

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



April 23, 2010

Mr. Lloyd Graham  
Superintendent  
La Porte Independent School District  
1002 San Jacinto St.  
La Porte, Texas 77571-5461

Dear Superintendent Graham:

On Jan. 22, 2010, the agency received the completed application for a limitation on appraised value originally submitted to the La Porte Independent School District (La Porte ISD) by Air Liquide Large Industries U.S. L.P. (Air Liquide) in January 2010, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Air Liquide's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review 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. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, La Porte ISD is currently classified as a rural school district in Category 1. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$235 million) 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.

Air Liquide is proposing the construction of a manufacturing facility in Harris County. Air Liquide is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by Air Liquide, the Comptroller's recommendation is that Air Liquide's application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. 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 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.

Mr. Lloyd Graham  
April 23, 2010  
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The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. This recommendation is contingent on the district approving and executing a limitation agreement within a year from the date of this letter, and is valid only for a qualifying time period that begins in accordance with the approved application and a conforming limitation agreement. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution. During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at [www.window.state.tx.us/taxinfo/proptax/hb1200](http://www.window.state.tx.us/taxinfo/proptax/hb1200) to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Local Government Assistance and Economic Development, by e-mail at [robert.wood@cpa.state.tx.us](mailto:robert.wood@cpa.state.tx.us) or by phone at (800) 531-5441, ext. 3-3973, or direct in Austin at (512) 463-3973.

Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood

**Economic Impact for Chapter 313 Project**

Applicant	Air Liquide
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	La Porte ISD
2008-09 Enrollment in School District	7,888
County	Harris
Total Investment in District	\$235,000,000
Qualified Investment	\$235,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	13
Number of qualifying jobs committed to by applicant	11
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,365
Minimum Weekly Wage Required Tax Code, 313.025(A)	\$959
Minimum Annual Wage committed to by applicant for qualified jobs	\$71,000
Investment per Qualifying Job	\$21,363,636
Estimated 15 year M&O levy without any limit or credit:	\$23,949,911
Estimated gross 15 year M&O tax benefit	\$14,529,731
Estimated 15 year M&O tax benefit ( <i>after</i> deductions for estimated school district revenue protection--but not including any deduction for yet-to-be negotiated supplemental payments or extraordinary educational expenses):	\$14,052,150
Tax Credits Paid (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,047,388
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$9,897,761
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	58.7%
Percentage of tax benefit due to the limitation	85.9%
Percentage of tax benefit due to the credit.	14.1%

This presents the Comptroller's economic impact evaluation of Air Liquide (the project) applying to La Porte 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 13 new jobs when fully operational. Of those jobs, 11 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 of Governments Region, where Harris County is located was \$45,353 in 2009. The average manufacturing wage for the most recent four quarters (first and second 2009, third and fourth 2008) for Harris County is \$70,122. During that same time period, the county annual average wage for all industries was \$58,604. In addition to an annual average salary of \$71,000, each qualifying position will receive benefits such as health insurance, 401(k) savings plan and paid leave. The project's total investment is \$235 million, resulting in a relative level of investment per qualifying job of \$21.36 million.

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

According to Air Liquide's application, "Air Liquide operates industrial gas facilities worldwide and has the ability to locate in any area of the state with demand for industrial gases. It has the ability to relocate in any state in the U.S. with demand for industrial gases."

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

During the past two years, four projects in the Houston-Galveston Area Council of Governments 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 Air Liquide 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 Air Liquide'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 Air Liquide**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2010	350	697	1,047	\$36,848,000	\$42,152,000	\$79,000,000
2011	350	713	1,063	\$8,704,000	\$77,296,000	\$86,000,000
2012	13	117	130	\$391,680	\$15,608,320	\$16,000,000
2013	13	88	101	\$399,512	\$13,600,488	\$14,000,000
2014	13	66	79	\$407,504	\$11,592,496	\$12,000,000
2015	13	54	67	\$415,656	\$10,584,344	\$11,000,000
2016	13	50	63	\$423,968	\$10,576,032	\$11,000,000
2017	13	48	61	\$432,448	\$9,567,552	\$10,000,000
2018	13	54	67	\$441,096	\$9,558,904	\$10,000,000
2019	13	54	67	\$449,920	\$10,550,080	\$11,000,000
2020	13	60	73	\$458,912	\$10,541,088	\$11,000,000
2021	13	57	70	\$468,096	\$10,531,904	\$11,000,000
2022	13	58	71	\$477,456	\$11,522,544	\$12,000,000
2023	13	60	73	\$487,008	\$11,512,992	\$12,000,000
2024	13	54	67	\$496,744	\$12,503,256	\$13,000,000
2025	13	61	74	\$506,680	\$12,493,320	\$13,000,000

Source: CPA, REMI, Air Liquide

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2008. La Porte ISD's ad valorem tax base in 2008 was \$5.9 billion. The statewide average wealth per WADA was estimated at \$352,755 for fiscal 2009-2010. During that same year, La Porte ISD's estimated wealth per WADA was \$ 650,160. 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, Harris County Hospital District and San Jacinto Junior College District with all property tax incentives sought being granted using estimated market value from Air Liquide's application. Air Liquide has applied for a value limitation under Chapter 313, Tax Code and a tax abatement with San Jacinto Junior College District, but no decision regarding terms has been made. Table 3 illustrates the estimated tax impact of the Air Liquide 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>	La Porte ISD I&S Levy	La Porte ISD M&O Levy	La Porte ISD M&O and I&S Tax Levies (Before Credit Credited)	La Porte ISD M&O and I&S Tax Levies (After Credit Credited)	Harris County	Harris County Hospital District	San Jacinto Junior College District	School & County Property Taxes
				0.2850	1.0400			0.3909	0.1920	0.1630	
2010	\$1,532,120	\$1,532,120		\$4,367	\$15,934	\$20,301	\$20,301	\$5,989	\$2,942	\$2,497	\$31,729
2011	\$43,832,120	\$43,832,120		\$124,922	\$455,854	\$580,776	\$580,776	\$171,338	\$84,158	\$71,446	\$907,717
2012	\$213,032,120	\$213,032,120		\$607,142	\$2,215,534	\$2,822,676	\$2,822,676	\$832,732	\$409,022	\$347,242	\$4,411,672
2013	\$206,687,120	\$30,000,000		\$589,058	\$312,000	\$901,058	\$901,058	\$807,930	\$396,839	\$336,900	\$2,442,727
2014	\$200,532,470	\$30,000,000		\$571,518	\$312,000	\$883,518	\$591,034	\$783,871	\$385,022	\$326,868	\$2,086,795
2015	\$194,562,500	\$30,000,000		\$554,503	\$312,000	\$866,503	\$574,019	\$760,535	\$373,560	\$317,137	\$2,025,251
2016	\$184,993,160	\$30,000,000		\$527,231	\$312,000	\$839,231	\$546,746	\$723,129	\$355,187	\$301,539	\$1,926,601
2017	\$175,899,740	\$30,000,000		\$501,314	\$312,000	\$813,314	\$520,830	\$687,583	\$337,728	\$286,717	\$1,832,858
2018	\$167,258,660	\$30,000,000		\$476,687	\$312,000	\$788,687	\$496,203	\$653,806	\$321,137	\$272,632	\$1,743,777
2019	\$159,047,330	\$30,000,000		\$453,285	\$312,000	\$765,285	\$472,801	\$621,708	\$305,371	\$259,247	\$1,659,127
2020	\$151,244,330	\$30,000,000		\$431,046	\$312,000	\$743,046	\$450,562	\$591,207	\$290,389	\$246,528	\$1,578,686
2021	\$140,174,600	\$140,174,600		\$399,498	\$1,457,816	\$1,857,313	\$1,857,313	\$547,936	\$269,135	\$228,485	\$2,902,869
2022	\$129,930,440	\$129,930,440		\$370,302	\$1,351,277	\$1,721,578	\$1,721,578	\$507,892	\$249,466	\$211,787	\$2,690,723
2023	\$120,449,930	\$120,449,930		\$343,282	\$1,252,679	\$1,595,962	\$1,595,962	\$470,833	\$231,264	\$196,333	\$2,494,392
2024	\$111,675,920	\$111,675,920		\$318,276	\$1,161,430	\$1,479,706	\$1,479,706	\$436,536	\$214,418	\$182,032	\$2,312,691
2025	\$103,555,580	\$103,555,580		\$295,133	\$1,076,978	\$1,372,111	\$1,372,111	\$404,794	\$198,827	\$168,796	\$2,144,527
						<b>Total</b>	<b>\$16,003,677</b>	<b>\$9,007,816</b>	<b>\$4,424,464</b>	<b>\$3,756,185</b>	<b>\$33,192,142</b>

Source: CPA, Air Liquide

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



Attachment 1 includes schedules A, B, and C provided by the applicant in the application. Schedule A shows proposed investment and tax expenditures. Schedule B is the projected market value of the qualified property and Schedule C contains employment 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 \$23,949,911. The estimated gross 15 year M&O tax benefit, is \$14,529,731.

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.

