Attachment E

Summary of Financial Impact

SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED CORPUS CHRISTI LIQUEFACTION, LLC TRAIN 3 (APP# 298) PROJECT ON THE FINANCES OF THE GREGORY PORTLAND INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

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Final Report

PREPARED BY

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TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Corpus Christi Liquefaction, LLC Train 3 Project on the Finances of the Gregory Portland Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Corpus Christi Liquefaction, LLC (CC Liquefaction) has requested that the Gregory-Portland Independent School District (G-PISD) 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 G-PISD on May 21, 2013, CC Liquefaction proposes to invest $2.1 billion to construct a new natural gas liquefaction project in G-PISD, known as the Train 3 project. This is the third application filed by CC Liquefaction with G-PISD and would represent an expansion of its Train 1 and Infrastructure project, as well as the Train 2 addition.

The CC Liquefaction Train 3 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, G-PISD may offer a minimum value limitation of $30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2021-22 and 2022-23 school years, reflecting the requested extension of the start of the two-year qualifying time period for the Train 3 project. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2021-22 and 2022-23 school years. Beginning in the 2023-24 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 would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with G-PISD currently levying a $0.18 per $100 I&S tax rate. The full taxable value of the investment is expected to reach $2 billion in the 2024-25 school year. While depreciation is expected to reduce the taxable value of the project over the course of the value limitation agreement, the addition of this project alone would be sufficient to reduce the District's I&S tax rate to $0.07 per $100 in the 2024-25 school year, based on G-PISD's current debt service schedule.

In the case of the CC Liquefaction Train 3 project, the agreement will 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. Under current law, G-PISD would experience a $16.4 million revenue loss as a result of the implementation of the value limitation in the 2023-24 school year. For the 2024-25 school year, the revenue loss is estimated to be $5.8 million, with no out-year losses expected.
Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $153.0 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the 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 periods (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 state-assigned property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, although a significant increase in project value during the limitation period could result in a larger hold-harmless loss in specific years.

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

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

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

estimates below do not assume that G-PISD would receive offsetting ASATR state aid when the value limitation for the Train 3 project takes effect.

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

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the CC LiquefactionTrain 3 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.

Based on District estimates, the general approach used here is to project a one percent annual increase in enrollment (as measured by students in average daily attendance or ADA) and a two percent annual increase in underlying base property values in order to estimate the effects of the value limitation under the school finance system. The SB 1 and HB 1025 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year and thereafter, until the 2017-18 school year. A statement of legislative intent adopted in 2011 to no longer fund target revenue by the 2017-18 school year remains in effect, so the estimates presented below do not assume any offsetting ASATR funding when the limitation takes effect, barring future legislative changes that would restore a variant of ASATR or make similar adjustments.

Two Chapter 313 limitations approved previously by the G-PISD Board of Trustees are incorporated into the base estimates—those awarded to the Papalote Creek II wind project and the TPCO pipe factory. The projected taxable values of the CC Liquefaction Train 3 project are later factored into the base model to portray the scenario that assumes the project is constructed in the absence of a value limitation agreement. The impact of the limitation value for the proposed CC Liquefaction project is isolated separately and the focus of this analysis.

Student enrollment counts are projected to increase one percent annually, from the 4,192 students in average daily attendance (ADA) for the 2012-13 school year, in analyzing the effects of the CC Liquefaction Train 3 project on the finances of G-PISD. The District's local tax base reached $1.19 billion for the 2012 tax year and is projected at two percent annually for the forecast period, as noted above. An M&O tax rate of $1.17 per $100 is used throughout this analysis.

Under the assumptions outlined in Table 1, G-PISD would become a Tier I recapture district in the 2024-25 school year if the project is constructed in the absence of a value limitation agreement. With the agreement in place, under the assumptions outlined here, recapture would not become a factor at the $504,000 per WADA Tier I recapture level assumed here until the 2032-33 school year. Tier II recapture at the $319,500 per WADA level for the last 11 cents of M&O tax effort remains at relatively mino amounts under the value limitation scenario.

It needs to be emphasized that this analysis focuses on the CC Liquefaction Train 3 project only. Althouh four Chapter 313 applications were recently submitted to G-PISD for the Board's consideration, each project must be evaluated separately in order to isolate the impact of the value limitation for each applicant's project.

School Finance Impact

School finance models were prepared for G-PISD under the assumptions outlined above through the 2035-36 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influences 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 both the baseline and limitation 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 CC Liquefaction Train 3 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 CC Liquefaction Train 3 value but imposes the proposed property value limitation effective in the third year, which in this case is the 2023-24 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.

It should be noted that the revenue-loss methodology used here is the same approach that has been used to calculate hold-harmless losses for school districts since the first property value limitations were approved in 2002. Comparing the limitation model with one assuming that the project is fully taxed has been the accepted approach for more than a decade, with very few exceptions.

