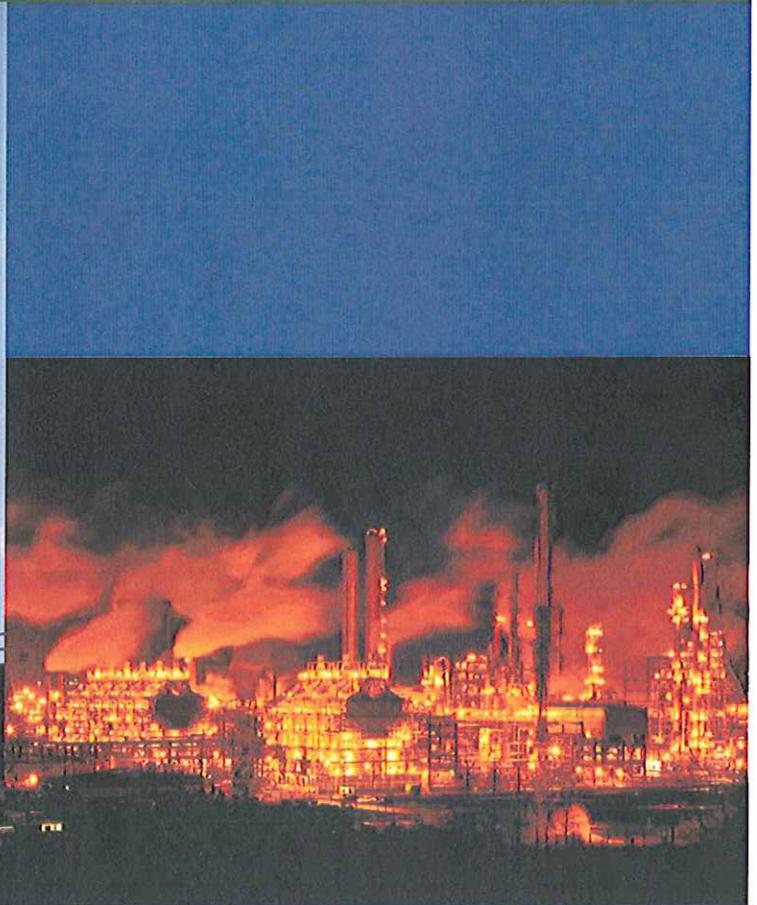
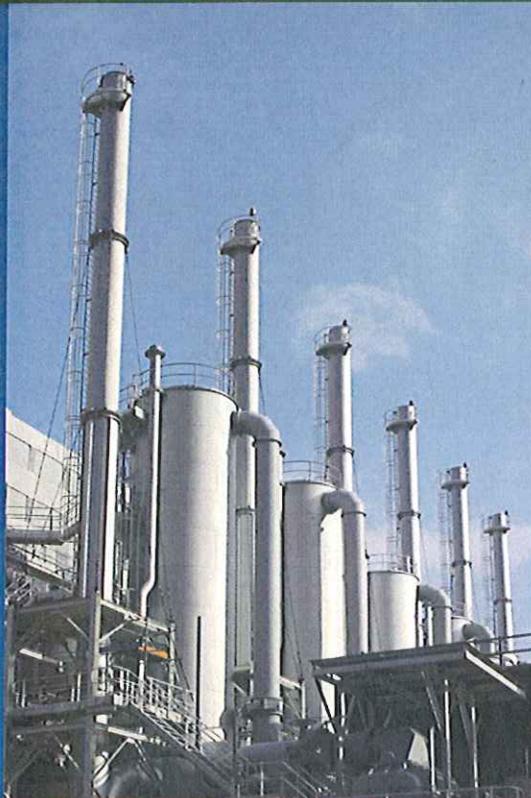


**FINDINGS OF THE GOOSE CREEK  
CONSOLIDATED INDEPENDENT SCHOOL  
DISTRICT BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE  
APPLICATION SUBMITTED  
BY  
EXXONMOBIL CORPORATION**



December 10, 2012

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**FINDINGS  
OF THE  
GOOSE CREEK CONSOLIDATED INDEPENDENT  
SCHOOL DISTRICT BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
THE EXXON MOBIL CORPORATION**

---

**DECEMBER 10, 2012**

FINDINGS OF THE GOOSE CREEK CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT BOARD OF  
TRUSTEES UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
THE EXXON MOBIL CORPORATION

STATE OF TEXAS

§

COUNTY OF HARRIS

§

On the 10<sup>th</sup> day of December, 2012, a public meeting of the Board of Trustees of the Goose Creek Consolidated Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the Exxon Mobil Corporation (Exxon Mobil) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Goose Creek Consolidated Independent School District makes the following findings with respect to the application of Exxon Mobil, and the economic impact of that application:

On August 29, 2012, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Exxon Mobil for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Exxon Mobil (Texas Taxpayer Id. 11354090059), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

Board Findings of the Goose Creek Consolidated Independent School District

The Board of Trustees has acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Harris County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on November 27, 2012. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Goose Creek Consolidated Independent School District. A copy of a report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Goose Creek Consolidated Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District entered into negotiations with Exxon Mobil, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

**Board Finding Number 1.**

**There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.**

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 Exxon 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.

**Board Finding Number 2.**

**The economic condition of Baytown, Texas is in need of long-term improvement, based on the state's analysis of Harris County data.**

Based on information provided by the Comptroller's Office that focused on the county level, Harris County is the largest county in the state in terms of population. Population growth in Harris County is up; the state population and the population of Harris County grew by 1.8 percent between 2009 and 2010.

September 2011 employment for Harris County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Harris County was 8.6 percent in September 2011, slightly higher than the state average of 8.5 percent.

Board Findings of the Goose Creek Consolidated Independent School District

Harris County continues to have a higher per capita personal income than the state as a whole. In terms of per capita income, Harris County's \$48,337 in 2009 ranked 7<sup>th</sup> among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The local economy in Harris County and particularly the Baytown area will benefit from economic activity like that associated with the Exxon Mobil project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

**Board Finding Number 3.**

**The average salary level of qualifying jobs is expected to be at least \$59,076 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Exxon Mobil indicates that total employment will be approximately 10 new jobs, of which all 10 will be qualifying jobs.**

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create 10 new jobs when fully operational. All 10 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Harris County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011 for Harris County is \$78,637. That same year, the county annual average wage for all industries was \$63,128. In addition to a salary of \$59,076, each qualifying position will receive benefits such as 401 (k) savings plan, pension plan, group health benefit for which Exxon Mobil offers to pay at least 80% of the premiums or other charges for employee-only coverage, dental and vision plans, pre-tax spending plans for medical, dental and vision plans, disability plan, life insurance plan, vacation & holiday pay, educational refund program. The project's total investment is \$150 million, resulting in a relative level of investment per qualifying job of \$15 million.

**Board Finding Number 4.**

**The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$15.02 million on the basis of the goal of 10 new qualifying positions for the entire Exxon Mobil project.**

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$150.1 million, resulting in a relative level of investment per qualifying job of \$15.02 million.

**Board Finding Number 5.**

**Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.**

Table 1 depicts Exxon'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 Exxon**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	200	196	396	\$12,005,800	\$10,994,200	\$23,000,000
2013	193	220	413	\$11,920,204	\$15,079,796	\$27,000,000
2014	10	50	60	\$637,540	\$6,362,460	\$7,000,000
2015	10	43	53	\$696,230	\$6,303,770	\$7,000,000
2016	10	50	60	\$739,760	\$6,260,240	\$7,000,000
2017	10	46	56	\$749,960	\$5,250,040	\$6,000,000
2018	10	52	62	\$749,960	\$6,250,040	\$7,000,000
2019	10	54	64	\$749,960	\$6,250,040	\$7,000,000
2020	10	56	66	\$749,960	\$6,250,040	\$7,000,000
2021	10	63	73	\$749,960	\$7,250,040	\$8,000,000
2022	10	63	73	\$749,960	\$8,250,040	\$9,000,000
2023	10	62	72	\$749,960	\$8,250,040	\$9,000,000
2024	10	64	74	\$749,960	\$7,250,040	\$8,000,000
2025	10	58	68	\$749,960	\$8,250,040	\$9,000,000
2026	10	60	70	\$749,960	\$9,250,040	\$10,000,000
2027	10	64	74	\$749,960	\$9,250,040	\$10,000,000

Source: CPA, REMI, Exxon

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Goose Creek CISD's ad valorem tax base in 2010 was \$9.5 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Goose Creek CISD's estimated wealth per WADA was \$366,376.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Baytown Industrial District (EIJ), Harris County Hospital District, Harris County Flood Control District, Harris County Education Department, and Lee Jr. College District, with all property tax incentives sought being granted using estimated market value from Exxon's application. Exxon has applied for a value limitation under Chapter 313, Tax Code, and no other tax abatements. Table 3 illustrates the estimated tax impact of the Exxon project on the region if all taxes are assessed.

**Board Findings of the Goose Creek Consolidated Independent School District**

**Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Goose Creek CIRD I&S Levy	Goose Creek CIRD M&O Levy	Goose Creek CIRD M&O and I&S Tax Levies (Before Credit Credited)	Goose Creek CIRD M&O and I&S Tax Levies (After Credit Credited)	Harris County Tax Levy	Baytown Industrial District (ETJ) Tax Levy	Harris County Flood Control District Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	Lee Jr. College District Tax Levy	Estimated Total Property Taxes
				0.2921	1.0400			0.3912	0.8220	0.0281	0.1922	0.0066	0.2520	
2013	\$73,574,908	\$73,574,908		\$214,934	\$765,179	\$980,113	\$980,113	\$287,803	\$604,808	\$20,667	\$141,382	\$4,842	\$185,409	\$2,225,024
2014	\$137,707,856	\$137,707,856		\$402,286	\$1,432,162	\$1,834,448	\$1,834,448	\$538,672	\$1,132,000	\$38,682	\$264,619	\$9,063	\$347,024	\$4,164,507
2015	\$134,868,519	\$30,000,000		\$393,991	\$312,000	\$705,991	\$705,991	\$527,565	\$1,108,660	\$37,885	\$259,163	\$8,876	\$339,869	\$2,988,009
2016	\$132,029,182	\$30,000,000		\$385,697	\$312,000	\$697,697	\$472,934	\$516,459	\$1,085,319	\$37,087	\$253,707	\$8,689	\$332,714	\$2,706,909
2017	\$129,189,844	\$30,000,000		\$377,402	\$312,000	\$689,402	\$464,639	\$505,352	\$1,061,979	\$36,289	\$248,251	\$8,502	\$325,558	\$2,650,572
2018	\$126,350,507	\$30,000,000		\$369,108	\$312,000	\$681,108	\$456,345	\$494,245	\$1,038,639	\$35,492	\$242,795	\$8,315	\$318,403	\$2,594,235
2019	\$122,091,501	\$30,000,000		\$356,666	\$312,000	\$668,666	\$443,903	\$477,585	\$1,003,629	\$34,296	\$234,611	\$8,035	\$307,671	\$2,509,729
2020	\$119,252,164	\$30,000,000		\$348,371	\$312,000	\$660,371	\$435,608	\$466,479	\$980,289	\$33,498	\$229,155	\$7,848	\$300,515	\$2,453,392
2021	\$116,412,827	\$30,000,000		\$340,077	\$312,000	\$652,077	\$427,314	\$455,372	\$956,948	\$32,700	\$223,699	\$7,661	\$293,360	\$2,397,055
2022	\$112,153,821	\$30,000,000		\$327,635	\$312,000	\$639,635	\$414,872	\$438,712	\$921,938	\$31,504	\$215,515	\$7,381	\$282,628	\$2,312,549
2023	\$107,894,815	\$107,894,815		\$315,193	\$1,122,106	\$1,437,299	\$1,437,299	\$422,052	\$886,928	\$30,308	\$207,331	\$7,101	\$271,895	\$3,262,913
2024	\$105,055,478	\$105,055,478		\$306,899	\$1,092,577	\$1,399,476	\$1,399,476	\$410,946	\$863,588	\$29,510	\$201,875	\$6,914	\$264,740	\$3,177,047
2025	\$100,796,472	\$100,796,472		\$294,457	\$1,048,283	\$1,342,740	\$1,342,740	\$394,286	\$828,577	\$28,314	\$193,691	\$6,633	\$254,007	\$3,048,248
2026	\$96,537,466	\$96,537,466		\$282,015	\$1,003,990	\$1,286,005	\$1,286,005	\$377,626	\$793,567	\$27,117	\$185,506	\$6,353	\$243,274	\$2,919,448
2027	\$92,278,460	\$92,278,460		\$269,573	\$959,696	\$1,229,269	\$1,229,269	\$360,966	\$758,557	\$25,921	\$177,322	\$6,073	\$232,542	\$2,790,649
						<b>Total</b>	<b>\$13,330,956</b>	<b>\$6,674,118</b>	<b>\$14,025,425</b>	<b>\$479,270</b>	<b>\$3,278,622</b>	<b>\$112,285</b>	<b>\$4,299,608</b>	<b>\$42,200,284</b>

Assumes School Value Limitation.

Source: CPA, Exxon

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Goose Creek CIRD I&S Levy	Goose Creek CIRD M&O Levy	Goose Creek CIRD M&O and I&S Tax Levies	Harris County Tax Levy	Baytown Industrial District (ETJ) Tax Levy	Harris County Flood Control District Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	Lee Jr. College District Tax Levy	Estimated Total Property Taxes	
				0.2921	1.0400		0.3912	0.8220	0.0281	0.1922	0.0066	0.2520		
2013	\$73,574,908	\$73,574,908		\$214,934	\$765,179	\$980,113	\$287,803	\$604,808	\$20,667	\$141,382	\$4,842	\$185,409	\$2,225,024	
2014	\$137,707,856	\$137,707,856		\$402,286	\$1,432,162	\$1,834,448	\$538,672	\$1,132,000	\$38,682	\$264,619	\$9,063	\$347,024	\$4,164,507	
2015	\$134,868,519	\$134,868,519		\$393,991	\$1,402,633	\$1,796,624	\$527,565	\$1,108,660	\$37,885	\$259,163	\$8,876	\$339,869	\$4,078,641	
2016	\$132,029,182	\$132,029,182		\$385,697	\$1,373,103	\$1,758,800	\$516,459	\$1,085,319	\$37,087	\$253,707	\$8,689	\$332,714	\$3,992,775	
2017	\$129,189,844	\$129,189,844		\$377,402	\$1,343,574	\$1,720,977	\$505,352	\$1,061,979	\$36,289	\$248,251	\$8,502	\$325,558	\$3,906,909	
2018	\$126,350,507	\$126,350,507		\$369,108	\$1,314,045	\$1,683,153	\$494,245	\$1,038,639	\$35,492	\$242,795	\$8,315	\$318,403	\$3,821,043	
2019	\$122,091,501	\$122,091,501		\$356,666	\$1,269,752	\$1,626,418	\$477,585	\$1,003,629	\$34,296	\$234,611	\$8,035	\$307,671	\$3,692,244	
2020	\$119,252,164	\$119,252,164		\$348,371	\$1,240,223	\$1,588,594	\$466,479	\$980,289	\$33,498	\$229,155	\$7,848	\$300,515	\$3,606,377	
2021	\$116,412,827	\$116,412,827		\$340,077	\$1,210,693	\$1,550,770	\$455,372	\$956,948	\$32,700	\$223,699	\$7,661	\$293,360	\$3,520,511	
2022	\$112,153,821	\$112,153,821		\$327,635	\$1,166,400	\$1,494,035	\$438,712	\$921,938	\$31,504	\$215,515	\$7,381	\$282,628	\$3,391,712	
2023	\$107,894,815	\$107,894,815		\$315,193	\$1,122,106	\$1,437,299	\$422,052	\$886,928	\$30,308	\$207,331	\$7,101	\$271,895	\$3,262,913	
2024	\$105,055,478	\$105,055,478		\$306,899	\$1,092,577	\$1,399,476	\$410,946	\$863,588	\$29,510	\$201,875	\$6,914	\$264,740	\$3,177,047	
2025	\$100,796,472	\$100,796,472		\$294,457	\$1,048,283	\$1,342,740	\$394,286	\$828,577	\$28,314	\$193,691	\$6,633	\$254,007	\$3,048,248	
2026	\$96,537,466	\$96,537,466		\$282,015	\$1,003,990	\$1,286,005	\$377,626	\$793,567	\$27,117	\$185,506	\$6,353	\$243,274	\$2,919,448	
2027	\$92,278,460	\$92,278,460		\$269,573	\$959,696	\$1,229,269	\$360,966	\$758,557	\$25,921	\$177,322	\$6,073	\$232,542	\$2,790,649	
						<b>Total</b>	<b>\$22,728,720</b>	<b>\$6,674,118</b>	<b>\$14,025,425</b>	<b>\$479,270</b>	<b>\$3,278,622</b>	<b>\$112,285</b>	<b>\$4,299,608</b>	<b>\$51,598,048</b>

Source: CPA, Exxon

<sup>1</sup>Tax Rate per \$100 Valuation

**Board Finding Number 6.**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$137.7 million to the tax base for debt service purposes at the peak investment level for the 2014-15 school year. The Exxon Mobil project remains fully taxable for debt services taxes, with Goose Creek CISD currently levying a \$0.292 per \$100 I&S rate. The value of the Exxon Mobil project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's tax base.

**Board Finding Number 7.**

**The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Exxon Mobil project.**

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Goose Creek CISD as stated in **Attachment D**.

**Board Finding Number 8.**

**The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.**

In support of Finding 8, the economic impact evaluation states:

According to Exxon's application, "ExxonMobil operates large integrated chemical facilities both domestically and internationally. These locations include Baton Rouge, LA; Beaumont, TX; Singapore, Republic of Singapore. Capital investment decisions are made by the corporation on the basis of economic return. The impact of tax

Board Findings of the Goose Creek Consolidated Independent School District

burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location.”

**Board Finding Number 9.**

**During the past two years, 21 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.**

**Board Finding Number 10.**

**The Board of Trustees hired consultants to review and verify the information in the Application from Exxon Mobil. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.**

**Board Finding Number 11.**

**The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §§ 313.054(a).**

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2011 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2011 industrial value for Goose Creek CISD is \$2.3 billion. Goose Creek CISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Goose Creek CISD is classified as a “rural” district due to its population characteristics. Given that the value of industrial property in Goose Creek CISD is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

**Board Finding Number 12.**

The Applicant (Taxpayer Id. 11354090059) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

**Board Finding Number 13.**

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

**Board Finding Number 14.**

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as Attachment G is approved and hereby authorized to be executed and delivered by and on behalf of the Goose Creek Consolidated Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Goose Creek Consolidated Independent School District.

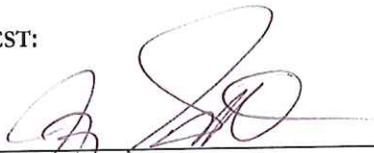
Board Findings of the Goose Creek Consolidated Independent School District

Dated the 10th day of December 2012.

*GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT*

By:   
Howard Sampson, President, Board of Trustees

**ATTEST:**

By:   
Jimmy Smith, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 6, 2012

President Sampson and Members  
Board of Trustees  
Goose Creek Consolidated Independent School District  
P.O. Box 30  
Baytown, Texas 77522

*Re: Recommendations and Findings of the firm Concerning Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President Sampson and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Goose Creek Consolidated Independent School District, with respect to the pending Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

[www.moakcasey.com](http://www.moakcasey.com)

# O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE McCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

December 6, 2012

President Sampson and Members of the Board of Trustees  
Goose Creek Consolidated Independent School District  
P.O. Box 30  
Baytown, Texas 77522

*Re: Recommendations and Findings of the Firm Concerning Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2013*

Dear President Sampson and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Goose Creek Consolidated Independent School District, with respect to the pending Application of Exxon Mobil for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2013. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Exxon Mobil based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

Letter to Goose Creek CISD  
December 6, 2012  
Page 2 of 2

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Exxon Mobil for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon  
For the Firm

Attachment A

Application

# O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE McCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

August 20, 2012

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the Goose Creek Independent School District from Exxon Mobil Corporation

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Goose Creek Independent School District is notifying the Applicant Exxon Mobil Corporation of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the Application to the school district on August 13, 2012. The Board voted to accept the application on August 13, 2012. The application has been determined complete as of August 15, 2012. We are requesting an expedited review of the application.

The Applicant had begun improving the site. However, construction has been halted pending a determination of completeness by the Office of the Comptroller. The Applicant has provided detailed information about the location and value of the property that is excluded from this Application and has specifically noted that the existing property is not to be considered to be part of its application to the Goose Creek ISD.

Please note the express delegation of authority for the signature of the authorized business representative.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is well above the required statutory minimums.

Letter to Local Government Assistance & Economic Analysis Division  
August 20, 2012  
Page 2 of 2

A paper copy of the application will be hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Harris Appraisal District.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon  
School District Consultant



**Exxon Mobil Corporation**  
P.O. Box 53  
Houston, TX 77001-0053  
713-431-2823 Telephone  
262-313-3418 Facsimile

**William L. McCabe**  
Property Tax Division Manager  
Tax Reporting & Analysis Center

August 6, 2012

Dr. Byron Terrier, Deputy Superintendent  
Goose Creek Consolidated Independent School District  
P.O. Box 30  
Baytown, Texas 77522

Re: Chapter 313 Application for Value Limitation

Dear Dr. Terrier:

Exxon Mobil Corporation is proposing to construct a new manufacturing facility for synthetic lubricant base stock at our Baytown Chemical Plant complex. The grass roots scope of the investment has an estimated investment cost of \$156,000,000. Our Application for Value Limitation on Qualified Property under Chapter 313 of the Texas Tax Code (the "Application") is transmitted with this letter.

Our proposed manufacturing facility will enhance ExxonMobil's presence in the Baytown area and will provide new employment opportunities at the facility. We estimate that during the peak of construction up to 400 construction jobs will be created at the facility (averaging 200 full time equivalent construction jobs over the scope of the project) and we will create 10 new full time employment positions at the facility when it is completed and in operation.

ExxonMobil respectfully requests consideration of its Application. Should you need additional information or explanation of the proposed new facility, please contact John Graves, our Property Tax Agent for this project. His contact information is set forth on page 3 of our Application.

Sincerely,

*Dawn Owen*  
for William L. McCabe

William McCabe  
Property Tax Division Manager



# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

**Form 50-296**  
(Revised May 2010)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.  
This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

8/13/2012

### Authorized School District Representative

First Name

Byron

Last Name

Terrier

Title

Deputy Superintendent

School District Name

Goose Creek CISD

Street Address

Mailing Address

P.O. Box 30

City

Baytown

State

TX

ZIP

77522

Phone Number

281-420-4808

Fax Number

281-420-4310

Mobile Number (optional)

E-mail Address

bpterrier@gccisd.net

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

Will consultant be primary contact? .....  Yes  No

**SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)**

Authorized School District Consultant (If Applicable)

First Name **Kevin** Last Name **O'Hanlon**

Title **Attorney**

Firm Name **O'Hanlon, McCollom & Demerath, PC**

Street Address **808 West Avenue**

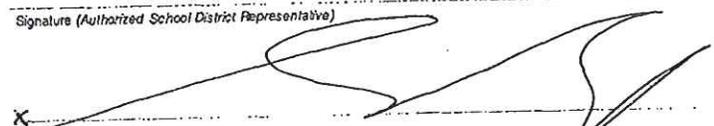
Mailing Address **808 West Avenue**

City **Austin** State **TX** ZIP **78701**

Phone Number **512-494-9949** Fax Number **512-494-9919**

Mobile Number (Optional) E-mail Address **kohanlon@808west.com**

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signature (Authorized School District Representative)  Date **8/14/12**

Has the district determined this application complete?  Yes  No

If yes, date determined complete. **8/15/2012**

Have you completed the school finance documents required by TAC 9.1054(c)(3)?  Yes  No

**SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS**

Checklist	Page X of 16	Check Completed
1 Date application received by the ISD	1 of 16	
2 Certification page signed and dated by authorized school district representative	2 of 16	
3 Date application deemed complete by ISD	2 of 16	
4 Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	
5 Completed company checklist	12 of 16	
6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name: William  
 Last Name: McCabe  
 Title: Property Tax Division Manager  
 Organization: Exxon Mobil Corporation  
 Street Address: 4500 Dacoma St  
 Mailing Address: P.O. Box 53  
 City: Houston  
 State: TX  
 ZIP: 77001-0053  
 Phone Number: 713-431-2823  
 Fax Number: 713-431-2694  
 Business e-mail Address: william.l.mccabe@exxonmobil.com  
 Mobile Number (optional):

Will a company official other than the authorized business representative be responsible for responding to future information requests?  Yes  No

If yes, please fill out contact information for that person.

First Name: John  
 Last Name: Graves  
 Title: Property Tax Agent  
 Organization: Exxon Mobil Corporation  
 Street Address: 4500 Dacoma St.  
 Mailing Address: P.O. Box 53  
 City: Houston  
 State: TX  
 ZIP: 77001-0053  
 Phone Number: 713-431-2756  
 Fax Number: 713-431-2694  
 E-mail Address: john.p.graves@exxonmobil.com  
 Mobile Number (optional):

I authorize the consultant to provide and obtain information related to this application..  Yes  No

Will consultant be primary contact?  Yes  No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Tim

Last Name

Young

Title

Attorney

Firm Name

Ikard Wynne LLP

Street Address

2801 Via Fortuna, Suite 501

Mailing Address

2801 Via Fortuna, Suite 501

City

Austin

State

TX

ZIP

78746

Phone Number

512-275-7880

Fax Number

512-275-7333

Business email Address

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief. I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

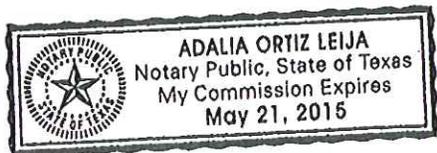
Signature (Authorized Business Representative (Applicant))

*Dawn Owen*  
for William L. McCabe

Date

8/6/12

GIVEN under my hand and seal of office this 6th day of August, 2012



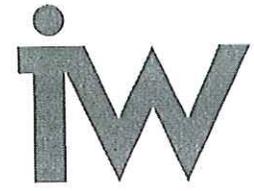
(Notary Seal)

*Adalia Ortiz Leija*  
Notary Public, State of Texas

My commission expires 5/21/2015

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

TIMOTHY E. YOUNG  
Direct dial 512.275.7894  
e/mail: [tim@ikardwynne.com](mailto:tim@ikardwynne.com)



Ikard Wynne LLP

Attorneys at Law & Counselors

August 8, 2012

Dr. Byron Terrier, Deputy Superintendent  
Goose Creek Consolidated Independent School District  
P.O. Box 30  
Baytown, Texas 77522

Re: Authorized Business Representative of ExxonMobil Corporation

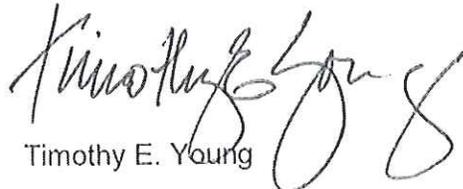
Dear Dr. Terrier:

This letter is written to elaborate on the authority of the business representative for ExxonMobil Corporation to execute the Application for Appraised Value Limitation on Qualified Property (the "Application") recently filed with the District.

