council Region, where Cameron County is located was \$33,961 in 2012. The annual average manufacturing wage for 2012-2013 for Cameron County is 43,147. That same year, the county annual average wage for all industries was \$26,923. In addition to a salary of \$65,278, each qualifying position will receive benefits such as medical coverage, dental coverage, vision coverage, vacation, sick leave, holidays, flexible spending account, 401(k), life & disability insurance, health club membership, and employee assistance program. The project's total investment is \$72.7 million, resulting in a relative level of investment per qualifying job of \$908,125.

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

According to Space Exploration Technologies Corp's application, "Locations in GA, FL, Puerto Rico are competing candidates for the commercial orbital launch site."

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

During the past two years, 8 projects in the Lower Rio Grande Valley Development Council 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 Space Exploration Technologies Corp. 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 Space Exploration Technologies Corp's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Space Exploration Technologies Corp

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	7	13	20	\$385,000	\$615,000	\$1,000,000
2015	250	242	492	\$8,925,750	\$17,074,250	\$26,000,000
2016	40	85	125	\$2,200,000	\$6,800,000	\$9,000,000
2017	60	113	173	\$3,300,000	\$9,700,000	\$13,000,000
2018	77	136	213	\$4,235,000	\$11,765,000	\$16,000,000
2019	87	155	242	\$4,785,000	\$13,215,000	\$18,000,000
2020	90	154	244	\$4,950,000	\$14,050,000	\$19,000,000
2021	94	162	256	\$5,170,000	\$15,830,000	\$21,000,000
2022	97	165	262	\$5,335,000	\$16,665,000	\$22,000,000
2023	100	173	273	\$5,500,000	\$17,500,000	\$23,000,000
2024	100	170	270	\$5,500,000	\$18,500,000	\$24,000,000
2025	100	175	275	\$5,500,000	\$19,500,000	\$25,000,000
2026	100	173	273	\$5,500,000	\$20,500,000	\$26,000,000
2027	100	171	271	\$5,500,000	\$20,500,000	\$26,000,000
2028	100	168	268	\$5,500,000	\$21,500,000	\$27,000,000
2029	100	162	262	\$5,500,000	\$22,500,000	\$28,000,000

Source: CPA, REMI, Space Exploration Technologies Corp

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Point Isabel ISD's ad valorem tax base in 2012-2013 was \$3.68 billion. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Point Isabel ISD's estimated wealth per WADA was \$1,047,970. 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, Cameron County, Brownsville Navigation District, and South Texas ISD, with all property tax incentives sought being granted using estimated market value from Space Exploration Technologies Corp's application. Space Exploration Technologies Corp has applied for both a value limitation under Chapter 313, Tax Code and a tax abatements with the county. Table 3 illustrates the estimated tax impact of Space Exploration Technologies Corp project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Point Isabel I&S Tax Levy	Point Isabel ISD M&O Tax Levy	ISD M&O and I&S Tax Levies (Before Credit Credited)	Point Isabel ISD M&O and I&S Tax Levies (After Credit Credited)	Cameron County Tax Levy	Brownsville Navigation District Tax Levy	South Texas ISD Tax Levy	Estimated Total Property Taxes
				0.1004	0.9812			0.384291	0.045200	0.0492	
2015	\$39,608,438	\$39,608,438		\$39,767	\$388,638	\$428,405	\$428,405	\$0	\$17,903	\$19,487	\$465,795
2016	\$47,016,438	\$47,016,438		\$47,205	\$461,325	\$508,530	\$508,530	\$0	\$21,251	\$23,132	\$552,913
2017	\$49,517,438	\$20,000,000		\$49,716	\$196,240	\$245,956	\$245,956	\$0	\$22,382	\$24,363	\$292,700
2018	\$52,805,438	\$20,000,000		\$53,017	\$196,240	\$249,257	\$183,903	\$0	\$23,868	\$25,980	\$233,751
2019	\$53,565,438	\$20,000,000		\$53,780	\$196,240	\$250,020	\$184,666	\$0	\$24,212	\$26,354	\$235,232
2020	\$59,265,438	\$20,000,000		\$59,502	\$196,240	\$255,742	\$190,389	\$0	\$26,788	\$29,159	\$246,335
2021	\$61,420,438	\$20,000,000		\$61,666	\$196,240	\$257,906	\$192,552	\$0	\$27,762	\$30,219	\$250,533
2022	\$62,540,438	\$20,000,000		\$62,791	\$196,240	\$259,031	\$193,677	\$0	\$28,268	\$30,770	\$252,715
2023	\$63,345,438	\$20,000,000		\$63,599	\$196,240	\$259,839	\$194,485	\$0	\$28,632	\$31,166	\$254,283
2024	\$60,054,530	\$20,000,000		\$60,295	\$196,240	\$256,535	\$191,181	\$0	\$27,145	\$29,547	\$247,872
2025	\$57,421,804	\$57,421,804		\$57,651	\$563,423	\$621,074	\$621,074	\$0	\$25,955	\$28,252	\$675,280
2026	\$55,315,624	\$55,315,624		\$55,537	\$542,757	\$598,294	\$598,294	\$212,573	\$25,003	\$27,215	\$863,085
2027	\$53,630,680	\$53,630,680		\$53,845	\$526,224	\$580,069	\$580,069	\$206,098	\$24,241	\$26,386	\$836,795
2028	\$52,282,724	\$52,282,724		\$52,492	\$512,998	\$565,490	\$565,490	\$200,918	\$23,632	\$25,723	\$815,763
2029	\$51,204,359	\$51,204,359		\$51,409	\$502,417	\$553,826	\$553,826	\$196,774	\$23,144	\$25,193	\$798,937
						Total	\$5,432,495	\$816,362	\$370,186	\$402,945	\$7,021,989

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Space Exploration Technologies Corp.