# Attachments

1. Schedules A, B, and C provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

# **Attachment 1**

**SCHEDULE A-3676 (Temporary - July 2009): INVESTMENT & TAXES**

PROPERTY INVESTMENT AMOUNTS (\$)							TAX INFORMATION													
(Estimated Investment in each year. Do not put cumulative totals.)																				
	Year	Tax Year (fill in actual tax year below)	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or nonremovable component of building (annual amount only)	Column C: Sum of A and B—Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified affecting economic impact and total value	Column E: Total Investment (A+B+C)	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										
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing application with district (neither qualified property nor eligible to become qualified investment)	2010	92,000,000	2,000,000	94,000,000		94,000,000	\$ 12,597,826	\$ 81,412,174	\$ -										
											Complete tax years of qualifying time period	2011	\$ 138,000,000	\$ 3,000,000	\$ 141,000,000	\$ -	\$ 141,000,000	\$ 18,900,000	\$ 122,100,000	\$ -
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	2025																			
Tax Credit Period (with 50% cap on credit)	Value Limitation Period																			
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2021																	
		12	2022																	
		13	2023																	
		14	2024																	
		15	2025																	

Qualifying Time Period usually begins with the 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, please list amount invested each year, not cumulative totals.

For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for replacement property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E). For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

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

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

Note: Information related to taxes in Columns F through H, for the year preceding the first complete year of the qualifying time period, need not be broken out by the time periods used for the requested investment information in Columns A through E. Note: For advanced clean energy projects, nuclear projects, projects with extended qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

**SCHEDULE B-3676 (Temporary - July 2009): ESTIMATED MARKET AND TAXABLE VALUE**

		Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value	
	Year	Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)
	pre-year 1	\$ 1,532,120	\$ -	\$ -	\$ -	\$ -	\$ 1,532,120	\$ 1,532,120
	1	2011	\$ 1,532,120	\$ 1,000,000	\$ 46,000,000	\$ 4,700,000	\$ 43,832,120	\$ 43,832,120
	2	2012	\$ 1,532,120	\$ 5,000,000	\$ 230,000,000	\$ 23,500,000	\$ 213,032,120	\$ 213,032,120
	3	2013	\$ 1,532,120	\$ 4,850,000	\$ 223,100,000	\$ 22,795,000	\$ 206,587,120	\$ 30,000,000
	4	2014	\$ 1,532,120	\$ 4,704,500	\$ 216,407,000	\$ 21,447,820	\$ 194,562,500	\$ 30,000,000
	5	2015	\$ 1,532,120	\$ 4,563,400	\$ 209,914,800	\$ 20,384,560	\$ 184,993,160	\$ 30,000,000
	6	2016	\$ 1,532,120	\$ 4,426,500	\$ 199,419,100	\$ 19,374,180	\$ 175,899,740	\$ 30,000,000
	7	2017	\$ 1,532,120	\$ 4,293,700	\$ 189,448,100	\$ 18,414,060	\$ 167,258,660	\$ 30,000,000
	8	2018	\$ 1,532,120	\$ 4,164,900	\$ 179,875,700	\$ 17,501,690	\$ 159,047,330	\$ 30,000,000
	9	2019	\$ 1,532,120	\$ 4,040,000	\$ 170,976,900	\$ 16,634,690	\$ 151,244,330	\$ 30,000,000
	10	2020	\$ 1,532,120	\$ 3,918,800	\$ 162,428,100	\$ 15,404,720	\$ 140,174,600	\$ 140,174,600
	11	2021	\$ 1,532,120	\$ 3,801,200	\$ 150,246,000	\$ 14,266,480	\$ 129,930,440	\$ 129,930,440
	12	2022	\$ 1,532,120	\$ 3,687,200	\$ 138,977,600	\$ 13,213,090	\$ 120,449,930	\$ 120,449,930
	13	2023	\$ 1,532,120	\$ 3,576,600	\$ 128,554,300	\$ 12,238,200	\$ 111,675,920	\$ 111,675,920
	14	2024	\$ 1,532,120	\$ 3,469,300	\$ 118,912,700	\$ 11,335,940	\$ 103,555,580	\$ 103,555,580
	15	2025	\$ 1,532,120	\$ 3,365,200	\$ 109,994,200	\$ -	\$ 103,555,580	\$ 103,555,580
	Complete tax years of qualifying time period							
	1	2010	\$ 1,532,120	\$ 1,000,000	\$ 46,000,000	\$ 4,700,000	\$ 43,832,120	\$ 43,832,120
	2	2012	\$ 1,532,120	\$ 5,000,000	\$ 230,000,000	\$ 23,500,000	\$ 213,032,120	\$ 213,032,120
	3	2013	\$ 1,532,120	\$ 4,850,000	\$ 223,100,000	\$ 22,795,000	\$ 206,587,120	\$ 30,000,000
	4	2014	\$ 1,532,120	\$ 4,704,500	\$ 216,407,000	\$ 21,447,820	\$ 194,562,500	\$ 30,000,000
	5	2015	\$ 1,532,120	\$ 4,563,400	\$ 209,914,800	\$ 20,384,560	\$ 184,993,160	\$ 30,000,000
	6	2016	\$ 1,532,120	\$ 4,426,500	\$ 199,419,100	\$ 19,374,180	\$ 175,899,740	\$ 30,000,000
	7	2017	\$ 1,532,120	\$ 4,293,700	\$ 189,448,100	\$ 18,414,060	\$ 167,258,660	\$ 30,000,000
	8	2018	\$ 1,532,120	\$ 4,164,900	\$ 179,875,700	\$ 17,501,690	\$ 159,047,330	\$ 30,000,000
	9	2019	\$ 1,532,120	\$ 4,040,000	\$ 170,976,900	\$ 16,634,690	\$ 151,244,330	\$ 30,000,000
	10	2020	\$ 1,532,120	\$ 3,918,800	\$ 162,428,100	\$ 15,404,720	\$ 140,174,600	\$ 140,174,600
	11	2021	\$ 1,532,120	\$ 3,801,200	\$ 150,246,000	\$ 14,266,480	\$ 129,930,440	\$ 129,930,440
	12	2022	\$ 1,532,120	\$ 3,687,200	\$ 138,977,600	\$ 13,213,090	\$ 120,449,930	\$ 120,449,930
	13	2023	\$ 1,532,120	\$ 3,576,600	\$ 128,554,300	\$ 12,238,200	\$ 111,675,920	\$ 111,675,920
	14	2024	\$ 1,532,120	\$ 3,469,300	\$ 118,912,700	\$ 11,335,940	\$ 103,555,580	\$ 103,555,580
	15	2025	\$ 1,532,120	\$ 3,365,200	\$ 109,994,200	\$ -	\$ 103,555,580	\$ 103,555,580
	Credit Settle-Up Period							
	Continue to Maintain Viable Presence							
	11	2021	\$ 1,532,120	\$ 3,801,200	\$ 150,246,000	\$ 14,266,480	\$ 129,930,440	\$ 129,930,440
	12	2022	\$ 1,532,120	\$ 3,687,200	\$ 138,977,600	\$ 13,213,090	\$ 120,449,930	\$ 120,449,930
	13	2023	\$ 1,532,120	\$ 3,576,600	\$ 128,554,300	\$ 12,238,200	\$ 111,675,920	\$ 111,675,920
	14	2024	\$ 1,532,120	\$ 3,469,300	\$ 118,912,700	\$ 11,335,940	\$ 103,555,580	\$ 103,555,580
	15	2025	\$ 1,532,120	\$ 3,365,200	\$ 109,994,200	\$ -	\$ 103,555,580	\$ 103,555,580
	Post-Settle-Up Period							

All figures here are to be cumulative

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

**SCHEDULE C-3676 (Temporary - July 2009): EMPLOYMENT INFORMATION**

	Year	Tax Year (fill in actual tax year)	Construction			Permanent New Jobs	Qualifying Jobs		
			Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man- hours (specify)	Column C: Average annual wage rates for construction workers		Column D: Total number of permanent full- time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)
	pre-year 1	2010	0	350 FTE	\$ 105,280	0	\$ -	0	\$ -
	1	2011	0	350 FTE	\$ 105,280	0	\$ -	0	\$ -
Complete tax years of qualifying time period	2	2012	0	0		13	\$ 71,000	11	\$ 71,000
	3	2013	0	0		13	\$ 71,000	11	\$ 71,000
	4	2014	0	0		13	\$ 71,000	11	\$ 71,000
	5	2015	0	0		13	\$ 71,000	11	\$ 71,000
	6	2016	0	0		13	\$ 71,000	11	\$ 71,000
	7	2017	0	0		13	\$ 71,000	11	\$ 71,000
	8	2018	0	0		13	\$ 71,000	11	\$ 71,000
	9	2019	0	0		13	\$ 71,000	11	\$ 71,000
	10	2020	0	0		13	\$ 71,000	11	\$ 71,000
	11	2021	0	0		13	\$ 71,000	11	\$ 71,000
	12	2022	0	0		13	\$ 71,000	11	\$ 71,000
	13	2023	0	0		13	\$ 71,000	11	\$ 71,000
Post-Settle-Up Period	14	2024	0	0		13	\$ 71,000	11	\$ 71,000
Post-Settle-Up Period	15	2025	0	0		13	\$ 71,000	11	\$ 71,000

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

Note: Section 313.024(d) Tax Code requires that, to be eligible for a limitation, 80 percent of all new jobs must be qualifying jobs.

# Attachment 2



## 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)

Robert Scott  
Commissioner

April 22, 2010

Mr. Robert Wood  
Director, Local Government Assistance and Economic Development  
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 Air Liquide Large Industries U.S., LLP, project on the number and size of school facilities in La Porte Independent School District (LPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and conversations with the LPISD superintendent, Lloyd Graham, the TEA has found that the Air Liquide Large Industries U.S., LLP, project would not have a significant impact on the number or size of school facilities in LPISD.

