



# Chapter 313 Annual Eligibility Report Form

**Form 50-772**  
(May 2010)

2011

Tax Year Covered in this report

**Manor Independent School District**

School district name

.4750

I&S Tax Rate

1.04

M&O Tax Rate

**Project Sky (Samsung 300mm Wafer Fab)**

Project Name

**Samsung Austin Semiconductor, LLC**

Company Name

**12100 Samsung Blvd, Austin, TX**

Company Address

**Marcie Ramirez**

Company Contact Information

**NOTE:** This form must be completed by an authorized representative of each approved applicant and each entity with property subject to the limitation agreement. It must be submitted to the school district by May 15th of every year using information from the previous tax (calendar) year. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information, and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

**32017943922**

Texas Taxpayer ID of Applicant

**September 22, 2005**

Date of Agreement Approval

**2006**

First complete tax year of the qualifying time period

**2008**

First tax year of the limitation

Texas Taxpayer ID Reporting Entity (if appropriate)

**Samsung Austin Semiconductor, LLC**

Original Applicant Name

**2007**

Last tax year of the qualifying time period

**\$80,000,000**

Amount of the limitation at the time of application approval

### QUALIFIED PROPERTY INFORMATION

**1,493,981,088**

Market Value

**1,493,981,088**

I&S Taxable Value

**\$80,000,000**

M&O Taxable Value

Is the business entity in good standing with respect to Tax Code, Chapter 171?

(Attach printout from Comptroller Web site: <http://www.window.state.tx.us/taxinfo/coasintr.html>)

Yes  No

Is the business entity current on all taxes due to the State of Texas?

Yes  No

Is the business activity of the project an eligible business activity under Section 313.024(b)?

Yes  No

Please identify business activity: Semiconductor Manufacturing

What was the application review start date for your application (the date your application was determined to be complete)?

(This question must only be answered for projects with applications approved after June 1, 2010.)

N/A

How many new jobs were based on the qualified property in the year covered by this report? (See note on page 3.)

see attached

What is the number of new jobs required for a project in this school district according to 313.021(2)(A)(iv)(h), 313.051(b), as appropriate?

25

If the applicant requested a waiver of minimum jobs requirement, how many new jobs must the approved applicant create under the waiver?

N/A

80 percent of New Jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.)

see attached



## Chapter 37 Annual Eligibility Report Form

Form 50-772

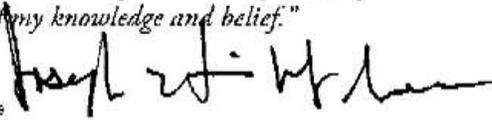
NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement.

Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code 313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

## APPROVAL

*"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."*

Signature



Joseph H. Lee

Printed name of authorized company representative

Sr. Director of Accounting &amp; Finance

Title

Date

5/9/2012

## CONTACT INFORMATION FOR AUTHORIZED REPRESENTATIVE

12100 Samsung Blvd, Austin, TX 78754

Address

(512) 672-1066

Phone

joe.lee@samsung.com

E-mail

Form 50-772 ATTACHMENT 1

REPORTING YEAR: 2011

**NEW JOBS**

As of January 1, 2009, SAS had met the requirement to maintain not fewer than 700 new Qualifying Jobs. Additionally, each subsequent year, SAS must maintain not fewer than 400 Qualifying Jobs. SAS has met these requirements.

On December 31, 2011, SAS had 2,349 full-time employees on its payroll. Of these employees, 1,859 earned an average annual salary of \$70,449. On December 31, 2011, SAS had more than 1,827 contract workers assigned to SAS' worksite.

**Board Finding Number 3.**

**Average salary levels of qualifying jobs are expected to be \$61,000, which is 18 percent above the current Travis County average salary of \$51,637 per manufacturing job.**

**Board Finding Number 4.**

**The level of the applicant's total investment per qualifying job over the term of the Agreement is estimated to be approximately \$5 million on the basis of 700 qualifying jobs.**

In support of Findings 3 and 4, the economic impact evaluation contains the following information.

For this study, TXP has calculated the economic impact of Project Sky's proposed semiconductor manufacturing facility based on annual output and employment levels provided by the company. . . Specifically, this analysis measures the anticipated economic impacts of Project Sky's proposed semiconductor manufacturing facility using RIMS II, the IMPLAN input-output economic system, and proprietary TXP models.

Given Travis County's role in the Austin MSA economy, regional workforce commuting patterns, and existing semiconductor suppliers, TXP's economic impact analysis focused on the greater Austin region. While direct ad valorem taxes can be attributed to specific taxing jurisdictions, the strong economic linkages throughout the region reduce the ability to estimate the number of new jobs or businesses that will be attracted specifically to Travis County. The economic impact figures in this section of the report represent the economic changes for the entire Austin MSA.