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Point Isabel I&S Tax Levy	Point Isabel ISD M&O Tax Levy	ISD M&O and I&S Tax Levies (Before Credit Credited)	Point Isabel ISD M&O and I&S Tax Levies (After Credit Credited)	Cameron County Tax Levy	Brownsville Navigation District Tax Levy	South Texas ISD Tax Levy	Estimated Total Property Taxes
				0.1004	0.9812			0.384291	0.0452	0.0492	
2015	\$39,608,438	\$39,608,438		\$39,767	\$388,638		\$428,405	\$152,212	\$17,903	\$19,487	\$618,007
2016	\$47,016,438	\$47,016,438		\$47,205	\$461,325		\$508,530	\$180,680	\$21,251	\$23,132	\$733,593
2017	\$49,517,438	\$49,517,438		\$49,716	\$485,865		\$535,581	\$190,291	\$22,382	\$24,363	\$772,616
2018	\$52,805,438	\$52,805,438		\$53,017	\$518,127		\$571,144	\$202,927	\$23,868	\$25,980	\$823,918
2019	\$53,565,438	\$53,565,438		\$53,780	\$525,584		\$579,364	\$205,847	\$24,212	\$26,354	\$835,777
2020	\$59,265,438	\$59,265,438		\$59,502	\$581,512		\$641,015	\$227,752	\$26,788	\$29,159	\$924,713
2021	\$61,420,438	\$61,420,438		\$61,666	\$602,657		\$664,323	\$236,033	\$27,762	\$30,219	\$958,338
2022	\$62,540,438	\$62,540,438		\$62,791	\$613,647		\$676,437	\$240,337	\$28,268	\$30,770	\$975,813
2023	\$63,345,438	\$63,345,438		\$63,599	\$621,545		\$685,144	\$243,431	\$28,632	\$31,166	\$988,373
2024	\$60,054,530	\$60,054,530		\$60,295	\$589,255		\$649,550	\$230,784	\$27,145	\$29,547	\$937,025
2025	\$57,421,804	\$57,421,804		\$57,651	\$563,423		\$621,074	\$220,667	\$25,955	\$28,252	\$895,947
2026	\$55,315,624	\$55,315,624		\$55,537	\$542,757		\$598,294	\$212,573	\$25,003	\$27,215	\$863,085
2027	\$53,630,680	\$53,630,680		\$53,845	\$526,224		\$580,069	\$206,098	\$24,241	\$26,386	\$836,795
2028	\$52,282,724	\$52,282,724		\$52,492	\$512,998		\$565,490	\$200,918	\$23,632	\$25,723	\$815,763
2029	\$51,204,359	\$51,204,359		\$51,409	\$502,417		\$553,826	\$196,774	\$23,144	\$25,193	\$798,937
						Total	\$8,858,246	\$3,147,323	\$370,186	\$402,945	\$12,778,700

Source: CPA, Space Exploration Technologies Corp.

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$8,035,877. The estimated gross 15 year M&O tax benefit, or levy loss, is \$3,425,715.

Attachment 3 is an economic overview of Cameron 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

PROPERTY INVESTMENT AMOUNTS												
(Estimated investment in each year. Do not put cumulative totals.)												
	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)	2014-2015	2014	0	0		0	0		0		
				Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)								0
				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)								
	Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2015-2016	2015	12,450,000	13,450,000	25,900,000	0	24,900,000		
			2	2016-2017	2016	11,050,000	13,250,000	24,300,000	0	24,300,000		
			3	2017-2018	2017	2,250,000	3,400,000	5,650,000	0	5,650,000		
			4	2018-2019	2018	300,000	700,000		0	1,000,000		
			5	2019-2020	2019	100,000	700,000		0	800,000		
			6	2020-2021	2020	100,000	600,000		0	700,000		
			7	2021-2022	2021	1,100,000	6,850,000		0	7,950,000		
			8	2022-2023	2022	100,000	4,350,000		0	4,450,000		
			9	2023-2024	2023	100,000	1,200,000		0	1,300,000		
			10	2024-2025	2024	100,000	1,500,000		0	1,600,000		
	Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025							
			12	2026-2027	2026							
13			2027-2028	2027								
Post-Settle-Up Period	Post-Settle-Up Period	14	2028-2029	2028								
		15	2029-2030	2029								

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 §913.021(1)(A)-(D).
 For the purposes of investment, please list amount invested each year, not cumulative totals.

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 §913.021(1)(E).

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

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.

Sharon E. Eyer

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12/17/13

DATE

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

Form 50-296

Checklist Item 18

Applicant Name
ISD Name

Applicant Name ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O - after all reductions
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or 'in or on the new improvement'			
	pre-year 1	2014-2015	2014	65,310					
	1	2015-2016	2015		28,340,900	11,267,538		39,608,438	39,608,438
	2	2016-2017	2016		32,740,900	14,275,538		47,016,438	47,016,438
	3	2017-2018	2017		34,390,900	15,126,538		49,517,438	20,000,000
	4	2018-2019	2018		37,090,900	15,714,538		52,805,438	20,000,000
	5	2019-2020	2019		37,690,900	15,874,538		53,565,438	20,000,000
	6	2020-2021	2020		43,140,900	16,124,538		59,265,438	20,000,000
	7	2021-2022	2021		45,040,900	16,379,538		61,420,438	20,000,000
	8	2022-2023	2022		46,140,900	16,399,538		62,540,438	20,000,000
	9	2023-2024	2023		46,890,900	16,454,538		63,345,438	20,000,000
	10	2024-2025	2024		46,890,900	13,163,630		60,054,530	20,000,000
	11	2025-2026	2025		46,890,900	10,530,904		57,421,804	57,421,804
	12	2026-2027	2026		46,890,900	8,424,724		55,315,624	55,315,624
	13	2027-2028	2027		46,890,900	6,739,780		53,630,680	53,630,680
	14	2028-2029	2028		46,890,900	5,391,824		52,282,724	52,282,724
	15	2029-2030	2029		46,890,900	4,313,459		51,204,359	51,204,359
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post-Settle-Up Period									

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.