Under these assumptions, G-PISD would experience a revenue loss of $16.4 million as a result of the implementation of the value limitation in the 2023-24 school year. The revenue reduction results largely from the more than $16 million reduction in M&O tax collections and no state aid offset as a result of the one-year lag in value associated with the state M&O property value study. Once the state property value study recognizes the value limitation, a $5.8 million revenue loss is expected for the 2024-25 school year, in response to a $550 million increase in project value. No additional revenue losses are anticipated for the out-years under current law.

Table 4 includes a great deal of data highlighting the differences between the baseline and value limitation models. For example, the two columns related to recapture indicate that G-PISD taxpayers would pay $61 million less in recapture under a value limitation agreement, compared

with the project being built in the absence of a value limitation agreement. Additional state aid offset $96 million of the reduction in M&O taxes.

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

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.17 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 $161.9 million over the life of the agreement. In addition, CC Liquefaction 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 $13.3 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 G-PISD revenue losses are expected to total approximately $22.2 million in the first two limitation years. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $153.0 million over the life of the agreement.

Facilities Funding Impact

The CC Liquefaction Train 3 project remains fully taxable for debt services taxes, with G-PISD currently levying a $0.18 per $100 I&S rate. With the substantial increase in taxable value with the addition of the Train 3 project to G-PISD's tax base, the I&S tax rate could decrease to as low as $.07 per $100 in the 2024-25 school year, using the District's current debt service schedule.

The CC Liquefaction Train 3 project is not expected to have a significant impact on school facilities once the plant begins operation, with 35 permanent jobs anticipated. During the construction phase, however, up to 1,250 FTEs are expected to be working on the project, which could have a significant impact on the operations and facilities of G-PISD. While housing availability and family-location decisions will obviously affect enrollment, provisions to offset extraordinary education-related expenses that might be faced by G-PISD during the construction phase are needed as part of the agreement.

Conclusion

The proposed CC Liquefaction Train 3 project significantly enhances the tax base of G-PISD. 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 $153.0 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of G-PISD in meeting its future debt service obligations, with a substantial I&S tax benefit expected.

Table 1 – Base District Information with Corpus Christi Liquefaction, LLC Project Value and Limitation Values—Train 3

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	2020-21	4,594.47	5,795.54	$1.1700	$0.1370	$1,488,747,158	$1,488,747,158	$1,291,748,848	$1,291,748,848	$222,887	$222,887
1	2021-22	4,640.42	5,847.06	$1.1700	$0.1180	$1,864,737,171	$1,864,737,171	$1,381,407,089	$1,381,407,089	$236,257	$236,257
2	2022-23	4,686.82	5,899.02	$1.1700	$0.0970	$2,933,311,263	$2,933,311,263	$1,755,250,301	$1,755,250,301	$297,550	$297,550
3	2023-24	4,733.69	5,951.44	$1.1700	$0.0800	$3,539,017,979	$2,119,017,979	$2,821,634,655	$2,821,634,655	$474,110	$474,110
4	2024-25	4,781.03	6,004.31	$1.1700	$0.0700	$4,096,184,982	$2,126,184,982	$3,425,107,840	$2,005,107,840	$570,441	$333,945
5	2025-26	4,828.84	6,057.65	$1.1700	$0.0700	$4,034,788,310	$2,134,788,310	$3,979,996,640	$2,009,996,640	$657,020	$331,811
6	2026-27	4,877.12	6,111.46	$1.1700	$0.0720	$3,974,805,689	$2,144,805,689	$3,916,276,201	$2,016,276,201	$640,809	$329,917
7	2027-28	4,925.90	6,165.73	$1.1700	$0.0720	$3,926,188,029	$2,156,188,029	$3,853,923,337	$2,023,923,337	$625,055	$328,253
8	2028-29	4,975.16	6,220.48	$1.1700	$0.0740	$3,878,919,449	$2,168,919,449	$3,802,888,030	$2,032,888,030	$611,349	$326,805
9	2029-30	5,024.91	6,275.71	$1.1700	$0.0740	$3,832,985,370	$2,182,985,370	$3,753,153,451	$2,043,153,451	$598,044	$325,565
10	2030-31	5,075.16	6,330.25	$1.1700	$0.0750	$3,788,372,481	$2,198,372,481	$3,704,704,052	$2,054,704,052	$585,238	$324,585
11	2031-32	5,125.91	6,386.44	$1.1700	$0.0800	$3,745,068,701	$3,745,068,701	$3,657,525,536	$2,067,525,536	$572,702	$323,737
12	2032-33	5,177.17	6,443.11	$1.1700	$0.0840	$3,703,063,154	$3,703,063,154	$3,611,604,817	$3,611,604,817	$560,537	$560,537
13	2033-34	5,177.17	6,443.11	$1.1700	$0.0840	3,703,063,153.96	3,703,063,153.96	3,611,604,817.13	3,611,604,817.13	$560,537	$560,537
14	2034-35	5,177.17	6,443.11	$1.1700	$0.0840	3,703,063,153.96	3,703,063,153.96	3,611,604,817.13	3,611,604,817.13	$560,537	$560,537
15	2035-36	5,177.17	6,443.11	$1.1700	$0.0840	3,703,063,153.96	3,703,063,153.96	3,611,604,817.13	3,611,604,817.13	$560,537	$560,537