Please feel free to contact Helen Daniels, director of the State Funding Division, by phone at (512) 463-9268 or by email at [helen.daniels@tea.state.tx.us](mailto:helen.daniels@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads "Belinda Dyer". The signature is written in a cursive, flowing style.

Belinda Dyer  
Director, Forecasting and Fiscal Analysis

BD/hd



# 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)

Robert Scott  
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April 22, 2010

Mr. Robert Wood  
Director, Local Government Assistance and Economic Development  
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 has analyzed the revenue gains that would be realized by the proposed Air Liquide Large Industries U.S., LLP, project for the La Porte Independent School District (LPISD). Projections prepared by the Forecasting and Fiscal Analysis Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions are valid and their estimates of the impact of the Air Liquide Large Industries U.S., LLP, project on LPISD are correct.

Please feel free to contact Helen Daniels, director of the State Funding Division, by phone at (512) 463-9268 or by email at [helen.daniels@tea.state.tx.us](mailto:helen.daniels@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads "Belinda Dyer". The signature is written in a cursive style.

Belinda Dyer  
Director, Forecasting and Fiscal Analysis

BD/hd

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED AIR  
LIQUIDE LARGE INDUSTRIES US LLP PROJECT ON THE  
FINANCES OF THE LA PORTE ISD UNDER A REQUESTED  
CHAPTER 313 PROPERTY VALUE LIMITATION**

**February 23, 2010**

**Final Report**

**PREPARED BY**



# Estimated Impact of the Proposed Air Liquide Large Industries US LLP Project on the Finances of the La Porte ISD under a Requested Chapter 313 Property Value Limitation

## Introduction

Air Liquide Large Industries US LLP (Air Liquide) has requested that the La Porte ISD (LPISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a steam methane reformer (SRM) that is used to produce industrial gases. An application was submitted to LPISD on January 22, 2010. Air Liquide proposes to invest \$235 million to construct the new industrial gas manufacturing project in LPISD.

The Air Liquide 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, the original language in Chapter 313 of the Tax Code made companies engaged in manufacturing, research and development, and renewable electric energy production eligible 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.

## School Finance Mechanics

Under the provisions of Chapter 313, LPISD may offer a minimum value limitation of \$30 million. Based on the application, the qualifying time period would begin with the 2011-12 school year. The full value of the investment is expected to reach \$213 million in 2012-13, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2011-12 and 2012-13 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2011-12 and 2012-13 school years. Beginning in 2013-14, 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 LPISD currently levying a \$0.285 per \$100 I&S tax rate.

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 their 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.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. Based on the data provided in the application, Air Liquide indicates that \$213.0 million in taxable value would be in place in the second year under the agreement. In year three (2013-14) of the agreement, the project is expected to go on the tax roll at \$30 million for M&O taxes or, if applicable, a higher value limitation amount approved by the LPISD Board of Trustees. This difference would result 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 in the revenue protection provisions of the agreement.

In years 4-10, smaller revenue losses are generally 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. In the case of relatively high-wealth school districts like LPISD, however, the pattern that has emerged is for a relatively constant revenue loss related to the portion of the M&O tax rate that is not subject to recapture, generally the last four cents of the current \$1.04 per \$100 M&O tax rate.

HB 1 established a “target” revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with Chapter 313 property value limitations, at least up to a district’s compressed M&O tax rate. The additional four to six cents of tax effort that a district may levy are subject to an enriched level of equalization and operate more like the pre-HB 1 system. For a Chapter 41 high-wealth school district, up to six cents above the compressed tax rate are not subject to recapture. A value limitation must be analyzed for any potential revenue loss associated with this component of the M&O tax levy. For tax effort in excess of the compressed plus six cents rate, equalization and recapture occur at the level of \$319,500 per weighted student in average daily attendance (WADA).

Under HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point is the target revenue provisions from HB 1, that are then expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional \$120 per WADA guarantee.

Under the provisions of HB 3646, school districts do have the potential to earn revenue above the \$120 per WADA level, up to a maximum of \$350 per WADA above current law. Initial estimates indicate that about 700 school districts are funded at the minimum \$120 per WADA level, while approximately 300 school districts are expected to generate higher revenue amounts per WADA. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district’s base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system.

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 Air Liquide 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 approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. While the new target revenue system appears to limit the impact of property value changes for a majority of school districts, changes in underlying property value growth have the potential to influence the revenue stream of a number of school districts.

Student enrollment counts are held constant at 7,401 students in average daily attendance (ADA) in analyzing the effects of the Air Liquide project on the finances of LPISD. The District's local tax base reached \$5.96 billion for the 2009 tax year. While the district's tax base has experienced volatility in recent years, the underlying \$5.96 billion taxable value for 2009-10 is maintained for the forecast period in order to isolate the effects of the property value limitation. LPISD is a property-wealthy district, with wealth per weighted ADA or WADA of approximately \$657,749 for the 2009-10 school year. These assumptions are summarized in Table 1.

## School Finance Impact

A baseline model was prepared for LPISD under the assumptions outlined above through the 2024-25 school year. Beyond the 2010-11 school year, no attempt was made to forecast the 88<sup>th</sup> percentile or Austin yield that influence future state funding. 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 second model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Air Liquide facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A third model is developed which adds the Air Liquide value but imposes the proposed property value limitation effective in the third year, which in this case is the 2013-14 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). An M&O tax rate of \$1.04 is used throughout this analysis.

A summary of the differences between these models is shown in Table 4. The model results show approximately \$58.0 million a year in net General Fund revenue, after recapture and other adjustments have been made.

Under these assumptions, LPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2013-14 school year (-\$70,306). The revenue reduction results from the mechanics of four cents not subject to recapture. It appears that similar differences persist between the two models over the course of the agreement.

One change that has been incorporated into these models is a more precise estimate of the deduction from the property value study conducted by the Comptroller's Office. 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.

Under the property value study conducted by the Comptroller's Office, however, only a single deduction amount is calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. The consequence of the lower deduction in the value study relative to the Chapter 313 reduction in the CAD values is that a school district risks not being fully compensated under the school finance funding formulas for having granted the property value limitation. Chapter 41 school districts face greater recapture costs than would have been the case if the CAD deduction and the Comptroller's Chapter 313 reduction matched.

This methodology has been incorporated into these estimates and the typical result is an increase in the hold-harmless formula amounts owed to the school district by the company that receives the value limitation. The extent to which this affects a school district's finances appears to be influenced by the scale of the value limitation reduction relative to the district's underlying tax base, as well as its I&S tax rate.

In the case of LPISD, the calculated lower reduction in the state property value relative to the M&O benefit to be received by the taxpayer does not appear to be substantial. In large part this results because the underlying tax base is substantially larger than the proposed project.

### **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 2010-11 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$12.5 million over the life of the agreement. In addition, Air Liquide would be eligible for a tax credit for taxes paid on value in excess of the value limitation in each of the first two 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 \$2.0 million over the life of the agreement, with no unpaid tax credits anticipated. The key LPISD revenue losses are associated with the additional four-cent levy not subject to recapture and expected to total approximately -\$477,582 over the course of the agreement, with the school district to be reimbursed by the state for the tax credit payments. In total, the potential net tax benefits are estimated to total \$14.0 million over the life of the agreement.

## Facilities Funding Impact

The Air Liquide project remains fully taxable for debt services taxes, with LPISD currently levying a \$0.285 I&S rate. The value of the Air Liquide 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 projected wealth per ADA that is currently well above what is provided for through the state's facilities program. The additional value is expected to help reduce the District's current I&S tax rate to \$0.2447 per \$100 in 2011-12—about four cents of tax effort—with the rate reduction diminishing as the project value depreciates.

The Air Liquide project is not expected to affect LPISD in terms of enrollment. Continued expansion of industrial gas 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. As proposed, the Air Liquide project anticipates the addition of 13 permanent full-time jobs once the project becomes operational.

## Conclusion

The proposed Air Liquide industrial gas manufacturing project enhances the tax base of LPISD. It reflects continued capital investment in manufacturing, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$14.0 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of LPISD in meeting its future debt service obligations.

