Chapter 313 Property Value Limitation Financial Impact of the Proposed Formosa Plastics Corporation Project in the Calhoun County Independent School District (Project # 1048)

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TEXAS SCHOOL FINANCE EXPERTS

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Update

Executive Summary

Formosa Plastics Corporation (Company) has requested that the Calhoun County Independent School District (CCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application initially submitted to CCISD on July 21, 2014, the Company plans to add $600.5 million in new taxable value to construct a chemical manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Formosa 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, CCISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2018-19 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to CCISD	$3.9 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$40.6 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for the Formosa Project was issued on April 7, 2015.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value, which was issued on July 6, 2015. After the certificate is received, the district has until the 150th day from the

receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

At the final board meeting, the school board will review the Value Limitation Agreement negotiated with the Company. The Board will also review the Findings of Fact that detail the project's conformance with state law.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction. (For more detailed information on the school finance funding system, please review the Texas Education Agency's School Finance 101: Funding of Texas Public Schools.)

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—$1.00 per $100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. ASATR funding is expected to be eliminated by the 2017-18 school year under current law and is not a factor in the calculations presented below.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation 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. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 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. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system, although previously-approved Chapter 313 agreements are factored into the tax bases for all models. Student enrollment counts are held constant at 3,848 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of CCISD. The District's local tax base reached $3.5 billion for the 2015 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.0401 per $100 is used throughout this analysis.

CCISD has estimated 2015-16 state property wealth per weighted ADA or WADA of approximately $716,665. As a result, CCISD is considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from $5,040 to $5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from $61.86 in 2014-15 to $74.28 and $77.53, respectively, for the 2015-16 and 2016-17 school years.

In addition, CCISD is eligible for a "fractional" funding adjustment, since it imposed less than $1.50 M&O tax rate for the 2006 tax year. Given the analysis shown below, it does not appear that CCISD would benefit from shifting tax effort to take advantage of the fractional funding fix approved by legislators and that change is not incorporated in these estimates.

While the mandated school district homestead exemption will be increased from $15,000 to $25,000—assuming voter approval of a constitutional amendment election scheduled in November—no data are currently available on the tax base reductions associated with this change. Given that the models below focus exclusively on the Formosa Plastics Corporation project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2015 is maintained at $1.0401 per $100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with Formosa 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
QTP0	2015-16	3,847.60	5,155.19	$1.0401	$0.2535	$3,458,568,290	$3,458,568,290	$3,694,547,468	$3,694,547,468	$716,665	$716,665
QTP1	2016-17	3,847.60	5,155.36	$1.0401	$0.2535	$3,472,568,290	$3,472,568,290	$3,374,392,619	$3,374,392,619	$654,541	$654,541
QTP2	2017-18	3,847.60	5,155.36	$1.0401	$0.2535	$4,058,568,290	$4,058,568,290	$3,388,392,619	$3,388,392,619	$657,257	$657,257
VL1	2018-19	3,847.60	5,155.36	$1.0401	$0.2535	$4,189,181,372	$3,648,685,172	$3,974,392,619	$3,974,392,619	$770,925	$770,925
VL2	2019-20	3,847.60	5,155.36	$1.0401	$0.2535	$4,149,816,847	$3,637,820,647	$4,105,005,701	$3,564,509,501	$796,261	$691,419
VL3	2020-21	3,847.60	5,155.36	$1.0401	$0.2535	$4,112,496,576	$3,627,575,376	$4,065,641,176	$3,553,644,976	$788,625	$689,311
VL4	2021-22	3,847.60	5,155.36	$1.0401	$0.2535	$4,077,114,013	$3,617,914,063	$4,028,320,904	$3,543,399,704	$781,386	$687,324
VL5	2022-23	3,847.60	5,155.36	$1.0401	$0.2535	$4,043,568,186	$3,608,803,423	$3,992,938,341	$3,533,738,391	$774,522	$685,450
VL6	2023-24	3,847.60	5,155.36	$1.0401	$0.2535	$4,064,967,403	$3,653,416,069	$3,959,392,514	$3,524,627,751	$768,015	$683,683
VL7	2024-25	3,847.60	5,155.36	$1.0401	$0.2535	$4,031,488,982	$3,641,990,404	$3,980,791,732	$3,569,240,398	$772,166	$692,336
VL8	2025-26	3,847.60	5,155.36	$1.0401	$0.2535	$3,994,920,975	$3,626,372,516	$3,947,313,311	$3,557,814,733	$765,672	$690,120
VL9	2026-27	3,847.60	5,155.36	$1.0401	$0.2535	$3,960,633,730	$3,611,987,884	$3,910,745,303	$3,542,196,844	$758,579	$687,091
VL10	2027-28	3,847.60	5,155.36	$1.0401	$0.2535	$3,928,470,274	$3,598,731,910	$3,876,458,059	$3,527,812,213	$751,928	$684,301
VP1	2028-29	3,847.60	5,155.36	$1.0401	$0.2535	$3,898,284,641	$3,898,284,641	$3,844,294,602	$3,514,556,238	$745,690	$681,729
VP2	2029-30	3,847.60	5,155.36	$1.0401	$0.2535	$3,869,943,072	$3,869,943,072	$3,814,108,969	$3,814,108,969	$739,834	$739,834
VP3	2030-31	3,847.60	5,155.36	$1.0401	$0.2535	$3,843,321,857	$3,843,321,857	$3,785,767,401	$3,785,767,401	$734,337	$734,337
VP4	2031-32	3,847.60	5,155.36	$1.0401	$0.2535	$3,818,306,508	$3,818,306,508	$3,759,146,185	$3,759,146,185	$729,173	$729,173
VP5	2032-33	3,847.60	5,155.36	$1.0401	$0.2535	$3,794,791,004	$3,794,791,004	$3,734,130,836	$3,734,130,836	$724,321	$724,321