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

Table 2– "Baseline Revenue Model"--Project Value Added with No Value Limitation—Train 3

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	2020-21	$14,503,809	$17,776,698	$0	$0	$0	$2,464,799	$2,263,857	$0	$37,009,163
1	2021-22	$18,190,516	$17,151,507	$0	$0	$0	$3,091,324	$2,503,678	$0	$40,937,025
2	2022-23	$28,666,410	$13,686,705	$0	$0	$0	$4,871,613	$2,129,284	$0	$49,354,012
3	2023-24	$34,888,475	$3,298,547	$0	$0	$0	$5,929,000	$669,274	-$1,188,330	$43,596,966
4	2024-25	$40,457,362	$1,623,903	$0	$0	-$4,476,595	$6,875,385	$235,135	-$1,858,899	$42,856,291
5	2025-26	$39,834,450	$1,640,143	$0	$0	-$8,813,558	$6,769,526	$0	-$2,137,355	$37,293,205
6	2026-27	$39,224,092	$1,656,543	$0	$0	-$7,955,405	$6,665,801	$0	-$2,054,207	$37,536,825
7	2027-28	$38,728,107	$1,673,109	$0	$0	-$7,125,492	$6,581,513	$2,397	-$1,977,401	$37,882,232
8	2028-29	$38,243,990	$1,689,840	$0	$0	-$6,379,646	$6,499,241	$53,861	-$1,906,907	$38,200,380
9	2029-30	$37,773,977	$1,706,739	$0	$0	-$5,643,069	$6,419,366	$104,803	-$1,837,599	$38,524,218
10	2030-31	$37,316,132	$1,723,807	$0	$0	-$4,920,939	$6,341,560	$154,788	-$1,769,763	$38,845,585
11	2031-32	$36,562,388	$1,741,044	$0	$0	-$4,166,772	$6,213,467	$202,999	-$1,688,380	$38,864,745
12	2032-33	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
13	2033-34	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
14	2034-35	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
15	2035-36	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862

Table 3– "Value Limitation Revenue Model"--Project Value Added with Value Limit—Train 3

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	2020-21	$14,503,809	$17,776,698	$0	$0	$0	$2,464,799	$2,263,857	$0	$37,009,163
1	2021-22	$18,190,516	$17,151,507	$0	$0	$0	$3,091,324	$2,503,678	$0	$40,937,025
2	2022-23	$28,666,410	$13,686,705	$0	$0	$0	$4,871,613	$2,129,284	$0	$49,354,012
3	2023-24	$20,687,765	$3,298,547	$0	$0	$0	$3,515,710	$396,858	-$704,642	$27,194,238
4	2024-25	$20,756,377	$11,742,860	$0	$0	$0	$3,527,370	$1,087,992	-$93,773	$37,020,827
5	2025-26	$20,833,500	$11,975,052	$0	$0	$0	$3,540,476	$1,107,092	-$80,736	$37,375,384
6	2026-27	$20,923,177	$12,195,796	$0	$0	$0	$3,555,716	$1,125,446	-$69,005	$37,731,130
7	2027-28	$21,027,222	$12,405,348	$0	$0	$0	$3,573,398	$1,143,170	-$58,567	$38,090,571
8	2028-29	$21,143,135	$12,604,230	$0	$0	$0	$3,593,096	$1,160,186	-$49,366	$38,451,281
9	2029-30	$21,273,152	$12,792,630	$0	$0	$0	$3,615,191	$1,176,629	-$41,394	$38,816,209
10	2030-31	$21,415,337	$12,964,630	$0	$0	$0	$3,639,355	$1,191,951	-$35,042	$39,176,231
11	2031-32	$36,562,388	$13,132,526	$0	$0	$0	$6,213,467	$2,046,094	-$49,980	$57,904,494
12	2032-33	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
13	2033-34	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
14	2034-35	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862
15	2035-36	$36,139,756	$1,758,455	$0	$0	-$3,462,894	$6,141,645	$252,063	-$1,623,163	$39,205,862