Sharon Dreyer

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12/17/13

DATE

Checklist Item 20

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

Applicant Name		Space Exploration Technologies Corp.		Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought			
				Sales Taxable Expenditures		Franchise Tax		County	City	Hospital	Other
	Year	School Year (YYYY-YYYY)	Tax/ Calendar Year (YYYY)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	1	2015-2016	2015	\$ 15,000,000	\$ -	\$ -	100	n/a	n/a	n/a	
	2	2016-2017	2016	\$ 15,450,000	\$ -	\$ 100,000	100	n/a	n/a	n/a	
	3	2017-2018	2017	\$ 15,913,500	\$ -	\$ 110,000	100	n/a	n/a	n/a	
	4	2018-2019	2018	\$ 16,390,905	\$ -	\$ 120,000	100	n/a	n/a	n/a	
	5	2019-2020	2019	\$ 16,882,632	\$ -	\$ 130,000	100	n/a	n/a	n/a	
	6	2020-2021	2020	\$ 17,389,111	\$ -	\$ 140,000	100	n/a	n/a	n/a	
	7	2021-2022	2021	\$ 17,910,784	\$ -	\$ 150,000	100	n/a	n/a	n/a	
	8	2022-2023	2022	\$ 18,448,108	\$ -	\$ 160,000	100	n/a	n/a	n/a	
	9	2023-2024	2023	\$ 19,001,551	\$ -	\$ 170,000	100	n/a	n/a	n/a	
	10	2024-2025	2024	\$ 19,571,598	\$ -	\$ 180,000	100	n/a	n/a	n/a	
	11	2025-2026	2025	\$ 20,158,746	\$ -	\$ 190,000	0	n/a	n/a	n/a	
	12	2026-2027	2026	\$ 20,763,508	\$ -	\$ 200,000	0	n/a	n/a	n/a	
	13	2027-2028	2027	\$ 21,386,413	\$ -	\$ 210,000	0	n/a	n/a	n/a	
	14	2028-2029	2028	\$ 22,028,006	\$ -	\$ 220,000	0	n/a	n/a	n/a	
	15	2029-2030	2029	\$ 22,688,846	\$ -	\$ 230,000	0	n/a	n/a	n/a	

*For planning, construction and operation of the facility.

Suzanne Dreyer
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/12/2013
DATE

Attachment 2

February 26, 2014

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 Space Exploration Technologies Corp project for the Point Isabel Independent School District (PIISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Space Exploration Technologies Corp project on PIISD 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 about this issue.

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

February 26, 2014

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 Space Exploration Technologies Corp project on the number and size of school facilities in Point Isabel Independent School District (PIISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the PIISD superintendent, Lisa Garcia, the TEA has found that the Space Exploration Technologies Corp project could have an impact on student enrollment in PIISD, during both the construction and operations phases. If PIISD enrollment increases substantially, the District may be eligible for additional support for extraordinary educational expenses, as identified under the provisions of Chapter 313.

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 about this issue.

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED SPACE
EXPLORATION TECHNOLOGIES CORP PROJECT ON THE
FINANCES OF THE POINT ISABEL INDEPENDENT SCHOOL
DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY
VALUE LIMITATION**

December 11, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Space Exploration Technologies Corp Project on the Finances of the Point Isabel Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Space Exploration Technologies Corp (SpaceX) has requested that the Point Isabel Independent School District (PIISD) 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 PIISD on November 12, 2013, SpaceX proposes to invest \$73.7 million to construct a new manufacturing and research and development project in PIISD.

The SpaceX 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, PIISD may offer a minimum value limitation of \$20 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2015-16 and 2016-17 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2015-16 and 2016-17 school years. Beginning with the 2017-18 school year, the project would go on the local tax roll at \$20 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 PIISD currently levying a \$0.1004 per \$100 I&S tax rate. The full taxable value of the investment is expected to reach \$63 million in the 2017-18 school year.

In the case of the SpaceX 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. PIISD would experience a revenue loss as a result of the implementation of the value limitation in the 2017-18 school year (-\$144,564), with small out-year revenue losses expected during the course of the limitation agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$3.1 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the 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 M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

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

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

PIISD is classified as a formula district under the estimates presented below, beginning with the 2017-18 school year, the first \$20 million limitation year. Prior to that year, these estimates assume that PIISD will be receiving ASATR funds under current law.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A 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 SpaceX project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding, 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 SpaceX project are factored into the base model used here in order to simulate the financial effects of constructing the project in the absence of a value limitation agreement. The impact of the limitation value for the proposed SpaceX project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 2,423 students in average daily attendance (ADA) in analyzing the effects of the SpaceX project on the finances of PIISD. The District's local tax base reached \$3.7 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$0.9812 per \$100 is used throughout this analysis. PIISD has estimated state property wealth per weighted ADA or WADA of approximately \$1 million for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for PIISD under the assumptions outlined above through the 2029-30 school year. Beyond the 2014-15 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 SpaceX 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 SpaceX value but imposes the proposed property value limitation effective in the third year, which in this case is the 2017-18 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, PIISD would experience a revenue loss as a result of the implementation of the value limitation in the 2017-18 school year (-\$144,564). Smaller revenue losses are shown for the seven remaining value limitation years. The revenue reductions chiefly result from the mechanics of the state property value study—it lags by one year—and the six cents beyond the compressed M&O tax rate not subject to recapture.

Based on a review of the summary information in Tables 4 and 5, the reductions in M&O tax collections as a result of the value limitation are largely offset by a reduction in recapture costs for PIISD. The Tier I and Tier II recapture costs nearly match the tax benefits that would be received by SpaceX under current law.