***Basic Allotment: $5,140; AISD Yield: $77.53; Equalized Wealth: $514,000 per WADA**

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Formosa project on CCISD

School finance models were prepared for CCISD under these assumptions through the 2032-33 school year. Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue Model" by adding the total value of the project to the model, but without assuming that a value limitation is approved. This is detailed in Table 2.

Additionally, a separate model is established to make a calculation of the "Value Limitation Revenue Model" by adding the project's limited value of $30 million to the model. These results are shown in Table 3.

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	Other State Aid	Total General Fund
QTP0	2015-16	$31,420,603	$988,707	$1,762,896	-$8,441,142	$3,158,351	$72,753	-$612,609	$133,771	$28,483,329
QTP1	2016-17	$32,717,303	$1,768,713	$0	-$6,673,719	$2,002,896	$369,797	$0	$133,771	$30,318,760
QTP2	2017-18	$38,288,388	$999,193	$0	-$7,928,136	$2,343,948	$421,119	$0	$133,771	$34,258,283
VL1	2018-19	$39,689,044	$1,307,001	$0	-$12,711,575	$2,429,694	$13,780	$0	$133,771	$30,861,714
VL2	2019-20	$39,306,427	$1,307,001	$0	-$13,417,910	$2,406,270	$0	$0	$133,771	$29,735,558
VL3	2020-21	$38,943,663	$1,307,001	$0	-$13,045,917	$2,384,063	$0	$0	$133,771	$29,722,581
VL4	2021-22	$38,599,720	$1,307,001	$0	-$12,693,068	$2,363,007	$0	$0	$133,771	$29,710,430
VL5	2022-23	$38,273,616	$1,307,001	$0	-$12,358,381	$2,343,044	$2,353	$0	$133,771	$29,701,404
VL6	2023-24	$38,470,232	$1,307,001	$0	-$12,208,212	$2,355,080	$22,344	$0	$133,771	$30,080,216
VL7	2024-25	$38,145,470	$1,307,001	$0	-$12,238,034	$2,335,199	$9,483	$0	$133,771	$29,692,890
VL8	2025-26	$37,791,659	$1,307,001	$0	-$11,906,381	$2,313,539	$29,085	$0	$133,771	$29,668,673
VL9	2026-27	$37,459,839	$1,307,001	$0	-$11,562,173	$2,293,226	$50,514	$0	$133,771	$29,682,178
VL10	2027-28	$37,148,503	$1,307,001	$0	-$11,239,154	$2,274,166	$70,727	$0	$133,771	$29,695,014
VP1	2028-29	$36,764,576	$1,307,001	$0	-$10,907,408	$2,250,663	$89,302	$0	$133,771	$29,637,905
VP2	2029-30	$36,495,133	$1,307,001	$0	-$10,624,601	$2,234,168	$107,143	$0	$133,771	$29,652,614
VP3	2030-31	$36,242,046	$1,307,001	$0	-$10,358,847	$2,218,674	$123,751	$0	$133,771	$29,666,396
VP4	2031-32	$36,004,226	$1,307,001	$0	-$10,109,021	$2,204,115	$139,351	$0	$133,771	$29,679,443
VP5	2032-33	$35,780,665	$1,307,001	$0	-$9,874,085	$2,190,429	$154,273	$0	$133,771	$29,692,054