Table 4 – Value Limit less Project Value with No Limit—Train 3

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	2020-21	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2021-22	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	2022-23	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	2023-24	-$14,200,710	$0	$0	$0	$0	-$2,413,290	-$272,416	$483,688	-$16,402,728
4	2024-25	-$19,700,985	$10,118,957	$0	$0	$4,476,595	-$3,348,015	$852,857	$1,765,126	-$5,835,465
5	2025-26	-$19,000,950	$10,334,909	$0	$0	$8,813,558	-$3,229,050	$1,107,092	$2,056,619	$82,179
6	2026-27	-$18,300,915	$10,539,252	$0	$0	$7,955,405	-$3,110,085	$1,125,446	$1,985,202	$194,305
7	2027-28	-$17,700,885	$10,732,239	$0	$0	$7,125,492	-$3,008,115	$1,140,773	$1,918,834	$208,339
8	2028-29	-$17,100,855	$10,914,389	$0	$0	$6,379,646	-$2,906,145	$1,106,325	$1,857,541	$250,901
9	2029-30	-$16,500,825	$11,085,891	$0	$0	$5,643,069	-$2,804,175	$1,071,826	$1,796,205	$291,991
10	2030-31	-$15,900,795	$11,240,823	$0	$0	$4,920,939	-$2,702,205	$1,037,163	$1,734,721	$330,646
11	2031-32	$0	$11,391,482	$0	$0	$4,166,772	$0	$1,843,095	$1,638,400	$19,039,749
12	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	2034-35	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	2035-36	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial impact of the Corpus Christi Liquefaction, LLC Project Property Value Limitation Request Submitted to G-PISD at $1.17 M&O Tax Rate—Train 3

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
2020-21	$0	$0	$0	$1.170	$0	$0	$0	$0	$0	$0	$0
2021-22	$350,000,000	$350,000,000	$0	$1.170	$4,095,000	$4,095,000	$0	$0	$0	$0	$0
2022-23	$850,000,000	$850,000,000	$0	$1.170	$9,945,000	$9,945,000	$0	$0	$0	$0	$0
2023-24	$1,450,000,000	$30,000,000	$1,420,000,000	$1.170	$16,965,000	$351,000	$16,614,000	$0	$16,614,000	-$16,402,728	$211,272
2024-25	$2,000,000,000	$30,000,000	$1,970,000,000	$1.170	$23,400,000	$351,000	$23,049,000	$875,500	$23,924,500	-$5,835,465	$18,089,035
2025-26	$1,930,000,000	$30,000,000	$1,900,000,000	$1.170	$22,581,000	$351,000	$22,230,000	$851,000	$23,081,000	$0	$23,081,000
2026-27	$1,860,000,000	$30,000,000	$1,830,000,000	$1.170	$21,762,000	$351,000	$21,411,000	$845,100	$22,256,100	$0	$22,256,100
2027-28	$1,800,000,000	$30,000,000	$1,770,000,000	$1.170	$21,060,000	$351,000	$20,709,000	$823,500	$21,532,500	$0	$21,532,500
2028-29	$1,736,000,000	$30,000,000	$1,706,000,000	$1.170	$20,311,200	$351,000	$19,960,200	$817,820	$20,778,020	$0	$20,778,020
2029-30	$1,680,000,000	$30,000,000	$1,650,000,000	$1.170	$19,656,000	$351,000	$19,305,000	$797,100	$20,102,100	$0	$20,102,100
2030-31	$1,620,000,000	$30,000,000	$1,590,000,000	$1.170	$18,954,000	$351,000	$18,603,000	$783,000	$19,386,000	$0	$19,386,000
2031-32	$1,560,000,000	$1,560,000,000	$0	$1.170	$18,252,000	$18,252,000	$0	$7,544,980	$7,544,980	$0	$7,544,980
2032-33	$1,500,000,000	$1,500,000,000	$0	$1.170	$17,550,000	$17,550,000	$0	$0	$0	$0	$0
2033-34	$1,450,000,000	$1,450,000,000	$0	$1.170	$16,965,000	$16,965,000	$0	$0	$0	$0	$0
2034-35	$1,400,000,000	$1,400,000,000	$0	$1.170	$16,380,000	$16,380,000	$0	$0	$0	$0	$0
2035-36	$1,350,000,000	$1,350,000,000	$0	$1.170	$15,795,000	$15,795,000	$0	$0	$0	$0	$0
				Totals	**$263,671,200**	**$101,790,000**	**$161,881,200**	**$13,338,000**	**$175,219,200**	**-$22,238,192**	**$152,981,008**

Tax Credit for Value Over Limit in First 2 Years

Year 1	Year 2	Max Credits
$3,744,000	$9,594,000	$13,338,000
Credits Earned		$13,338,000
Credits Paid		$13,338,000
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. For the purposes of these estimates, expiration of ASATR on the current timetable is assumed, so no ASATR offset is assumed in these estimates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**