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

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$0.9812 per \$100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$3.0 million over the life of the agreement. In addition, SpaceX 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 \$0.5 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 PIISD revenue losses are expected to total approximately -\$354,675 over the course of the agreement. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$3.1 million over the life of the agreement.

Facilities Funding Impact

The SpaceX project remains fully taxable for debt services taxes, with PIISD currently levying a \$0.1004 per \$100 I&S rate. The value of the SpaceX project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to assist the District in meeting its debt service needs.

The SpaceX project could have an impact on student enrollment in PIISD, during both the construction and operations phases. This will depend to a large degree on residential location decisions made by local employees. If PIISD enrollment increases substantially, the District may be eligible for additional support for extraordinary educational expenses, as identified under the provisions of Chapter 313.

Conclusion

The proposed SpaceX manufacturing and research and development project enhances the tax base of PIISD. 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 \$3.1 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of PIISD in meeting its future debt service obligations.

Table 1 – Base District Information with Space Exploration Technologies Corp Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2014-15	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,712,202,228	\$3,712,202,228	\$3,653,368,848	\$3,653,368,848	\$1,045,304	\$1,045,304
1	2015-16	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,751,810,666	\$3,751,810,666	\$3,653,368,848	\$3,653,368,848	\$1,045,304	\$1,045,304
2	2016-17	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,759,218,666	\$3,759,218,666	\$3,692,977,286	\$3,692,977,286	\$1,056,636	\$1,056,636
3	2017-18	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,761,719,666	\$3,732,202,228	\$3,700,385,286	\$3,700,385,286	\$1,058,756	\$1,058,756
4	2018-19	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,765,007,666	\$3,732,202,228	\$3,702,886,286	\$3,673,368,848	\$1,059,472	\$1,051,026
5	2019-20	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,765,767,666	\$3,732,202,228	\$3,706,174,286	\$3,673,368,848	\$1,060,412	\$1,051,026
6	2020-21	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,771,467,666	\$3,732,202,228	\$3,706,934,286	\$3,673,368,848	\$1,060,630	\$1,051,026
7	2021-22	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,773,622,666	\$3,732,202,228	\$3,712,634,286	\$3,673,368,848	\$1,062,261	\$1,051,026
8	2022-23	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,774,742,666	\$3,732,202,228	\$3,714,789,286	\$3,673,368,848	\$1,062,877	\$1,051,026
9	2023-24	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,775,547,666	\$3,732,202,228	\$3,715,909,286	\$3,673,368,848	\$1,063,198	\$1,051,026
10	2024-25	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,772,256,758	\$3,732,202,228	\$3,716,714,286	\$3,673,368,848	\$1,063,428	\$1,051,026
11	2025-26	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,769,624,032	\$3,769,624,032	\$3,713,423,378	\$3,673,368,848	\$1,062,487	\$1,051,026
12	2026-27	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,767,517,852	\$3,767,517,852	\$3,710,790,652	\$3,710,790,652	\$1,061,733	\$1,061,733
13	2027-28	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,765,832,908	\$3,765,832,908	\$3,708,684,472	\$3,708,684,472	\$1,061,131	\$1,061,131
14	2028-29	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,764,484,952	\$3,764,484,952	\$3,706,999,528	\$3,706,999,528	\$1,060,649	\$1,060,649
15	2029-30	2,349.49	3,495.03	\$0.9812	\$0.1004	\$3,763,406,587	\$3,763,406,587	\$3,705,651,572	\$3,705,651,572	\$1,060,263	\$1,060,263

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	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	2014-15	\$31,548,753	\$765,265	\$1,193,789	-\$15,987,813	\$4,517,466	\$0	-\$1,525,085	\$20,512,375
1	2015-16	\$31,881,913	\$765,265	\$1,033,153	-\$16,160,338	\$4,565,172	\$0	-\$1,541,190	\$20,543,976
2	2016-17	\$31,944,224	\$765,265	\$1,168,303	-\$16,357,798	\$4,574,094	\$0	-\$1,551,493	\$20,542,595
3	2017-18	\$31,970,328	\$765,265	\$0	-\$16,401,979	\$4,577,832	\$0	-\$1,554,108	\$19,357,338
4	2018-19	\$31,998,549	\$765,265	\$0	-\$16,427,054	\$4,581,873	\$0	-\$1,555,934	\$19,362,699
5	2019-20	\$32,005,072	\$765,265	\$0	-\$16,443,981	\$4,582,807	\$0	-\$1,556,847	\$19,352,316
6	2020-21	\$32,053,120	\$765,265	\$0	-\$16,472,316	\$4,589,687	\$0	-\$1,559,323	\$19,376,433
7	2021-22	\$32,072,491	\$765,265	\$0	-\$16,505,881	\$4,592,461	\$0	-\$1,561,297	\$19,363,039
8	2022-23	\$32,082,104	\$765,265	\$0	-\$16,519,763	\$4,593,838	\$0	-\$1,562,155	\$19,359,288
9	2023-24	\$32,089,013	\$765,265	\$0	-\$16,527,982	\$4,594,827	\$0	-\$1,562,694	\$19,358,429
10	2024-25	\$32,060,767	\$765,265	\$0	-\$16,516,418	\$4,590,782	\$0	-\$1,561,464	\$19,338,932
11	2025-26	\$32,031,747	\$765,265	\$0	-\$16,487,698	\$4,586,626	\$0	-\$1,559,456	\$19,336,484
12	2026-27	\$32,014,031	\$765,265	\$0	-\$16,467,611	\$4,584,090	\$0	-\$1,558,118	\$19,337,656
13	2027-28	\$31,999,859	\$765,265	\$0	-\$16,451,540	\$4,582,060	\$0	-\$1,557,048	\$19,338,596
14	2028-29	\$31,988,520	\$765,265	\$0	-\$16,438,681	\$4,580,438	\$0	-\$1,556,192	\$19,339,350
15	2029-30	\$31,979,450	\$765,265	\$0	-\$16,428,393	\$4,579,139	\$0	-\$1,555,506	\$19,339,954