ExxonMobil's corporate authority policy dictates that applications concerning property tax matters be executed by ExxonMobil's Manager of the Property Tax Division, William L. McCabe. When Mr. McCabe is out of the office, per corporate resolution referenced in the letter dated November 2, 2011 from the Vice President and General Tax Counsel of ExxonMobil attached hereto as Attachment 1, "each said incumbent may delegate the power and authority here in above conferred to . . . any other designated representative of ExxonMobil Corporation." Mr. McCabe, as the incumbent Manager of the Property Tax Division, designated Darren D. Owen, Property Tax Supervisor, Returns, as his authorized alternate in the email correspondence dated August 2, 2012, attached hereto as Attachment 2. Accordingly, Mr. Owen is properly authorized to execute the Application on behalf of Mr. McCabe and is an authorized Business Representative of ExxonMobil Corporation.

Please contact me should you need further elaboration.

Sincerely,



Timothy E. Young

TEY/mee  
Attachments

cc: William L. McCabe  
William M. Fowler  
Darren D. Owen  
John P. Graves

# ATTACHMENT 1

Exxon Mobil Corporation  
6959 Las Colinas Boulevard  
Irving, TX 75039-2298

James M. Spellings, Jr.  
Vice President and General Tax Counsel

**ExxonMobil**

November 2, 2011

To: Distribution List (see page 3)

Pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005 the Vice President and General Tax Counsel hereby appoints the persons holding the following positions, and each of them hereby is, granted full power and authority to act for and on behalf of Exxon Mobil Corporation in taxation matters and corporate filings at the federal, state, and local levels of government in the United States (including Indian nations or tribes within the United States) and foreign jurisdictions, and, in so doing, to prepare, execute, and file documents of any nature in the conduct of the affairs of the Corporation related to the purposes stated above with such authorities and responsibilities to include, but not to be limited to, the preparation and filing of tax returns, tax reports, ruling requests and property statements; applications for licenses; payments of taxes; receipt of refunds of taxes, penalties and interest; receipt of confidential information; filing of tax protests and refund claims; prosecuting, defending, and compromising tax litigation; filing of other corporate reports; providing a system of records retention; and the execution of all documents, including any waivers, necessary or desirable in connection therewith; and each said incumbent of each said position may delegate the power and authority here in above conferred to any Tax Attorney, Tax Accountant, Tax Advisor, Tax Analyst, Tax Agent or any other designated representative of Exxon Mobil Corporation:

- Associate General Tax Counsel
- Assistant General Tax Counsel
- General Tax Counsel - Upstream Business Services
- General Tax Counsel - Downstream Business Services
- General Tax Counsel - ExxonMobil Chemical Company
- Manager Tax Reporting and Analysis Center
- Assistant Manager Tax Reporting and Analysis Center
- Manager Global Tax Services Division
- Manager Income Tax Compliance Division
- Manager Income Tax Audit Division
- Manager Excise Tax Division
- Manager Property Tax Division
- Supervisor, Returns
- Americas Regional Controller
- ARC Revenue and Royalty Manager
- U.S. Revenue & Royalty Section Manager
- U.S. Government Reporting Unit Supervisor
- U.S. Government Reporting Team Lead
- Tax BSC Manager – Buenos Aires
- Assistant Tax BSC Manager – Buenos Aires
- Income Tax Compliance Manager – Buenos Aires BSC
- Excise Tax Compliance Manager – Buenos Aires BSC
- Supervisor of Returns – Buenos Aires BSC
- Tax Manager – XTO Energy, Inc.

Unless otherwise indicated, all positions listed are within Exxon Mobil Corporation.

Furthermore, pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005, authorizing the Vice President and General Tax Counsel of Exxon Mobil Corporation to appoint Vice Presidents, the persons holding the following positions in Exxon Mobil Corporation are hereby appointed Vice Presidents of Exxon Mobil Corporation:

Assistant General Tax Counsel  
Manager Tax Reporting and Analysis Center  
Assistant Manager Tax Reporting and Analysis Center  
Manager Global Tax Services Division

Furthermore, pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005, authorizing the Vice President and General Tax Counsel of Exxon Mobil Corporation to appoint Assistant Secretaries, the persons holding the following positions are hereby appointed Assistant Secretaries of Exxon Mobil Corporation:

Associate General Tax Counsel  
Assistant General Tax Counsel  
General Tax Counsel - Upstream Business Services  
General Tax Counsel - Downstream Business Services  
General Tax Counsel - ExxonMobil Chemical Company  
Senior Tax Counsel – Tax Law, Appeals & Litigation  
Manager Tax Reporting and Analysis Center  
Assistant Manager Tax Reporting and Analysis Center  
Manager Global Tax Services Division  
Manager Income Tax Compliance Division  
Manager Income Tax Audit Division  
Manager Excise Tax Division  
Manager Property Tax Division  
Supervisor, Returns  
Americas Regional Controller  
ARC Revenue and Royalty Manager  
U.S. Revenue & Royalty Section Manager  
U.S. Government Reporting Unit Supervisor  
U.S. Government Reporting Team Lead  
Tax BSC Manager – Buenos Aires  
Assistant Tax BSC Manager – Buenos Aires  
Income Tax Compliance Manager – Buenos Aires BSC  
Excise Tax Compliance Manager – Buenos Aires BSC  
Tax Manager – XTO Energy, Inc.

In the event there is a subsequent change in the names or descriptions of the above positions the preceding authority shall continue in full force and effect except that the same shall be deemed to refer to the above positions as so changed in name or description.



DISTRIBUTION

C. A. Havemann	Exxon Mobil Corporation - Associate General Tax Counsel
C. T. Fee	Exxon Mobil Corporation - Assistant General Tax Counsel
K. B. Schmalz	Exxon Mobil Corporation - Assistant General Tax Counsel
C. S. Felice	Exxon Mobil Corporation - General Tax Counsel - Upstream Business Services
J. S. Madigan	Exxon Mobil Corporation - General Tax Counsel - Downstream Business Services
E. J. Herpin	Exxon Mobil Corporation - General Tax Counsel - ExxonMobil Chemical Company
C. L. Peters	Exxon Mobil Corporation - Manager Tax Reporting & Analysis Center
R. W. Jordan	Exxon Mobil Corporation - Manager Global Tax Services Division
L. A. Smothers	Exxon Mobil Corporation - Manager Income Tax Audit and State Income Tax Compliance Division
J. L. Zahn	Exxon Mobil Corporation - Manager Excise Tax Division
W. L. McCabe	Exxon Mobil Corporation - Manager Property Tax Division
S. E. Baldwin	Exxon Mobil Corporation - Supervisor, Returns
J. D. Farish	Exxon Mobil Corporation - Supervisor, Returns
W. M. Fowler	Exxon Mobil Corporation - Supervisor, Returns
D. L. Hunsinger	Exxon Mobil Corporation - Supervisor, Returns
D. L. Jernigan	Exxon Mobil Corporation - Supervisor, Returns
D. D. Owen	Exxon Mobil Corporation - Supervisor, Returns
M. A. Keeran	Exxon Mobil Corporation - Supervisor, Returns
L. D. Lightfield	Exxon Mobil Corporation - Supervisor, Returns
S. A. Lopez	Exxon Mobil Corporation - Supervisor, Returns
B. W. Mauldin	Exxon Mobil Corporation - Supervisor, Returns
S. S. Peugh	Exxon Mobil Corporation - Supervisor, Returns
J. W. Sengele	Exxon Mobil Corporation - Supervisor, Returns
J. M. Thomas	Exxon Mobil Corporation - Supervisor, Returns
M. E. Castro	ExxonMobil Business Support Center Argentina S.R.L - Tax Manager
D. M. Jenkins	ExxonMobil Business Support Center Argentina S.R.L. - Income Tax Compliance Mgr
K R. Butler	ExxonMobil Business Support Center Argentina S.R.L. - Excise Tax Compliance Mgr
R. T. Salayon	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
A. Sabra	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
R. Alonso	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
V. Jurado	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
M. J. Bonaglia	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
S. Gaskins	ExxonMobil Corporation - Americas Regional Controller
M. S. Mathews	Exxon Mobil Corporation - ARC Revenue and Royalty Manager
C. Schroeder	Exxon Mobil Corporation - U.S. Revenue & Royalty Section Manager
M. Salinas	Exxon Mobil Corporation - U.S. Government Reporting Unit Supervisor
J. Duyka	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
P. Graham	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
T. Kirkpatrick	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
R. Amor	ExxonMobil Business Support Center Argentina S.R.L. - Tax Manager, Southern Cone
E. A. Coleman	XTO Energy, Inc. - Tax Manager
R. D. Rippe	Exxon Mobil Corporation - Law Department
J. P. Webb	Exxon Mobil Corporation - Office of the Secretary
C. M. Braun	Exxon Mobil Corporation - Office of the Secretary

## ATTACHMENT 2

Tim Young

---

**From:** Graves, John P [john.p.graves@exxonmobil.com]  
**Sent:** Tuesday, August 07, 2012 3:26 PM  
**To:** Tim Young  
**Subject:** FW: Designated Alternate

Tim, attached is the delegation of authority from William L. McCabe to Darren D. Owen. Thanks.

---

**From:** Owen, Darren D  
**Sent:** Tuesday, August 07, 2012 3:25 PM  
**To:** Graves, John P  
**Subject:** FW: Designated Alternate

---

**From:** McCabe, William L  
**Sent:** Thursday, August 02, 2012 6:59 AM  
**To:** Owen, Darren D  
**Cc:** Fowler, William M; Jernigan, Donna L; Guy, Leona C; Peters, Carol L  
**Subject:** Designated Alternate

I will be out of the office on vacation Friday, August 3rd, beginning at 7:00am returning Wednesday, August 8th, 2012 at 7:00am. In my absence, I am requesting that you be my alternate. When reviewing/endorsing documents, you should sign your name followed by "for William L. McCabe."

William L McCabe  
Property Tax Manager  
P.O. Box 53  
Houston, TX 77001-0053  
Phone 713-431-2823 FAX 713-431-2694  
Email:<[william.l.mccabe@exxonmobil.com](mailto:william.l.mccabe@exxonmobil.com)>

**FEES AND PAYMENTS**

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?  Yes  No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

**Exxon Mobil Corporation**

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

**11354090059**

NAICS code

**325199**

Is the applicant a party to any other Chapter 313 agreements?  Yes  No

If yes, please list name of school district and year of agreement.

**Beaumont ISD - 2004**

**APPLICANT BUSINESS STRUCTURE**

Registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

**Corporation**

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?  Yes  No  
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas?  Yes  No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  NA  Yes  No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**

- Are you an entity to which Tax Code, Chapter 171 applies?  Yes  No
- The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
- (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
- Are you requesting that any of the land be classified as qualified investment?  Yes  No
- Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
- Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
- Are you including property that is owned by a person other than the applicant?  Yes  No
- Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**PROJECT DESCRIPTION**

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

See Attached

Describe the ability of your company to locate or relocate in another state or another region of the state.

See Attached

**PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)**

- New Jobs
- Relocation from Out-of-State
- Consolidation
- Construct New Facility
- Expansion
- Relocation within Texas
- New Business / Start-up
- Purchase Machinery & Equipment
- Expand Existing Facility

**PROJECTED TIMELINE**

Begin Construction June 2012\*      Begin Hiring New Employees 1st Qtr 2013

Construction Complete July 2013      Fully Operational September 2013

Purchase Machinery & Equipment January 2012 - June 2013\*\*

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?  Yes  No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? 3rd Qtr 2013

\*Project construction has begun; however, as stated in Attachment 4, pre-application expenditures have been excluded.

\*\*Due to long lead times, machinery & equipment orders began in 2012. However, no machinery & equipment specified as "qualified" herein has been placed in service.

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
_____	_____
_____	_____
_____	_____
Total	_____

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Harris County

Central Appraisal District (CAD) that will be responsible for appraising the property Harris County CAD

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Harris 100%  
(Name and percent of project)

City: Baytown Industrial District (ETJ) 100%  
(Name and percent of project)

Hospital District: Harris County Hosp District 100%  
(Name and percent of project)

Water District: Harris County Flood Control 100%  
(Name and percent of project)

Other (describe): Harris County Education Dept 100%  
(Name and percent of project)

Other (describe): Lee Jr College Dist 100%  
(Name and percent of project)

Is the project located entirely within this ISD?  Yes  No  
If not, please provide additional information on the project scope and size to assist in the economic analysis.

INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000

What is the amount of appraised value limitation for which you are applying? 30,000,000

What is your total estimated qualified investment? 150,152,862

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? 4th Qtr 2012

What is the anticipated date of the beginning of the qualifying time period? 4th Qtr 2012

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 150,152,862

Describe the qualified investment. (See 313.021(1).)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No

(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [ ] No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [ ] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [ ] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements - with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [ ] Yes [X] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? September 30, 2012

Will the applicant own the land by the date of agreement execution? [X] Yes [ ] No

Will the project be on leased land? [ ] Yes [X] No

QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ... Yes No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. 0 \* 2012 (Tax Year)

\*See Attachment 12 for description of existing imps at site after most recent tax year

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... Yes No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ... Yes No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

- First Quarter Second Quarter Third Quarter Fourth Quarter of 2012 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 11,558

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

Total number of new jobs that will have been created when fully operational 10

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ... Yes No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ... Yes No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 10

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,335.40

110% of the county average weekly wage for manufacturing jobs in the county is \$1,663.50

110% of the county average weekly wage for manufacturing jobs in the region is \$1,136.08

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or  §313.021(5)(B) or  §313.021(3)(E)(ii), or  §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$59,076.16

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$59,076.16

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)?  Yes  No

Will each qualifying job require at least 1,600 of work a year?  Yes  No

Will any of the qualifying jobs be jobs transferred from one area of the state to another?  Yes  No

Will any of the qualifying jobs be retained jobs?  Yes  No

Will any of the qualifying jobs be created to replace a previous employee?  Yes  No

Will any required qualifying jobs be filled by employees of contractors?  Yes  No

If yes, what percent? N/A

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job?  Yes  No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

See Attached

**ECONOMIC IMPACT**

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)?  Yes  No

Is Schedule A completed and signed for all years and attached?  Yes  No

Is Schedule B completed and signed for all years and attached?  Yes  No

Is Schedule C (Application) completed and signed for all years and attached?  Yes  No

Is Schedule D completed and signed for all years and attached?  Yes  No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE**

**Property Tax Limitation Agreement Applications  
Texas Government Code Chapter 313  
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

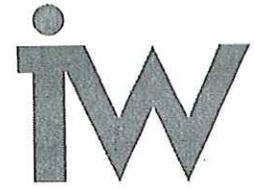
- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.

**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

\*To be submitted with application or before date of final application approval by school board.

TIMOTHY E. YOUNG  
Direct dial 512.275.7894  
e/mail: [tim@ikardwynne.com](mailto:tim@ikardwynne.com)



Ikard Wynne LLP

Attorneys at Law & Counselors

August 8, 2012

Dr. Byron Terrier, Deputy Superintendent  
Goose Creek Consolidated Independent School District  
P.O. Box 30  
Baytown, Texas 77522

Re: Authorized Business Representative of ExxonMobil Corporation

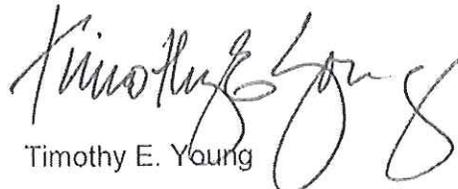
Dear Dr. Terrier:

This letter is written to elaborate on the authority of the business representative for ExxonMobil Corporation to execute the Application for Appraised Value Limitation on Qualified Property (the "Application") recently filed with the District.

ExxonMobil's corporate authority policy dictates that applications concerning property tax matters be executed by ExxonMobil's Manager of the Property Tax Division, William L. McCabe. When Mr. McCabe is out of the office, per corporate resolution referenced in the letter dated November 2, 2011 from the Vice President and General Tax Counsel of ExxonMobil attached hereto as Attachment 1, "each said incumbent may delegate the power and authority here in above conferred to . . . any other designated representative of ExxonMobil Corporation." Mr. McCabe, as the incumbent Manager of the Property Tax Division, designated Darren D. Owen, Property Tax Supervisor, Returns, as his authorized alternate in the email correspondence dated August 2, 2012, attached hereto as Attachment 2. Accordingly, Mr. Owen is properly authorized to execute the Application on behalf of Mr. McCabe and is an authorized Business Representative of ExxonMobil Corporation.

Please contact me should you need further elaboration.

Sincerely,



Timothy E. Young

TEY/mee  
Attachments  
cc: William L. McCabe  
William M. Fowler  
Darren D. Owen  
John P. Graves

# ATTACHMENT 1

Exxon Mobil Corporation  
6959 Las Colinas Boulevard  
Irving, TX 75039-2298

James M. Spellings, Jr.  
Vice President and General Tax Counsel

## ExxonMobil

November 2, 2011

To: Distribution List (see page 3)

Pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005 the Vice President and General Tax Counsel hereby appoints the persons holding the following positions, and each of them hereby is, granted full power and authority to act for and on behalf of Exxon Mobil Corporation in taxation matters and corporate filings at the federal, state, and local levels of government in the United States (including Indian nations or tribes within the United States) and foreign jurisdictions, and, in so doing, to prepare, execute, and file documents of any nature in the conduct of the affairs of the Corporation related to the purposes stated above with such authorities and responsibilities to include, but not to be limited to, the preparation and filing of tax returns, tax reports, ruling requests and property statements; applications for licenses; payments of taxes; receipt of refunds of taxes, penalties and interest; receipt of confidential information; filing of tax protests and refund claims; prosecuting, defending, and compromising tax litigation; filing of other corporate reports; providing a system of records retention; and the execution of all documents, including any waivers, necessary or desirable in connection therewith; and each said incumbent of each said position may delegate the power and authority here in above conferred to any Tax Attorney, Tax Accountant, Tax Advisor, Tax Analyst, Tax Agent or any other designated representative of Exxon Mobil Corporation:

- Associate General Tax Counsel
- Assistant General Tax Counsel
- General Tax Counsel - Upstream Business Services
- General Tax Counsel - Downstream Business Services
- General Tax Counsel - ExxonMobil Chemical Company
- Manager Tax Reporting and Analysis Center
- Assistant Manager Tax Reporting and Analysis Center
- Manager Global Tax Services Division
- Manager Income Tax Compliance Division
- Manager Income Tax Audit Division
- Manager Excise Tax Division
- Manager Property Tax Division
- Supervisor, Returns
- Americas Regional Controller
- ARC Revenue and Royalty Manager
- U.S. Revenue & Royalty Section Manager
- U.S. Government Reporting Unit Supervisor
- U.S. Government Reporting Team Lead
- Tax BSC Manager – Buenos Aires
- Assistant Tax BSC Manager – Buenos Aires
- Income Tax Compliance Manager – Buenos Aires BSC
- Excise Tax Compliance Manager – Buenos Aires BSC
- Supervisor of Returns – Buenos Aires BSC
- Tax Manager – XTO Energy, Inc.

Unless otherwise indicated, all positions listed are within Exxon Mobil Corporation.

Furthermore, pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005, authorizing the Vice President and General Tax Counsel of Exxon Mobil Corporation to appoint Vice Presidents, the persons holding the following positions in Exxon Mobil Corporation are hereby appointed Vice Presidents of Exxon Mobil Corporation:

Assistant General Tax Counsel  
Manager Tax Reporting and Analysis Center  
Assistant Manager Tax Reporting and Analysis Center  
Manager Global Tax Services Division

Furthermore, pursuant to the resolution adopted by the Board of Directors of Exxon Mobil Corporation on September 28, 2005, authorizing the Vice President and General Tax Counsel of Exxon Mobil Corporation to appoint Assistant Secretaries, the persons holding the following positions are hereby appointed Assistant Secretaries of Exxon Mobil Corporation:

Associate General Tax Counsel  
Assistant General Tax Counsel  
General Tax Counsel - Upstream Business Services  
General Tax Counsel - Downstream Business Services  
General Tax Counsel - ExxonMobil Chemical Company  
Senior Tax Counsel – Tax Law, Appeals & Litigation  
Manager Tax Reporting and Analysis Center  
Assistant Manager Tax Reporting and Analysis Center  
Manager Global Tax Services Division  
Manager Income Tax Compliance Division  
Manager Income Tax Audit Division  
Manager Excise Tax Division  
Manager Property Tax Division  
Supervisor, Returns  
Americas Regional Controller  
ARC Revenue and Royalty Manager  
U.S. Revenue & Royalty Section Manager  
U.S. Government Reporting Unit Supervisor  
U.S. Government Reporting Team Lead  
Tax BSC Manager – Buenos Aires  
Assistant Tax BSC Manager – Buenos Aires  
Income Tax Compliance Manager – Buenos Aires BSC  
Excise Tax Compliance Manager – Buenos Aires BSC  
Tax Manager – XTO Energy, Inc.

In the event there is a subsequent change in the names or descriptions of the above positions the preceding authority shall continue in full force and effect except that the same shall be deemed to refer to the above positions as so changed in name or description.



## DISTRIBUTION

C. A. Havemann	Exxon Mobil Corporation - Associate General Tax Counsel
C. T. Fee	Exxon Mobil Corporation - Assistant General Tax Counsel
K. B. Schmalz	Exxon Mobil Corporation - Assistant General Tax Counsel
C. S. Felice	Exxon Mobil Corporation - General Tax Counsel - Upstream Business Services
J. S. Madigan	Exxon Mobil Corporation - General Tax Counsel - Downstream Business Services
E. J. Herpin	Exxon Mobil Corporation - General Tax Counsel - ExxonMobil Chemical Company
C. L. Peters	Exxon Mobil Corporation - Manager Tax Reporting & Analysis Center
R. W. Jordan	Exxon Mobil Corporation - Manager Global Tax Services Division
L. A. Smothers	Exxon Mobil Corporation - Manager Income Tax Audit and State Income Tax Compliance Division
J. L. Zahn	Exxon Mobil Corporation - Manager Excise Tax Division
W. L. McCabe	Exxon Mobil Corporation - Manager Property Tax Division
S. E. Baldwin	Exxon Mobil Corporation - Supervisor, Returns
J. D. Farish	Exxon Mobil Corporation - Supervisor, Returns
W. M. Fowler	Exxon Mobil Corporation - Supervisor, Returns
D. L. Hunsinger	Exxon Mobil Corporation - Supervisor, Returns
D. L. Jernigan	Exxon Mobil Corporation - Supervisor, Returns
D. D. Owen	Exxon Mobil Corporation - Supervisor, Returns
M. A. Keeran	Exxon Mobil Corporation - Supervisor, Returns
L. D. Lightfield	Exxon Mobil Corporation - Supervisor, Returns
S. A. Lopez	Exxon Mobil Corporation - Supervisor, Returns
B. W. Mauldin	Exxon Mobil Corporation - Supervisor, Returns
S. S. Peugh	Exxon Mobil Corporation - Supervisor, Returns
J. W. Sengele	Exxon Mobil Corporation - Supervisor, Returns
J. M. Thomas	Exxon Mobil Corporation - Supervisor, Returns
M. E. Castro	ExxonMobil Business Support Center Argentina S.R.L - Tax Manager
D. M. Jenkins	ExxonMobil Business Support Center Argentina S.R.L. - Income Tax Compliance Mgr
K R. Butler	ExxonMobil Business Support Center Argentina S.R.L. - Excise Tax Compliance Mgr
R. T. Salayan	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
A. Sabra	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
R. Alonso	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
V. Jurado	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
M. J. Bonaglia	ExxonMobil Business Support Center Argentina S.R.L. - Supervisor of Returns
S. Gaskins	ExxonMobil Corporation - Americas Regional Controller
M. S. Mathews	Exxon Mobil Corporation - ARC Revenue and Royalty Manager
C. Schroeder	Exxon Mobil Corporation - U.S. Revenue & Royalty Section Manager
M. Salinas	Exxon Mobil Corporation - U.S. Government Reporting Unit Supervisor
J. Duyka	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
P. Graham	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
T. Kirkpatrick	Exxon Mobil Corporation - U.S. Government Reporting Team Lead
R. Amor	ExxonMobil Business Support Center Argentina S.R.L. - Tax Manager, Southern Cone
E. A. Coleman	XTO Energy, Inc. - Tax Manager
R. D. Rippe	Exxon Mobil Corporation - Law Department
J. P. Webb	Exxon Mobil Corporation - Office of the Secretary
C. M. Braun	Exxon Mobil Corporation - Office of the Secretary

## ATTACHMENT 2

Tim Young

---

**From:** Graves, John P [john.p.graves@exxonmobil.com]  
**Sent:** Tuesday, August 07, 2012 3:26 PM  
**To:** Tim Young  
**Subject:** FW: Designated Alternate

Tim, attached is the delegation of authority from William L. McCabe to Darren D. Owen. Thanks.

---

**From:** Owen, Darren D  
**Sent:** Tuesday, August 07, 2012 3:25 PM  
**To:** Graves, John P  
**Subject:** FW: Designated Alternate

---

**From:** McCabe, William L  
**Sent:** Thursday, August 02, 2012 6:59 AM  
**To:** Owen, Darren D  
**Cc:** Fowler, William M; Jernigan, Donna L; Guy, Leona C; Peters, Carol L  
**Subject:** Designated Alternate

I will be out of the office on vacation Friday, August 3rd, beginning at 7:00am returning Wednesday, August 8th, 2012 at 7:00am. In my absence, I am requesting that you be my alternate. When reviewing/endorsing documents, you should sign your name followed by "for William L. McCabe."