In an input-output analysis of new economic activity, it is useful to distinguish three types of expenditure effects: direct, indirect, and induced. Direct effects are production changes associated with the immediate effects or final demand changes. The payment made by an out-of-town visitor to a hotel operator is an example of a direct effect, as would be the taxi fare that visitor paid to be transported into town from the airport.

# ECONOMIC & TAX REVENUE IMPACT OF PROJECT SKY

Prepared for the Manor Independent School District

## Regional Tax Revenue Impact

Beyond the direct, indirect, and induced economic impacts detailed above, Project Sky's expansion could generate a tremendous amount of tax revenue for local taxing jurisdictions. In the abstract, all levels of government – school districts, city, county, and special taxing authorities – would be very positively impacted by the development of Project Sky's proposed facility, although the level of ultimate benefit will be influenced by any tax incentives that are offered. Tax rates for 2004 were obtained from the Travis Central Appraisal District website<sup>9</sup>.

A number of important considerations should be taken into account when reviewing the economic impacts of Project Sky's plans. One issue, for example, is that part of Project Sky's economic impact transcends local taxing jurisdictions (i.e., city and county). In addition, Travis County is linked to the much larger Austin MSA regional economy. It is not unreasonable to expect workers at Project Sky to commute from surrounding counties such as Williamson County, shop in neighboring cities such as Pflugerville, and spend dollars outside of Travis County. It is difficult, if not impossible, to accurately determine the amount of tax revenue that individual communities will receive from increased retail sales activity.

Therefore, TXP has focused its efforts on determining the amount of direct ad valorem tax revenue the Manor I.S.D., City of Austin, and Travis County will receive. TXP has also conservatively projected the total amount of increased indirect sales tax revenue and ad valorem tax revenue that communities in the Austin MSA will receive.

To put this project's economic impact into perspective, the following table compares Project Sky's salary and investment projections per job with Travis County. Clearly, Project Sky's wages and investment levels are far greater than the Travis County averages.

**Table 7: Project Sky Investment vs. Travis County Averages**

	Travis County (2003/2004)	Texas (2003/2004)	Project Sky Average***	% Difference vs. Travis County
Average Weekly Manufacturing Wage*	\$993	\$738	\$1,340	35%
Investment Per Job**	\$137,494	N/A	\$2,580,672	1777%

\* Texas Workforce Commission - Wage Information Network

\*\* Investment per job for Travis County = 2003 Total Travis County Appraised Value / Total Travis County Employment

\*\*\* The Project Sky 15 year average wage has been used in this calculation.

Source: TXP, Project Sky

Note, the tax revenue figures shown for the Manor I.S.D. reflect the projected tax collections the District would receive based on the anticipated value of the project, in the absence of the requested limitation on value and any adjustments made under the current school finance system.

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	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	Median wage
Texas Statewide						
First-Line Supervisors/Managers of Production and Operating Workers Manufacturing	51-1011	30,870	\$58,378 \$28.07	\$36,300 \$17.45	\$69,416 \$33.37	\$54,881 \$26.38

### Compensation Summary

#### First-Line Supervisors/Managers of Production and Operating Workers working in Manufacturing

In Texas Statewide can expect to earn a median cash salary of **\$54,881** or **\$26.38** per hour. The median wage is the 50th percentile wage estimate-- 50 percent of workers earn less than the median and 50 percent of workers earn more.

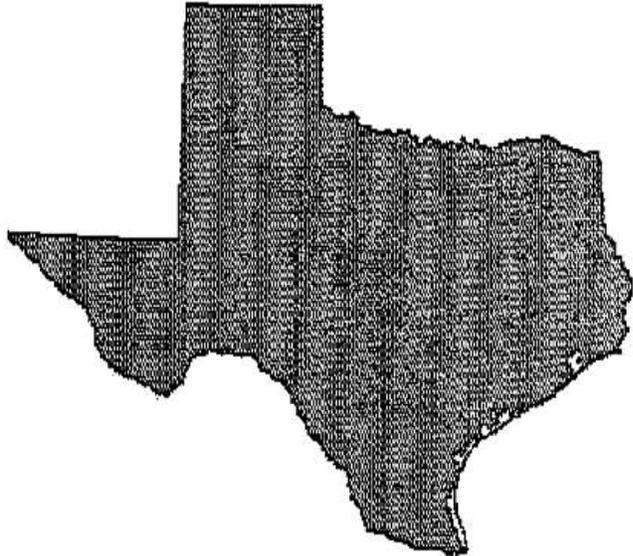
Half of the people in this job earn between **\$41,868 (\$20.13 per hour)** and **\$72,515 (\$34.86 per hour)** (i.e., between the 25th and 75th percentiles). An **entry level** worker can expect to earn **\$36,300 (\$17.45 per hour)** while an **experienced** worker can expect to earn **\$69,416 (\$33.37 per hour)**.