**Table 1 – Base District Information with Air Liquide Large Industries US LLP Project Value and Limitation Values**

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
2011-12	7,401.18	9,655.25	\$1.0400	\$0.2588	\$6,000,175,302	\$6,000,175,302	\$6,149,593,891	\$6,149,593,891	\$636,917	\$636,917
2012-13	7,401.18	9,655.25	\$1.0400	\$0.2447	\$6,169,375,302	\$6,169,375,302	\$6,193,426,011	\$6,193,426,011	\$641,457	\$641,457
2013-14	7,401.18	9,655.25	\$1.0400	\$0.2450	\$6,163,030,302	\$5,986,343,182	\$6,362,626,011	\$6,362,626,011	\$658,981	\$658,981
2014-15	7,401.18	9,655.25	\$1.0400	\$0.2453	\$6,156,875,652	\$5,986,343,182	\$6,356,281,011	\$6,213,281,319	\$658,324	\$643,514
2015-16	7,401.18	9,655.25	\$1.0400	\$0.2455	\$6,150,905,682	\$5,986,343,182	\$6,350,126,361	\$6,212,140,079	\$657,687	\$643,395
2016-17	7,401.18	9,655.25	\$1.0400	\$0.2459	\$6,141,336,342	\$5,986,343,182	\$6,344,156,391	\$6,211,021,424	\$657,068	\$643,280
2017-18	7,401.18	9,655.25	\$1.0400	\$0.2463	\$6,132,242,922	\$5,986,343,182	\$6,334,587,051	\$6,209,232,913	\$656,077	\$643,094
2018-19	7,401.18	9,655.25	\$1.0400	\$0.2466	\$6,123,601,842	\$5,986,343,182	\$6,325,493,631	\$6,207,530,691	\$655,135	\$642,918
2019-20	7,401.18	9,655.25	\$1.0400	\$0.2469	\$6,115,390,512	\$5,986,343,182	\$6,316,852,551	\$6,205,901,979	\$654,241	\$642,749
2020-21	7,401.18	9,655.25	\$1.0400	\$0.2473	\$6,107,587,512	\$5,986,343,182	\$6,308,641,221	\$6,204,352,447	\$653,390	\$642,589
2021-22	7,401.18	9,655.25	\$1.0400	\$0.2477	\$6,099,517,782	\$6,096,517,782	\$6,300,838,221	\$6,202,885,838	\$652,582	\$642,437
2022-23	7,401.18	9,655.25	\$1.0400	\$0.2482	\$6,086,273,622	\$6,086,273,622	\$6,289,768,491	\$6,289,768,491	\$651,435	\$651,435
2023-24	7,401.18	9,655.25	\$1.0400	\$0.2485	\$6,076,793,112	\$6,076,793,112	\$6,279,524,331	\$6,279,524,331	\$650,374	\$650,374
2024-25	7,401.18	9,655.25	\$1.0400	\$0.2485	\$6,068,019,102	\$6,068,019,102	\$6,270,043,821	\$6,270,043,821	\$649,393	\$649,393
2025-26	7,401.18	9,655.25	\$1.0400	\$0.2485	\$6,059,898,762	\$6,059,898,762	\$6,261,269,811	\$6,261,269,811	\$648,484	\$648,484

\*Tier II Yield: \$59.20; AISD Yield: \$59.97; Equalized Wealth: \$481,900 per WADA

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

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
2011-12	\$60,306,054	\$2,306,330	\$5,976,882	\$0	-\$12,987,492	\$2,376,455	\$0	\$0	\$57,978,229
2012-13	\$62,083,476	\$2,306,330	\$4,938,503	\$0	-\$13,726,534	\$2,447,459	\$0	\$0	\$58,049,233
2013-14	\$62,020,194	\$2,306,330	\$6,183,903	\$0	-\$14,908,653	\$2,444,931	\$0	\$0	\$58,046,706
2014-15	\$61,958,809	\$2,824,413	\$5,667,536	\$0	-\$14,848,983	\$2,442,479	\$0	\$0	\$58,044,253
2015-16	\$61,899,290	\$2,306,330	\$6,187,266	\$0	-\$14,791,111	\$2,440,102	\$0	\$0	\$58,041,876
2016-17	\$61,803,865	\$2,824,413	\$5,698,735	\$0	-\$14,725,238	\$2,436,290	\$0	\$0	\$58,038,064
2017-18	\$61,713,180	\$2,306,330	\$6,218,046	\$0	-\$14,635,782	\$2,432,667	\$0	\$0	\$58,034,441
2018-19	\$61,627,028	\$2,824,413	\$5,701,113	\$0	-\$14,550,780	\$2,429,225	\$0	\$0	\$58,030,999
2019-20	\$61,545,157	\$2,306,330	\$6,220,291	\$0	-\$14,470,004	\$2,425,955	\$0	\$0	\$58,027,729
2020-21	\$61,467,326	\$2,824,413	\$5,703,271	\$0	-\$14,393,236	\$2,422,845	\$0	\$0	\$58,024,620
2021-22	\$61,356,957	\$2,306,330	\$6,249,551	\$0	-\$14,311,064	\$2,418,436	\$0	\$0	\$58,020,211
2022-23	\$61,254,784	\$2,824,413	\$5,730,889	\$0	-\$14,208,312	\$2,414,355	\$0	\$0	\$58,016,129
2023-24	\$61,160,271	\$2,306,330	\$6,248,399	\$0	-\$14,113,226	\$2,410,579	\$0	\$0	\$58,012,353
2024-25	\$61,072,876	\$2,824,413	\$5,729,725	\$0	-\$14,025,239	\$2,407,088	\$0	\$0	\$58,008,862
2025-26	\$60,991,991	\$2,306,330	\$6,247,256	\$0	-\$13,943,803	\$2,403,857	\$0	\$0	\$58,005,631

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

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
2011-12	\$60,306,054	\$2,306,330	\$5,976,882	\$0	-\$12,987,492	\$2,376,455	\$0	\$0	\$57,978,229
2012-13	\$62,083,476	\$2,306,330	\$4,938,503	\$0	-\$13,726,534	\$2,447,459	\$0	\$0	\$58,049,233
2013-14	\$60,260,267	\$2,306,330	\$7,485,325	\$0	-\$14,450,148	\$2,374,626	\$0	\$0	\$57,976,400
2014-15	\$60,260,186	\$2,824,413	\$5,945,217	\$0	-\$13,428,042	\$2,374,623	\$0	\$0	\$57,976,397
2015-16	\$60,260,132	\$2,306,330	\$6,455,337	\$0	-\$13,420,025	\$2,374,620	\$0	\$0	\$57,976,395
2016-17	\$60,260,025	\$2,824,413	\$5,929,487	\$0	-\$13,412,150	\$2,374,616	\$0	\$0	\$57,976,390
2017-18	\$60,259,917	\$2,306,330	\$6,435,097	\$0	-\$13,399,570	\$2,374,612	\$0	\$0	\$57,976,386
2018-19	\$60,259,836	\$2,824,413	\$5,905,119	\$0	-\$13,387,595	\$2,374,609	\$0	\$0	\$57,976,383
2019-20	\$60,259,756	\$2,306,330	\$6,411,818	\$0	-\$13,376,130	\$2,374,605	\$0	\$0	\$57,976,380
2020-21	\$60,259,648	\$2,824,413	\$5,882,922	\$0	-\$13,365,209	\$2,374,601	\$0	\$0	\$57,976,375
2021-22	\$61,356,957	\$2,306,330	\$5,558,359	\$0	-\$13,619,872	\$2,418,436	\$0	\$0	\$58,020,211
2022-23	\$61,254,784	\$2,824,413	\$5,730,889	\$0	-\$14,208,312	\$2,414,355	\$0	\$0	\$58,016,129
2023-24	\$61,160,271	\$2,306,330	\$6,248,399	\$0	-\$14,113,226	\$2,410,579	\$0	\$0	\$58,012,353
2024-25	\$61,072,876	\$2,824,413	\$5,729,725	\$0	-\$14,025,239	\$2,407,088	\$0	\$0	\$58,008,862
2025-26	\$60,991,991	\$2,306,330	\$6,247,256	\$0	-\$13,943,803	\$2,403,857	\$0	\$0	\$58,005,631

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

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
2011-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013-14	-\$1,759,927	\$0	\$1,301,422	\$0	\$458,506	-\$70,306	\$0	\$0	-\$70,306
2014-15	-\$1,698,622	\$0	\$277,681	\$0	\$1,420,941	-\$67,857	\$0	\$0	-\$67,857
2015-16	-\$1,639,157	\$0	\$268,071	\$0	\$1,371,086	-\$65,481	\$0	\$0	-\$65,481
2016-17	-\$1,543,840	\$0	\$230,752	\$0	\$1,313,088	-\$61,673	\$0	\$0	-\$61,673
2017-18	-\$1,453,263	\$0	\$217,051	\$0	\$1,236,213	-\$58,055	\$0	\$0	-\$58,055
2018-19	-\$1,367,192	\$0	\$204,007	\$0	\$1,163,185	-\$54,617	\$0	\$0	-\$54,617
2019-20	-\$1,285,401	\$0	\$191,527	\$0	\$1,093,874	-\$51,349	\$0	\$0	-\$51,349
2020-21	-\$1,207,678	\$0	\$179,651	\$0	\$1,028,028	-\$48,244	\$0	\$0	-\$48,244
2021-22	\$0	\$0	-\$691,192	\$0	\$691,192	\$0	\$0	\$0	\$0
2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial impact of the Air Liquide Large Industries US LLP Project Property Value Limitation Request Submitted to LPISD at \$1.04 M&O Tax Rate**