William L McCabe  
Property Tax Manager  
P.O. Box 53  
Houston, TX 77001-0053  
Phone 713-431-2823 FAX 713-431-2694  
Email:<[william.l.mccabe@exxonmobil.com](mailto:william.l.mccabe@exxonmobil.com)>

**Attachment 2**

**Proof of Payment of Application Fee**

Proof of payment of filing fee received by the  
Comptroller of Public Accounts per TAC Rule  
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public  
Accounts)*

**Attachment 3**

**Documentation of Combined Group Membership**

### Texas Franchise Tax Extension Request

Tcode 13258 Annual

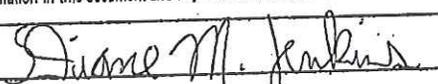
Taxpayer number		Report year	Due date	
135409005		2012	05/15/2012	
Taxpayer name Exxon Mobil Corporation and Affiliated Companies				Secretary of State file number or Comptroller file number
Mailing address 4500 Dacoma, Room 212, CORP-BH3-212				0003362806
City	State	County	ZIP Code	Plus 4
Houston	TX		77092	
Check box if this is a combined report				Check box if the address has changed
				<input type="checkbox"/>

1. Check this box if you will be using your 2008 Temporary Credit for Business Loss Carryforward for the report year for which you are requesting this extension (see instructions) 1.

2. Check this box if you will begin using your 1992 Temporary Credit for the report year for which you are requesting this extension (see instructions) 2.

3. Extension payment (Dollars and cents) 3.

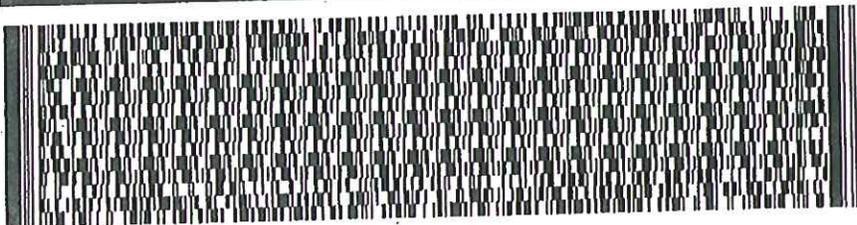
If this extension is for a combined group, you must also complete and submit Form 05-165. Note to mandatory Electronic Fund Transfer(EFT) payers: When requesting a second extension do not submit an Affiliate List Form 05-165.

Print or type name Diane M. Jenkins, Assistant Secretary	Area code and phone number (713) 431 - 2770
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.	Mall original to: Texas Comptroller of Public Accounts P.O. Box 148348 Austin, TX 78714-9348
sign here  Date 5/11/2012	

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 262-1381 or (512) 463-4600. Instructions for each report year are online at [www.window.state.tx.us/taxinfo/taxforms/05-forms.html](http://www.window.state.tx.us/taxinfo/taxforms/05-forms.html).

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax. For more information visit [www.window.state.tx.us/webfile/req\\_franchisee.html](http://www.window.state.tx.us/webfile/req_franchisee.html).

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VE/DE	<input type="checkbox"/>
PM Date	<input type="text"/>



1062

## Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number

135409005

Report year

2012

Reporting entity taxpayer name

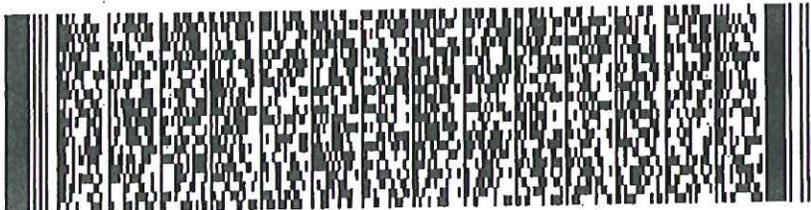
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil Gas Pipeline Holding LLC	16409498819	<input type="checkbox"/>
2. VEI LLC	621678781	<input checked="" type="checkbox"/>
3. Collet Creek Unit # 1 RH-88-082-A	17602789517	<input checked="" type="checkbox"/>
4. Kirby Exploration Co F-I Agreement	17521581789	<input type="checkbox"/>
5. McElmo Creek Co. Supply Pipeline	15419309388	<input checked="" type="checkbox"/>
6. Texaco Logsdon # 1	17603363494	<input type="checkbox"/>
7. Sunset Vahevala	13837560542	<input checked="" type="checkbox"/>
8. Exxon Mobil Corporation	11354090059	<input type="checkbox"/>
9. Mediterranean Standard Oil Co.	11319598733	<input type="checkbox"/>
10. ExxonMobil Research and Engineering Company	12214565942	<input type="checkbox"/>
11. Exxon Capital Ventures Inc.	11326155493	<input type="checkbox"/>
12. ExxonMobil Chemical Patents Inc.	760023754	<input type="checkbox"/>
13. ExxonMobil Chemical Europe Inc.	980014011	<input checked="" type="checkbox"/>
14. Exxon Overseas Investment Corporation	510120120	<input type="checkbox"/>
15. Esso Exploration Inc.	11361736298	<input type="checkbox"/>
16. Ere Liaison, Inc.	221813717	<input checked="" type="checkbox"/>
17. Exxon Chemical Services Middle East Inc.	591226406	<input checked="" type="checkbox"/>
18. ExxonMobil Inter-America Inc.	32039618569	<input checked="" type="checkbox"/>
19. ExxonMobil Biomedical Sciences, Inc.	11329587346	<input type="checkbox"/>
20. Mobil Auto Club Inc.	17517718502	<input type="checkbox"/>
21. Jersey Nuclear-Avco Isotopes, Inc.	19108784000	<input checked="" type="checkbox"/>

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Do not file this form when requesting a second extension.

Texas Comptroller of Public Accounts



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1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number  
135409005

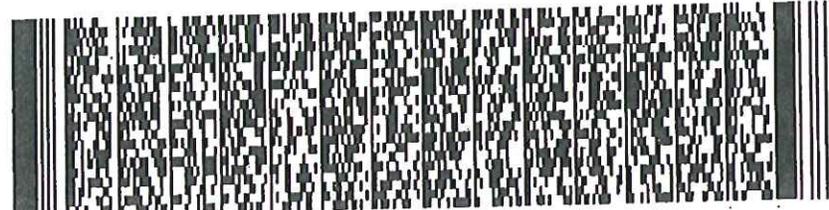
Report year  
2012

Reporting entity taxpayer name  
EXXON MOBIL CORPORATION AND AFFILIATED COMP

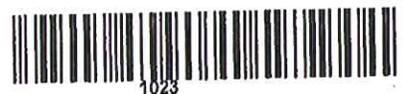
LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Exxon Services Company, Inc.	591640476	<input type="checkbox"/>
2. Esso Trading Company Of Iran	131959872	<input checked="" type="checkbox"/>
3. ExxonMobil Risk Management Inc.	17600060564	<input type="checkbox"/>
4. ExxonMobil Upstream Research Company	17414978217	<input type="checkbox"/>
5. Exxon Land Development Inc.	17414607337	<input type="checkbox"/>
6. ExxonMobil Pipeline Company	17413945126	<input type="checkbox"/>
7. ExxonMobil Travel Club, Inc.	741502305	<input type="checkbox"/>
8. Petroleum Casualty Company	740832710	<input type="checkbox"/>
9. ExxonMobil Coal USA Inc.	17420718359	<input type="checkbox"/>
10. Seariver Maritime Financial Holdings Inc.	17417540923	<input type="checkbox"/>
11. Mobil Cortez Pipeline Inc.	17518220995	<input type="checkbox"/>
12. Neches River Treatment Corporation	11327612922	<input type="checkbox"/>
13. Mobil Alaska Pipeline Company	751437831	<input type="checkbox"/>
14. Main Elk Corporation	132575831	<input checked="" type="checkbox"/>
15. Mobil Midstream Natural Gas Investments Inc.	10102876645	<input type="checkbox"/>
16. Mobil Oil Refining Corporation	11327715626	<input type="checkbox"/>
17. Houston County Timber Company	17511843801	<input type="checkbox"/>
18. ExxonMobil Technical Computing Company	17706934233	<input type="checkbox"/>
19. ExxonMobil Global Services Company	17605550569	<input type="checkbox"/>
20. ExxonMobil Development Company	17605735400	<input checked="" type="checkbox"/>
21. Mobil Overseas Services Inc.	132574692	<input checked="" type="checkbox"/>

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## Texas Franchise Tax Extension Affiliate List

Tcode 13298  
 Reporting entity taxpayer number       Report year      Reporting entity taxpayer name

135409005

2012

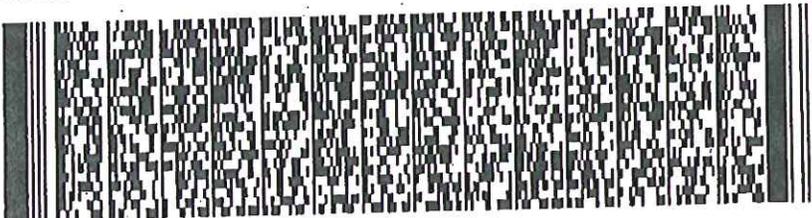
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Mobil Eugene Island Pipeline Company	17515246118	<input type="checkbox"/>
2. Mobil Phosphate Minerals Inc.	11361704577	<input checked="" type="checkbox"/>
3. Kordite Corporation	11325764568	<input type="checkbox"/>
4. Exxon Services Venezuela, Inc.	980031110	<input checked="" type="checkbox"/>
5. Middle East Services Inc.	133287236	<input checked="" type="checkbox"/>
6. Mobil Oil Telecom Ltd.	11327301443	<input type="checkbox"/>
7. Mobil Oil Credit Corporation	11361947028	<input type="checkbox"/>
8. Exxon Chemical Indonesia Inc.	222401819	<input checked="" type="checkbox"/>
9. Exxon Technology Holding Corp.	133409463	<input checked="" type="checkbox"/>
10. Exxon Asset Management Company, LLC	10612257872	<input checked="" type="checkbox"/>
11. Mobil Oil Abu Dhabi Inc.	136147418	<input checked="" type="checkbox"/>
12. Mobil Exploration Somalia, Inc.	541566976	<input type="checkbox"/>
13. Camelback Corporation	30113376252	<input type="checkbox"/>
14. Exxon Equity Holding Company	19801157785	<input type="checkbox"/>
15. Canada Imperial Oil Limited	19801070269	<input checked="" type="checkbox"/>
16. Exxon Venezuela LNG Inc.	742640063	<input checked="" type="checkbox"/>
17. Exxon Billings Cogeneration Inc.	810477950	<input type="checkbox"/>
18. Humble Gas Pipeline Co.	17603161708	<input type="checkbox"/>
19. Exxon Mobile Bay Limited Partnership	17603738216	<input type="checkbox"/>
20. Seaviver Maritime Inc.	17604485957	<input type="checkbox"/>
21. ExxonMobil Catalyst Services, Inc.	17604730956	<input type="checkbox"/>

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1023

**Texas Franchise Tax Extension Affiliate List**

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2012

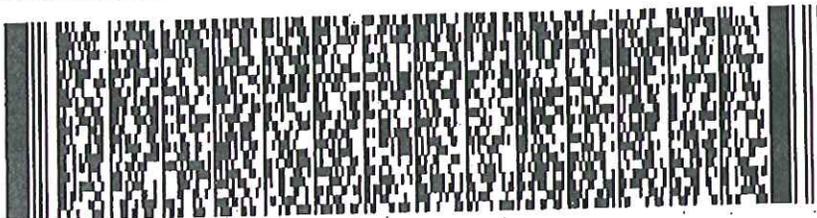
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Exxon Pipeline Holdings, Inc.	17604861918	<input type="checkbox"/>
2. Exxon Chemical Licensing Co.	17605343783	<input type="checkbox"/>
3. ExxonMobil Surety Corporation	17605565351	<input type="checkbox"/>
4. ExxonMobil Power and Gas Services, Inc.	17605525512	<input type="checkbox"/>
5. ExxonMobil Investment Management, Inc.	17527582765	<input type="checkbox"/>
6. Pacific Offshore Pipeline Company	952754429	<input type="checkbox"/>
7. ExxonMobil Capital Corporation	17605906183	<input type="checkbox"/>
8. ExxonMobil Saudi Arabia Holding (Southern Ghawar) In	760695233	<input checked="" type="checkbox"/>
9. ExxonMobil Saudi Arabia Holding (Red Sea) Inc.	760695235	<input checked="" type="checkbox"/>
10. ExxonMobil Ventures Funding Limited	980623987	<input type="checkbox"/>
11. ExxonMobil Catalyst Technologies LLC	17606990046	<input checked="" type="checkbox"/>
12. Travel Guide Holdings Inc	010623505	<input type="checkbox"/>
13. ExxonMobil Ras Laffan Holdings, Inc.	752682692	<input checked="" type="checkbox"/>
14. ExxonMobil Oil & Gas Investments Limited	980623989	<input type="checkbox"/>
15. Adrest, Inc.	17519626364	<input type="checkbox"/>
16. ExxonMobil Chemical Technology Licensing LLC	32010538174	<input type="checkbox"/>
17. Alkylation Licensing LLC	32011048603	<input type="checkbox"/>
18. Golden Pass LNG LLC	17603302088	<input type="checkbox"/>
19. ExxonMobil LNG Supply LLC	32043020216	<input checked="" type="checkbox"/>
20. ExxonMobil Transportation Equipment Inc.	32014072238	<input checked="" type="checkbox"/>
21. 6541 Canada, LLC	270120377	<input type="checkbox"/>

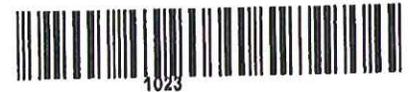
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**Texas Franchise Tax Extension Affiliate List**

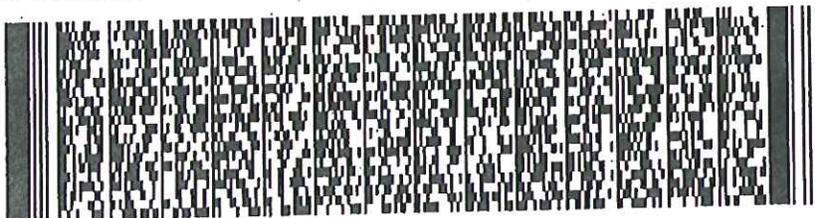
Reporting entity taxpayer number: 135409005      Report year: 2012      Reporting entity taxpayer name: EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil Catargas (II) Surety Corporation	412163794	<input checked="" type="checkbox"/>
2. ExxonMobil Exploration Texas and New Mexico Inc.	14216445941	<input type="checkbox"/>
3. ExxonMobil Southwest Holdings Inc.	14216445842	<input type="checkbox"/>
4. ExxonMobil South Hook Surety Corporation	14121637921	<input type="checkbox"/>
5. ExxonMobil Permian Basin Inc.	432076148	<input type="checkbox"/>
6. ExxonMobil Texas LLC	32020511575	<input type="checkbox"/>
7. ExxonMobil Affiliate Funding Limited	980623985	<input type="checkbox"/>
8. ExxonMobil LNG Holdings USA Inc.	13522679110	<input type="checkbox"/>
9. Mobil Venezolana de Petroleos Holdings Inc.	13715216886	<input type="checkbox"/>
10. Mobil Pipe Line Company	17504094503	<input type="checkbox"/>
11. Mobil Russia Ventures Inc.	132643681	<input checked="" type="checkbox"/>
12. River Bridge Realty Corporation	17519392413	<input type="checkbox"/>
13. ExxonMobil Environmental Services Comp	17706934241	<input type="checkbox"/>
14. ExxonMobil Alaska Midstream Gas Investments LLC	452695311	<input checked="" type="checkbox"/>
15. Palmetto Transoceanic LLC	135409005	<input type="checkbox"/>
16. PTE Pipeline LLC	32041325427	<input type="checkbox"/>
17. ExxonMobil Ventures Investment Corporation	274825550	<input type="checkbox"/>
18. SV Texas, LLC	000000001	<input type="checkbox"/>
19. Mobil Rocky Mountain Inc.	17518323484	<input type="checkbox"/>
20. Mobil Services (Bahamas) Limited	980486303	<input type="checkbox"/>
21. ExxonMobil Golden Pass Surety LLC	000000002	<input type="checkbox"/>

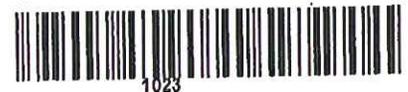
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## Texas Franchise Tax Extension Affiliate List

■ Tcode 13298  
■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

135409005

2012

EXXON MOBIL CORPORATION AND AFFILIATED COMP

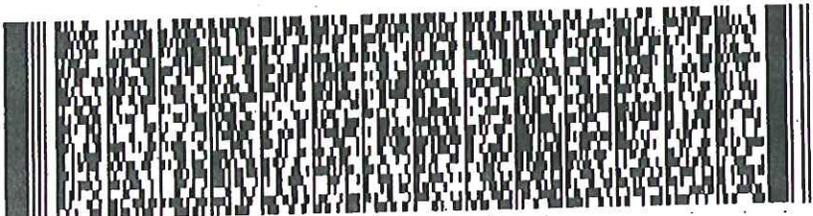
LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Mobil Fairfax Inc.	11328552390	<input checked="" type="checkbox"/>
2. Saffish Point, Inc.	132887634	<input checked="" type="checkbox"/>
3. Mobil Petrochemical Holdings Co. Inc.	17519768935	<input type="checkbox"/>
4. Mobil Film Products Holdings, Inc.	751957288	<input checked="" type="checkbox"/>
5. ExxonMobil U.S. Properties Inc.	275444562	<input checked="" type="checkbox"/>
6. Mobil Chemical Company Inc.	11325764576	<input type="checkbox"/>
7. Mobil Land Development Corporation	11326689939	<input type="checkbox"/>
8. ExxonMobil Energy Finance Company	17521810600	<input type="checkbox"/>
9. Mobil Natural Gas Inc.	17521802680	<input type="checkbox"/>
10. Mobil Pacific Services Inc.	752172921	<input checked="" type="checkbox"/>
11. ExxonMobil Barzan Surety Corporation	454588099	<input checked="" type="checkbox"/>
12. DM Land Corporation	752293868	<input type="checkbox"/>
13. Mobil International Finance Corporation	132623668	<input type="checkbox"/>
14. ExxonMobil Development Finance Company	454587998	<input checked="" type="checkbox"/>
15. Mobil Vanderbilt-Beaumont Pipeline Company	17516733940	<input type="checkbox"/>
16. Station Operators Inc.	11327290414	<input checked="" type="checkbox"/>
17. Mobil Exploration & Producing U.S. Inc.	17521627665	<input type="checkbox"/>
18. ExxonMobil Chemical Films Asia Pacific, Inc.	752396826	<input checked="" type="checkbox"/>
19. Mobil Qatar Management & Technical Services Inc	742657785	<input checked="" type="checkbox"/>
20. Mobil Pacific Pipeline Company	752464632	<input checked="" type="checkbox"/>
21. Mobil Gas Services Inc.	17604585053	<input type="checkbox"/>

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1023

## Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number

135409005

Report year

2012

Reporting entity taxpayer name

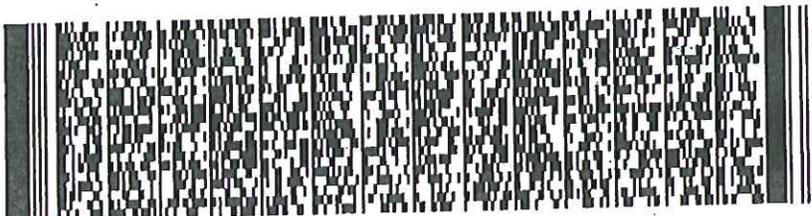
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil Kazakhstan Exploration and Production Inc	752606778	<input checked="" type="checkbox"/>
2. Mobil U.K. Properties, Inc.	752725818	<input type="checkbox"/>
3. Mobil Illinois Pipeline Company	752662836	<input checked="" type="checkbox"/>
4. Mobil Exploration & Producing Tunisia, Inc.	752673773	<input checked="" type="checkbox"/>
5. ExxonMobil Alaska Production Inc.	752096316	<input type="checkbox"/>
6. Mobil California Exploration & Producing Asset Compa	17527007730	<input type="checkbox"/>
7. Mobil E & P US Development Corporation	17527053122	<input checked="" type="checkbox"/>
8. Mobil Sakhalin Naftegaz, Inc.	752728388	<input checked="" type="checkbox"/>
9. River Bridge Corporation	751754835	<input checked="" type="checkbox"/>
10. ExxonMobil Oil Corporation	11354015700	<input type="checkbox"/>
11. Mobil Corporation	11328503096	<input type="checkbox"/>
12. Enjay, Inc.	11360442948	<input type="checkbox"/>
13. Exxon Communications Company	11360952409	<input type="checkbox"/>
14. ExxonMobil Western Sales and Supply Company	15101165601	<input checked="" type="checkbox"/>
15. Mobil Oil Company De Venezuela	135581242	<input checked="" type="checkbox"/>
16. Mobil LNG Indonesia Inc.	132773347	<input checked="" type="checkbox"/>
17. ExxonMobil Chemical Films Europe, Inc.	751623502	<input type="checkbox"/>
18. Mobil Producing Texas & New Mexico Inc.	11360963182	<input type="checkbox"/>
19. Mobil Exploration and Producing Services Inc.	11325600911	<input type="checkbox"/>
20. Mobil Oil Explr & Produce Southeast Inc	17516224932	<input type="checkbox"/>
21. ExxonMobil Sales and Supply LLC	11319950215	<input type="checkbox"/>

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1023

## Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number  
135409005

Report year  
2012

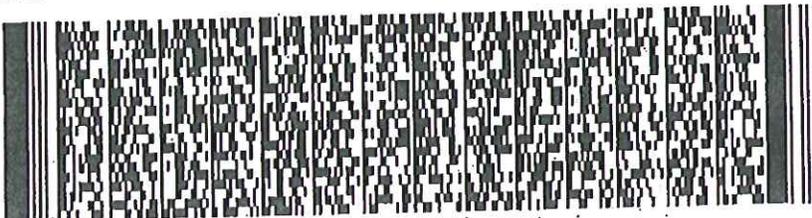
Reporting entity taxpayer name  
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ExxonMobil LNG Market Development Inc.	30118838850	<input type="checkbox"/>
2. Mobil Exploration and Producing North America Inc.	19512788209	<input type="checkbox"/>
3. ExxonMobil Gas Ventures, Inc.	17525977173	<input type="checkbox"/>
4. ExxonMobil Overseas Finance Company	275444150	<input checked="" type="checkbox"/>
5. XTO Energy Inc. - Home Office	752347769	<input type="checkbox"/>
6. HHE Energy Company	17514604945	<input type="checkbox"/>
7. XH, LLC	17518774249	<input type="checkbox"/>
8. XTO Offshore Inc.	17416640153	<input type="checkbox"/>
9. Barnett Gathering, LP	11136967715	<input type="checkbox"/>
10. Trend Gathering & Treating, LP	12043189492	<input type="checkbox"/>
11. Mountain Gathering, LLC	12629387478	<input type="checkbox"/>
12. Fayetteville Gathering Company	262981361	<input type="checkbox"/>
13. Nesson Gathering System, LLC	12088340018	<input type="checkbox"/>
14. Summit Gas Gathering, LLC	32040256367	<input type="checkbox"/>
15. Ringwood Gathering Company	17307388482	<input type="checkbox"/>
16. Timberland Gathering & Processing Company, Inc.	17526041052	<input type="checkbox"/>
17. Cross Timbers Energy Services, Inc.	17106380433	<input type="checkbox"/>
18. WTW Properties, Inc.	17525795427	<input type="checkbox"/>
19. XTO Resources I GP, LLC	32010845330	<input type="checkbox"/>
20. XTO Resources I LP, LLC	752347769	<input type="checkbox"/>
21. HPT Land Company	30001447025	<input type="checkbox"/>

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Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number  
135409005

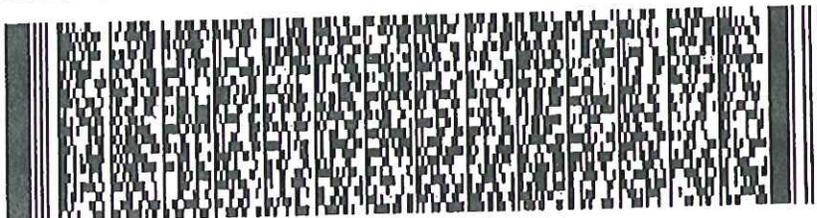
Report year  
2012

Reporting entity taxpayer name  
EXXON MOBIL CORPORATION AND AFFILIATED COMP

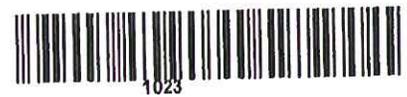
LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. HPC Acquisition Corporation	32044494592	<input type="checkbox"/>
2. XTO Energy Inc. - Branch	752347769	<input type="checkbox"/>
3. XTO Energy Inc.	17523477697	<input type="checkbox"/>
4. Efora Energy, Inc.	10107171604	<input type="checkbox"/>
5. Efora Royalties GP, Inc.	263541433	<input checked="" type="checkbox"/>
6. English Bay Pipeline, LP	17108924931	<input type="checkbox"/>
7. Efora Land Holdings LP	263541494	<input checked="" type="checkbox"/>
8. Mustang Pipe Line LLC	17526727163	<input checked="" type="checkbox"/>
9. Mobil Maine Ventures, Inc.	742916799	<input checked="" type="checkbox"/>
10. ExxonMobil Marine Limited	32012551589	<input checked="" type="checkbox"/>
11. Phillips Resources, Inc.	251290216	<input checked="" type="checkbox"/>
12. Phillips Exploration, Inc.	241407593	<input checked="" type="checkbox"/>
13. Phillips Production Company	251462113	<input checked="" type="checkbox"/>
14. Phillips Drilling Company	205091683	<input checked="" type="checkbox"/>
15. DIRECO, INC.	510267651	<input checked="" type="checkbox"/>
16. PHILLCOAL, INC	251443612	<input checked="" type="checkbox"/>
17. Castle, Inc	251120724	<input checked="" type="checkbox"/>
18. TWP, Inc	250725360	<input checked="" type="checkbox"/>
19. T.W. Phillips Energy Corp.	232937243	<input checked="" type="checkbox"/>
20. Near East Development Corporation	11360846908	<input type="checkbox"/>
21. Enco, Incorporated	15102562582	<input checked="" type="checkbox"/>

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## Texas Franchise Tax Extension Affiliate List

 Reporting entity taxpayer number  
 Tcode 13298

 Report year  
 Reporting entity taxpayer name

135409005

2012

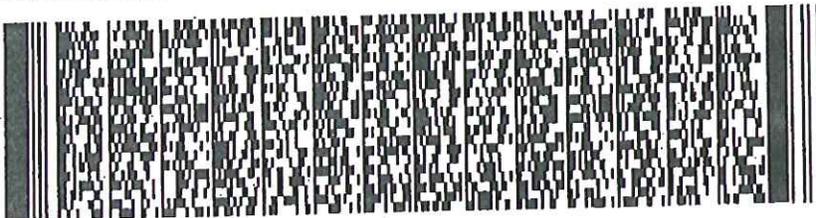
EXXON MOBIL CORPORATION AND AFFILIATED COMP