Annual wages have been calculated by multiplying the hourly wage by a "year-round, full-time" hours figure of **2080** hours. For those occupations where there is not an hourly wage published, the annual wage has been directly calculated from the reported survey data.

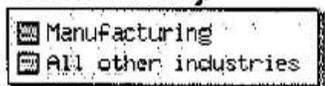
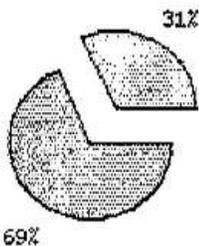
These estimates are based on **4296** mail surveys of establishments in the area taken through June, 2010 and have a relative standard error of **0.95%**. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

### Job Duties and Responsibilities

Supervise and coordinate the activities of production and operating workers, such as inspectors, precision workers, machine setters and operators, assemblers, fabricators, and plant and system operators. Exclude team or work leaders.



### Employment by Industry



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Texas Statewide

Total all occupations

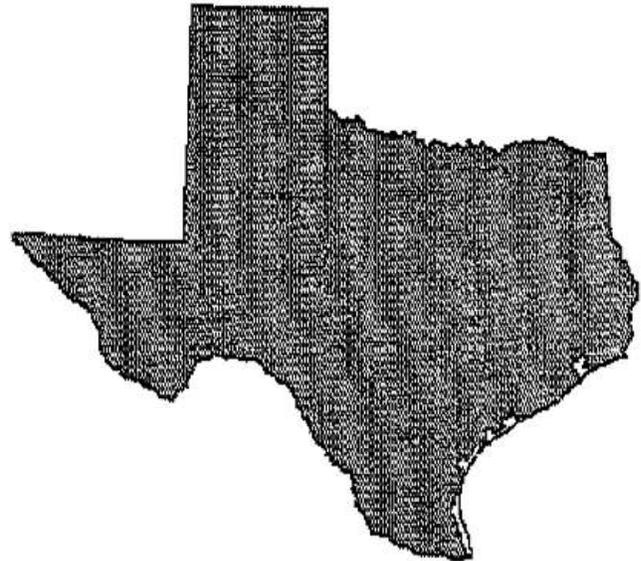
All industries

Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	Median wage
00-0000	10,089,870	\$42,215 \$20.30	\$18,317 \$8.81	\$54,164 \$26.04	\$31,490 \$15.14

### Compensation Summary

Total all occupations working in Texas Statewide can expect to earn a median cash salary of **\$31,490** or **\$15.14** per hour. The median wage is the 50th percentile wage estimate--50 percent of workers earn less than the median and 50 percent of workers earn more.

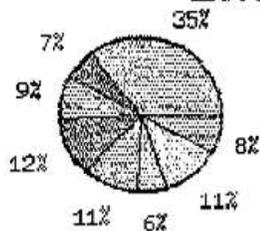
Half of the people in this job earn between **\$20,150 (\$9.69 per hour)** and **\$51,550 (\$24.78 per hour)** (i.e., between the 25th and 75th percentiles). An **entry level** worker can expect to earn **\$18,317 (\$8.81 per hour)** while an **experienced** worker can expect to earn **\$54,164 (\$26.04 per hour)**.



Annual wages have been calculated by multiplying the hourly wage by a "year-round, full-time" hours figure of **2080** hours. For those occupations where there is not an hourly wage published, the annual wage has been directly calculated from the reported survey data.

These estimates are based on **69504** mail surveys of establishments in the area taken through June, 2010 and have a relative standard error of **0.00%**. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

### Employment by Industry



	Manufacturing
	Retail Trade
	Administrative and Support and Waste...
	Educational Services
	Health Care and Social Assistance
	Accommodation and Food Services
	Public Administration
	All other industries



**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

June 5, 2012

**CERTIFICATE OF ACCOUNT STATUS**

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

**SAMSUNG AUSTIN SEMICONDUCTOR, LLC**

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due August 15, 2012.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 5th day of  
June 2012 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs  
Texas Comptroller

Taxpayer number: 32017943922  
File number: 0800527862

Form 05-304 (Rev. 12-07/17)