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
2011-12	\$43,832,120	\$43,832,120	\$0	\$1.040	\$455,854	\$455,854	\$0	\$0	\$0	\$0	\$0
2012-13	\$213,032,120	\$213,032,120	\$0	\$1.040	\$2,215,534	\$2,215,534	\$0	\$0	\$0	\$0	\$0
2013-14	\$206,687,120	\$30,000,000	\$176,687,120	\$1.040	\$2,149,546	\$312,000	\$1,837,546	\$0	\$1,837,546	-\$70,306	\$1,767,240
2014-15	\$200,532,470	\$30,000,000	\$170,532,470	\$1.040	\$2,085,538	\$312,000	\$1,773,538	\$292,484	\$2,066,022	-\$67,857	\$1,998,165
2015-16	\$194,562,500	\$30,000,000	\$164,562,500	\$1.040	\$2,023,450	\$312,000	\$1,711,450	\$292,484	\$2,003,934	-\$65,481	\$1,938,453
2016-17	\$184,993,160	\$30,000,000	\$154,993,160	\$1.040	\$1,923,929	\$312,000	\$1,611,929	\$292,484	\$1,904,413	-\$61,673	\$1,842,740
2017-18	\$175,899,740	\$30,000,000	\$145,899,740	\$1.040	\$1,829,357	\$312,000	\$1,517,357	\$292,484	\$1,809,841	-\$58,055	\$1,751,786
2018-19	\$167,258,660	\$30,000,000	\$137,258,660	\$1.040	\$1,739,490	\$312,000	\$1,427,490	\$292,484	\$1,719,974	-\$54,617	\$1,665,357
2019-20	\$159,047,330	\$30,000,000	\$129,047,330	\$1.040	\$1,654,092	\$312,000	\$1,342,092	\$292,484	\$1,634,576	-\$51,349	\$1,583,227
2020-21	\$151,244,330	\$30,000,000	\$121,244,330	\$1.040	\$1,572,941	\$312,000	\$1,260,941	\$292,484	\$1,553,425	-\$48,244	\$1,505,181
2021-22	\$140,174,600	\$140,174,600	\$0	\$1.040	\$1,457,816	\$1,457,816	\$0	\$0	\$0	\$0	\$0
2022-23	\$129,930,440	\$129,930,440	\$0	\$1.040	\$1,351,277	\$1,351,277	\$0	\$0	\$0	\$0	\$0
2023-24	\$120,449,930	\$120,449,930	\$0	\$1.040	\$1,252,679	\$1,252,679	\$0	\$0	\$0	\$0	\$0
2024-25	\$111,675,920	\$111,675,920	\$0	\$1.040	\$1,161,430	\$1,161,430	\$0	\$0	\$0	\$0	\$0
2025-26	\$103,555,580	\$103,555,580	\$0	\$1.040	\$1,076,978	\$1,076,978	\$0	\$0	\$0	\$0	\$0
<b>Totals:</b>					<b>\$23,949,911</b>	<b>\$11,467,567</b>	<b>\$12,482,343</b>	<b>\$2,047,388</b>	<b>\$14,529,731</b>	<b>-\$477,582</b>	<b>\$14,052,150</b>
<b>Tax Credit for Value Over Limit in First 2 Years</b>							<b>2011</b>	<b>2012</b>	<b>Max Credits</b>		
							\$143,854	\$1,903,534	\$2,047,388		
							Credits Earned		\$2,047,388		
							Credits Paid		<u>\$2,047,388</u>		
							Excess Credits Unpaid		\$0		

# **Attachment 3**

## Harris County

### Population

- Total county population in 2008 for Harris County: 3,984,349 , up 1.8 percent from 2007. State population increased 2.0 percent in the same time period.
- Harris County was the state's 1st largest county in population in 2008 and the 53rd fastest growing county from 2007 to 2008.
- Harris County's population in 2008 was 36.0 percent Anglo (below the state average of 47.4 percent), 17.9 percent African-American (above the state average of 11.3 percent) and 39.3 percent Hispanic (above the state average of 36.5 percent).
- 2008 population of the largest cities and places in Harris County:

Houston:	2,242,193	Pasadena:	146,439
Baytown:	70,330	La Porte:	34,274
Deer Park:	30,890	Bellaire:	18,197
South Houston:	16,351	West University Place:	15,583
Humble:	14,899	Katy:	13,913

### Economy and Income

#### *Employment*

- March 2010 total employment in Harris County: 1.85 million, up 0.9 percent from March 2009. State total employment increased 1.3 percent during the same period.  
*(April 2010 employment data will be available May 21, 2010).*
- March 2010 Harris County unemployment rate: 8.6 percent, up from 6.9 percent in March 2009. The statewide unemployment rate for March 2010 was 8.2 percent, up from 7.0 percent in March 2009.
- March 2010 unemployment rate in the city of:

Houston:	8.0 percent, up from 6.4 percent in March 2009.
Pasadena:	10.0 percent, up from 7.8 percent in March 2009.
Baytown:	11.7 percent, up from 10.1 percent in March 2009.
La Porte:	9.3 percent, up from 7.5 percent in March 2009.
Deer Park:	8.8 percent, up from 6.7 percent in March 2009.

**(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 2007: 5th with an average per capita income of \$49,634, up 7.6 percent from 2006. Statewide average per capita personal income was \$37,083 in 2007, up 5.5 percent from 2006.

#### *Industry*

- Agricultural cash values in Harris County averaged \$407.85 million annually from 2005 to 2008. County total agricultural values in 2008 were down 8.8 percent from 2007. Major agriculture related commodities in Harris County during 2008 included:
  - Timber
  - Horses
  - Hay
  - Beef Total
  - Nursery
- 2009 oil and gas production in Harris County: 1.2 million barrels of oil and 23.1 million Mcf of gas. In February 2010, there were 321 producing oil wells and 160 producing gas wells

### Taxes

#### *Sales Tax - Taxable Sales*

**(County and city taxable sales data for 3rd quarter 2010 is currently targeted for release in mid-March 2010.)**

*Quarterly (April through June 2009)*

- Taxable sales in Harris County during the second quarter 2009: \$14.65 billion, down 9.7 percent from the same quarter in 2008.
- Taxable sales during the second quarter 2009 in the city of:

Houston:	\$11.67 billion, down 10.0 percent from the same quarter in 2008.
Pasadena:	\$364.74 million, down 0.3 percent from the same quarter in 2008.
Baytown:	\$188.35 million, up 0.3 percent from the same quarter in 2008.
La Porte:	\$60.36 million, down 7.0 percent from the same quarter in 2008.
Deer Park:	\$84.55 million, down 9.8 percent from the same quarter in 2008.
Bellaire:	\$43.86 million, down 8.2 percent from the same quarter in 2008.
South Houston:	\$30.46 million, down 2.2 percent from the same quarter in 2008.
West University Place:	\$13.21 million, down 14.4 percent from the same quarter in 2008.
Humble:	\$224.63 million, down 10.1 percent from the same quarter in 2008.
Katy:	\$107.11 million, down 9.4 percent from the same quarter in 2008.
Seabrook:	\$29.04 million, down 3.9 percent from the same quarter in 2008.

<b>Webster:</b>	\$141.83 million, down 9.7 percent from the same quarter in 2008.
<b>Tomball:</b>	\$90.70 million, down 10.8 percent from the same quarter in 2008.
<b>Galena Park:</b>	\$10.76 million, down 53.4 percent from the same quarter in 2008.
<b>Jacinto City:</b>	\$12.66 million, down 9.4 percent from the same quarter in 2008.
<b>Jersey Village:</b>	\$37.53 million, down 4.3 percent from the same quarter in 2008.
<b>Hunters Creek Village:</b>	\$3.43 million, down 5.4 percent from the same quarter in 2008.
<b>Nassau Bay:</b>	\$8.24 million, down 10.5 percent from the same quarter in 2008.
<b>Spring Valley:</b>	\$17.58 million, down 13.7 percent from the same quarter in 2008.
<b>Bunker Hill Village:</b>	\$730,341.00, down 30.3 percent from the same quarter in 2008.
<b>Taylor Lake Village:</b>	\$389,530.00, down 7.2 percent from the same quarter in 2008.
<b>Piney Point Village:</b>	\$461,969.00, down 29.5 percent from the same quarter in 2008.
<b>El Lago:</b>	\$1.78 million, down 5.2 percent from the same quarter in 2008.
<b>Hedwig Village:</b>	\$33.06 million, down 12.9 percent from the same quarter in 2008.
<b>Southside Place:</b>	\$6.13 million, down 9.8 percent from the same quarter in 2008.
<b>Shoreacres:</b>	\$452,961.00, down 51.2 percent from the same quarter in 2008.
<b>Hilshire Village:</b>	\$253,011.00, down 33.0 percent from the same quarter in 2008.
<b>Morgan's Point:</b>	\$3.61 million, down 22.7 percent from the same quarter in 2008.

*Taxable Sales through end of 2nd quarter 2009 (through June 30, 2009)*

- Taxable sales in Harris County through the second quarter of 2009: \$30.17 billion, down 3.4 percent from the same period in 2008.
- Taxable sales through the second quarter of 2009 in the city of:

<b>Houston:</b>	\$24.15 billion, down 3.3 percent from the same period in 2008.
<b>Pasadena:</b>	\$766.67 million, up 8.3 percent from the same period in 2008.
<b>Baytown:</b>	\$379.62 million, up 4.5 percent from the same period in 2008.
<b>La Porte:</b>	\$126.89 million, down 0.7 percent from the same period in 2008.
<b>Deer Park:</b>	\$172.52 million, down 6.0 percent from the same period in 2008.
<b>Bellaire:</b>	\$82.98 million, down 10.2 percent from the same period in 2008.
<b>South Houston:</b>	\$61.18 million, unchanged 0.0 percent from the same period in 2008.
<b>West University Place:</b>	\$26.05 million, down 14.3 percent from the same period in 2008.
<b>Humble:</b>	\$449.52 million, down 8.3 percent from the same period in 2008.
<b>Katy:</b>	\$208.26 million, down 8.6 percent from the same period in 2008.
<b>Seabrook:</b>	\$57.08 million, down 1.2 percent from the same period in 2008.
<b>Webster:</b>	\$290.28 million, down 5.8 percent from the same period in 2008.
<b>Tomball:</b>	\$179.39 million, down 7.6 percent from the same period in 2008.
<b>Galena Park:</b>	\$21.41 million, down 47.1 percent from the same period in 2008.
<b>Jacinto City:</b>	\$25.51 million, down 5.8 percent from the same period in 2008.
<b>Jersey Village:</b>	\$74.99 million, down 1.4 percent from the same period in 2008.
<b>Hunters Creek Village:</b>	\$7.02 million, down 5.3 percent from the same period in 2008.
<b>Nassau Bay:</b>	\$16.85 million, down 2.7 percent from the same period in 2008.
<b>Spring Valley:</b>	\$36.04 million, down 6.9 percent from the same period in 2008.
<b>Bunker Hill Village:</b>	\$1.61 million, down 14.3 percent from the same period in 2008.
<b>Taylor Lake Village:</b>	\$661,175.00, down 10.4 percent from the same period in 2008.
<b>Piney Point Village:</b>	\$1.01 million, down 24.3 percent from the same period in 2008.
<b>El Lago:</b>	\$3.44 million, down 4.7 percent from the same period in 2008.
<b>Hedwig Village:</b>	\$67.49 million, down 8.5 percent from the same period in 2008.
<b>Southside Place:</b>	\$11.76 million, down 9.6 percent from the same period in 2008.
<b>Shoreacres:</b>	\$825,660.00, down 53.7 percent from the same period in 2008.
<b>Hilshire Village:</b>	\$602,946.00, down 4.3 percent from the same period in 2008.
<b>Morgan's Point:</b>	\$5.39 million, down 42.2 percent from the same period in 2008.