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1. Pegastar Nefflagaz LLC	541917090	<input checked="" type="checkbox"/>
2.		<input checked="" type="checkbox"/>
3. PC Exploration Ltd Partnership 1984 9	25-1467313	<input checked="" type="checkbox"/>
4. PC Exploration Ltd Partnership 1985 10	25-1498157	<input checked="" type="checkbox"/>
5. PC Exploration Ltd Partnership 1986 11	25-1532154	<input checked="" type="checkbox"/>
6. PC Exploration Ltd Partnership 1988 12	25-1583321	<input checked="" type="checkbox"/>
7. PC Exploration Ltd Partnership 1989 13	25-1611049	<input checked="" type="checkbox"/>
8. PC Exploration Ltd Partnership 1990 14	23-2614130	<input checked="" type="checkbox"/>
9. PC Exploration Ltd Partnership 1991 15	25-1663475	<input checked="" type="checkbox"/>
10. PC Exploration Ltd Partnership 1992 16	25-1691620	<input checked="" type="checkbox"/>
11. PC Exploration Ltd Partnership 1993 17	25-1715698	<input checked="" type="checkbox"/>
12. PC Exploration Ltd Partnership 1994 18	25-1739738	<input checked="" type="checkbox"/>
13. PC Exploration Ltd Partnership 1995 19	25-1771349	<input checked="" type="checkbox"/>
14. PC Exploration Ltd Partnership 1998 20	25-1797520	<input checked="" type="checkbox"/>
15. PC Exploration Ltd Partnership 1997 21	23-2921041	<input checked="" type="checkbox"/>
16. PC Exploration Ltd Partnership 1998 22	25-1816750	<input checked="" type="checkbox"/>
17. PC Exploration Ltd Partnership 1999 23	25-1843733	<input checked="" type="checkbox"/>
18. PC Exploration Ltd Partnership 2000 24	25-1864003	<input checked="" type="checkbox"/>
19. PC Exploration Ltd Partnership 2001 25	25-1888494	<input checked="" type="checkbox"/>
20. PC Exploration Ltd Partnership 2002 26	30-0080482	<input checked="" type="checkbox"/>
21. PC Exploration Ltd Partnership 2003 27	20-0021868	<input checked="" type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller's Office Use Only



VE/DE  FM



1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number  
135409005

Report year  
2012

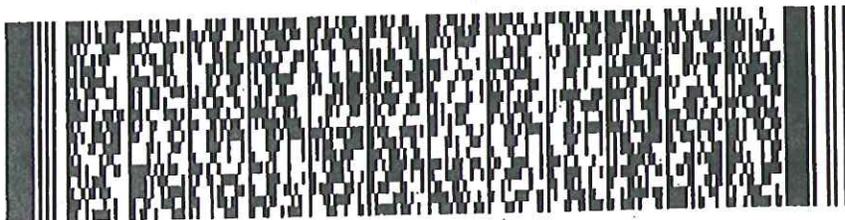
Reporting entity taxpayer name  
EXXON MOBIL CORPORATION AND AFFILIATED COMP

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. PC Exploration Ltd Partnership 2004 28	56-2459948	<input checked="" type="checkbox"/>
2. PC Exploration Ltd Partnership 2005 29	20-2835796	<input checked="" type="checkbox"/>
3. PC Exploration Ltd Partnership 2006 30	20-4871514	<input checked="" type="checkbox"/>
4. PC Exploration Ltd Partnership 2007 31	20-8994952	<input checked="" type="checkbox"/>
5. PC Exploration Ltd Partnership 2008 32	26-2558358	<input checked="" type="checkbox"/>
6. PC Exploration Ltd Partnership 2009 33	26-4830379	<input checked="" type="checkbox"/>
7. Phillips Exploration Ltd Partnership 2010 34	27-2528594	<input checked="" type="checkbox"/>
8. Ellora Energy GP, LLC	810558393	<input checked="" type="checkbox"/>
9. Rana Gas Gathering System LLC		<input checked="" type="checkbox"/>
10. YELLOWSTONE ENERGY LP	810477950	<input type="checkbox"/>
11.		<input type="checkbox"/>
12.		<input type="checkbox"/>
13.		<input type="checkbox"/>
14.		<input type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

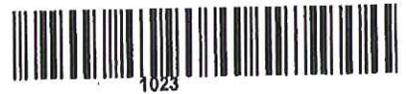
Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

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## Attachment 4

### Detailed Description of Project

ExxonMobil plans to install a new synthetic lubricant base stock unit within the Baytown Chemical Plant (BTCP). The unit will use linear alpha olefin feedstock in a reactive process to form a poly alpha olefin product (PAO). The Project includes the new process unit and associated pipe rack, product tankage and pumping system equipment, power control room, tie-ins to adjacent utilities, installation of a firewater loop, installation of a unit warehouse, rerouting of a street and conversion of existing tanks for use other than which they were originally designed to manufacture. Start of construction in 2<sup>nd</sup> Quarter 2012 with start-up in 3<sup>rd</sup> Quarter 2013.

#### List of Project Components:

- Compressors & Motors
- Pre-lube Pumps & Motors
- Vent Filter Fans & Motors
- Knockout Drum
- Feed Drum
- Catalyst Drum
- Filter Drum
- Flash Drum
- Accumulator
- Vent Drum
- Residue Pot
- Barometric Leg Drum
- Separators
- Slop Drum
- Expansion Drum
- Surge Drum
- Driers
- After-Cooler
- Coolers
- Heaters
- Condensers
- Evaporators
- Exchangers
- Preheaters
- Ejectors
- Filters

- Hoppers
- Drum Agitators & Motors
- Material Lift
- Pumps & Motors
- Bottoms Pump & Motor
- Accumulator Pump & Motor
- Vacuum System
- Reactors
- Mixers
- Strainer
- Tower
- Tanks
- Weigh Stations
- Storage Facility
- Waste Container
- Anti-Oxidant System
- Power Control Room
- Transformer

Excluded from this application are existing improvements which include foundation work, warehouse, and road. Amounts attributable to these improvements are listed on Schedule A: Investment as, "Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)."

**Ability to locate or relocate:**

ExxonMobil operates large integrated chemical facilities both domestically and internationally. These locations include Baton Rouge, LA; Beaumont, TX; Singapore, Republic of Singapore. Capital investment decisions are made by the corporation on the basis of economic return. The impact of tax burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location.

## **Attachment 6**

### **Specific and Detailed Description of Qualified Investment**

TAG	SERVICE
(2)	(3)
C-2015	Compressor
C-2015SP	DCompressor (Spare)
C-2015-M	Compressor Motor
C-2015SP-M	Compressor Motor (Spare)
P-2015	Pre-lube Pump
P-2015-M	Pre-lube Pump Motor
P-2015SP	Pre-lube Pump Spare
P-2015SP-M	Pre-lube Pump Motor (Spare)
C-2031	Vent Filter Fan
C-2031-M	Vent Filter Fan Motor
C-2033	Vent Filter Fan
C-2033-M	Vent Filter Fan Motor
C-2046	Compressor
C-2046SP	Compressor (Spare)
C-2046-M	Compressor Motor
C-2046SP-M	Compressor Motor (Spare)
D-2015	KO Drum
D-2020	Feed Drum
D-2021	Catalyst Drum
D-2022	Catalyst Drum
D-2028	Catalyst Drum
D-2030	Drum
D-2031	Drum
D-2033	Drum
D-2035	Filter Drum
D-2037	Drum
D-2038	Flash Drum
D-2040	Feed Drum
D-2042	Drum
D-2044	Accumulator
D-2046	Vent Drum
D-2050	Residue Pot
D-2052	Accumulator
D-2055	Barometric Leg Drum
D-2060	Feed Drum
D-2065	Separator
D-2066	Vent K.O. Drum
D-2067	Separator
D-2071	Slop Drum
D-2074	Expansion Drum
D-2077	Surge Drum
DR-2011	Drier 1
DR-2012	Drier 2
DR-2013	Guard Drier
DR-2015	Drier
DR-2020	Drier
E-2015	After-Cooler
E-2016	Heater
E-2017	Cooler
E-2025	Cooler
E-2037	Cooler
E-2038	Heater
E-2039	Condenser
E-2040	Product Exchanger
E-2041	Preheater
E-2042	Condenser
E-2044	Condenser
E-2046	Cooler
E-2050	Evaporator
E-2050-M	Motor
E-2051	Condenser
E-2052	Condenser
E-2055A	Condenser
E-2055B	Condenser
E-2055C	Condenser

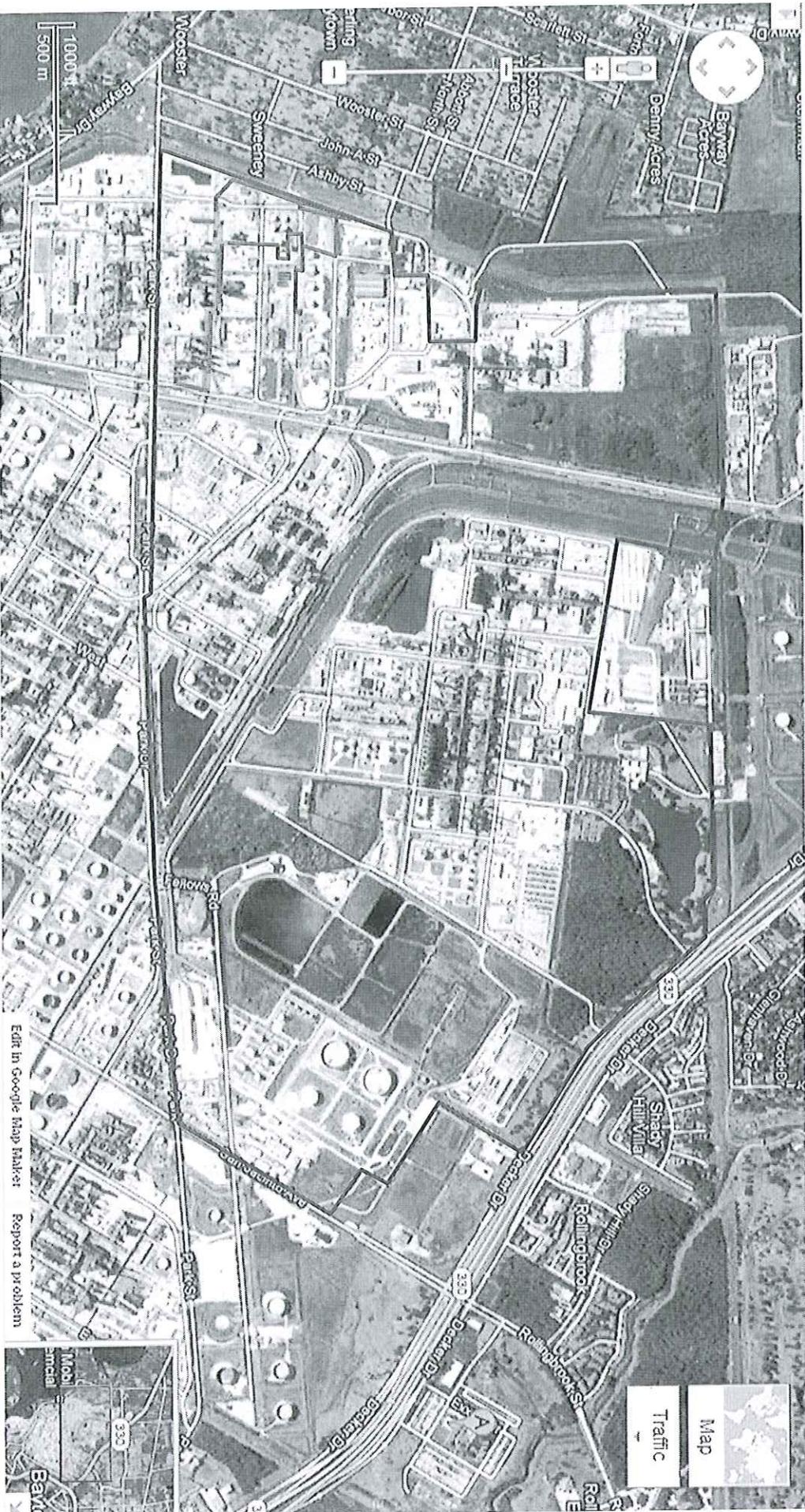
TAG	SERVICE
(2)	(3)
E-2059	Exchanger
E-2061	Preheater 1
E-2062	Preheater 2
E-2066	Cooler
E-2067	Cooler
E-2067-M	Motor
EJ-2055A	Ejector
EJ-2055B	Ejector
EJ-2055C	Ejector
EJ-2055D	Ejector
F-2074	Heater
FIL-2014	Filter
FIL-2020	Filter
FIL-2031	Filter
FIL-2033	Filter
FIL-2036	Filter
FIL-2037A	Guard Filter
FIL-2037B	Guard Filter
FIL-2038A	Guard Filter
FIL-2038B	Guard Filter
FIL-2067A	Filter
FIL-2067B	Filter
FIL-2068A	Filter
FIL-2068B	Filter
FIL-2081	Filter
FIL-2082	Filter
FIL-2083	Filter
FIL-2090	Filter
FIL-2091	Filter
H-2031	Hopper
H-2033	Hopper
MA-2021	Drum Agitator
MA-2021-M	Drum Agitator Motor
MA-2022	Drum Agitator
MA-2022-M	Drum Agitator Motor
MA-2025	Drum Agitator
MA-2025-M	Drum Agitator Motor
MA-2028	Drum Agitator
MA-2028-M	Drum Agitator Motor
MA-2035	Drum Agitator
MA-2035-M	Drum Agitator Motor
MA-2037	Drum Agitator
MA-2037-M	Drum Agitator Motor
ML-2020	Material Lift
P-2011	Pump
P-2011-M	Pump Motor
P-2022	Pump
P-2022-M	Pump Motor
P-2023	Pump
P-2023-M	Pump Motor
P-2025	Pump
P-2025-M	Pump Motor
P-2025SP	Pump
P-2025SP-M	Pump Motor
P-2026	Pump
P-2026-M	Pump Motor
P-2030	Pump
P-2030-M	Pump Motor
P-2035	Pump
P-2035-M	Pump Motor
P-2037	Pump
P-2037-M	Pump Motor
P-2038	Pump
P-2038-M	Pump Motor
P-2040	Pump

TAG	SERVICE
(2)	(3)
P-2040-M	Pump Motor
P-2042	Bottoms Pump
P-2042-M	Bottoms Pump Motor
P-2044	Accumulator Pump
P-2044-M	Accumulator Pump Motor
P-2046	Pump
P-2046-M	Pump Motor
P-2047	Pump
P-2047-M	Pump Motor
P-2050	Bottoms Pump
P-2050-M	Bottoms Pump Motor
P-2050SP	Bottoms Pump (Spare)
P-2050SP-M	Bottoms Pump Motor (Spare)
P-2052	Accumulator Pump
P-2052-M	Accumulator Pump Motor
P-2055	Pump
P-2055-M	Pump Motor
P-2059	Pump
P-2059-M	Pump Motor
P-2060	Pump
P-2060-M	Pump Motor
P-2060SP	Pump (Spare)
P-2060SP-M	Pump Motor (Spare)
P-2061	Pump (Spare)
P-2061-M	Pump Motor (Spare)
P-2067	Pump
P-2067-M	Pump Motor
P-2067SP	Pump (Spare)
P-2067SP-M	Pump Motor (Spare)
P-2068	Pump
P-2068-M	Pump Motor
P-2071	Pump
P-2071-M	Pump Motor
P-2072	Pump
P-2072-M	Pump Motor
P-2074	Pump
P-2074-M	Pump Motor
P-2075	Pump
P-2075-M	Pump Motor
P-2076	Pump
P-2076-M	Pump Motor
P-2077	Pump
P-2077-M	Pump Motor
P-2081	Tank Pump
P-2081-M	Tank Pump Motor
P-2082	Tank Pump
P-2082-M	Tank Pump Motor
P-2083	Tank Pump
P-2083-M	Tank Pump Motor
P-2089	Tank Pump
MP-2089	Tank Pump Motor
P-2090	Tank Pump
P-2090-M	Tank Pump Motor
P-2091	Tank Pump
P-2091-M	Tank Pump Motor
PK-2046	Vacuum System
PK-2055	Vacuum System
PK-2077	Chilled Water System
R-2025	Reactor
R-2061	Reactor 1
R-2062	Reactor 2
SM-2011	Mixer
SM-2031	Mixer
SM-2091	Mixer
STR-2070	Strainer

TAG (2)	SERVICE (3)
T-2011	Tower
TK-2081	Tank
TK-2082	Tank
TK-2083	Tank
TK-2090	Tank
TK-2091	Tank
WS-2026A	Weigh Station
WS-2026B	Weigh Station
X-2026	Storage Facility
X-2031	Solids System
X-2033	Solids System
X-2036	Waste Container
X-2089	Anti-Oxidant System
TBD	Power Control Room
TBD	Transformer

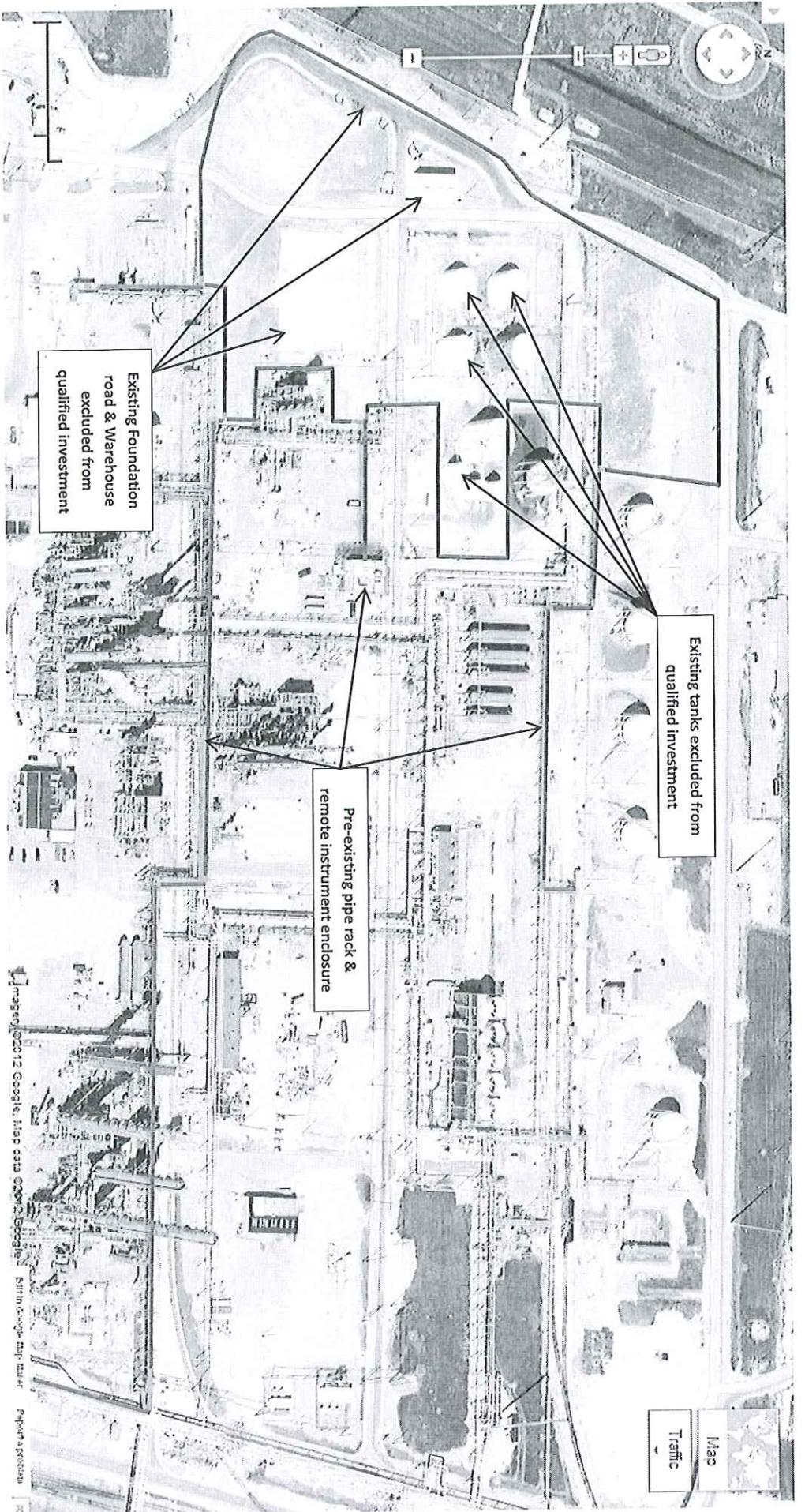
**Attachment 7**

**Map of Qualified Investment**



Project Elite Process Unit Area & Tie-in

Project Elite - NA Growth Reinvestment Zone Outline



Project Elite Process Unit Area & Tie-In



## Attachment 8

### Description of Qualified Property

Qualified Investment **describes qualified property exactly.** A specific and detailed description of the qualified property for which an appraised value limitation is requested, a description of new buildings, proposed improvements or personal property which we intend to include as part of our qualified property are attached. Tag numbers refer to the equipment tag numbers which will be identified on process and instrumentation diagrams for the subject unit.

This Project includes the new process unit and associated pipe rack, production tankage and pumping system equipment, power control room, tie-ins to adjacent utilities, installation of a unit warehouse, re-routing of a street and conversion of existing tanks for use other than which they were originally designed to manufacture.

Land is not part of the qualified property. The qualified property will be located on land currently owned by ExxonMobil. The qualified property will be adjacent to and integrated with ExxonMobil's existing Baytown Chemical Plant.

TAG	SERVICE
(2)	(3)
C-2015	Compressor
C-2015SP	DCompressor (Spare)
C-2015-M	Compressor Motor
C-2015SP-M	Compressor Motor (Spare)
P-2015	Pre-lube Pump
P-2015-M	Pre-lube Pump Motor
P-2015SP	Pre-lube Pump Spare
P-2015SP-M	Pre-lube Pump Motor (Spare)
C-2031	Vent Filter Fan
C-2031-M	Vent Filter Fan Motor
C-2033	Vent Filter Fan
C-2033-M	Vent Filter Fan Motor
C-2046	Compressor
C-2046SP	Compressor (Spare)
C-2046-M	Compressor Motor
C-2046SP-M	Compressor Motor (Spare)
D-2015	KO Drum
D-2020	Feed Drum
D-2021	Catalyst Drum
D-2022	Catalyst Drum
D-2028	Catalyst Drum
D-2030	Drum
D-2031	Drum
D-2033	Drum
D-2035	Filter Drum
D-2037	Drum
D-2038	Flash Drum
D-2040	Feed Drum
D-2042	Drum
D-2044	Accumulator
D-2046	Vent Drum
D-2050	Residue Pot
D-2052	Accumulator
D-2055	Barometric Leg Drum
D-2060	Feed Drum
D-2065	Separator
D-2066	Vent K.O. Drum
D-2067	Separator
D-2071	Slop Drum
D-2074	Expansion Drum
D-2077	Surge Drum
DR-2011	Drier 1
DR-2012	Drier 2
DR-2013	Guard Drier
DR-2015	Drier
DR-2020	Drier
E-2015	After-Cooler
E-2016	Heater
E-2017	Cooler
E-2025	Cooler
E-2037	Cooler
E-2038	Heater
E-2039	Condenser
E-2040	Product Exchanger
E-2041	Preheater
E-2042	Condenser
E-2044	Condenser
E-2046	Cooler
E-2050	Evaporator
E-2050-M	Motor
E-2051	Condenser
E-2052	Condenser
E-2055A	Condenser
E-2055B	Condenser
E-2055C	Condenser