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

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	Other State Aid	Total General Fund
QTP0	2015-16	$31,420,603	$988,707	$1,762,896	-$8,441,142	$3,158,351	$72,753	-$612,609	$133,771	$28,483,329
QTP1	2016-17	$32,717,303	$1,768,713	$0	-$6,673,719	$2,002,896	$369,797	$0	$133,771	$30,318,760
QTP2	2017-18	$38,288,388	$999,193	$0	-$7,928,136	$2,343,948	$421,119	$0	$133,771	$34,258,283
VL1	2018-19	$34,391,641	$1,307,001	$0	-$10,946,118	$2,105,396	$11,954	$0	$133,771	$27,003,645
VL2	2019-20	$34,288,352	$1,307,001	$0	-$8,358,507	$2,099,073	$254,706	$0	$133,771	$29,724,396
VL3	2020-21	$34,190,951	$1,307,001	$0	-$8,260,940	$2,093,110	$261,105	$0	$133,771	$29,724,997
VL4	2021-22	$34,099,101	$1,307,001	$0	-$8,168,906	$2,087,487	$267,140	$0	$133,771	$29,725,594
VL5	2022-23	$34,012,486	$1,307,001	$0	-$8,082,092	$2,082,185	$272,830	$0	$133,771	$29,726,181
VL6	2023-24	$34,436,618	$1,307,001	$0	-$8,119,464	$2,108,149	$282,447	$0	$133,771	$30,148,522
VL7	2024-25	$34,327,994	$1,307,001	$0	-$8,400,304	$2,101,499	$251,919	$0	$133,771	$29,721,879
VL8	2025-26	$34,179,515	$1,307,001	$0	-$8,286,554	$2,092,410	$258,210	$0	$133,771	$29,684,353
VL9	2026-27	$34,042,761	$1,307,001	$0	-$8,147,196	$2,084,038	$267,393	$0	$133,771	$29,687,767
VL10	2027-28	$33,916,737	$1,307,001	$0	-$8,018,753	$2,076,323	$276,321	$0	$133,771	$29,691,400
VP1	2028-29	$36,764,576	$1,307,001	$0	-$8,593,103	$2,250,663	$308,730	$0	$133,771	$32,171,638
VP2	2029-30	$36,495,133	$1,307,001	$0	-$10,624,601	$2,234,168	$107,143	$0	$133,771	$29,652,614
VP3	2030-31	$36,242,046	$1,307,001	$0	-$10,358,847	$2,218,674	$123,751	$0	$133,771	$29,666,396
VP4	2031-32	$36,004,226	$1,307,001	$0	-$10,109,021	$2,204,115	$139,351	$0	$133,771	$29,679,443
VP5	2032-33	$35,780,665	$1,307,001	$0	-$9,874,085	$2,190,429	$154,273	$0	$133,771	$29,692,054

QTP= Qualifying Time Period
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Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of $3.9 million over the course of the Agreement, almost exclusively in the first limitation year. Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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	Other State Aid	Total General Fund
QTP0	2015-16	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2016-17	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2017-18	$0	$0	$0	$0	$0	$0	$0	$0	$0
VL1	2018-19	-$5,297,403	$0	$0	$1,765,458	-$324,298	-$1,826	$0	$0	-$3,858,069
VL2	2019-20	-$5,018,075	$0	$0	$5,059,403	-$307,197	$254,706	$0	$0	-$11,163
VL3	2020-21	-$4,752,712	$0	$0	$4,784,976	-$290,953	$261,105	$0	$0	$2,416
VL4	2021-22	-$4,500,619	$0	$0	$4,524,162	-$275,520	$267,140	$0	$0	$15,163
VL5	2022-23	-$4,261,130	$0	$0	$4,276,288	-$260,859	$270,477	$0	$0	$24,776
VL6	2023-24	-$4,033,614	$0	$0	$4,088,748	-$246,931	$260,103	$0	$0	$68,306
VL7	2024-25	-$3,817,476	$0	$0	$3,837,729	-$233,700	$242,436	$0	$0	$28,989
VL8	2025-26	-$3,612,144	$0	$0	$3,619,827	-$221,129	$229,125	$0	$0	$15,679
VL9	2026-27	-$3,417,078	$0	$0	$3,414,977	-$209,188	$216,879	$0	$0	$5,590
VL10	2027-28	-$3,231,766	$0	$0	$3,220,402	-$197,843	$205,594	$0	$0	-$3,613
VP1	2028-29	$0	$0	$0	$2,314,305	$0	$219,428	$0	$0	$2,533,733
VP2	2029-30	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2030-31	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2031-32	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A $1.0401 per $100 M&O tax rate is assumed in 2015-16 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $44.5 million over the life of the agreement. The CCISD revenue losses are expected to total approximately $3.9 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach $40.6 million, prior to any agreement on supplemental payments.