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

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	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	2014-15	\$31,548,753	\$765,265	\$1,193,789	-\$15,987,813	\$4,517,466	\$0	-\$1,525,085	\$20,512,375
1	2015-16	\$31,881,913	\$765,265	\$1,033,153	-\$16,160,338	\$4,565,172	\$0	-\$1,541,190	\$20,543,976
2	2016-17	\$31,944,224	\$765,265	\$1,168,303	-\$16,357,798	\$4,574,094	\$0	-\$1,551,493	\$20,542,595
3	2017-18	\$31,716,979	\$765,265	\$0	-\$16,269,232	\$4,541,555	\$0	-\$1,541,793	\$19,212,774
4	2018-19	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
5	2019-20	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
6	2020-21	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
7	2021-22	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
8	2022-23	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
9	2023-24	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
10	2024-25	\$31,716,979	\$765,265	\$0	-\$16,158,189	\$4,541,555	\$0	-\$1,536,892	\$19,328,718
11	2025-26	\$32,031,747	\$765,265	\$0	-\$16,322,016	\$4,586,626	\$0	-\$1,552,144	\$19,509,478
12	2026-27	\$32,014,031	\$765,265	\$0	-\$16,467,611	\$4,584,090	\$0	-\$1,558,118	\$19,337,656
13	2027-28	\$31,999,859	\$765,265	\$0	-\$16,451,540	\$4,582,060	\$0	-\$1,557,048	\$19,338,596
14	2028-29	\$31,988,520	\$765,265	\$0	-\$16,438,681	\$4,580,438	\$0	-\$1,556,192	\$19,339,350
15	2029-30	\$31,979,450	\$765,265	\$0	-\$16,428,393	\$4,579,139	\$0	-\$1,555,506	\$19,339,954

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

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	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	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2017-18	-\$253,349	\$0	\$0	\$132,747	-\$36,277	\$0	\$12,315	-\$144,564
4	2018-19	-\$281,570	\$0	\$0	\$268,865	-\$40,318	\$0	\$19,042	-\$33,981
5	2019-20	-\$288,093	\$0	\$0	\$285,792	-\$41,252	\$0	\$19,955	-\$23,598
6	2020-21	-\$336,141	\$0	\$0	\$314,127	-\$48,132	\$0	\$22,431	-\$47,715
7	2021-22	-\$355,512	\$0	\$0	\$347,692	-\$50,906	\$0	\$24,405	-\$34,321
8	2022-23	-\$365,125	\$0	\$0	\$361,574	-\$52,283	\$0	\$25,263	-\$30,571
9	2023-24	-\$372,034	\$0	\$0	\$369,793	-\$53,272	\$0	\$25,802	-\$29,711
10	2024-25	-\$343,788	\$0	\$0	\$358,229	-\$49,227	\$0	\$24,572	-\$10,215
11	2025-26	\$0	\$0	\$0	\$165,682	\$0	\$0	\$7,312	\$172,994
12	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial Impact of the Space Exploration Technologies Corp Project Property Value Limitation Request Submitted to PIISD at \$0.9812 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	2014-15	\$0	\$0	\$0	\$0.981	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2015-16	\$39,608,438	\$39,608,438	\$0	\$0.981	\$388,633	\$388,633	\$0	\$0	\$0	\$0	\$0
2	2016-17	\$47,016,438	\$47,016,438	\$0	\$0.981	\$461,320	\$461,320	\$0	\$0	\$0	\$0	\$0
3	2017-18	\$49,517,438	\$20,000,000	\$29,517,438	\$0.981	\$485,859	\$196,238	\$289,622	\$0	\$289,622	-\$144,564	\$145,058
4	2018-19	\$52,805,438	\$20,000,000	\$32,805,438	\$0.981	\$518,121	\$196,238	\$321,883	\$65,354	\$387,237	-\$33,981	\$353,256
5	2019-20	\$53,565,438	\$20,000,000	\$33,565,438	\$0.981	\$525,578	\$196,238	\$329,340	\$65,354	\$394,694	-\$23,598	\$371,096
6	2020-21	\$59,265,438	\$20,000,000	\$39,265,438	\$0.981	\$581,505	\$196,238	\$385,268	\$65,354	\$450,622	-\$47,715	\$402,906
7	2021-22	\$61,420,438	\$20,000,000	\$41,420,438	\$0.981	\$602,650	\$196,238	\$406,412	\$65,354	\$471,766	-\$34,321	\$437,445
8	2022-23	\$62,540,438	\$20,000,000	\$42,540,438	\$0.981	\$613,639	\$196,238	\$417,402	\$65,354	\$482,756	-\$30,571	\$452,185
9	2023-24	\$63,345,438	\$20,000,000	\$43,345,438	\$0.981	\$621,538	\$196,238	\$425,300	\$65,354	\$490,654	-\$29,711	\$460,943
10	2024-25	\$60,054,530	\$20,000,000	\$40,054,530	\$0.981	\$589,248	\$196,238	\$393,010	\$65,354	\$458,364	-\$10,215	\$448,150
11	2025-26	\$57,421,804	\$57,421,804	\$0	\$0.981	\$563,416	\$563,416	\$0	\$0	\$0	\$0	\$0
12	2026-27	\$55,315,624	\$55,315,624	\$0	\$0.981	\$542,750	\$542,750	\$0	\$0	\$0	\$0	\$0
13	2027-28	\$53,630,680	\$53,630,680	\$0	\$0.981	\$526,218	\$526,218	\$0	\$0	\$0	\$0	\$0
14	2028-29	\$52,282,724	\$52,282,724	\$0	\$0.981	\$512,992	\$512,992	\$0	\$0	\$0	\$0	\$0
15	2029-30	\$51,204,359	\$51,204,359	\$0	\$0.981	\$502,411	\$502,411	\$0	\$0	\$0	\$0	\$0
						\$8,035,877	\$5,067,640	\$2,968,237	\$457,478	\$3,425,715	-\$354,675	\$3,071,040
Tax Credit for Value Over Limit in First 2 Years								Year 1	Year 2	Max Credits		
								\$192,396	\$265,082	\$457,478		
										\$457,478		
										\$457,478		
										\$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, the first year the limitation would apply under this value limitation application. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment 3