*Annual (2008)*

- Taxable sales in Harris County during 2008: \$66.23 billion, up 8.1 percent from 2007.
- Harris County sent an estimated \$4,139.34 million ( or 22.14 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2008.
- Taxable sales during 2008 in the city of:

<b>Houston:</b>	\$53.15 billion, up 9.3 percent from 2007.
<b>Pasadena:</b>	\$1.52 billion, up 11.1 percent from 2007.

<b>Baytown:</b>	\$777.02 million, up 8.6 percent from 2007.
<b>La Porte:</b>	\$273.33 million, up 14.3 percent from 2007.
<b>Deer Park:</b>	\$369.18 million, up 8.7 percent from 2007.
<b>Bellaire:</b>	\$185.63 million, up 0.9 percent from 2007.
<b>South Houston:</b>	\$124.49 million, up 1.1 percent from 2007.
<b>West University Place:</b>	\$61.51 million, down 5.5 percent from 2007.
<b>Humble:</b>	\$1.03 billion, down 2.3 percent from 2007.
<b>Katy:</b>	\$490.58 million, down 1.8 percent from 2007.
<b>Seabrook:</b>	\$114.45 million, up 3.2 percent from 2007.
<b>Webster:</b>	\$641.06 million, down 0.1 percent from 2007.
<b>Tomball:</b>	\$396.20 million, up 2.1 percent from 2007.
<b>Galena Park:</b>	\$81.62 million, up 10.9 percent from 2007.
<b>Jacinto City:</b>	\$52.94 million, down 5.0 percent from 2007.
<b>Jersey Village:</b>	\$154.97 million, up 4.6 percent from 2007.
<b>Hunters Creek Village:</b>	\$15.27 million, up 6.2 percent from 2007.
<b>Nassau Bay:</b>	\$38.15 million, up 11.8 percent from 2007.
<b>Spring Valley:</b>	\$97.39 million, up 45.0 percent from 2007.
<b>Bunker Hill Village:</b>	\$3.27 million, down 25.8 percent from 2007.
<b>Taylor Lake Village:</b>	\$1.43 million, down 14.2 percent from 2007.
<b>Piney Point Village:</b>	\$3.09 million, up 6.6 percent from 2007.
<b>El Lago:</b>	\$6.89 million, down 3.0 percent from 2007.
<b>Hedwig Village:</b>	\$148.86 million, up 1.9 percent from 2007.
<b>Southside Place:</b>	\$27.30 million, down 4.7 percent from 2007.
<b>Shoreacres:</b>	\$3.05 million, down 9.7 percent from 2007.
<b>Hilshire Village:</b>	\$1.33 million, down 16.1 percent from 2007.
<b>Morgan's Point:</b>	\$16.33 million, down 21.1 percent from 2007.

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

(The release date for sales tax allocations to cities for the sales activity month of March 2010 is currently scheduled for May 14, 2010.)

#### ***Monthly***

- Statewide payments based on the sales activity month of February 2010: \$394.15 million, down 3.9 percent from February 2009.
- Payments to all cities in Harris County based on the sales activity month of February 2010: \$39.26 million, down 8.2 percent from February 2009.
- Payment based on the sales activity month of February 2010 to the city of:

<b>Houston:</b>	\$32.36 million, down 7.9 percent from February 2009.
<b>Pasadena:</b>	\$1.54 million, down 14.2 percent from February 2009.
<b>Baytown:</b>	\$905,148.72, down 6.4 percent from February 2009.
<b>La Porte:</b>	\$385,247.70, up 19.5 percent from February 2009.
<b>Deer Park:</b>	\$295,489.47, down 2.0 percent from February 2009.
<b>Bellaire:</b>	\$146,242.82, down 19.7 percent from February 2009.
<b>South Houston:</b>	\$163,552.55, up 0.6 percent from February 2009.
<b>West University Place:</b>	\$70,580.83, up 3.4 percent from February 2009.
<b>Humble:</b>	\$776,522.20, down 3.0 percent from February 2009.
<b>Katy:</b>	\$480,732.34, down 4.4 percent from February 2009.
<b>Seabrook:</b>	\$142,151.75, down 14.8 percent from February 2009.
<b>Webster:</b>	\$849,448.17, down 23.8 percent from February 2009.
<b>Tomball:</b>	\$574,361.08, down 15.0 percent from February 2009.
<b>Galena Park:</b>	\$53,285.86, down 18.5 percent from February 2009.
<b>Jacinto City:</b>	\$36,256.34, down 17.9 percent from February 2009.
<b>Jersey Village:</b>	\$172,874.97, down 2.6 percent from February 2009.
<b>Hunters Creek Village:</b>	\$19,642.22, down 10.6 percent from February 2009.
<b>Nassau Bay:</b>	\$49,967.84, up 7.3 percent from February 2009.
<b>Spring Valley:</b>	\$60,304.37, up 1.0 percent from February 2009.
<b>Bunker Hill Village:</b>	\$6,325.21, up 11.4 percent from February 2009.
<b>Taylor Lake Village:</b>	\$3,837.42, up 32.9 percent from February 2009.
<b>Piney Point Village:</b>	\$20,249.52, up 197.9 percent from February 2009.

<b>El Lago:</b>	\$8,535.48, down 5.1 percent from February 2009.
<b>Hedwig Village:</b>	\$94,298.41, down 2.8 percent from February 2009.
<b>Southside Place:</b>	\$20,582.82, up 4.9 percent from February 2009.
<b>Shoreacres*:</b>	\$4,957.56, up 34.6 percent from February 2009.
<b>Hilshire Village:</b>	\$1,937.23, down 16.4 percent from February 2009.
<b>Morgan's Point:</b>	\$14,941.25, up 9.1 percent from February 2009.

**Fiscal Year**

- Statewide payments based on sales activity months from February 2010: \$2.74 billion, down 8.8 percent from the same period in 2009.
- Payments to all cities in Harris County based on sales activity months from September through February 2010: \$279.75 million, down 12.4 percent from fiscal 2009.
- Payments based on sales activity months from February 2010 to the city of:

<b>Houston:</b>	\$231.17 million, down 12.1 percent from fiscal 2009.
<b>Pasadena:</b>	\$10.88 million, down 18.5 percent from fiscal 2009.
<b>Baytown:</b>	\$5.84 million, down 12.1 percent from fiscal 2009.
<b>La Porte:</b>	\$2.55 million, down 5.5 percent from fiscal 2009.
<b>Deer Park:</b>	\$2.07 million, down 17.0 percent from fiscal 2009.
<b>Bellaire:</b>	\$1.09 million, down 8.2 percent from fiscal 2009.
<b>South Houston:</b>	\$1.08 million, down 14.4 percent from fiscal 2009.
<b>West University Place:</b>	\$494,092.38, down 1.9 percent from fiscal 2009.
<b>Humble:</b>	\$5.38 million, down 7.0 percent from fiscal 2009.
<b>Katy:</b>	\$3.87 million, down 5.0 percent from fiscal 2009.
<b>Seabrook:</b>	\$1.01 million, down 8.6 percent from fiscal 2009.
<b>Webster:</b>	\$6.37 million, down 20.6 percent from fiscal 2009.
<b>Tomball:</b>	\$4.15 million, down 14.2 percent from fiscal 2009.
<b>Galena Park:</b>	\$330,955.09, down 38.7 percent from fiscal 2009.
<b>Jacinto City:</b>	\$263,951.97, down 7.4 percent from fiscal 2009.
<b>Jersey Village:</b>	\$1.12 million, down 10.9 percent from fiscal 2009.
<b>Hunters Creek Village:</b>	\$138,445.75, down 10.6 percent from fiscal 2009.
<b>Nassau Bay:</b>	\$353,952.94, down 4.9 percent from fiscal 2009.
<b>Spring Valley:</b>	\$368,494.87, down 39.5 percent from fiscal 2009.
<b>Bunker Hill Village:</b>	\$32,797.01, up 4.8 percent from fiscal 2009.
<b>Taylor Lake Village:</b>	\$25,205.89, up 25.1 percent from fiscal 2009.
<b>Piney Point Village:</b>	\$62,526.41, up 29.5 percent from fiscal 2009.
<b>El Lago:</b>	\$65,084.99, up 1.4 percent from fiscal 2009.
<b>Hedwig Village:</b>	\$725,991.72, up 1.9 percent from fiscal 2009.
<b>Southside Place:</b>	\$153,016.96, up 0.1 percent from fiscal 2009.
<b>Shoreacres*:</b>	\$28,809.27, up 17.2 percent from fiscal 2009.
<b>Hilshire Village:</b>	\$17,200.25, down 14.7 percent from fiscal 2009.
<b>Morgan's Point:</b>	\$96,709.48, up 3.3 percent from fiscal 2009.