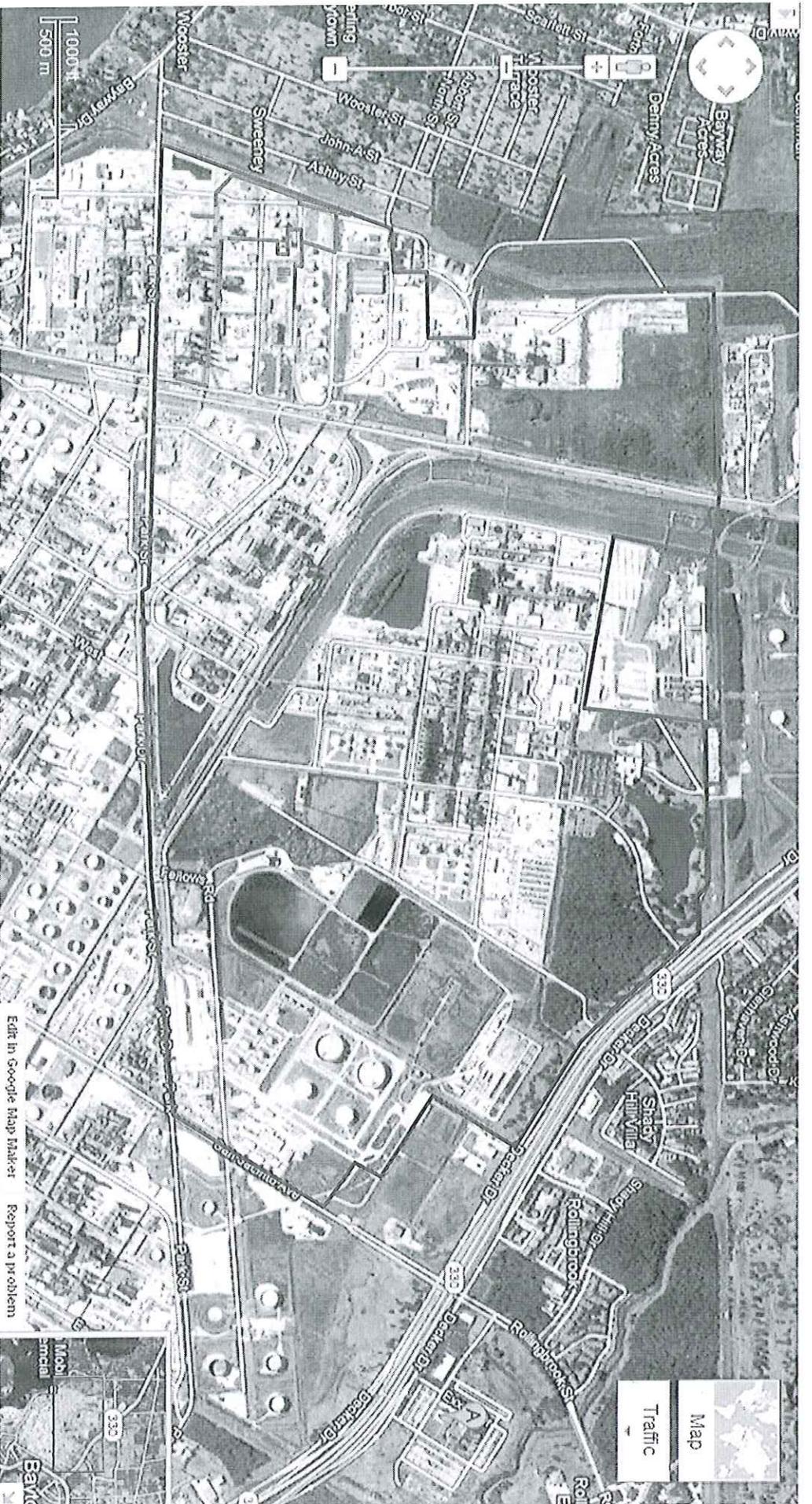
TAG	SERVICE
(2)	(3)
E-2059	Exchanger
E-2061	Preheater 1
E-2062	Preheater 2
E-2066	Cooler
E-2067	Cooler
E-2067-M	Motor
EJ-2055A	Ejector
EJ-2055B	Ejector
EJ-2055C	Ejector
EJ-2055D	Ejector
F-2074	Heater
FIL-2014	Filter
FIL-2020	Filter
FIL-2031	Filter
FIL-2033	Filter
FIL-2036	Filter
FIL-2037A	Guard Filter
FIL-2037B	Guard Filter
FIL-2038A	Guard Filter
FIL-2038B	Guard Filter
FIL-2067A	Filter
FIL-2067B	Filter
FIL-2068A	Filter
FIL-2068B	Filter
FIL-2081	Filter
FIL-2082	Filter
FIL-2083	Filter
FIL-2090	Filter
FIL-2091	Filter
H-2031	Hopper
H-2033	Hopper
MA-2021	Drum Agitator
MA-2021-M	Drum Agitator Motor
MA-2022	Drum Agitator
MA-2022-M	Drum Agitator Motor
MA-2025	Drum Agitator
MA-2025-M	Drum Agitator Motor
MA-2028	Drum Agitator
MA-2028-M	Drum Agitator Motor
MA-2035	Drum Agitator
MA-2035-M	Drum Agitator Motor
MA-2037	Drum Agitator
MA-2037-M	Drum Agitator Motor
ML-2020	Material Lift
P-2011	Pump
P-2011-M	Pump Motor
P-2022	Pump
P-2022-M	Pump Motor
P-2023	Pump
P-2023-M	Pump Motor
P-2025	Pump
P-2025-M	Pump Motor
P-2025SP	Pump
P-2025SP-M	Pump Motor
P-2026	Pump
P-2026-M	Pump Motor
P-2030	Pump
P-2030-M	Pump Motor
P-2035	Pump
P-2035-M	Pump Motor
P-2037	Pump
P-2037-M	Pump Motor
P-2038	Pump
P-2038-M	Pump Motor
P-2040	Pump

TAG (2)	SERVICE (3)
P-2040-M	Pump Motor
P-2042	Bottoms Pump
P-2042-M	Bottoms Pump Motor
P-2044	Accumulator Pump
P-2044-M	Accumulator Pump Motor
P-2046	Pump
P-2046-M	Pump Motor
P-2047	Pump
P-2047-M	Pump Motor
P-2050	Bottoms Pump
P-2050-M	Bottoms Pump Motor
P-2050SP	Bottoms Pump (Spare)
P-2050SP-M	Bottoms Pump Motor (Spare)
P-2052	Accumulator Pump
P-2052-M	Accumulator Pump Motor
P-2055	Pump
P-2055-M	Pump Motor
P-2059	Pump
P-2059-M	Pump Motor
P-2060	Pump
P-2060-M	Pump Motor
P-2060SP	Pump (Spare)
P-2060SP-M	Pump Motor (Spare)
P-2061	Pump (Spare)
P-2061-M	Pump Motor (Spare)
P-2067	Pump
P-2067-M	Pump Motor
P-2067SP	Pump (Spare)
P-2067SP-M	Pump Motor (Spare)
P-2068	Pump
P-2068-M	Pump Motor
P-2071	Pump
P-2071-M	Pump Motor
P-2072	Pump
P-2072-M	Pump Motor
P-2074	Pump
P-2074-M	Pump Motor
P-2075	Pump
P-2075-M	Pump Motor
P-2076	Pump
P-2076-M	Pump Motor
P-2077	Pump
P-2077-M	Pump Motor
P-2081	Tank Pump
P-2081-M	Tank Pump Motor
P-2082	Tank Pump
P-2082-M	Tank Pump Motor
P-2083	Tank Pump
P-2083-M	Tank Pump Motor
P-2089	Tank Pump
MP-2089	Tank Pump Motor
P-2090	Tank Pump
P-2090-M	Tank Pump Motor
P-2091	Tank Pump
P-2091-M	Tank Pump Motor
PK-2046	Vacuum System
PK-2055	Vacuum System
PK-2077	Chilled Water System
R-2025	Reactor
R-2061	Reactor 1
R-2062	Reactor 2
SM-2011	Mixer
SM-2031	Mixer
SM-2091	Mixer
STR-2070	Strainer

TAG (2)	SERVICE (3)
T-2011	Tower
TK-2081	Tank
TK-2082	Tank
TK-2083	Tank
TK-2090	Tank
TK-2091	Tank
WS-2026A	Weigh Station
WS-2026B	Weigh Station
X-2026	Storage Facility
X-2031	Solids System
X-2033	Solids System
X-2036	Waste Container
X-2089	Anti-Oxidant System
TBD	Power Control Room
TBD	Transformer

**Attachment 9**

**Map of Qualified Property Showing Location of New Buildings or New  
Improvements with Vicinity Map**

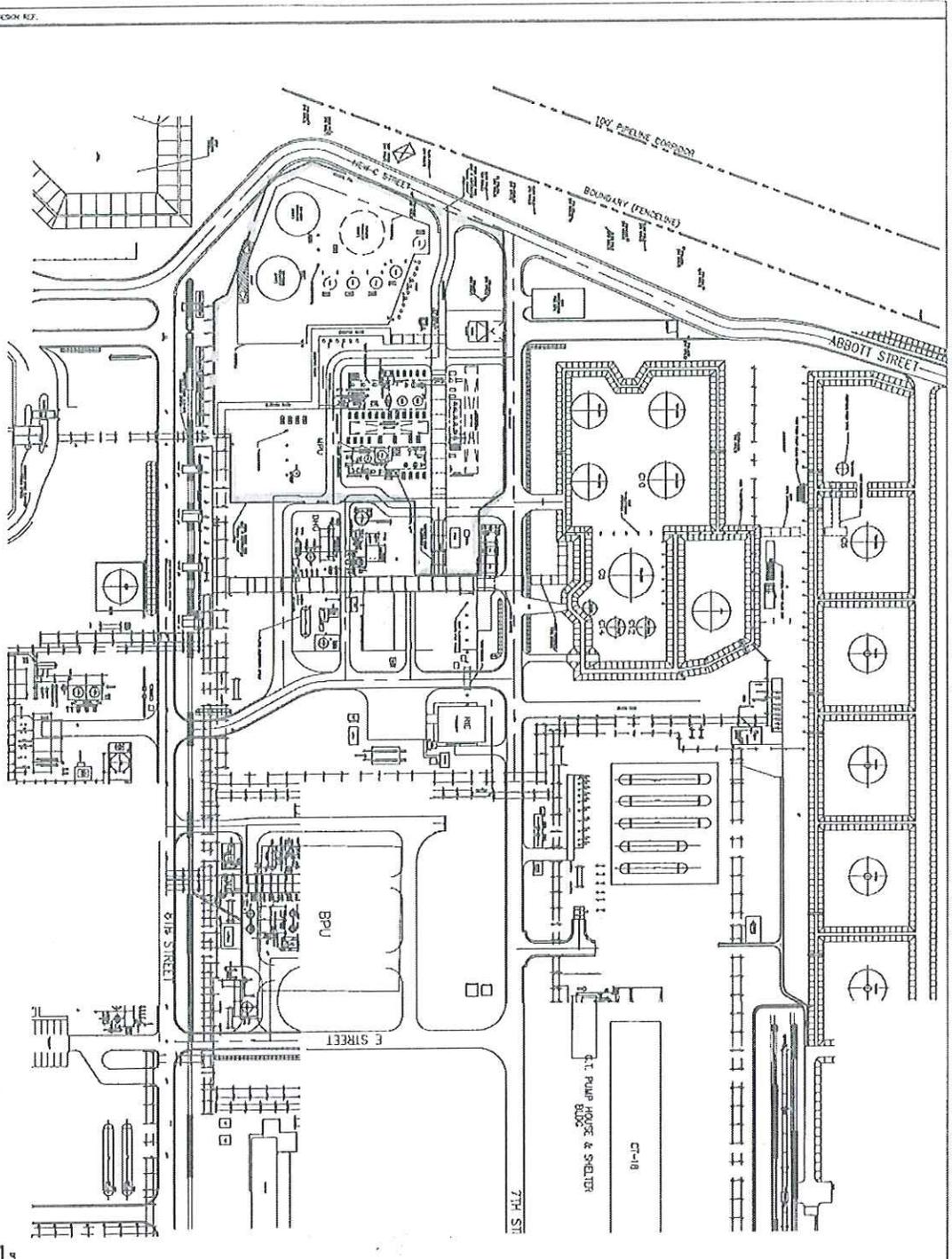


Project Elite Process Unit Area & Tie-in



Project Elite - NA Growth Reinvestment Zone Outline





REV.	DATE	BY	CHKD.	DESCRIPTION
REV. 0	11/11/23	SK	SK	ISSUE FOR DESIGN PROJECT ELITE
REV. 1	11/11/23	SK	SK	DO NOT REUSE THIS DWG WITHOUT CONTACTING BTCP DOCUMENT CONTROL
REV. 2	11/11/23	SK	SK	
REV. 3	11/11/23	SK	SK	
REV. 4	11/11/23	SK	SK	
REV. 5	11/11/23	SK	SK	
REV. 6	11/11/23	SK	SK	
REV. 7	11/11/23	SK	SK	
REV. 8	11/11/23	SK	SK	
REV. 9	11/11/23	SK	SK	
REV. 10	11/11/23	SK	SK	
REV. 11	11/11/23	SK	SK	
REV. 12	11/11/23	SK	SK	
REV. 13	11/11/23	SK	SK	
REV. 14	11/11/23	SK	SK	
REV. 15	11/11/23	SK	SK	
REV. 16	11/11/23	SK	SK	
REV. 17	11/11/23	SK	SK	
REV. 18	11/11/23	SK	SK	
REV. 19	11/11/23	SK	SK	
REV. 20	11/11/23	SK	SK	
REV. 21	11/11/23	SK	SK	
REV. 22	11/11/23	SK	SK	
REV. 23	11/11/23	SK	SK	
REV. 24	11/11/23	SK	SK	
REV. 25	11/11/23	SK	SK	
REV. 26	11/11/23	SK	SK	
REV. 27	11/11/23	SK	SK	
REV. 28	11/11/23	SK	SK	
REV. 29	11/11/23	SK	SK	
REV. 30	11/11/23	SK	SK	

ISSUE FOR DESIGN PROJECT ELITE

DO NOT REUSE THIS DWG WITHOUT CONTACTING BTCP DOCUMENT CONTROL

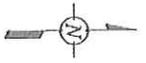
PROJECT	BTCP-ELITE-MPU-UNIT OVERALL PLOT PLAN
CLIENT	ExxonMobil Chemical
LOCATION	DARTMOUTH CHEMICAL PLANT
DATE	11/11/23
DWG NO.	SK-17123-P1-001
SCALE	AS SHOWN
DATE	11/11/23
BY	SK
CHKD.	SK

**PRELIMINARY**

PW = POWER WELL  
 P = POWER POLE

THIS PLOT PLAN IS CONCEPTUAL AND IS BASED ON PRELIMINARY INFORMATION. IT IS NOT TO BE USED FOR THE ORDERING OF EQUIPMENT OR THE ORDERING OF EQUIPMENT ONLY.

REFERENCE SKETCHES	NO.	DATE
PAVING PLAN	SK-17123-C2-008	
FIRE PROTECTION EQUIPMENT	SK-17123-C2-003	
MPI LOCATION PLAN	SK-17123-C2-007	
INDUSTRIAL SCHEM LAYOUT	SK-17123-C2-007	
SITE PROP GRADING PLAN SHEET 1	SK-17123-C2-003	
SITE PROP GRADING PLAN SHEET 2	SK-17123-C2-004	



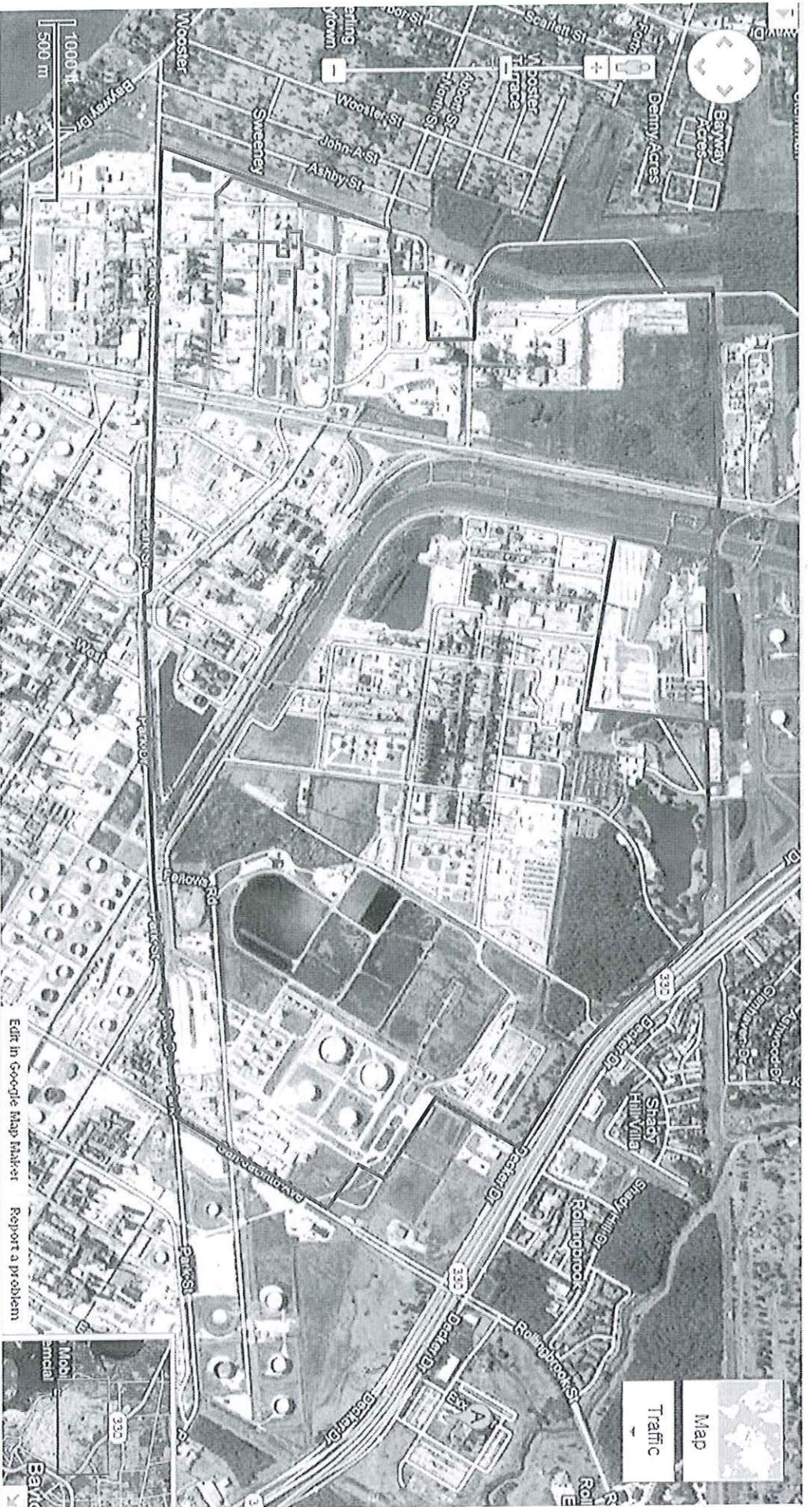
## **Attachment 10**

### **Description of Land**

Property described as Tract 8 North Baytown, Abstract 66, William Scott Survey, containing 857.66 acres more or less, Harris County, Texas. Said property is contained in its entirety by Harris County Central Appraisal District Account No. 041-022-002-0220.

**Attachment 11**

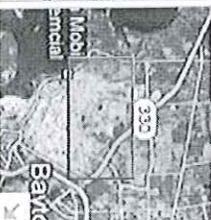
**A Detailed Map Showing Location of the Land with Vicinity Map**



- Project Elite Process Unit Area & Tie-in
- Project Elite - NA Growth Reinvestment Zone Outline

Edit in Google Map Maker Report a Problem

Map Traffic



## Attachment 12

### A description of all existing (if any) improvements

Existing at time of filing and excluded from the subject application are foundations, warehouse, and road located just South of 7<sup>th</sup> Street as pictured on attached Google Map photo. Investment associated with these improvements is shown on Schedule A: Investment in Column A as "investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)." This investment is specifically excluded from this application for value limitation.

In addition to the investment noted above, there are additional pre-existing assets located in and adjacent to the project area. These assets include existing tanks, pipe rack, and remote instrument enclosure also identified on the attached photo. These assets are not investment considered part of the subject project and are currently on the assessment roll of Harris County under Account 041-022-002-0220 together with other assets part of ExxonMobil's Baytown Chemical plant. Individual assets contained in this account are too numerous to list.



**Attachment 14**

**Calculation of Three Possible Wage Requirements with TWC  
Documentation**

# Harris County Average Weekly Wage Information

## 110% of County Average Weekly Wage for all Jobs

Year	Quarter	Wk Wage
2011	2Q	\$1,118
2011	3Q	\$1,158
2011	4Q	\$1,239
2012	1Q	\$1,341

Average= \$1,214  
 X 1.1 (110%)

\$1,335.4 110% of County Average Weekly Wage for all Jobs

## 110% of County Average Weekly Wage for Manufacturing Jobs

Year	Quarter	Wk Wage
2011	2Q	\$1,380
2011	3Q	\$1,426
2011	4Q	\$1,555
2012	1Q	\$1,688

Average= \$1,512.25  
 X 1.1 (110%)

\$1,663.5 110% of County Average Weekly Wage for all Jobs

## 110% of County Average Weekly Wage for Manufacturing Jobs in Region (Houston-Galveston Area Council) July 2012

\$25.82 per hour

X 40 hr per week

\$1,032.80 average weekly salary

X 1.10 (110%)

\$1,136.08

X 52 weeks

\$59,076.16 110% of County Average Weekly Wage for all Jobs in Region

**2011 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$22.89</b>	<b>\$47,610</b>
<u>1. Panhandle Regional Planning Commission</u>	\$19.32	\$40,196
<u>2. South Plains Association of Governments</u>	\$16.45	\$34,210
<u>3. NORTEX Regional Planning Commission</u>	\$18.14	\$37,733
<u>4. North Central Texas Council of Governments</u>	\$24.03	\$49,986
<u>5. Ark-Tex Council of Governments</u>	\$16.52	\$34,366
<u>6. East Texas Council of Governments</u>	\$18.27	\$37,995
<u>7. West Central Texas Council of Governments</u>	\$17.76	\$36,949
<u>8. Rio Grande Council of Governments</u>	\$15.69	\$32,635
<u>9. Permian Basin Regional Planning Commission</u>	\$21.32	\$44,349
<u>10. Concho Valley Council of Governments</u>	\$15.92	\$33,123
<u>11. Heart of Texas Council of Governments</u>	\$18.82	\$39,150
<u>12. Capital Area Council of Governments</u>	\$26.46	\$55,047
<u>13. Brazos Valley Council of Governments</u>	\$15.71	\$33,718
<u>14. Deep East Texas Council of Governments</u>	\$15.48	\$32,207
<u>15. South East Texas Regional Planning Commission</u>	\$28.23	\$58,724
<u>16. Houston-Galveston Area Council</u>	\$25.82	\$53,711
<u>17. Golden Crescent Regional Planning Commission</u>	\$20.38	\$42,391
<u>18. Alamo Area Council of Governments</u>	\$18.00	\$37,439
<u>19. South Texas Development Council</u>	\$13.85	\$28,806
<u>20. Coastal Bend Council of Governments</u>	\$22.35	\$46,489
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.08	\$31,365
<u>22. Texoma Council of Governments</u>	\$20.76	\$43,190
<u>23. Central Texas Council of Governments</u>	\$16.17	\$33,642
<u>24. Middle Rio Grande Development Council</u>	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="Year"/>	<input type="text" value="Period"/>	<input type="text" value="Area"/>	<input type="text" value="Ownership"/>	<input type="text" value="Division"/>	<input type="text" value="Level"/>	<input type="text" value="Ind Code"/>	<input type="text" value="Industry"/>	<input type="text" value="Avg Weekly Wages"/>
2012	1st Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,341

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2012"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="Harris County"/>	<input type="text" value="Total All"/>	<input type="text" value="31"/>	<input type="text" value="2"/>	<input type="text" value="31-33"/>	<input type="text" value="Manufacturing"/>	<input type="text" value="\$1,688"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2011"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="Harris County"/>	<input type="text" value="Total All"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$1,255"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,255
2011	2nd Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,118
2011	3rd Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,158
2011	4th Qtr	Harris County	Total All	00	0	10	Total, All Industries	\$1,239

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2011	1st Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,604
2011	2nd Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,380
2011	3rd Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,426
2011	4th Qtr	Harris County	Total All	31	2	31-33	Manufacturing	\$1,555

## Attachment 15

### Description of Benefits

Describe each type of benefits to be offered to qualifying jobholders:

ExxonMobil offers a number of employee benefits to qualifying jobholders, including the following:

- 401(k) Savings Plan
- Pension Plan
- Group Health Benefit for which ExxonMobil offers to pay at least 80% of the premiums or other charges for employee-only coverage
- Dental and Vision Plans
- Pre-Tax Spending Plans for Medical, Dental and Vision Plans
- Disability Plan
- Life Insurance Plan
- Vacation & Holiday Pay
- Educational Refund Program

**Attachment 17**

**Schedule A**

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year below) YYYY	Column A:	Column B:	Column C:	Column D:	Column E:
					Tangible Personal Property Investment (original cost) placed in service during this year	Building or permanent nonremovable component of building (annual amount only)	Sum of A and B Qualifying Investment (during the qualifying time period)	Other investment that is not qualified investment but investment affecting economic impact and total value	Total Investment (A+B+D)
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)	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	1	2013-2014	2013	\$ 148,451,965	\$ -	\$ 148,451,965	\$ -	\$ 148,451,965
		2	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -
		3	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -
		4	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -
		5	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
		6	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
		7	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
		8	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
		9	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
		10	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
		11	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
		12	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -
		13	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
		14	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -
		15	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, phase list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. 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.

Column D: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Signature: *William L. McCade*  
 Title: *for William L. McCade*  
 Date: *8/6/12*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE  
 DATE

**Attachment 18**

**Schedule B**

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				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"		Final taxable value for I&S - after all reductions	Final taxable value for M&O - after all reductions
	pre-year 1	2012-2013	2012	0	0	0	0	0	0
	1	2013-2014	2013	0	0	73,574,902	0	73,574,902	73,574,902
	2	2014-2015	2014	0	0	145,648,276	7,940,420	137,707,856	137,707,856
	3	2015-2016	2015	0	0	142,645,219	7,776,700	134,868,519	30,000,000
	4	2016-2017	2016	0	0	139,642,162	7,612,980	132,029,182	30,000,000
	5	2017-2018	2017	0	0	136,639,104	7,449,260	129,189,844	30,000,000
	6	2018-2019	2018	0	0	133,636,047	7,285,540	126,350,507	30,000,000
	7	2019-2020	2019	0	0	129,131,461	7,039,960	122,091,501	30,000,000
	8	2020-2021	2020	0	0	126,128,404	6,876,240	119,252,164	30,000,000
	9	2021-2022	2021	0	0	123,125,347	6,712,520	116,412,827	30,000,000
	10	2022-2023	2022	0	0	118,620,761	6,466,940	112,153,821	30,000,000
	11	2023-2024	2023	0	0	114,116,175	6,221,360	107,894,815	107,894,815
	12	2024-2025	2024	0	0	111,113,118	6,057,640	105,055,478	105,055,478
	13	2025-2026	2025	0	0	106,608,532	5,812,060	100,796,472	100,796,472
	14	2026-2027	2026	0	0	102,103,946	5,566,480	96,537,466	96,537,466
	15	2027-2028	2027	0	0	97,599,360	5,320,900	92,278,460	92,278,460
Tax Credit Period (with 50% cap on credit)									
Value Limitation Period									
Credit Settle-Up Period									
Post-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.