Cameron County

Population

- Total county population in 2010 for Cameron County: 402,431 , up 1.8 percent from 2009. State population increased 1.8 percent in the same time period.
- Cameron County was the state's 13rd largest county in population in 2010 and the 43rd fastest growing county from 2009 to 2010.
- Cameron County's population in 2009 was 12.1 percent Anglo (below the state average of 46.7 percent), 0.4 percent African-American (below the state average of 11.3 percent) and 86.6 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Cameron County:

Brownsville:	176,859	Harlingen:	65,289
San Benito:	25,365	La Feria:	7,133
Los Fresnos:	5,603	Port Isabel:	5,318
Primera:	4,268	Laguna Vista:	4,039
Santa Rosa:	3,155	Combes:	2,921

Economy and Income

Employment

- September 2011 total employment in Cameron County: 140,427 , down 0.3 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 Cameron County unemployment rate: 12.9 percent, up from 11.5 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:

Brownsville:	12.4 percent, up from 11.7 percent in September 2010.
Harlingen:	11.1 percent, up from 8.8 percent in September 2010.
San Benito:	11.7 percent, up from 10.2 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

- Cameron County's ranking in per capita personal income in 2009: 248th with an average per capita income of \$22,388, up 1.3 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 Cameron County averaged \$144.75 million annually from 2007 to 2010. County total agricultural values in 2010 were up 106.1 percent from 2009. Major agriculture related commodities in Cameron County during 2010 included:
 - Corn
 - Grapefruit
 - Sugar Cane
 - Sorghum
 - Nursery
- 2011 oil and gas production in Cameron County: 237.0 barrels of oil and 195,493.0 Mcf of gas. In September 2011, there were 1 producing oil wells and 2 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 Cameron County during the fourth quarter 2010: \$671.70 million, up 3.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Brownsville:	\$360.97 million, up 2.6 percent from the same quarter in 2009.
Harlingen:	\$202.61 million, up 2.6 percent from the same quarter in 2009.
San Benito:	\$40.16 million, up 8.9 percent from the same quarter in 2009.
La Feria:	\$7.61 million, up 8.7 percent from the same quarter in 2009.
Los Fresnos:	\$3.81 million, up 12.5 percent from the same quarter in 2009.
Port Isabel:	\$16.53 million, up 2.5 percent from the same quarter in 2009.
Primera:	\$1.15 million, down 21.2 percent from the same quarter in 2009.
Laguna Vista:	\$733,742.00, down 5.6 percent from the same quarter in 2009.
Santa Rosa:	\$2.20 million, up 26.3 percent from the same quarter in 2009.
Combes:	\$1.03 million, up 6.7 percent from the same quarter in 2009.
South Padre Island:	\$11.42 million, up 5.1 percent from the same quarter in 2009.
Rio Hondo:	\$1.38 million, down 0.2 percent from the same quarter in 2009.

Rancho Viejo:	\$740,298.00, up 2.2 percent from the same quarter in 2009.
Palm Valley:	\$677,906.00, up 7.7 percent from the same quarter in 2009.
Los Indios:	\$449,726.00, down 32.3 percent from the same quarter in 2009.
Bayview:	\$28,506.00, up 10.5 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 Cameron County through the fourth quarter of 2010: \$2.56 billion, up 0.1 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Brownsville:	\$1.33 billion, up 1.1 percent from the same period in 2009.
Harlingen:	\$761.99 million, down 0.6 percent from the same period in 2009.
San Benito:	\$149.34 million, up 0.3 percent from the same period in 2009.
La Feria:	\$30.16 million, up 0.3 percent from the same period in 2009.
Los Fresnos:	\$15.21 million, up 1.1 percent from the same period in 2009.
Port Isabel:	\$80.54 million, down 4.0 percent from the same period in 2009.
Primera:	\$3.36 million, down 16.0 percent from the same period in 2009.
Laguna Vista:	\$3.25 million, up 0.1 percent from the same period in 2009.
Santa Rosa:	\$7.82 million, up 15.0 percent from the same period in 2009.
Combes:	\$3.96 million, up 1.2 percent from the same period in 2009.
South Padre Island:	\$89.76 million, down 1.2 percent from the same period in 2009.
Rio Hondo:	\$5.43 million, down 2.4 percent from the same period in 2009.
Rancho Viejo:	\$2.43 million, down 12.2 percent from the same period in 2009.
Palm Valley:	\$2.46 million, up 13.0 percent from the same period in 2009.
Los Indios:	\$1.84 million, down 33.0 percent from the same period in 2009.
Bayview:	\$99,117.00, up 21.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Cameron County during 2010: \$2.56 billion, up 0.1 percent from 2009.
- Cameron County sent an estimated \$160.16 million (or 0.94 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Brownsville:	\$1.33 billion, up 1.1 percent from 2009.
Harlingen:	\$761.99 million, down 0.6 percent from 2009.
San Benito:	\$149.34 million, up 0.3 percent from 2009.
La Feria:	\$30.16 million, up 0.3 percent from 2009.
Los Fresnos:	\$15.21 million, up 1.1 percent from 2009.
Port Isabel:	\$80.54 million, down 4.0 percent from 2009.
Primera:	\$3.36 million, down 16.0 percent from 2009.
Laguna Vista:	\$3.25 million, up 0.1 percent from 2009.
Santa Rosa:	\$7.82 million, up 15.0 percent from 2009.
Combes:	\$3.96 million, up 1.2 percent from 2009.
South Padre Island:	\$89.76 million, down 1.2 percent from 2009.
Rio Hondo:	\$5.43 million, down 2.4 percent from 2009.
Rancho Viejo:	\$2.43 million, down 12.2 percent from 2009.
Palm Valley:	\$2.46 million, up 13.0 percent from 2009.
Los Indios:	\$1.84 million, down 33.0 percent from 2009.
Bayview:	\$99,117.00, up 21.7 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Cameron County based on the sales activity month of August 2011: \$5.08 million, up 8.7 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Brownsville:	\$2.61 million, up 10.2 percent from August 2010.
Harlingen:	\$1.52 million, up 8.0 percent from August 2010.
San Benito:	\$309,720.15, up 4.9 percent from August 2010.