Table 5 - Estimated Financial Impact of the Formosa Project Property Value Limitation Request Submitted to CCISD at $1.0401 per $100 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	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2015-16	$496,200	$496,200	$0	$1.040	$5,161	$5,161	$0	$0	$0
QTP1	2016-17	$14,496,200	$14,496,200	$0	$1.040	$150,775	$150,775	$0	$0	$0
QTP2	2017-18	$600,496,200	$600,496,200	$0	$1.040	$6,245,761	$6,245,761	$0	$0	$0
VL1	2018-19	$570,496,200	$30,000,000	$540,496,200	$1.040	$5,933,731	$312,030	$5,621,701	-$3,858,069	$1,763,632
VL2	2019-20	$541,996,200	$30,000,000	$511,996,200	$1.040	$5,637,302	$312,030	$5,325,272	-$11,163	$5,314,110
VL3	2020-21	$514,921,200	$30,000,000	$484,921,200	$1.040	$5,355,695	$312,030	$5,043,665	$0	$5,043,665
VL4	2021-22	$489,199,950	$30,000,000	$459,199,950	$1.040	$5,088,169	$312,030	$4,776,139	$0	$4,776,139
VL5	2022-23	$464,764,763	$30,000,000	$434,764,763	$1.040	$4,834,018	$312,030	$4,521,988	$0	$4,521,988
VL6	2023-24	$441,551,334	$30,000,000	$411,551,334	$1.040	$4,592,575	$312,030	$4,280,545	$0	$4,280,545
VL7	2024-25	$419,498,578	$30,000,000	$389,498,578	$1.040	$4,363,205	$312,030	$4,051,175	$0	$4,051,175
VL8	2025-26	$398,548,459	$30,000,000	$368,548,459	$1.040	$4,145,303	$312,030	$3,833,273	$0	$3,833,273
VL9	2026-27	$378,645,846	$30,000,000	$348,645,846	$1.040	$3,938,295	$312,030	$3,626,265	$0	$3,626,265
VL10	2027-28	$359,738,364	$30,000,000	$329,738,364	$1.040	$3,741,639	$312,030	$3,429,609	-$3,613	$3,425,995
VP1	2028-29	$341,776,255	$341,776,255	$0	$1.040	$3,554,815	$3,554,815	$0	$0	$0
VP2	2029-30	$324,712,253	$324,712,253	$0	$1.040	$3,377,332	$3,377,332	$0	$0	$0
VP3	2030-31	$308,501,450	$308,501,450	$0	$1.040	$3,208,724	$3,208,724	$0	$0	$0
VP4	2031-32	$293,101,187	$293,101,187	$0	$1.040	$3,048,545	$3,048,545	$0	$0	$0
VP5	2032-33	$278,470,938	$278,470,938	$0	$1.040	$2,896,376	$2,896,376	$0	$0	$0
						$70,117,422	$25,607,789	$44,509,633	-$3,872,845	$40,636,787

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CCISD currently levying a $0.2535 per $100 I&S rate. While value of the Formosa project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's projected debt service tax base and local taxpayers should benefit from the addition of the Formosa project to the local I&S tax roll.

The project is not expected to affect CCISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- **Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.**
- **Legislative changes addressing property value appraisals and exemptions.**
- **Year-to-year appraisals of project values and district taxable values.**
- **Changes in school district tax rates and student enrollment.**