*Dana Owen* for *William L. McCabe*

*6/6/12*

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

**Attachment 19**

**Schedule C**

Schedule C- Application: Employment Information

Applicant Name Exon Mobil Corporation  
 ISD Name Goose Creek CISD

Form 50-296

Tax Credit Period (with 50% cap on credit)	Value Limitation Period	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
					Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre-year 1	2012-2013	2012	200 FTE	\$ 60,029	0	0	0	0
		1	2013-2014	2013	183 FTE	\$ 61,838	10	\$ 60,385	10	\$ 60,385
		2	2014-2015	2014			10	\$ 63,754	10	\$ 63,754
		3	2015-2016	2015			10	\$ 69,623	10	\$ 69,623
		4	2016-2017	2016			10	\$ 73,976	10	\$ 73,976
		5	2017-2018	2017			10	\$ 74,996	10	\$ 74,996
		6	2018-2019	2018			10	\$ 74,996	10	\$ 74,996
		7	2019-2020	2019			10	\$ 74,996	10	\$ 74,996
		8	2020-2021	2020			10	\$ 74,996	10	\$ 74,996
		9	2021-2022	2021			10	\$ 74,996	10	\$ 74,996
		10	2022-2023	2022			10	\$ 74,996	10	\$ 74,996
		11	2023-2024	2023			10	\$ 74,996	10	\$ 74,996
		12	2024-2025	2024			10	\$ 74,996	10	\$ 74,996
		13	2025-2026	2025			10	\$ 74,996	10	\$ 74,996
Credit Settle-Up Period	Continue to Maintain Viable Presence	14	2026-2027	2026			10	\$ 74,996	10	\$ 74,996
		15	2027-2028	2027			10	\$ 74,996	10	\$ 74,996

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

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

*William D. Dean*  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 8/6/12

**Attachment 20**

**Schedule D**

Applicant Name

Exxon Mobil Corporation

ISD Name

Goose Creek CISD

Form 50-296

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

		Sales Tax Information		Franchise Tax	Other Property Tax Abateements Sought					
		Sales Taxable Expenditures	Franchise Tax	County	City	Hospital	Other			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Complete tax years of qualifying time period	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
		2012-2013	2012	3,959,237	3,953,228	70,000,000	0	0	0	0
		2013-2014	2013	48,753,321	98,163,378	70,000,000	0	0	0	0
		2014-2015	2014	1,300,000	1,300,000	70,000,000	0	0	0	0
		2015-2016	2015	1,300,000	1,300,000	70,000,000	0	0	0	0
		2016-2017	2016	1,300,000	1,300,000	70,000,000	0	0	0	0
		2017-2018	2017	1,300,000	1,300,000	70,000,000	0	0	0	0
		2018-2019	2018	1,300,000	1,300,000	70,000,000	0	0	0	0
		2019-2020	2019	1,300,000	1,300,000	70,000,000	0	0	0	0
		2020-2021	2020	1,300,000	1,300,000	70,000,000	0	0	0	0
		2021-2022	2021	1,300,000	1,300,000	70,000,000	0	0	0	0
		2022-2023	2022	1,300,000	1,300,000	70,000,000	0	0	0	0
		2023-2024	2023	1,300,000	1,300,000	70,000,000	0	0	0	0
		2024-2025	2024	1,300,000	1,300,000	70,000,000	0	0	0	0
		2025-2026	2025	1,300,000	1,300,000	70,000,000	0	0	0	0
2026-2027	2026	1,300,000	1,300,000	70,000,000	0	0	0	0		
2027-2028	2027	1,300,000	1,300,000	70,000,000	0	0	0	0		
Post-Settle-Up Period	Continue to Maintain Viable Presence									
Post-Settle-Up Period		14	2025-2027	2026	1,300,000	1,300,000	70,000,000	0	0	0
Post-Settle-Up Period		15	2027-2028	2027	1,300,000	1,300,000	70,000,000	0	0	0

\*For planning, construction and operation of the facility.

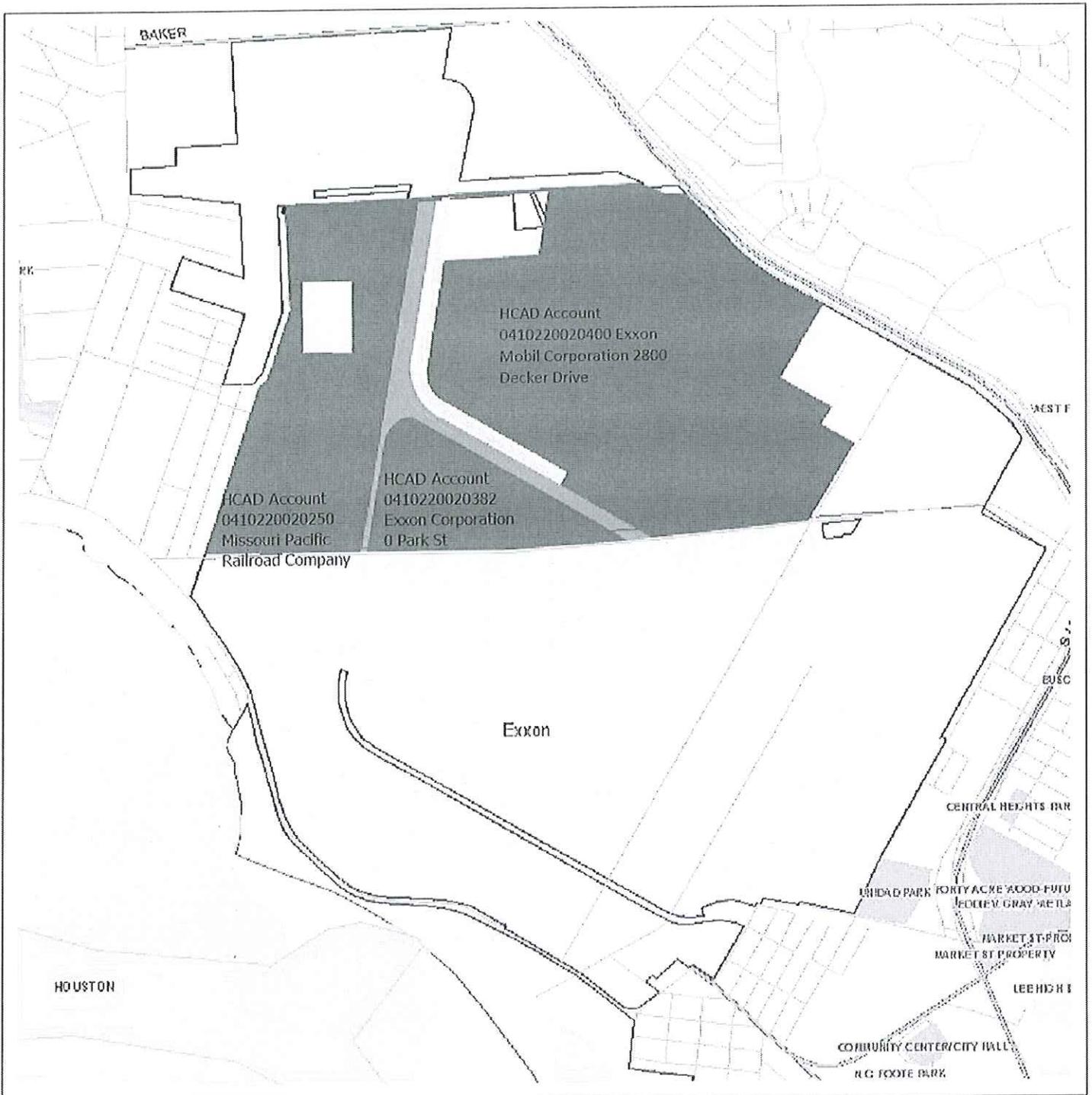
*Daumen Owen* For William L. McCabe  
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 8/6/12

## **Attachment 21**

### **Map of Reinvestment Zone**

A map of the proposed reinvestment zone is attached. The reinvestment zone will be established by the Board of Trustees of the Goose Creek Consolidated Independent School District at a later date and will be certified by the ISD.



**City of Baytown, TX**



## **Attachments 22**

### **Order, Resolution, or Ordinance Establishing the Zone**

A resolution of the Board of Trustees of the Goose Creek Consolidated Independent School District establishing the reinvestment zone will be provided at a later date.

**[Insert Appropriate Header Information Here]**

WHEREAS, the Board of Trustees of Goose Creek Consolidated Independent School District (the "District ") desires to encourage the development of primary employment and to attract major investment in the District in accordance with the Texas Economic Development Act (Chapter 313 of the Texas Tax Code); and,

WHEREAS, the District has received an Application for Appraised Value Limitation on Qualified Property by ExxonMobil Corporation (the "EM Application", on \_\_\_\_\_); and,

WHEREAS, the District may designate an area entirely within the boundary of the school district as a reinvestment zone under Section 312.0025 of the Texas Tax Code; and

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the District published notice of a public hearing to be held on \_\_\_\_\_, 2012, regarding the designation of the area shown in blue on the map attached as Exhibit 1, and more particularly described in the attached Exhibit 2 as a reinvestment zone as required by Chapter 312 of the Texas Tax Code;

WHEREAS, the improvements set forth in the EM Application are feasible and of benefit to the reinvestment zone after expiration of an agreement for Appraised Value Limitation on Qualified Property; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibits 1 and 2 and would contribute to the economic development of the District; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.

THEREFORE, BE IT ENACTED BY THE BOARD OF TRUSTEES OF THE GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT, TEXAS:

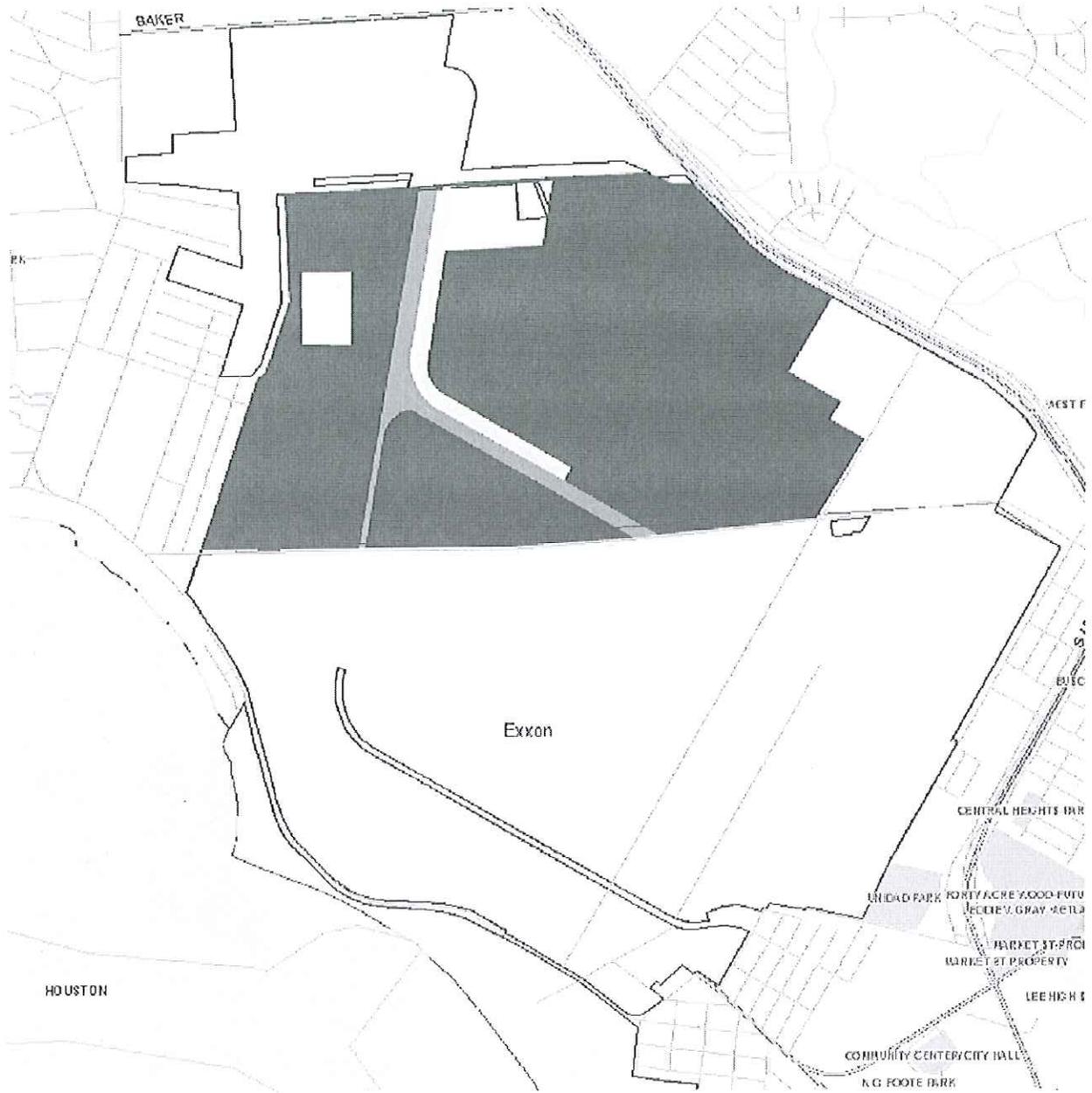
Pursuant to Section 312.0025 of the Texas Tax Code, a reinvestment zone is hereby established for the property described on the attached Exhibit 2.

**[Insert Effective Date and Signature Block Following]**

# Exhibit 1

## MAP OF EXXONMOBIL REINVESTMENT ZONE

The ExxonMobil Reinvestment Zone is depicted on the map below in blue.



## **Exhibit 2**

### **EXXONMOBIL REINVESTMENT ZONE LEGAL DESCRIPTION**

Tract 1: That certain 857.66 acre tract of land known as Tract 8, North Baytown, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0220)

Tract 2: That certain 4.644 acre tract of land known as Tract R-40A, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-0382)

Tract 3: Part of Tract R40-BL (HNS) HOU to BAYTOWN, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0250)

## Attachment 23

### Legal Description of Reinvestment Zone

HCAD Account No.	Owner	Legal Description	Address	Acreage
041-022-002-0220	Exxon Mobil Corp	Tr 8 North Baytown Abst 66 W Scott Survey	2800 Decker Dr Baytown, TX 77520	857.66 Ac.
041-022-002-0382	Exxon Mobil Corp	Tr R40-A Abst 66 W Scott Survey	0 Park St Baytown, TX 77520	4.644 Ac.
041-022-002-0250	Union Pacific Railroad Co	Pt Tr R40 BL (HNS) HOU to BAYTOWN Abst 66 W Scott Survey	0 R R Property Baytown, TX 77520	Portion of RR ROW within the defined Reinvestment Zone

## **Attachment 24**

### **Guidelines and Criteria for Reinvestment Zone**

Not applicable. The proposed reinvestment zone will be created by the Board of Trustees of the Goose Creek Consolidated Independent School district. Creation of the reinvestment zone by the governing body of a school district does not require guidelines and criteria.

Attachment B

Certificate of Account Status



Taxable Entity Search Results

# Franchise Tax Certification of Account Status

## This Certification Not Sufficient for Filings with Secretary of State

Obtain a certification for filings with the Secretary of State.

It takes up to two weeks for this search to update when payment is made through the mail or at a taxpayer service office. This agency may manually issue a Certificate of Account Status (good standing) when an entity makes a payment to bring its account current. The paper certificate issued by our office is valid and represents the entity's status with our office as of the date of the certificate.

Certification of Account Status

Officers And Directors Information

Entity Information:

**EXXON MOBIL CORPORATION**  
4500 DACOMA ST C/O CORP-BH3-211B  
HOUSTON, TX 77092-8614

Status:

**TEMPORARY GOOD STANDING through January 14, 2013**

Registered Agent:

CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO  
211 E. 7TH STREET SUITE 620  
AUSTIN, TX 78701

Registered Agent Resignation Date:

State of Formation:

NJ

File Number:

0003362806

SOS Registration Date:

December 18, 1972

Taxpayer Number:

11354090059

with Texans

Attachment C

State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 27, 2012

Dr. Salvador Cavazos  
Superintendent  
Goose Creek Consolidated Independent School District  
P. O. Box 30  
Baytown, Texas 77522

Dear Superintendent Cavazos:

On Aug. 29, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in August, 2012 to the Goose Creek Consolidated Independent School District (Goose Creek CISD) by Exxon Mobil Corporation (Exxon). 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.

Goose Creek CISD is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$150,152,862) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. Exxon is proposing the construction of a manufacturing facility in Harris County. Exxon is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by 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 Exxon, the Comptroller's recommendation is that Exxon's 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 determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best

<sup>1</sup> All statutory references are to the Texas TaxCode, unless otherwise noted.

interest of the school district and state. As stated above, we prepared the recommendation 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 Aug. 29, 2012, or any tangible personal property placed in service prior to that date may not be considered "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD 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 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The limitation agreement must contain a provision that requires the applicant to provide sufficient information to the Central Appraisal District to distinguish between and separately appraise qualified property (as defined by 313.021(2)) from any property that is not qualified, the district to confirm with the CAD that the applicant has provided such information, and that this office is provided with the CAD approved information not later than the first annual reporting period following the execution of the agreement.
3. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
4. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
5. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at [robert.wood@cpa.state.tx.us](mailto: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

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Exxon Mobil Corporation
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Goose Creek CISD
2011 Enrollment in School District	21,097
County	Harris
Total Investment in District	\$150,152,862
Qualified Investment	\$150,152,862
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	10
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,136
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,136
Minimum Annual Wage committed to by applicant for qualified jobs	\$59,076
Investment per Qualifying Job	\$15,015,286
Estimated 15 year M&O levy without any limit or credit:	\$17,744,416
Estimated gross 15 year M&O tax benefit	\$9,397,764
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):	\$9,321,128
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,573,341
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$8,423,288
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	52.5%
Percentage of tax benefit due to the limitation	83.3%
Percentage of tax benefit due to the credit	16.7%

This presents the Comptroller's economic impact evaluation of Exxon (the project) applying to Goose Creek Consolidated 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 10 new jobs when fully operational. All 10 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Harris County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011 for Harris County is \$78,637. That same year, the county annual average wage for all industries was \$63,128. In addition to a salary of \$59,076, each qualifying position will receive benefits such as 401 (k) savings plan, pension plan, group health benefit for which Exxon Mobil offers to pay at least 80% of the premiums or other charges for employee-only coverage, dental and vision plans, pre-tax spending plans for medical, dental and vision plans, disability plan, life insurance plan, vacation & holiday pay, educational refund program. The project's total investment is \$150 million, resulting in a relative level of investment per qualifying job of \$15 million.

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

According to Exxon's application, "ExxonMobil operates large integrated chemical facilities both domestically and internationally. These locations include Baton Rouge, LA; Beaumont, TX; Singapore, Republic of Singapore. Capital investment decisions are made by the corporation on the basis of economic return. The impact of tax burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location."

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

During the past two years, 21 projects in the Houston-Galveston Area 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 Exxon 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 Exxon'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 Exxon**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	200	196	396	\$12,005,800	\$10,994,200	\$23,000,000
2013	193	220	413	\$11,920,204	\$15,079,796	\$27,000,000
2014	10	50	60	\$637,540	\$6,362,460	\$7,000,000
2015	10	43	53	\$696,230	\$6,303,770	\$7,000,000
2016	10	50	60	\$739,760	\$6,260,240	\$7,000,000
2017	10	46	56	\$749,960	\$5,250,040	\$6,000,000
2018	10	52	62	\$749,960	\$6,250,040	\$7,000,000
2019	10	54	64	\$749,960	\$6,250,040	\$7,000,000
2020	10	56	66	\$749,960	\$6,250,040	\$7,000,000
2021	10	63	73	\$749,960	\$7,250,040	\$8,000,000
2022	10	63	73	\$749,960	\$8,250,040	\$9,000,000
2023	10	62	72	\$749,960	\$8,250,040	\$9,000,000
2024	10	64	74	\$749,960	\$7,250,040	\$8,000,000
2025	10	58	68	\$749,960	\$8,250,040	\$9,000,000
2026	10	60	70	\$749,960	\$9,250,040	\$10,000,000
2027	10	64	74	\$749,960	\$9,250,040	\$10,000,000

Source: CPA, REMI, Exxon

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Goose Creek CISD's ad valorem tax base in 2010 was \$9.5 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Goose Creek CISD's estimated wealth per WADA was \$366,376. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Baytown Industrial District (ETJ), Harris County Hospital District, Harris County Flood Control District, Harris County Education Department, and Lee Jr. College District, with all property tax incentives sought being granted using estimated market value from Exxon's application. Exxon has applied for a value limitation under Chapter 313, Tax Code, and no other tax abatements. Table 3 illustrates the estimated tax impact of the Exxon project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Goose Creek CISD I&S Levy	Goose Creek CISD M&O Levy	Goose Creek CISD M&O and I&S Tax Levies (Before Credit Credited)	Goose Creek CISD M&O and I&S Tax Levies (After Credit Credited)	Harris County Tax Levy	Daytown Industrial District (ETJ) Tax Levy	Harris County Flood Control District Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	Lee Jr. College District Tax Levy	Estimated Total Property Taxes
2013	\$73,574,908	\$73,574,908		\$214,934	\$765,179	\$980,113	\$980,113	\$287,803	\$604,808	\$20,667	\$141,382	\$4,842	\$185,409	\$2,225,024
2014	\$137,707,856	\$137,707,856		\$402,286	\$1,432,162	\$1,834,448	\$1,834,448	\$538,672	\$1,132,000	\$38,682	\$264,619	\$9,063	\$347,024	\$4,164,507
2015	\$134,868,519	\$30,000,000		\$393,991	\$1,120,000	\$705,991	\$705,991	\$527,565	\$1,108,660	\$37,885	\$259,163	\$8,876	\$339,869	\$2,988,009
2016	\$132,029,182	\$30,000,000		\$385,697	\$1,120,000	\$697,697	\$472,934	\$516,459	\$1,085,319	\$37,087	\$253,707	\$8,689	\$332,714	\$2,706,909
2017	\$129,189,844	\$30,000,000		\$377,402	\$1,120,000	\$689,402	\$461,639	\$505,352	\$1,061,979	\$36,289	\$248,251	\$8,502	\$325,558	\$2,650,572
2018	\$126,350,507	\$30,000,000		\$369,108	\$1,120,000	\$681,108	\$456,345	\$494,245	\$1,038,639	\$35,492	\$242,795	\$8,315	\$318,403	\$2,594,235
2019	\$122,091,501	\$30,000,000		\$356,666	\$1,120,000	\$668,666	\$443,903	\$477,585	\$1,013,629	\$34,296	\$234,611	\$8,035	\$307,671	\$2,509,729
2020	\$119,252,164	\$30,000,000		\$348,371	\$1,120,000	\$660,371	\$435,608	\$466,479	\$980,289	\$33,498	\$229,155	\$7,848	\$300,515	\$2,453,392
2021	\$116,412,827	\$30,000,000		\$340,077	\$1,120,000	\$652,077	\$427,314	\$455,372	\$956,948	\$32,700	\$223,699	\$7,661	\$293,360	\$2,397,055
2022	\$112,153,821	\$30,000,000		\$327,635	\$1,120,000	\$639,635	\$414,872	\$438,712	\$921,938	\$31,504	\$215,515	\$7,381	\$282,628	\$2,312,549
2023	\$107,894,815	\$107,894,815		\$315,193	\$1,122,106	\$1,437,299	\$1,437,299	\$422,052	\$886,928	\$30,308	\$207,331	\$7,101	\$271,895	\$3,262,913
2024	\$105,055,478	\$105,055,478		\$306,899	\$1,092,577	\$1,399,476	\$1,399,476	\$410,946	\$863,588	\$29,510	\$201,875	\$6,914	\$264,740	\$3,177,047
2025	\$100,796,472	\$100,796,472		\$294,457	\$1,048,283	\$1,342,740	\$1,342,740	\$394,286	\$828,577	\$28,314	\$193,691	\$6,633	\$254,007	\$3,048,248
2026	\$96,537,466	\$96,537,466		\$282,015	\$1,003,990	\$1,286,005	\$1,286,005	\$377,626	\$793,567	\$27,117	\$185,506	\$6,353	\$243,274	\$2,919,448
2027	\$92,278,460	\$92,278,460		\$269,573	\$959,696	\$1,229,269	\$1,229,269	\$360,966	\$758,557	\$25,921	\$177,322	\$6,073	\$232,542	\$2,790,649
						Total	\$13,330,956	\$6,674,118	\$14,025,425	\$479,270	\$3,278,622	\$112,285	\$4,299,608	\$42,100,284

Assumes School Value Limitation.

Source: CPA, Exxon

<sup>1</sup>Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Goose Creek CISD I&S Levy	Goose Creek CISD M&O Levy	Goose Creek CISD M&O and I&S Tax Levies	Harris County Tax Levy	Daytown Industrial District (ETJ) Tax Levy	Harris County Flood Control District Tax Levy	Harris County Hospital District Tax Levy	Harris County Education Department Tax Levy	Lee Jr. College District Tax Levy	Estimated Total Property Taxes	
2013	\$73,574,908	\$73,574,908		\$214,934	\$765,179	\$980,113	\$287,803	\$604,808	\$20,667	\$141,382	\$4,842	\$185,409	\$2,225,024	
2014	\$137,707,856	\$137,707,856		\$402,286	\$1,432,162	\$1,834,448	\$538,672	\$1,132,000	\$38,682	\$264,619	\$9,063	\$347,024	\$4,164,507	
2015	\$134,868,519	\$134,868,519		\$393,991	\$1,402,633	\$1,796,624	\$527,565	\$1,108,660	\$37,885	\$259,163	\$8,876	\$339,869	\$4,078,641	
2016	\$132,029,182	\$132,029,182		\$385,697	\$1,373,103	\$1,758,800	\$516,459	\$1,085,319	\$37,087	\$253,707	\$8,689	\$332,714	\$3,992,735	
2017	\$129,189,844	\$129,189,844		\$377,402	\$1,343,574	\$1,720,977	\$505,352	\$1,061,979	\$36,289	\$248,251	\$8,502	\$325,558	\$3,906,909	
2018	\$126,350,507	\$126,350,507		\$369,108	\$1,314,045	\$1,683,153	\$494,245	\$1,038,639	\$35,492	\$242,795	\$8,315	\$318,403	\$3,821,043	
2019	\$122,091,501	\$122,091,501		\$356,666	\$1,269,752	\$1,626,418	\$477,585	\$1,013,629	\$34,296	\$234,611	\$8,035	\$307,671	\$3,692,244	
2020	\$119,252,164	\$119,252,164		\$348,371	\$1,240,223	\$1,588,594	\$466,479	\$980,289	\$33,498	\$229,155	\$7,848	\$300,515	\$3,606,377	
2021	\$116,412,827	\$116,412,827		\$340,077	\$1,210,693	\$1,550,770	\$455,372	\$956,948	\$32,700	\$223,699	\$7,661	\$293,360	\$3,520,511	
2022	\$112,153,821	\$112,153,821		\$327,635	\$1,166,400	\$1,494,035	\$438,712	\$921,938	\$31,504	\$215,515	\$7,381	\$282,628	\$3,391,712	
2023	\$107,894,815	\$107,894,815		\$315,193	\$1,122,106	\$1,437,299	\$422,052	\$886,928	\$30,308	\$207,331	\$7,101	\$271,895	\$3,262,913	
2024	\$105,055,478	\$105,055,478		\$306,899	\$1,092,577	\$1,399,476	\$410,946	\$863,588	\$29,510	\$201,875	\$6,914	\$264,740	\$3,177,047	
2025	\$100,796,472	\$100,796,472		\$294,457	\$1,048,283	\$1,342,740	\$394,286	\$828,577	\$28,314	\$193,691	\$6,633	\$254,007	\$3,048,248	
2026	\$96,537,466	\$96,537,466		\$282,015	\$1,003,990	\$1,286,005	\$377,626	\$793,567	\$27,117	\$185,506	\$6,353	\$243,274	\$2,919,448	
2027	\$92,278,460	\$92,278,460		\$269,573	\$959,696	\$1,229,269	\$360,966	\$758,557	\$25,921	\$177,322	\$6,073	\$232,542	\$2,790,649	
						Total	\$22,728,720	\$6,674,118	\$14,025,425	\$479,270	\$3,278,622	\$112,285	\$4,299,608	\$51,598,048

Source: CPA, Exxon

<sup>1</sup>Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$17,744,416. The estimated gross 15 year M&O tax benefit, or levy loss, is \$9,397,764.