La Feria:	\$79,407.36, up 20.9 percent from August 2010.
Los Fresnos:	\$48,699.70, up 13.5 percent from August 2010.
Port Isabel:	\$185,541.29, up 11.8 percent from August 2010.
Primera:	\$9,025.51, up 4.2 percent from August 2010.
Laguna Vista:	\$14,480.33, up 61.0 percent from August 2010.
Santa Rosa:	\$4,929.92, down 11.3 percent from August 2010.
Combes:	\$9,399.49, up 18.1 percent from August 2010.
South Padre Island:	\$268,233.01, down 1.2 percent from August 2010.
Rio Hondo:	\$15,214.15, down 3.6 percent from August 2010.
Rancho Viejo:	\$3,636.95, up 1.8 percent from August 2010.
Palm Valley:	\$1,990.16, down 38.4 percent from August 2010.
Los Indios:	\$3,221.16, up 2.9 percent from August 2010.
Bayview:	\$388.54, down 11.2 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 Cameron County based on sales activity months from September 2010 through August 2011: \$60.72 million, up 4.2 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Brownsville:	\$31.86 million, up 4.7 percent from fiscal 2010.
Harlingen:	\$18.58 million, up 2.8 percent from fiscal 2010.
San Benito:	\$3.70 million, up 5.8 percent from fiscal 2010.
La Feria:	\$928,906.59, up 5.4 percent from fiscal 2010.
Los Fresnos:	\$501,855.08, up 8.0 percent from fiscal 2010.
Port Isabel:	\$1.89 million, up 3.4 percent from fiscal 2010.
Primera:	\$106,299.62, down 6.9 percent from fiscal 2010.
Laguna Vista:	\$133,013.69, up 18.3 percent from fiscal 2010.
Santa Rosa:	\$62,633.30, up 12.5 percent from fiscal 2010.
Combes:	\$95,026.90, up 17.7 percent from fiscal 2010.
South Padre Island:	\$2.51 million, up 5.8 percent from fiscal 2010.
Rio Hondo:	\$192,488.99, up 4.4 percent from fiscal 2010.
Rancho Viejo:	\$51,702.62, up 14.0 percent from fiscal 2010.
Palm Valley:	\$48,966.98, up 11.3 percent from fiscal 2010.
Los Indios:	\$37,581.59, down 12.2 percent from fiscal 2010.
Bayview:	\$12,785.17, up 156.9 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Cameron County based on sales activity months through August 2011: \$40.00 million, up 4.4 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Brownsville:	\$20.79 million, up 5.3 percent from the same period in 2010.
Harlingen:	\$12.07 million, up 2.6 percent from the same period in 2010.
San Benito:	\$2.40 million, up 2.6 percent from the same period in 2010.
La Feria:	\$618,438.79, up 7.2 percent from the same period in 2010.
Los Fresnos:	\$342,693.16, up 10.3 percent from the same period in 2010.
Port Isabel:	\$1.33 million, up 2.2 percent from the same period in 2010.
Primera:	\$69,611.12, up 4.6 percent from the same period in 2010.
Laguna Vista:	\$98,020.59, up 34.2 percent from the same period in 2010.
Santa Rosa:	\$39,101.12, up 4.2 percent from the same period in 2010.
Combes:	\$64,931.88, up 22.8 percent from the same period in 2010.
South Padre Island:	\$1.95 million, up 6.6 percent from the same period in 2010.
Rio Hondo:	\$128,349.87, up 4.9 percent from the same period in 2010.
Rancho Viejo:	\$33,722.67, up 14.3 percent from the same period in 2010.
Palm Valley:	\$34,209.62, up 19.1 percent from the same period in 2010.
Los Indios:	\$24,992.22, down 5.6 percent from the same period in 2010.

Bayview: \$10,782.94, up 220.4 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 Cameron County based on sales activity in the 12 months ending in August 2011: \$60.72 million, up 4.2 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Brownsville:	\$31.86 million, up 4.7 percent from the previous 12-month period.
Harlingen:	\$18.58 million, up 2.8 percent from the previous 12-month period.
San Benito:	\$3.70 million, up 5.8 percent from the previous 12-month period.
La Feria:	\$928,906.59, up 5.4 percent from the previous 12-month period.
Los Fresnos:	\$501,855.08, up 8.0 percent from the previous 12-month period.
Port Isabel:	\$1.89 million, up 3.4 percent from the previous 12-month period.
Primera:	\$106,299.62, down 6.9 percent from the previous 12-month period.
Laguna Vista:	\$133,013.69, up 18.3 percent from the previous 12-month period.
Santa Rosa:	\$62,633.30, up 12.5 percent from the previous 12-month period.
Combes:	\$95,026.90, up 17.7 percent from the previous 12-month period.
South Padre Island:	\$2.51 million, up 5.8 percent from the previous 12-month period.
Rio Hondo:	\$192,488.99, up 4.4 percent from the previous 12-month period.
Rancho Viejo:	\$51,702.62, up 14.0 percent from the previous 12-month period.
Palm Valley:	\$48,966.98, up 11.3 percent from the previous 12-month period.
Los Indios:	\$37,581.59, down 12.2 percent from the previous 12-month period.
Bayview:	\$12,785.17, up 156.9 percent from the previous 12-month period.