**January 2010 through February 2010 (Sales Activity Year-To-Date)**

- Statewide payments based on sales activity months through February 2010: \$798.61 million, down 5.3 percent from the same period in 2009.
- Payments to all cities in Harris County based on sales activity months through February 2010: \$81.46 million, down 10.4 percent from the same period in 2009.
- Payments based on sales activity months through February 2010 to the city of:

<b>Houston:</b>	\$67.42 million, down 9.8 percent from the same period in 2009.
<b>Pasadena:</b>	\$3.11 million, down 17.4 percent from the same period in 2009.
<b>Baytown:</b>	\$1.82 million, down 6.6 percent from the same period in 2009.
<b>La Porte:</b>	\$763,997.05, down 3.5 percent from the same period in 2009.
<b>Deer Park:</b>	\$568,680.65, down 30.7 percent from the same period in 2009.
<b>Bellaire:</b>	\$342,787.30, down 5.7 percent from the same period in 2009.
<b>South Houston:</b>	\$329,209.11, down 11.4 percent from the same period in 2009.
<b>West University Place:</b>	\$161,807.72, up 16.3 percent from the same period in 2009.
<b>Humble:</b>	\$1.57 million, down 2.8 percent from the same period in 2009.
<b>Katy:</b>	\$1.16 million, up 12.0 percent from the same period in 2009.

<b>Seabrook:</b>	\$294,921.74, down 12.0 percent from the same period in 2009.
<b>Webster:</b>	\$1.63 million, down 33.9 percent from the same period in 2009.
<b>Tomball:</b>	\$1.18 million, down 12.3 percent from the same period in 2009.
<b>Galena Park:</b>	\$97,358.80, down 20.7 percent from the same period in 2009.
<b>Jacinto City:</b>	\$74,944.87, down 12.9 percent from the same period in 2009.
<b>Jersey Village:</b>	\$347,207.89, down 6.1 percent from the same period in 2009.
<b>Hunters Creek Village:</b>	\$43,129.81, down 16.1 percent from the same period in 2009.
<b>Nassau Bay:</b>	\$101,842.83, down 4.5 percent from the same period in 2009.
<b>Spring Valley:</b>	\$119,560.35, down 20.2 percent from the same period in 2009.
<b>Bunker Hill Village:</b>	\$12,332.23, up 18.1 percent from the same period in 2009.
<b>Taylor Lake Village:</b>	\$7,894.04, up 32.2 percent from the same period in 2009.
<b>Piney Point Village:</b>	\$27,705.86, up 97.7 percent from the same period in 2009.
<b>El Lago:</b>	\$19,527.01, down 2.1 percent from the same period in 2009.
<b>Hedwig Village:</b>	\$192,101.82, down 5.7 percent from the same period in 2009.
<b>Southside Place:</b>	\$38,574.99, down 1.9 percent from the same period in 2009.
<b>Shoreacres*:</b>	\$9,072.96, up 16.7 percent from the same period in 2009.
<b>Hilshire Village:</b>	\$2,875.21, down 55.9 percent from the same period in 2009.
<b>Morgan's Point:</b>	\$34,280.72, up 42.7 percent from the same period in 2009.

**12 months ending in February 2010**

- Statewide payments based on sales activity in the 12 months ending in February 2010: \$5.54 billion, down 7.9 percent from the previous 12-month period.
- Payments to all cities in Harris County based on sales activity in the 12 months ending in February 2010: \$566.24 million, down 8.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in February 2010 to the city of:

<b>Houston:</b>	\$466.69 million, down 9.0 percent from the previous 12-month period.
<b>Pasadena:</b>	\$23.41 million, down 7.0 percent from the previous 12-month period.
<b>Baytown:</b>	\$12.08 million, down 3.3 percent from the previous 12-month period.
<b>La Porte:</b>	\$5.00 million, down 8.2 percent from the previous 12-month period.
<b>Deer Park:</b>	\$3.99 million, down 12.6 percent from the previous 12-month period.
<b>Bellaire:</b>	\$2.16 million, down 6.1 percent from the previous 12-month period.
<b>South Houston:</b>	\$2.32 million, down 7.2 percent from the previous 12-month period.
<b>West University Place:</b>	\$969,351.03, down 5.0 percent from the previous 12-month period.
<b>Humble:</b>	\$10.87 million, down 4.6 percent from the previous 12-month period.
<b>Katy:</b>	\$7.61 million, down 5.4 percent from the previous 12-month period.
<b>Seabrook:</b>	\$2.14 million, down 10.3 percent from the previous 12-month period.
<b>Webster:</b>	\$12.64 million, down 17.2 percent from the previous 12-month period.
<b>Tomball:</b>	\$8.72 million, down 9.0 percent from the previous 12-month period.
<b>Galena Park:</b>	\$678,694.46, down 40.2 percent from the previous 12-month period.
<b>Jacinto City:</b>	\$553,036.33, down 9.1 percent from the previous 12-month period.
<b>Jersey Village:</b>	\$2.35 million, down 5.1 percent from the previous 12-month period.
<b>Hunters Creek Village:</b>	\$278,741.29, down 8.9 percent from the previous 12-month period.
<b>Nassau Bay:</b>	\$722,543.39, down 2.2 percent from the previous 12-month period.
<b>Spring Valley:</b>	\$761,652.23, down 33.8 percent from the previous 12-month period.
<b>Bunker Hill Village:</b>	\$63,150.77, down 1.8 percent from the previous 12-month period.
<b>Taylor Lake Village:</b>	\$46,261.08, up 12.1 percent from the previous 12-month period.
<b>Piney Point Village:</b>	\$112,938.84, up 23.9 percent from the previous 12-month period.
<b>El Lago:</b>	\$129,077.04, up 2.4 percent from the previous 12-month period.
<b>Hedwig Village:</b>	\$1.36 million, down 2.9 percent from the previous 12-month period.
<b>Southside Place:</b>	\$293,458.95, up 0.5 percent from the previous 12-month period.
<b>Shoreacres*:</b>	\$51,703.11, down 5.8 percent from the previous 12-month period.
<b>Hilshire Village:</b>	\$35,377.57, down 13.0 percent from the previous 12-month period.
<b>Morgan's Point:</b>	\$204,940.18, down 9.5 percent from the previous 12-month period.

■ **City Calendar Year-To-Date (RJ 2010)**

- Payment to the cities from January 2010 through April 2010:

<b>Houston:</b>	\$152.78 million, down 12.7 percent from the same period in 2009.
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<b>Pasadena:</b>	\$7.24 million, down 18.9 percent from the same period in 2009.
<b>Baytown:</b>	\$3.99 million, down 11.0 percent from the same period in 2009.
<b>La Porte:</b>	\$1.68 million, down 1.8 percent from the same period in 2009.
<b>Deer Park:</b>	\$1.24 million, down 28.2 percent from the same period in 2009.
<b>Bellaire:</b>	\$716,253.63, down 11.2 percent from the same period in 2009.
<b>South Houston:</b>	\$704,461.58, down 15.6 percent from the same period in 2009.
<b>West University Place:</b>	\$336,232.82, up 4.9 percent from the same period in 2009.
<b>Humble:</b>	\$3.82 million, down 3.8 percent from the same period in 2009.
<b>Katy:</b>	\$2.65 million, down 3.4 percent from the same period in 2009.
<b>Seabrook:</b>	\$646,685.76, down 12.6 percent from the same period in 2009.
<b>Webster:</b>	\$4.07 million, down 27.7 percent from the same period in 2009.
<b>Tomball:</b>	\$2.76 million, down 12.9 percent from the same period in 2009.
<b>Galena Park:</b>	\$213,856.29, down 31.9 percent from the same period in 2009.
<b>Jacinto City:</b>	\$170,947.90, down 9.8 percent from the same period in 2009.
<b>Jersey Village:</b>	\$740,057.44, down 9.4 percent from the same period in 2009.
<b>Hunters Creek Village:</b>	\$91,313.00, down 14.6 percent from the same period in 2009.
<b>Nassau Bay:</b>	\$209,593.20, down 11.6 percent from the same period in 2009.
<b>Spring Valley:</b>	\$245,342.37, down 30.5 percent from the same period in 2009.
<b>Bunker Hill Village:</b>	\$23,993.93, up 7.3 percent from the same period in 2009.
<b>Taylor Lake Village:</b>	\$18,157.84, up 34.2 percent from the same period in 2009.
<b>Piney Point Village:</b>	\$45,026.28, up 58.2 percent from the same period in 2009.
<b>El Lago:</b>	\$40,144.74, down 3.5 percent from the same period in 2009.
<b>Hedwig Village:</b>	\$490,769.96, up 0.1 percent from the same period in 2009.
<b>Southside Place:</b>	\$103,308.86, down 8.6 percent from the same period in 2009.
<b>Shoreacres*:</b>	\$19,132.72, up 26.1 percent from the same period in 2009.
<b>Hilshire Village:</b>	\$8,586.78, down 39.1 percent from the same period in 2009.
<b>Morgan's Point:</b>	\$60,703.08, up 6.1 percent from the same period in 2009.