Attachment 3 is an economic overview of Harris County.

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



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

November 26, 2012

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 Exxon Mobil project for the Goose Creek Consolidated Independent School District (GCCISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Exxon Mobil project on GCCISD are correct.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie, Manager  
State Funding Division

AM/bd



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

November 26, 2012

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 Exxon Mobil project on the number and size of school facilities in Goose Creek Consolidated Independent School District (GCCISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the GCCISD superintendent, Dr. Salvador Cavazos, the TEA has found that the Exxon Mobil project would not have a significant impact on the number or size of school facilities in GCCISD.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Al McKenzie', with a long horizontal flourish extending to the right.

Al McKenzie, Manager  
State Funding Division

AM/bd

## Harris County

### Population

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

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

### Economy and Income

#### *Employment*

- September 2011 total employment in Harris County: 1.9 million, up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.  
(October 2011 employment data will be available November 18, 2011).
- September 2011 Harris County unemployment rate: 8.6 percent, up from 8.3 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

#### *Income*

- Harris County's ranking in per capita personal income in 2009: 7th with an average per capita income of \$48,337, down 6.1 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

#### *Industry*

- Agricultural cash values in Harris County averaged \$419.01 million annually from 2007 to 2010. County total agricultural values in 2010 were unchanged 0.0 percent from 2009. Major agriculture related commodities in Harris County during 2010 included:
  - Timber                      • Horses                      • Hay                      • Other Beef                      • Nursery
- 2011 oil and gas production in Harris County: 756,538.0 barrels of oil and 13.6 million Mcf of gas. In September 2011, there were 328 producing oil wells and 146 producing gas wells.

### Taxes

#### *Sales Tax - Taxable Sales*

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).  
Quarterly (September 2010 through December 2010)

- Taxable sales in Harris County during the fourth quarter 2010: \$16.08 billion, up 11.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

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

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

*Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)*

- Taxable sales in Harris County through the fourth quarter of 2010: \$58.57 billion, up 0.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

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

*Annual (2010)*

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

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

### ***Sales Tax – Local Sales Tax Allocations***

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

#### ***Monthly***

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Harris County based on the sales activity month of August 2011: \$50.26 million, up 11.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

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

Harris County

Taylor Lake Village:	\$3,504.55, down 8.0 percent from August 2010.
Piney Point Village:	\$20,019.31, up 91.3 percent from August 2010.
El Lago:	\$10,406.16, up 2.7 percent from August 2010.
Hedwig Village:	\$110,761.01, up 4.8 percent from August 2010.
Southside Place:	\$24,973.30, up 0.1 percent from August 2010.
Shoreacres*:	\$5,381.38, up 16.4 percent from August 2010.
Hilshire Village:	\$3,000.30, up 13.7 percent from August 2010.
Morgan's Point:	\$22,653.71, down 3.0 percent from August 2010.

*Fiscal Year*

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Harris County based on sales activity months from September 2010 through August 2011: \$604.18 million, up 5.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

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

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Harris County based on sales activity months through August 2011: \$397.02 million, up 6.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

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

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

#### 12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Harris County based on sales activity in the 12 months ending in August 2011: \$604.18 million, up 5.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

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

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

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

*Annual (2010)*

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Harris County based on sales activity months in 2010: \$579.94 million, up 0.7 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

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

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

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

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

### Property Tax

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

### State Expenditures

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

### Higher Education

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

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

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

### School Districts

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

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

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

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED EXXON  
MOBIL CORPORATION SYNTHETIC LUBRICANT  
MANUFACTURING PROJECT ON THE FINANCES OF THE GOOSE  
CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE  
LIMITATION**

**October 15, 2012**

**Final Report**

**PREPARED BY**



# **Estimated Impact of the Proposed Exxon Mobil Corporation Synthetic Lubricant Manufacturing Project on the Finances of the Goose Creek Consolidated Independent School District under a Requested Chapter 313 Property Value Limitation**

## **Introduction**

Exxon Mobil Corporation (Exxon Mobil) has requested that the Goose Creek Consolidated Independent School District (GCCISD) 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 GCCISD on August 13, 2012, Exxon Mobil proposes to invest \$150 million to construct a new synthetic lubricant manufacturing project in GCCISD.

The Exxon Mobil 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, GCCISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2013-14 and 2014-15 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 2013-14 and 2014-15 school years. Beginning in the 2015-16 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with GCCISD currently levying a \$0.292 I&S tax rate. The full value of the investment is expected to reach \$144 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Exxon Mobil 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. GCCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$76,636).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$9.3 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

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## School Finance Mechanics

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

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, assuming a similar deduction is made in the state property values.

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

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 815 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 209 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. As a result, the number of ASATR districts is expected to decrease to 421, with 603 districts expected to be operating on state formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The recent legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Exxon

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

### **Underlying Assumptions**

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

The general approach used here is to show modest increases in enrollment and stable base property values. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding the 92.35 percent reduction enacted for the 2012-13 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was 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 Exxon Mobil Corporation project are factored into the base model used here. The impact of the limitation value for the proposed Exxon Mobil project is isolated separately and the focus of this analysis.

The enrollment counts used here reflect modest enrollment gains in students in average daily attendance (ADA) in analyzing the effects of the Exxon Mobil project on the finances of GCCISD. The District's local tax base reached \$8.5 billion for the 2012 tax year and is maintained for the forecast period with about two percent annual growth. An M&O tax rate of \$1.04 is used throughout this analysis. GCCISD has estimated state property wealth per weighted ADA or WADA of approximately \$314,676 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 GCCISD under the assumptions outlined above through the 2027-28 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88<sup>th</sup> 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 Exxon Mobil 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 Exxon Mobil value but imposes the proposed property value limitation effective in the third year, which in this case is the 2015-16 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. The model results show approximately \$150 million a year in annual net General Fund revenue.

Under these assumptions, GCCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$76,636). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study. Nearly all of the reduction in M&O revenue in the 2015-16 school year is offset by an increase in ASATR funding.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year, although it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2015-16 school year. The formula loss of \$76,636 cited above between the base and the limitation models is based on an assumption of M&O tax savings for Exxon Mobil of about \$1.1 million when the \$30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding offsets nearly all of the reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses little financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$30 million value limitation takes effect.

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. The Comptroller's Property Tax Assistance Division now makes two value determinations for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

### **Impact on the Taxpayer**

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$7.8 million over the life of the agreement. In addition, Exxon Mobil would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$1.6 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 GCCISD revenue losses are expected to total approximately -\$76,636 in the first year the \$30 million value limitation takes effect. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$9.3 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Exxon Mobil under the value limitation agreement for the remaining years that the limitation is in effect.

### **Facilities Funding Impact**

The Exxon Mobil project remains fully taxable for debt services taxes, with GCCISD currently levying a \$0.292 I&S rate. The value of the Exxon Mobil 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 requirements.

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

### **Conclusion**

The proposed Exxon Mobil synthetic lubricant manufacturing project enhances the tax base of GCCISD. 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 \$9.3 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of GCCISD in meeting its future debt service obligations.

**Table 1 – Base District Information with Exxon Mobil Corporation 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	2012-13	20,146.90	26,711.21	\$1.0400	\$0.2921	\$8,458,364,934	\$8,458,364,934	\$8,405,377,131	\$8,405,377,131	\$314,676	\$314,676
1	2013-14	20,296.90	26,867.51	\$1.0400	\$0.2921	\$8,701,107,141	\$8,701,107,141	\$8,573,894,529	\$8,573,894,529	\$319,118	\$319,118
2	2014-15	20,446.90	27,023.81	\$1.0400	\$0.2921	\$8,937,790,734	\$8,937,790,734	\$8,818,947,328	\$8,818,947,328	\$326,340	\$326,340
3	2015-16	20,598.01	27,629.21	\$1.0400	\$0.2921	\$9,110,953,055	\$9,006,084,536	\$9,057,987,724	\$9,057,987,724	\$327,841	\$327,841
4	2016-17	20,750.23	27,833.40	\$1.0400	\$0.2921	\$9,287,635,409	\$9,185,606,227	\$9,233,553,985	\$9,128,685,466	\$331,744	\$327,976
5	2017-18	20,903.58	28,039.10	\$1.0400	\$0.2921	\$9,467,908,196	\$9,368,718,352	\$9,412,688,358	\$9,310,659,176	\$335,699	\$332,060
6	2018-19	21,058.07	28,246.32	\$1.0400	\$0.2921	\$9,651,843,226	\$9,555,492,719	\$9,595,462,204	\$9,496,272,360	\$339,707	\$336,195
7	2019-20	21,213.69	28,455.07	\$1.0400	\$0.2921	\$9,838,094,075	\$9,746,002,574	\$9,781,948,314	\$9,685,597,807	\$343,768	\$340,382
8	2020-21	21,370.47	28,665.36	\$1.0400	\$0.2921	\$10,029,574,790	\$9,940,322,626	\$9,970,801,265	\$9,878,709,764	\$347,834	\$344,622
9	2021-22	21,528.40	28,877.21	\$1.0400	\$0.2921	\$10,224,941,906	\$10,138,529,079	\$10,164,936,123	\$10,075,683,959	\$352,005	\$348,915
10	2022-23	21,687.50	29,090.63	\$1.0400	\$0.2921	\$10,422,853,482	\$10,340,699,661	\$10,363,010,466	\$10,276,597,639	\$356,232	\$353,261
11	2023-24	21,847.78	29,305.62	\$1.0400	\$0.2921	\$10,624,808,469	\$10,624,808,469	\$10,563,683,413	\$10,481,529,592	\$360,466	\$357,663
12	2024-25	22,009.24	29,522.20	\$1.0400	\$0.2921	\$10,832,307,406	\$10,832,307,406	\$10,768,454,999	\$10,768,454,999	\$364,758	\$364,758
13	2025-26	22,171.90	29,740.38	\$1.0400	\$0.2921	\$11,042,593,439	\$11,042,593,439	\$10,978,826,866	\$10,978,826,866	\$369,156	\$369,156
14	2026-27	22,335.75	29,960.17	\$1.0400	\$0.2921	\$11,257,170,372	\$11,257,170,372	\$11,192,043,288	\$11,192,043,288	\$373,564	\$373,564
15	2027-28	22,500.82	30,181.59	\$1.0400	\$0.2921	\$11,476,124,025	\$11,476,124,025	\$11,409,609,219	\$11,409,609,219	\$378,032	\$378,032

\*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

**Table 2-- "Baseline Revenue Model"--Project Value Added with No Value Limitation**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	\$83,931,369	\$53,959,527	\$5,820,799	\$0	\$0	\$3,352,891	\$3,036,948	\$0	\$150,101,533
1	2013-14	\$86,306,409	\$53,059,026	\$5,181,715	\$0	\$0	\$3,447,769	\$3,031,432	\$0	\$151,026,350
2	2014-15	\$88,621,991	\$51,393,133	\$5,367,480	\$0	\$0	\$3,540,272	\$2,965,524	\$0	\$151,888,399
3	2015-16	\$90,339,002	\$52,053,363	\$6,226,308	\$0	\$0	\$3,608,863	\$2,992,614	\$0	\$155,220,150
4	2016-17	\$92,068,949	\$51,333,985	\$6,307,207	\$0	\$0	\$3,677,971	\$2,970,774	\$0	\$156,358,885
5	2017-18	\$93,834,062	\$50,586,585	\$0	\$0	\$0	\$3,748,483	\$2,947,895	\$0	\$151,117,025
6	2018-19	\$95,635,044	\$49,810,503	\$0	\$0	\$0	\$3,820,429	\$2,923,953	\$0	\$152,189,929
7	2019-20	\$97,458,417	\$49,005,070	\$0	\$0	\$0	\$3,893,269	\$2,898,498	\$0	\$153,255,254
8	2020-21	\$99,333,307	\$48,183,796	\$0	\$0	\$0	\$3,968,167	\$2,873,334	\$0	\$154,358,604
9	2021-22	\$101,246,262	\$47,317,588	\$0	\$0	\$0	\$4,044,586	\$2,846,041	\$0	\$155,454,477
10	2022-23	\$103,183,848	\$46,419,932	\$0	\$0	\$0	\$4,121,989	\$2,817,189	\$0	\$156,542,957
11	2023-24	\$105,145,456	\$45,504,293	\$0	\$0	\$0	\$4,200,351	\$2,787,685	\$0	\$157,637,785
12	2024-25	\$107,177,806	\$44,555,729	\$0	\$0	\$0	\$4,281,539	\$2,757,757	\$0	\$158,772,831
13	2025-26	\$109,237,445	\$43,559,282	\$0	\$0	\$0	\$4,363,818	\$2,725,284	\$0	\$159,885,829
14	2026-27	\$111,339,113	\$42,542,573	\$0	\$0	\$0	\$4,447,775	\$2,692,448	\$0	\$161,021,909
15	2027-28	\$113,483,648	\$41,490,612	\$0	\$0	\$0	\$4,533,445	\$2,658,291	\$0	\$162,165,996

**Table 3--“Value Limitation Revenue Model”--Project Value Added with Value Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	\$83,931,369	\$53,959,527	\$5,820,799	\$0	\$0	\$3,352,891	\$3,036,948	\$0	\$150,101,533
1	2013-14	\$86,306,409	\$53,059,026	\$5,181,715	\$0	\$0	\$3,447,769	\$3,031,432	\$0	\$151,026,350
2	2014-15	\$88,621,991	\$51,393,133	\$5,367,480	\$0	\$0	\$3,540,272	\$2,965,524	\$0	\$151,888,399
3	2015-16	\$89,290,265	\$52,053,363	\$7,275,045	\$0	\$0	\$3,566,968	\$2,957,873	\$0	\$155,143,514
4	2016-17	\$91,048,606	\$52,382,723	\$6,278,812	\$0	\$0	\$3,637,210	\$3,013,384	\$0	\$156,360,734
5	2017-18	\$92,842,113	\$51,606,928	\$0	\$0	\$0	\$3,708,857	\$2,989,337	\$0	\$151,147,236
6	2018-19	\$94,671,491	\$50,802,451	\$0	\$0	\$0	\$3,781,937	\$2,964,229	\$0	\$152,220,108
7	2019-20	\$96,537,456	\$49,968,623	\$0	\$0	\$0	\$3,856,479	\$2,938,032	\$0	\$153,300,590
8	2020-21	\$98,440,741	\$49,104,757	\$0	\$0	\$0	\$3,932,511	\$2,910,720	\$0	\$154,388,729
9	2021-22	\$100,382,091	\$48,210,155	\$0	\$0	\$0	\$4,010,064	\$2,882,266	\$0	\$155,484,577
10	2022-23	\$102,362,268	\$47,284,103	\$0	\$0	\$0	\$4,089,168	\$2,852,642	\$0	\$156,588,182
11	2023-24	\$105,145,456	\$46,325,872	\$0	\$0	\$0	\$4,200,351	\$2,842,457	\$0	\$158,514,136
12	2024-25	\$107,177,806	\$44,555,729	\$0	\$0	\$0	\$4,281,539	\$2,757,757	\$0	\$158,772,831
13	2025-26	\$109,237,445	\$43,559,282	\$0	\$0	\$0	\$4,363,818	\$2,725,284	\$0	\$159,885,829
14	2026-27	\$111,339,113	\$42,542,573	\$0	\$0	\$0	\$4,447,775	\$2,692,448	\$0	\$161,021,909
15	2027-28	\$113,483,648	\$41,490,612	\$0	\$0	\$0	\$4,533,445	\$2,658,291	\$0	\$162,165,996

**Table 4 – Value Limit less Project Value with No Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2015-16	-\$1,048,737	\$0	\$1,048,737	\$0	\$0	-\$41,895	-\$34,741	\$0	-\$76,636
4	2016-17	-\$1,020,343	\$1,048,738	-\$28,395	\$0	\$0	-\$40,761	\$42,610	\$0	\$1,849
5	2017-18	-\$991,949	\$1,020,343	\$0	\$0	\$0	-\$39,626	\$41,442	\$0	\$30,210
6	2018-19	-\$963,553	\$991,948	\$0	\$0	\$0	-\$38,492	\$40,276	\$0	\$30,179
7	2019-20	-\$920,961	\$963,553	\$0	\$0	\$0	-\$36,791	\$39,535	\$0	\$45,336
8	2020-21	-\$892,566	\$920,961	\$0	\$0	\$0	-\$35,656	\$37,386	\$0	\$30,125
9	2021-22	-\$864,171	\$892,567	\$0	\$0	\$0	-\$34,522	\$36,225	\$0	\$30,100
10	2022-23	-\$821,579	\$864,171	\$0	\$0	\$0	-\$32,820	\$35,454	\$0	\$45,225
11	2023-24	\$0	\$821,579	\$0	\$0	\$0	\$0	\$54,772	\$0	\$876,351
12	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial Impact of the Exxon Mobil Corporation Project Property Value Limitation Request Submitted to GCCISD at \$1.04 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2012-13	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2013-14	\$73,574,908	\$73,574,908	\$0	\$1.040	\$765,179	\$765,179	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$137,707,856	\$137,707,856	\$0	\$1.040	\$1,432,162	\$1,432,162	\$0	\$0	\$0	\$0	\$0
3	2015-16	\$134,868,519	\$30,000,000	\$104,868,519	\$1.040	\$1,402,633	\$312,000	\$1,090,633	\$0	\$1,090,633	-\$76,636	\$1,013,997
4	2016-17	\$132,029,182	\$30,000,000	\$102,029,182	\$1.040	\$1,373,103	\$312,000	\$1,061,103	\$224,763	\$1,285,866	\$0	\$1,285,866
5	2017-18	\$129,189,844	\$30,000,000	\$99,189,844	\$1.040	\$1,343,574	\$312,000	\$1,031,574	\$224,763	\$1,256,337	\$0	\$1,256,337
6	2018-19	\$126,350,507	\$30,000,000	\$96,350,507	\$1.040	\$1,314,045	\$312,000	\$1,002,045	\$224,763	\$1,226,808	\$0	\$1,226,808
7	2019-20	\$122,091,501	\$30,000,000	\$92,091,501	\$1.040	\$1,269,752	\$312,000	\$957,752	\$224,763	\$1,182,515	\$0	\$1,182,515
8	2020-21	\$119,252,164	\$30,000,000	\$89,252,164	\$1.040	\$1,240,223	\$312,000	\$928,223	\$224,763	\$1,152,985	\$0	\$1,152,985
9	2021-22	\$116,412,827	\$30,000,000	\$86,412,827	\$1.040	\$1,210,693	\$312,000	\$898,693	\$224,763	\$1,123,456	\$0	\$1,123,456
10	2022-23	\$112,153,821	\$30,000,000	\$82,153,821	\$1.040	\$1,166,400	\$312,000	\$854,400	\$224,763	\$1,079,163	\$0	\$1,079,163
11	2023-24	\$107,894,815	\$107,894,815	\$0	\$1.040	\$1,122,106	\$1,122,106	\$0	\$0	\$0	\$0	\$0
12	2024-25	\$105,055,478	\$105,055,478	\$0	\$1.040	\$1,092,577	\$1,092,577	\$0	\$0	\$0	\$0	\$0
13	2025-26	\$100,796,472	\$100,796,472	\$0	\$1.040	\$1,048,283	\$1,048,283	\$0	\$0	\$0	\$0	\$0
14	2026-27	\$96,537,466	\$96,537,466	\$0	\$1.040	\$1,003,990	\$1,003,990	\$0	\$0	\$0	\$0	\$0
15	2027-28	\$92,278,460	\$92,278,460	\$0	\$1.040	\$959,696	\$959,696	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>						<b>\$17,744,416</b>	<b>\$9,919,993</b>	<b>\$7,824,423</b>	<b>\$1,573,341</b>	<b>\$9,397,764</b>	<b>-\$76,636</b>	<b>\$9,321,128</b>
<b>Tax Credit for Value Over Limit in First 2 Years</b>								<b>Year 1</b>	<b>Year 2</b>	<b>Max Credits</b>		
								\$453,179	\$1,120,162	\$1,573,341		
								Credits Earned		\$1,573,341		
								Credits Paid		<u>\$1,573,341</u>		
								Excess Credits Unpaid		\$0		

**\*Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment F

Taxable Value of Property

DATE: 06/26/2012  
 TIME: 10:23:59

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2011 ISD SUMMARY WORKSHEET  
 036/Chambers  
 101-911/Goose Creek CISD

PAGE: 001  
 REPT: PTS265  
 VRSN: F

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	286,428,240	N/A	286,428,240	286,428,240
B. MULTIFAMILY RESIDENCES	345,230	N/A	345,230	345,230
C. VACANT LOTS	6,336,540	N/A	6,336,540	6,336,540
D. RURAL REAL(TAXABLE)	14,720,030	N/A	14,720,030	14,720,030
F1. COMMERCIAL REAL	10,654,100	N/A	10,654,100	10,654,100
F2. INDUSTRIAL REAL	1,733,366,848	N/A	1,733,366,848	1,733,366,848
G. OIL,GAS,MINERALS	14,540,811	N/A	14,540,811	14,540,811
J. UTILITIES	36,484,068	N/A	36,484,068	36,484,068
L1. COMMERCIAL PERSONAL	5,525,630	N/A	5,525,630	5,525,630
L2. INDUSTRIAL PERSONAL	564,383,320	N/A	564,383,320	564,383,320
M. MOBILE HOMES	1,233,960	N/A	1,233,960	1,233,960
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	2,488,660	N/A	2,488,660	2,488,660
S. SPECIAL INVENTORY	433,950	N/A	433,950	433,950
SUBTOTAL	2,676,941,387		2,676,941,387	2,676,941,387
LESS TOTAL DEDUCTIONS	332,501,407		332,501,407	332,501,407
TOTAL TAXABLE VALUE	2,344,439,980		2,344,439,980	2,344,439,980 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	14,258,350	N/A	14,258,350
PROD VALUE QUALIFIED ACRES	461,680	N/A	461,680
TAXABLE VALUE	14,720,030		14,720,030

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT  
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

DATE: 06/26/2012  
 TIME: 10:23:59

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2011 FINAL VALUES WORKSHEET  
 036/Chambers  
 101-911/Goose Creek CISD

PAGE: 002  
 REPT: PTS265  
 VRSN: F

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH. THESE MEASURES ARE REPORTED FOR TAXABLE VALUES FOR MAINTENANCE AND OPERATIONS (M&O) TAX PURPOSES AND FOR INTEREST AND SINKING FUND (I&S) TAX PURPOSES. FOR DISTRICTS THAT HAVE NOT ENTERED INTO VALUE LIMITATION AGREEMENTS, T1 THROUGH T6 WILL BE THE SAME AS T7 THROUGH T12.

VALUE TAXABLE FOR M&O PURPOSES

T1	T2	T3	T4	T5	T6
2,363,038,860	2,344,439,980	2,351,105,975	2,332,507,095	2,346,556,290	2,334,623,405
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>18,598,880</u>		<u>11,932,885</u>		

T1 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES AFTER THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION  
 T3 = T1 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T4 = T2 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

VALUE TAXABLE FOR I&S PURPOSES

T7	T8	T9	T10	T11	T12
2,363,038,860	2,344,439,980	2,351,105,975	2,332,507,095	2,346,556,290	2,334,623,405
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>18,598,880</u>		<u>11,932,885</u>		

T7 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T8 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES AFTER THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION  
 T9 = T7 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T10 = T8 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T11 = T8 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T12 = T11 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	2,181,760,820	1.0187	2,141,710,828	2,181,760,820
B. MULTIFAMILY RESIDENCES	218,859,907	.9900	221,070,613	218,859,907
C. VACANT LOTS	106,400,783	N/A	106,400,783	106,400,783
D. RURAL REAL(TAXABLE)	39,750,719	.9994	39,775,217	39,750,719
F1. COMMERCIAL REAL	626,107,796	.9657	648,346,066	626,107,796
F2. INDUSTRIAL REAL	2,553,112,151	N/A	2,553,112,151	2,553,112,151
G. OIL,GAS,MINERALS	55,900,190	N/A	55,900,190	55,900,190
J. UTILITIES	141,209,316	N/A	141,209,316	141,209,316
L1. COMMERCIAL PERSONAL	260,512,708	.9609	271,113,236	260,512,708
L2. INDUSTRIAL PERSONAL	326,755,691	N/A	326,755,691	326,755,691
M. MOBILE HOMES	29,149,311	N/A	29,149,311	29,149,311
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	8,111,756	N/A	8,111,756	8,111,756
S. SPECIAL INVENTORY	21,635,269	N/A	21,635,269	21,635,269
SUBTOTAL	6,569,266,417		6,564,290,427	6,569,266,417
LESS TOTAL DEDUCTIONS	508,329,266		508,212,186	508,329,266
TOTAL TAXABLE VALUE	6,060,937,151		6,056,078,241	6,060,937,151 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	38,572,895	N/A	38,572,895
PROD VALUE QUALIFIED ACRES	1,177,824	.9796	1,202,322
TAXABLE VALUE	39,750,719		39,775,217

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT  
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

DATE: 06/26/2012  
 TIME: 10:23:59

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2011 FINAL VALUES WORKSHEET  
 101/Harris  
 101-911/Goose Creek CISD

PAGE: 004  
 REPT: PTS265  
 VRSN: F

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH. THESE MEASURES ARE REPORTED FOR TAXABLE VALUES FOR MAINTENANCE AND OPERATIONS (M&O) TAX PURPOSES AND FOR INTEREST AND SINKING FUND (I&S) TAX PURPOSES. FOR DISTRICTS THAT HAVE NOT ENTERED INTO VALUE LIMITATION AGREEMENTS, T1 THROUGH T6 WILL BE THE SAME AS T7 THROUGH T12.