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

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

Brownsville:	\$26.90 million, up 4.6 percent from the same period in 2010.
Harlingen:	\$15.53 million, up 2.9 percent from the same period in 2010.
San Benito:	\$3.09 million, up 5.0 percent from the same period in 2010.
La Feria:	\$776,404.87, up 6.4 percent from the same period in 2010.
Los Fresnos:	\$419,472.69, up 9.5 percent from the same period in 2010.
Port Isabel:	\$1.61 million, up 3.0 percent from the same period in 2010.
Primera:	\$90,275.47, down 3.8 percent from the same period in 2010.
Laguna Vista:	\$114,074.94, up 21.9 percent from the same period in 2010.
Santa Rosa:	\$52,257.93, up 12.9 percent from the same period in 2010.
Combes:	\$82,315.48, up 21.5 percent from the same period in 2010.
South Padre Island:	\$2.18 million, up 5.7 percent from the same period in 2010.
Rio Hondo:	\$159,831.32, up 3.5 percent from the same period in 2010.
Rancho Viejo:	\$43,897.96, up 16.6 percent from the same period in 2010.
Palm Valley:	\$41,593.84, up 12.5 percent from the same period in 2010.
Los Indios:	\$31,139.25, down 11.0 percent from the same period in 2010.
Bayview:	\$11,687.22, up 183.1 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Cameron County based on sales activity months in 2010: \$59.02 million, down 0.9 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Brownsville:	\$30.81 million, up 0.4 percent from 2009.
Harlingen:	\$18.27 million, down 2.3 percent from 2009.
San Benito:	\$3.64 million, up 2.2 percent from 2009.
La Feria:	\$887,559.62, up 1.9 percent from 2009.
Los Fresnos:	\$469,941.88, down 5.9 percent from 2009.
Port Isabel:	\$1.86 million, down 5.1 percent from 2009.
Primera:	\$103,242.20, down 16.4 percent from 2009.
Laguna Vista:	\$108,057.96, down 5.3 percent from 2009.
Santa Rosa:	\$61,068.19, down 3.1 percent from 2009.

Combes:	\$82,981.62, up 3.2 percent from 2009.
South Padre Island:	\$2.39 million, down 6.2 percent from 2009.
Rio Hondo:	\$186,437.82, down 4.0 percent from 2009.
Rancho Viejo:	\$47,472.91, down 5.1 percent from 2009.
Palm Valley:	\$43,489.41, up 5.4 percent from 2009.
Los Indios:	\$39,050.30, down 20.5 percent from 2009.
Bayview:	\$5,367.86, up 3.4 percent from 2009.

Property Tax

- As of January 2009, property values in Cameron County: \$16.77 billion, up 0.2 percent from January 2008 values. The property tax base per person in Cameron County is \$42,300, below the statewide average of \$85,809. A negligible 0.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Cameron County's ranking in state expenditures by county in fiscal year 2010: 8th. State expenditures in the county for FY2010: \$1.82 billion, unchanged 0.0 percent from FY2009.
- In Cameron County, 32 state agencies provide a total of 4,466 jobs and \$38.53 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - University of Texas
 - Department of State Health Services (Rio Grande State Center)
 - Department of Family and Protective Services
 - Texas State Technical College
 - Health & Human Services Commission

Higher Education

- Community colleges in Cameron County fall 2010 enrollment:
 - Texas Southmost College, a Public Community College, had 11,043 students.
- Cameron County is in the service area of the following:
 - Texas Southmost College with a fall 2010 enrollment of 11,043. Counties in the service area include:
Cameron County
Willacy County
- Institutions of higher education in Cameron County fall 2010 enrollment:
 - The University of Texas at Brownsville, a Public University (part of The University of Texas System), had 6,855 students.
 - Texas State Technical College-Harlingen, a Public Technical College (part of Texas State Technical College), had 5,779 students.

School Districts

- Cameron County had 10 school districts with 149 schools and 101,277 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.)
 - Brownsville ISD had 49,080 students in the 2009-10 school year. The average teacher salary was \$48,412. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.
 - Harlingen CISD had 18,142 students in the 2009-10 school year. The average teacher salary was \$47,997. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
 - La Feria ISD had 3,447 students in the 2009-10 school year. The average teacher salary was \$47,075. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.
 - Los Fresnos CISD had 9,721 students in the 2009-10 school year. The average teacher salary was \$46,326. The percentage of students meeting the 2010 TAKS passing standard for all tests was 84 percent.
 - Point Isabel ISD had 2,525 students in the 2009-10 school year. The average teacher salary was \$46,318. The percentage of students meeting the 2010 TAKS passing standard for all tests was 73 percent.
 - Rio Hondo ISD had 2,309 students in the 2009-10 school year. The average teacher salary was \$47,139. The percentage of students meeting the 2010 TAKS passing standard for all tests was 63 percent.
 - San Benito CISD had 11,193 students in the 2009-10 school year. The average teacher salary was \$46,103. The percentage of students meeting the 2010 TAKS passing standard for all tests was 69 percent.
 - Santa Maria ISD had 666 students in the 2009-10 school year. The average teacher salary was \$42,063. The percentage of students meeting the 2010 TAKS passing standard for all tests was 54 percent.

- Santa Rosa ISD had 1,172 students in the 2009-10 school year. The average teacher salary was \$44,891. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- South Texas ISD had 3,022 students in the 2009-10 school year. The average teacher salary was \$52,516. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.