**Annual (2009)**

- Statewide payments based on sales activity months in 2009: \$5.6 billion, down 7.3 percent from 2008.
- Payments to all cities in Harris County based on sales activity months in 2009: \$619.41 million, down 7.1 percent from 2008.
- Payment based on sales activity months in 2009 to the city of:

<b>Houston:</b>	\$474.02 million, down 7.4 percent from 2008.
<b>Pasadena:</b>	\$24.06 million, down 2.7 percent from 2008.
<b>Baytown:</b>	\$12.21 million, up 0.4 percent from 2008.
<b>La Porte:</b>	\$5.03 million, down 7.5 percent from 2008.
<b>Deer Park:</b>	\$4.24 million, down 3.3 percent from 2008.
<b>Bellaire:</b>	\$2.18 million, down 4.3 percent from 2008.
<b>South Houston:</b>	\$2.36 million, down 6.0 percent from 2008.
<b>West University Place:</b>	\$946,725.94, down 9.2 percent from 2008.
<b>Humble:</b>	\$10.91 million, down 5.1 percent from 2008.
<b>Katy:</b>	\$7.48 million, down 7.0 percent from 2008.
<b>Seabrook:</b>	\$2.18 million, down 8.5 percent from 2008.
<b>Webster:</b>	\$13.47 million, down 10.1 percent from 2008.
<b>Tomball:</b>	\$8.89 million, down 5.9 percent from 2008.
<b>Galena Park:</b>	\$704,147.57, down 41.9 percent from 2008.
<b>Jacinto City:</b>	\$564,125.31, down 5.8 percent from 2008.
<b>Jersey Village:</b>	\$2.37 million, down 4.2 percent from 2008.
<b>Hunters Creek Village:</b>	\$286,997.39, down 5.0 percent from 2008.
<b>Nassau Bay:</b>	\$727,307.54, up 0.5 percent from 2008.
<b>Spring Valley:</b>	\$791,958.83, down 33.8 percent from 2008.
<b>Bunker Hill Village:</b>	\$61,256.46, down 8.5 percent from 2008.
<b>Taylor Lake Village:</b>	\$44,336.08, up 3.4 percent from 2008.
<b>Piney Point Village:</b>	\$99,247.17, up 8.2 percent from 2008.
<b>El Lago:</b>	\$129,505.78, up 3.7 percent from 2008.
<b>Hedwig Village:</b>	\$1.37 million, down 1.0 percent from 2008.

<b>Southside Place:</b>	\$294,186.14, up 0.7 percent from 2008.
<b>Shoreacres*:</b>	\$50,405.95, down 19.7 percent from 2008.
<b>Hilshire Village:</b>	\$39,027.33, down 1.7 percent from 2008.
<b>Morgan's Point:</b>	\$194,677.40, down 21.2 percent from 2008.

\*On 10/1/2009, the city of Shoreacres's local sales tax rate increased by 0.25 from 1.25 percent to 1.25 percent.

### ***Property Tax***

- As of January 2007, property values in Harris County: \$304.0 billion, up 15.6 percent from January 2006 values. The property tax base per person in Harris County is \$77,246, below the statewide average of \$78,684. A negligible percentage 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 2008: 1st. State expenditures in the county for FY2008: \$12.25 billion, up 10.6 percent from FY2007.
- In Harris County, 52 state agencies provide a total of 45,866 jobs and \$2.06 billion in annualized wages (as of 3rd quarter 2009).
- Major state agencies in the county (as of third quarter 2009):
  - 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 2009 enrollment:
  - Tomball College, a Public Community College (part of Lone Star College System), had 9,536 students.
  - South Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 10,091 students.
  - North Harris College, a Public Community College (part of Lone Star College System), had 12,860 students.
  - North Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 6,249 students.
  - Lee College, a Public Community College, had 6,542 students.
  - Kingwood College, a Public Community College (part of Lone Star College System), had 8,509 students.
  - Houston Community College, a Public Community College, had 42,104 students.
  - Cy-Fair College, a Public Community College (part of Lone Star College System), had 14,445 students.
  - Central Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 14,109 students.
- Harris County is in the service area of the following:
  - Houston Community College with a fall 2009 enrollment of 42,104 . Counties in the service area include:
    - Fort Bend County
    - Harris County
    - Waller County
  - Lee College with a fall 2009 enrollment of 6,542 . Counties in the service area include:
    - Chambers County
    - Harris County
    - Liberty County
  - Lone Star College System with a fall 2009 enrollment of 55,491 . Counties in the service area include:
    - Harris County
    - Liberty County
    - Montgomery County
    - San Jacinto County
    - Walker County
  - San Jacinto Community College with a fall 2009 enrollment of 30,449 . Counties in the service area include:
    - Chambers County
    - Harris County
- Institutions of higher education in Harris County fall 2009 enrollment:
  - University of St. Thomas, an Independent University, had 3,132 students.
  - University of Houston-Downtown, a Public University (part of University of Houston System), had 12,742 students.
  - University of Houston-Clear Lake, a Public University (part of University of Houston System), had 7,643 students.
  - University of Houston, a Public University (part of University of Houston System), had 37,000 students.

- The University of Texas M.D. Anderson Cancer Center, a Public Health-Related Institution (part of The University of Texas System), had 214 students.
- The University of Texas Health Science Center at Houston, a Public Health-Related Institution (part of The University of Texas System), had 3,969 students.
- Texas Southern University, a Public University, had 9,394 students.
- Texas Chiropractic College, an Independent Senior College/University, had 336 students.
- South Texas College of Law, an Independent Senior College/University, had 1,272 students.
- Rice University, an Independent University, had 5,663 students.
- Houston Baptist University, an Independent University, had 2,710 students.
- Baylor College of Medicine, an Independent Health-Related Institution, had 1,428 students.

### School Districts

- Harris County had 20 school districts with 883 schools and 759,907 students in the 2008-09 school year.

**(Statewide, the average teacher salary in school year 2008-09 was \$47,158. The percentage of students, statewide, meeting the 2009 TAKS passing standard for all 2008-09 TAKS tests was 74 percent.)**

- Aldine ISD had 61,299 students in the 2008-09 school year. The average teacher salary was \$50,545. The percentage of students meeting the 2009 TAKS passing standard for all tests was 73 percent.
- Alief ISD had 45,130 students in the 2008-09 school year. The average teacher salary was \$51,390. The percentage of students meeting the 2009 TAKS passing standard for all tests was 69 percent.
- Channelview ISD had 8,546 students in the 2008-09 school year. The average teacher salary was \$49,995. The percentage of students meeting the 2009 TAKS passing standard for all tests was 65 percent.
- Crosby ISD had 4,973 students in the 2008-09 school year. The average teacher salary was \$47,170. The percentage of students meeting the 2009 TAKS passing standard for all tests was 72 percent.
- Cypress-Fairbanks ISD had 100,505 students in the 2008-09 school year. The average teacher salary was \$47,281. The percentage of students meeting the 2009 TAKS passing standard for all tests was 80 percent.
- Deer Park ISD had 12,499 students in the 2008-09 school year. The average teacher salary was \$53,312. The percentage of students meeting the 2009 TAKS passing standard for all tests was 83 percent.
- Galena Park ISD had 21,208 students in the 2008-09 school year. The average teacher salary was \$47,436. The percentage of students meeting the 2009 TAKS passing standard for all tests was 77 percent.
- Goose Creek ISD had 20,519 students in the 2008-09 school year. The average teacher salary was \$50,698. The percentage of students meeting the 2009 TAKS passing standard for all tests was 74 percent.
- Houston ISD had 199,524 students in the 2008-09 school year. The average teacher salary was \$51,580. The percentage of students meeting the 2009 TAKS passing standard for all tests was 69 percent.
- Huffman ISD had 3,044 students in the 2008-09 school year. The average teacher salary was \$45,175. The percentage of students meeting the 2009 TAKS passing standard for all tests was 79 percent.
- Humble ISD had 33,724 students in the 2008-09 school year. The average teacher salary was \$46,983. The percentage of students meeting the 2009 TAKS passing standard for all tests was 79 percent.
- Katy ISD had 56,191 students in the 2008-09 school year. The average teacher salary was \$49,263. The percentage of students meeting the 2009 TAKS passing standard for all tests was 86 percent.
- Klein ISD had 43,642 students in the 2008-09 school year. The average teacher salary was \$50,828. The percentage of students meeting the 2009 TAKS passing standard for all tests was 81 percent.
- La Porte ISD had 7,888 students in the 2008-09 school year. The average teacher salary was \$49,366. The percentage of students meeting the 2009 TAKS passing standard for all tests was 77 percent.
- North Forest ISD had 7,897 students in the 2008-09 school year. The average teacher salary was \$46,989. The percentage of students meeting the 2009 TAKS passing standard for all tests was 54 percent.
- Pasadena ISD had 51,266 students in the 2008-09 school year. The average teacher salary was \$47,648. The percentage of students meeting the 2009 TAKS passing standard for all tests was 68 percent.
- Sheldon ISD had 6,175 students in the 2008-09 school year. The average teacher salary was \$48,713. The percentage of students meeting the 2009 TAKS passing standard for all tests was 66 percent.
- Spring ISD had 33,882 students in the 2008-09 school year. The average teacher salary was \$47,037. The percentage of students meeting the 2009 TAKS passing standard for all tests was 67 percent.
- Spring Branch ISD had 32,326 students in the 2008-09 school year. The average teacher salary was \$50,307. The percentage of students meeting the 2009 TAKS passing standard for all tests was 78 percent.
- Tomball ISD had 9,669 students in the 2008-09 school year. The average teacher salary was \$49,433. The percentage of students meeting the 2009 TAKS passing standard for all tests was 82 percent.