VALUE TAXABLE FOR M&O PURPOSES

T1	T2	T3	T4	T5	T6
6,237,308,964	6,060,937,151	6,149,848,172	5,973,476,359	6,060,937,151	5,973,476,359
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>176,371,813</u>		<u>87,460,792</u>		

T1 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T2 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES AFTER THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION  
 T3 = T1 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T4 = T2 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

VALUE TAXABLE FOR I&S PURPOSES

T7	T8	T9	T10	T11	T12
6,237,308,964	6,060,937,151	6,149,848,172	5,973,476,359	6,060,937,151	5,973,476,359
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>176,371,813</u>		<u>87,460,792</u>		

T7 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION  
 T8 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES AFTER THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION  
 T9 = T7 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T10 = T8 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION  
 T11 = T8 BEFORE THE LOSS TO THE TAX CEILING REDUCTION  
 T12 = T11 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

DATE: 06/26/2012  
 TIME: 10:23:59

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION  
 2011 ISD SUMMARY WORKSHEET  
 101-911/Goose Creek CISD  
 SCHOOL DISTRICT TOTALS

PAGE: 005  
 REPT: PTS265  
 VRSN: F

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	2,468,189,060	1.0165	2,428,139,068	2,468,189,060
B. MULTIFAMILY RESIDENCES	219,205,137	.9900	221,415,843	219,205,137
C. VACANT LOTS	112,737,323	N/A	112,737,323	112,737,323
D. RURAL REAL(TAXABLE)	54,470,749	.9996	54,495,247	54,470,749
F1. COMMERCIAL REAL	636,761,896	.9663	659,000,166	636,761,896
F2. INDUSTRIAL REAL	4,286,478,999	N/A	4,286,478,999	4,286,478,999
G. OIL,GAS,MINERALS	70,441,001	N/A	70,441,001	70,441,001
J. UTILITIES	177,693,384	N/A	177,693,384	177,693,384
L1. COMMERCIAL PERSONAL	266,038,338	.9617	276,638,866	266,038,338
L2. INDUSTRIAL PERSONAL	891,139,011	N/A	891,139,011	891,139,011
M. MOBILE HOMES	30,383,271	N/A	30,383,271	30,383,271
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	10,600,416	N/A	10,600,416	10,600,416
S. SPECIAL INVENTORY	22,069,219	N/A	22,069,219	22,069,219
SUBTOTAL	9,246,207,804		9,241,231,814	9,246,207,804
LESS TOTAL DEDUCTIONS	840,830,673		840,713,593	840,830,673
TOTAL TAXABLE VALUE	8,405,377,131		8,400,518,221	8,405,377,131 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED			
ACRES & FARM/RANCH IMP	52,831,245	1.0000	52,831,245
PROD VALUE QUALIFIED ACRES	1,639,504	.9853	1,664,002
TAXABLE VALUE	54,470,749		54,495,247

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT  
 SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

\*\*\*\*\* END OF REPORT \*\*\*\*\*

Attachment G

Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE  
OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES**

---

by and between

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

and

**EXXON MOBIL CORPORATION**

*(Texas Taxpayer ID # 11354090059)*

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COMPTROLLER APPLICATION NUMBER 242

Dated

December 10, 2012

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR  
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

*STATE OF TEXAS* §

*COUNTY OF HARRIS* §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **EXXON MOBIL CORPORATION**, a New Jersey Corporation (Texas Taxpayer Identification Number 11354090059), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

**RECITALS**

*WHEREAS*, on July 25, 2012, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, and on August 6, 2012 submitted supplemental Application materials; and,

*WHEREAS*, on August 13, 2012, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Exxon Mobil Corporation, and on August 14, 2012, the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and on August 15, 2012 determined the Application to be complete; and,

*WHEREAS*, the Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") for review pursuant to Texas Tax Code §313.025(d); and,

*WHEREAS*, the Comptroller has established August 20, 2012 as the completed Application date; and,

*WHEREAS*, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Harris County Appraisal District established in Harris County, Texas (the "County Appraisal District"), pursuant to Texas Tax Code §6.01; and,

**WHEREAS**, on the Completed Application Date, there were existing improvements on the site Described in **EXHIBIT 3**, below, including: foundations, warehouse, existing tanks, pipe rack, a remote instrument enclosure, and a road located just South of 7th Street; which owing to the date of their construction were made before filing a complete application with the District. These items were explicitly identified by description and by photograph by Applicant in its Completed Application. These assets are currently on the assessment roll of Harris County under Account 041-022-002-0220 together with other assets part of Exxon Mobil's Baytown Chemical plant (neither qualified property nor eligible to become qualified investment). It has been determined by the parties that as of the Completed Application Date, these assets had a taxable value of \$6,211,568.00, which amount is specifically excluded from this Application under the terms set forth in **EXHIBIT 3**, below; and,

**WHEREAS**, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on November 27, 2012, the Comptroller's Office, via letter, recommended that the Application be approved; and,

**WHEREAS**, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was presented to the Board of Trustees at the December 10, 2012 public hearing held in connection with the Board's consideration of the Application; and,

**WHEREAS**, the Board of Trustees has carefully reviewed the economic impact evaluation pursuant to Texas Tax Code §313.026, and has carefully considered the economic impact evaluation and the Comptroller's positive recommendation for the project; and,

**WHEREAS**, on December 10, 2012, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

**WHEREAS**, on December 10, 2012, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (iv) each criterion listed in Texas Tax Code §313.025(e) has been met; and,

**WHEREAS**, on December 10, 2012, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§313.022(b) and 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

**WHEREAS**, on December 7, 2012, 2012, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on November 27, 2012 that the Application be approved; and,

*WHEREAS*, on December 10, 2012, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

*NOW, THEREFORE*, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

## ARTICLE I

### AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

#### Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §313.027.

#### Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2015, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 10, 2012 and ending on December 31, 2014 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2022. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

<b>Full Tax Year of Agreement</b>	<b>Date of Appraisal</b>	<b>School Year</b>	<b>Tax Year</b>	<b>Summary Description of Provisions</b>
Partial Year Commencing on date of Board approval (12/10/12)	January 1, 2012	2012-13	2012	Start of Qualifying Time Period beginning with Commencement Date (12/10/12). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2013	2013-14	2013	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2015	2015-16	2015	\$ 30 million property value limitation.
4	January 1, 2016	2016-17	2016	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2019	2019-20	2019	\$30 million property value limitation. Possible Tax Credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
8	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2021	2021-22	2021	\$30 million property value limitation. Possible Tax Credit due to Applicant.
10	January 1, 2022	2022-23	2022	\$30 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2023	2023-24	2023	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2024	2024-25	2024	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2025	2025-26	2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

**Section 1.3. DEFINITIONS**

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“*Act*” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“*Affiliate*” of any specified person or entity means any other person or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with the Applicant. For purposes of this definition, “control” when used with respect to any person or entity means (i) the ownership, directly or indirectly, of fifty

(50) percent or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

“Affiliated Group” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“Aggregate Limit” means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the course of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2012, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“Applicant” means Exxon Mobil Corporation, *Texas Taxpayer Identification Number 11354090059*, the company listed in the Preamble of this Agreement who, on July 25, 2012, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, and on August 6, 2012 submitted supplemental Application materials. The term “Applicant” shall also include the Applicants’ assigns and successors-in-interest and their direct and indirect subsidiaries.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant’s ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Application” means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the

District by the Applicant on July 25, 2012, and the supplemental Application materials submitted on August 6, 2012 which have been certified by the Comptroller's office to collectively constitute a complete final Application as of the date of August 20, 2012. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Harris County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Goose Creek Consolidated Independent School District.

"Commencement Date" means December 10, 2012, the date upon which this Agreement was approved by the District's Board of Trustees.

"Completed Application Date" means August 20, 2012, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Chapter 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Harris County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of this Agreement

"District" or "School District" means the Goose Creek Consolidated Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2025. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment/Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered: (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus

(ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Net Tax Benefit" means an amount (but not less than zero) equal to (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of "new jobs" defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project described in the Application. In accordance with the requirements of Texas Tax Code §313.024(d), eighty percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

"Qualified Investment" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project described in the Application, which meet the requirements of Texas Tax Code 313.021(3).

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Time Period" means the period that begins on the Commencement Date (i.e., December 10, 2012) and ends on December 31, 2014.

“Revenue Protection Amount” means the amount calculated pursuant to Section 3.2 of this Agreement.

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the comptroller as required under this subchapter, and any application requesting school tax credits under Tax Code, §313.103.

“Tax Credit” means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant’s Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules relating thereto.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant’s Qualified Investment for the District’s maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant’s Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

The Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052, as applicable.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

*“Texas Education Agency Rules”* means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

## ARTICLE II

### PROPERTY DESCRIPTION

#### **Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE**

The Applicant’s Qualified Property upon which the Applicant’s Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant’s Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

#### **Section 2.2. LOCATION OF QUALIFIED PROPERTY**

The location of the Applicant’s Qualified Property upon which the Applicant’s Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

#### **Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY**

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the “Applicant’s Qualified Investment”). The Applicant’s Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. The Applicant’s Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to Applicant’s Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by Applicant; 2) was first placed in service after August 20, 2012, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant’s Qualified Investment or the Applicant’s Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant’s Qualified Investment for purposes of this Agreement.

Property owned by the Applicant which is not described in **EXHIBIT 3** may not be considered to be the Applicant's Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Tax Limitation Amount apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

**Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY**

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the land described in **EXHIBIT 2**; upon a reasonable request by the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

**Section 2.5. QUALIFYING USE**

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code §313.024(b)(1) as a manufacturing facility.

**Section 2.6. LIMITATION ON APPRAISED VALUE**

So long as the Applicant makes a Qualified Investment in the amount Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.022 (b) or § 313.052.

### **ARTICLE III**

#### **PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

##### **Section 3.1. INTENT OF THE PARTIES**

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue solely as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

##### **Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT**

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's

Qualified Investment been subject to the ad valorem maintenance and operations tax actually levied for the applicable year.

- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

### **Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES**

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. Code § 42.2515, or other similar or successor statute.

- (b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- (c) any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf any other third party beneficiary.

#### **Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY**

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

#### **Section 3.5. DATA USED FOR CALCULATIONS**

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Harris County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Harris County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

#### **Section 3.6. DELIVERY OF CALCULATIONS**

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, and/or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the

employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

### **Section 3.7. PAYMENT BY APPLICANT**

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of any expenses under this Section 3.7 and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

### **Section 3.8. RESOLUTION OF DISPUTES**

Pursuant to Sections 3.3(b), 3.4, and 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

### **Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT**

If, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the County Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the County Appraisal District.

If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using

the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

### **Section 3.10. EFFECT OF STATUTORY CHANGES**

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

## **ARTICLE IV**

### **SUPPLEMENTAL PAYMENTS**

#### **Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS**

In interpreting the provisions of Article IV, the parties agree as follows:

(a) **Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement; however, in such event, it shall not exceed the stipulated Supplemental Payment Amount described in Sections 4.2 and 4.3 below.

**Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT**

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

(a) the Applicant's "Stipulated Supplemental Payment Amount", which is hereby defined as Forty Percent (40%) of the Net Tax Benefit; or,

(b) the Aggregate Limit.

**Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT**

The Parties agree that for each Tax Year during the term of this Agreement, beginning with the third full year (Tax Year 2015), the Stipulated Supplemental Payment Amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Minus,*

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Multiplied by,*

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

*Plus,*

Any Tax Credit received by the Applicant with respect to such Tax Year;

*Minus,*

Any amounts previously paid to the District under Article III;

*Multiplied by,*

The number 0.4;

*Minus,*

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

**Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT**

For each Tax Year during the term of this Agreement, beginning with Tax Year three (Tax Year 2015) and continuing thereafter through Tax Year thirteen (Tax Year 2025), the District, or its successor beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 4.2 and 4.3, above for such Tax Year, exceeds the Aggregate Limit for that Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year thirteen (Tax Year 2025), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

#### **Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS**

- (a) All calculations required by this Article IV, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

#### **Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY**

At any time during this Agreement, the Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment under this Article IV be made to the District's educational foundation, or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit on Supplemental Payments described in Section 4.4, above.

### **ARTICLE V**

#### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

##### **SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS**

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2015 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District

for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

#### **Section 5.2. OPTION TO CANCEL AGREEMENT**

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 5.2, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

### **ARTICLE VI**

#### **TAX CREDITS**

##### **Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS**

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

## **Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS**

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and either Comptroller and/or Texas Education Agency Rules.

## **Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES**

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

## **ARTICLE VII**

### **ADDITIONAL OBLIGATIONS OF APPLICANT**

#### **Section 7.1. DATA REQUESTS**

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Harris County Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Harris County Appraisal District with any technical or business information that is private personnel data, proprietary, a

trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

#### **Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES**

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

#### **Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE**

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of this Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement, provided however that, notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet the applicable minimum eligibility requirements under Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

#### **Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT**

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of

this Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which the Tax Limitation was allowed pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

### **Section 7.5. CALCULATION OF PENALTY AND INTEREST**

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

### **Section 7.6 MATERIAL BREACH OF AGREEMENT**

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

- (d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of, or in consideration for this Agreement are not barred by this provision.
- (h) Applicant fails to comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

#### **Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH**

In accordance with the provisions of Texas Tax Code §313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breach of this Agreement, described in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for such Tax Year, the Applicant may make the liquidated damages payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

#### **Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT**

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, such as making a material misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or that the Applicant has otherwise committed a Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or

arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

#### **Section 7.9. DISPUTE RESOLUTION**

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Material Breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Harris County, Texas. The Parties agree to sign a document that designates the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified

Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

#### **Section 7.10. LIMITATION OF OTHER DAMAGES**

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

#### **Section 7.11. BINDING ON SUCCESSORS**

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

### **ARTICLE VIII MISCELLANEOUS PROVISIONS**

#### **Section 8.1. INFORMATION AND NOTICES**

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission

after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Salvador Cavazos Superintendent  
**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
P.O. Box 30  
Baytown, Texas 77522  
Fax: (281) 420-4815

with a copy to:

Kevin O'Hanlon  
**O'HANLON, MCCOLLOM & DEMERATH**  
808 West Avenue  
Austin, Texas 78701  
Fax: (512) 494-9919

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

William L. McCabe, Manager  
Property Tax Division  
**EXXON MOBIL CORPORATION**  
4500 Dacoma Street  
P.O. Box 53  
Houston, Texas 77001-0053  
Fax: (713) 431-2694

with a copy to:

Timothy E. Young  
**IKARD WYNNE LLP**  
2801 Via Fortuna, Suite 501  
Austin, Texas 78746  
Fax: (512) 275-7333

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

## **Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT**

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2014.

## **Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS**

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement the Applicant's Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

## **Section 8.4. ASSIGNMENT**

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

**Section 8.5. MERGER**

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

**Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS**

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Harris County Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

**Section 8.7. GOVERNING LAW**

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Harris County, Texas.

**Section 8.8. AUTHORITY TO EXECUTE AGREEMENT**

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

**Section 8.9. SEVERABILITY**

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government,

governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

#### **Section 8.10. PAYMENT OF EXPENSES**

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

#### **Section 8.11. INTERPRETATION**

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

#### **Section 8.12. EXECUTION OF COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

#### **Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION**

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all material representation, information, and facts contained in the Application are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, this Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Texas Administrative Code §9.1053(f)(2)(K).

**Section 8.14. PUBLICATION OF DOCUMENTS**

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting Tax Credits under Texas Tax Code §313.103, as follows:

- a. Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code §313.028.

*IN WITNESS WHEREOF*, this Agreement has been executed by the Parties in multiple originals on this 10<sup>th</sup> day of December, 2012.

**EXXONMOBIL CORPORATION**

By: 

**JOE BLOMMAERT**  
Baytown Chemical Plant  
Manager

**GOOSE CREEK CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT**

By: 

**HOWARD SAMPSON**  
President  
Board of Trustees

Attest:

By: 

**JIMMY SMITH**  
Secretary  
Board of Trustees

## **EXHIBIT 1**

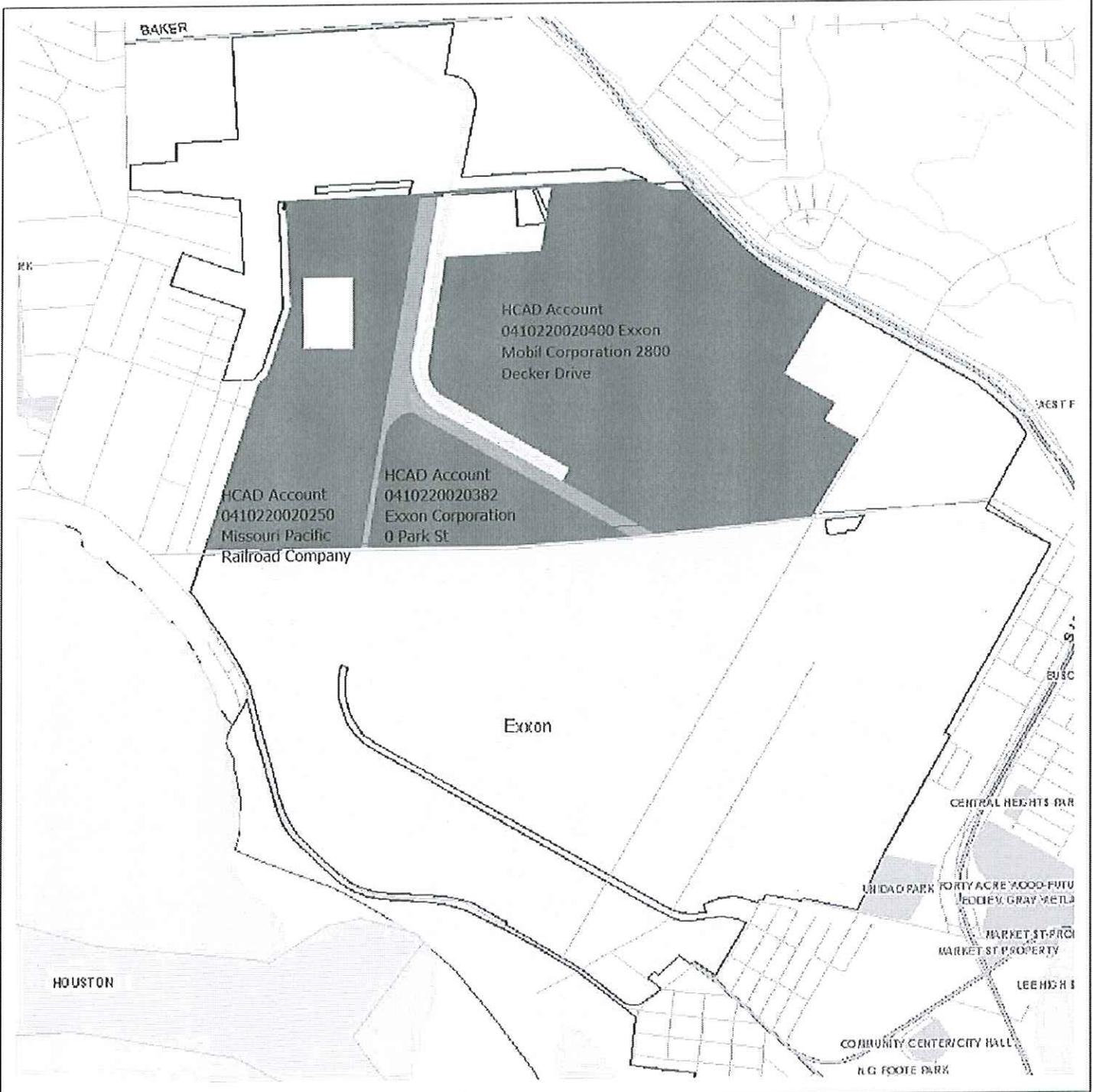
### **DESCRIPTION OF QUALIFIED REINVESTMENT ZONE**

The *EM Reinvestment Zone* was originally created on October 22, 2012 by action of the Board of Trustees of the Goose Creek Consolidated Independent School District. A map of the *EM Reinvestment Zone* is attached, below to this **EXHIBIT 1**.

As a result of the action of the of the Board of Trustees of the Goose Creek Consolidated Independent School District, the *EM Reinvestment Zone* includes real property within Harris County, Texas, more specifically described by the metes and bounds description chart also attached to this **EXHIBIT 1**.

### Legal Description of Reinvestment Zone

HCAD Account No.	Owner	Legal Description	Address	Acreage
041-022-002-0220	Exxon Mobil Corp	Tr 8 North Baytown Abst 66 W Scott Survey	2800 Decker Dr Baytown, TX 77520	857.66 Ac.
041-022-002-0382	Exxon Mobil Corp	Tr R40-A Abst 66 W Scott Survey	0 Park St Baytown, TX 77520	4.644 Ac.
041-022-002-0250	Union Pacific Railroad Co	Pt Tr R40 BL (HNS) HOU to BAYTOWN Abst 66 W Scott Survey	0 R R Property Baytown, TX 77520	Portion of RR ROW within the defined Reinvestment Zone



**City of Baytown, TX**



## **EXHIBIT 2**

### **LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY**

All Qualified Property owned by Applicant and located within the boundaries of both the Goose Creek Consolidated Independent School District and the *EM Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant located within the boundaries on the map and/or chart attached to **EXHIBIT 1** is included.

### Legal Description of Reinvestment Zone

HCAD Account No.	Owner	Legal Description	Address	Acreage
041-022-002-0220	Exxon Mobil Corp	Tr 8 North Baytown Abst 66 W Scott Survey	2800 Decker Dr Baytown, TX 77520	857.66 Ac.
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### EXHIBIT 3

#### DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Applicant's Qualified Property and/or Qualified Investment will consist of a new synthetic lubricant base stock unit within the Baytown Chemical Plant (BTCP). The unit will use linear alpha olefin feedstock in a reactive process to form a poly alpha olefin product (PAO). The Project includes a new process unit and associated pipe rack, product tankage and pumping system equipment, power control room, tie-ins to adjacent utilities, installation of a firewater loop, installation of a unit warehouse, rerouting of a street and conversion of existing tanks for use other than which they were originally designed to manufacture.

Project Components include but are not limited to:

- Compressors & Motors
- Pre-lube Pumps & Motors
- Vent Filter Fans & Motors
- Knockout Drum
- Feed Drum
- Catalyst Drum
- Filter Drum
- Flash Drum
- Accumulator
- Vent Drum
- Residue Pot
- Barometric Leg Drum
- Separators
- Slop Drum
- Expansion Drum
- Surge Drum
- Driers
- After-Cooler
- Coolers
- Heaters
- Condensers
- Evaporators
- Exchangers
- Preheaters
- Ejectors
- Filters
- Filter Drum

- Flash Drum
- Accumulator
- Vent Drum
- Residue Pot
- Barometric Leg Drum
- Separators
- Slop Drum
- Expansion Drum
- Surge Drum
- Driers
- After-Cooler
- Coolers
- Heaters
- Condensers
- Evaporators
- Exchangers
- Preheaters
- Ejectors
- Filters
- Hoppers
- Drum Agitators & Motors
- Material Lift
- Pumps & Motors
- Bottoms Pump & Motor
- Accumulator Pump & Motor
- Vacuum System
- Reactors
- Mixers
- Strainer
- Tower
- Tanks
- Weigh Stations
- Storage Facility
- Waste Container
- Anti-Oxidant System
- Power Control Room
- Transformer

The Parties to this Agreement understand and agree that the project set forth in the Application is being constructed as a new project at the Applicant's existing plant site. As set forth in the recitals at the beginning of this Agreement, it is further understood and agreed that the Applicant's execution of the project set forth in the Application will require the use of structures at such plant site which were completed before the Completed Application Start Date for the

project August 20, 2012). Under the provisions of Chapter 313 of the Texas Tax Code, the Taxable Value of real estate improvements and/ or business personal property which are in existence prior to the approval of the Application are not eligible to be considered as Qualifying Property as defined by law and this Agreement. Only new, post-Application approval construction and/or business personal property is eligible to be considered as Qualifying Property or Qualified Investment.

Therefore, the Parties make the following agreement with respect to the determination of the Taxable Value of the Applicant's property within the *EM Reinvestment Zone* described in **EXHIBIT 1** for Tax Years One (2013) through Tax Year Ten (2022) of this Agreement.

1. *Pre-Existing Taxable Values:* The Parties agree that all of the improvements located in the *EM Reinvestment Zone* on August 19, 2012 (the day immediately prior to the day upon which Comptroller's determined there to be a completed Application) consisting of pre-existing foundations, warehouse, existing tanks, pipe racks, a remote instrument enclosure also identified, and a road located just South of 7th Street; which owing to the date of their construction were made before filing the complete application with the District and which existed prior to the Completed Application Date (the "Pre-Existing Improvements") and, therefore, are not eligible to be considered to be a part of the Application. The Parties further agree that the Fair Market Value of the Pre-Existing Improvements on August 19, 2012 was Six Million Two Hundred Eleven Thousand Five Hundred Sixty-Eight and No/100's Dollars (\$6,211,568.00), immediately prior to the Completed Application Date, prior to any abatements and/or exemptions made available to the Applicant by any individual taxing unit. These assets are or will be listed on the assessment roll of Harris County under Account 041-022-002-0220.

2. *Qualifying Time Period Taxable Values - Tax Years 2012, 2013 and 2014:* For each of the Tax Year 2012, Tax Year 2013, and Tax Year 2014, no appraised value limitation is applicable under this Agreement in determining the Appraised Value of any real property, improvements, business personal property, or inventory within the *EM Reinvestment Zone*.

3. *Tax Limitation Amount Time Period – Tax Years 2015 through 2022 (Tax Years Three through Ten)* – For each of the Tax Years 2015 through 2022, the Applicant and the District agree that the Taxable Value of the Pre-Existing Improvements shall be computed by deducting from the Pre-Existing Taxable Value the cumulative depreciation relating to the Pre-Existing Improvements, which cumulative depreciation shall be determined in the same manner as that generally applied by the Harris County Appraisal District to other Harris County plant operations, and after the subtraction of such cumulative depreciation, such Taxable Value for such Tax Year shall be added to the Tax Limitation Amount (Thirty Million Dollars) to compute the Applicant's total Taxable Values for such Tax Year under this Agreement. No inventory (other than any inventory included in the Applicant's Qualified Investment and/or the Applicant's Qualified Property, such as spare parts inventory) owned by the Applicant within the *EM Reinvestment Zone* will be subject to this Agreement.

4. *Post Tax Limitation Amount Time Period – Tax Year 2023 and Beyond:* No appraised value limitation is applicable under this Agreement in determining the Appraised Value of any real property, improvements, business personal property, or inventory within the *EM Reinvestment Zone*.

Nothing contained in this **EXHIBIT 3** shall modify, amend, waive or alter any of the Applicant's rights or entitlements (i) under any tax abatement or other agreement to which the Applicant is a party, or (ii) to any exemption (including, but not limited to, under Texas Tax Code §11.31), special appraisal, or other ad valorem tax benefit available.