SUSAN COMBS

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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

March 4, 2014

Kristi Rochelle Heid
Superintendent
Sabine Pass Independent School District
P. O. Box 1148
Sabine Pass, Texas 77655

Dear Superintendent Heid:

On Dec. 10, 2013, the Comptroller received the completed application (Application # 376) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted in November 2013 to the Sabine Pass Independent School District (the school district) by Golden Pass Products LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment ($3.55 billion) 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Jefferson County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of Dec. 10, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2) The limitation agreement must contain provisions that require:
    a. the applicant to provide sufficient information to the Central Appraisal District (CAD) to distinguish between and separately appraise qualified property (as defined by 313.021(2)) from any property that is not qualified;
    b. the school district to confirm with the CAD that the applicant has provided such information; and
    c. that the Comptroller is provided with the CAD approved information no later than the first annual reporting period following the execution of the agreement;
3) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
4) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
5) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Golden Pass Products LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Sabine Pass ISD
2011-12 Enrollment in School District	346
County	Jefferson
Total Investment in District	$3,551,000,000
Qualified Investment	$3,551,000,000
Limitation Amount	$30,000,000
Number of total jobs committed to by applicant	20
Number of qualifying jobs committed to by applicant	16
Average Weekly Wage of Qualifying Jobs committed to by applicant	$1,385
Minimum Weekly Wage Required Tax Code, 313.051(b)	$1,293
Minimum Annual Wage committed to by applicant for qualified jobs	$72,000
Investment per Qualifying Job	$221,937,500
Estimated 15 year M&O levy without any limit or credit:	$374,385,998
Estimated gross 15 year M&O tax benefit	$259,026,133
Estimated 15 year M&O tax benefit (*after* deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	$243,830,861
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$26,828,880
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	$130,555,137
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	65.1%
Percentage of tax benefit due to the limitation	89.6%
Percentage of tax benefit due to the credit	10.4%

This presents the Comptroller's economic impact evaluation of Golden Pass Products LLC (the project) applying to Sabine Pass 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 20 new jobs when fully operational. 16 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South East Texas Regional Planning Region, where Jefferson County is located was $61,118 in 2012. The annual average manufacturing wage for 2012-2013 for Jefferson County is $91,364. That same year, the county annual average wage for all industries was $49,712. In addition to a salary of $72,000, each qualifying position will receive benefits: At least 80% of employees of the Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive a competitive 401(k) Retirement Savings Plan, vacation time, sick leave, and skills training.. The project's total investment is $3.5 billion, resulting in a relative level of investment per qualifying job of $221.9 million.

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

According to Golden Pass Products LLC's application, "Golden Pass Products LLC was formed by affiliates of Qatar Petroleum International (QP) and ExxonMobil. ExxonMobil has an extensive global position in LNG with interests in liquefaction capacity of approximately 65 million tonnes per year through their ventures in Qatar and Indonesia. In 2009, ExxonMobil and Qatar Petroleum started up three 7.8 million-tonnes-per-year LNG trains in Qatar, the largest in service anywhere in the world. ExxonMobil and QP have also added LNG regasification capacity with the opening of the South Hook Terminal in Wales and the Adriatic LNG Terminal offshore Italy, increasing access to attractive European markets. In addition to the Asia Pacific, ExxonMobil and joint venture partners have sanctioned the Gorgon Jansz and PNG LNG projects and additional LNG projects are being pursued in Australia and West Africa. The extensive global experience of its two partners provides Golden Pass Products the technology, marketing and financial strength to construct a world-class liquefaction and export facility anywhere in the United States and around the world."

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

During the past two years, 9 projects in the South East Texas Regional Planning 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 Golden Pass Products LLC, 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 Golden Pass Products LLC'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 17 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 Golden Pass Products LLC

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	300	267	567	$12,000,000	$21,000,000	$33,000,000
2017	1000	898	1898	$40,000,000	$74,000,000	$114,000,000
2018	1100	992	2092	$44,000,000	$93,000,000	$137,000,000
2019	500	459	959	$20,000,000	$57,000,000	$77,000,000
2020	20	193	213	$1,344,600	$31,655,400	$33,000,000
2021	20	214	234	$1,344,600	$29,655,400	$31,000,000
2022	20	230	250	$1,344,600	$29,655,400	$31,000,000
2023	20	257	277	$1,344,600	$31,655,400	$33,000,000
2024	20	281	301	$1,344,600	$32,655,400	$34,000,000
2025	20	310	330	$1,344,600	$35,655,400	$37,000,000
2026	20	322	342	$1,344,600	$37,655,400	$39,000,000
2027	20	343	363	$1,344,600	$39,655,400	$41,000,000
2028	20	291	311	$1,344,600	$37,655,400	$39,000,000
2029	20	224	244	$1,344,600	$31,655,400	$33,000,000
2030	20	189	209	$1,344,600	$28,655,400	$30,000,000
2031	20	169	189	$1,344,600	$26,655,400	$28,000,000
2032	20	158	178	$1,344,600	$24,655,400	$26,000,000

Source: CPA, REMI, Golden Pass Products LLC

The statewide average ad valorem tax base for school districts in Texas was $1.65 billion in 2012-2013. Sabine Pass ISD's ad valorem tax base in 2012-2013 was $664 million. The statewide average wealth per WADA was estimated at $343,155 for fiscal 2012-2013. During that same year, Sabine Pass ISD's estimated wealth per WADA was $1.14 million. 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, Jefferson County, Sabine-Neches Navigation District, and Port of Sabine Pass, with all property tax incentives sought being granted using estimated market value from Golden Pass Products LLC's application. Golden Pass Products LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, navigation district, and port authority. Table 3 illustrates the estimated tax impact of Golden Pass Products LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy	Sabine Pass ISD M&O and I&S Tax Levies (Before Credit Credited)	Sabine Pass ISD M&O and I&S Tax Levies (After Credit Credited)	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2018	$1,051,650,000	$1,051,650,000		$1,051,650	$10,937,160	$11,988,810	$11,988,810	$0	$0	$0	$11,988,810
2019	$1,588,050,000	$1,588,050,000		$1,588,050	$16,515,720	$18,103,770	$18,103,770	$0	$0	$0	$18,103,770
2020	$3,239,268,000	$30,000,000		$3,239,268	$312,000	$3,551,268	$3,551,268	$0	$0	$0	$3,551,268
2021	$3,109,872,780	$30,000,000		$3,109,873	$312,000	$3,421,873	$1,166,709	$0	$0	$0	$1,166,709
2022	$2,985,648,982	$30,000,000		$2,985,649	$312,000	$3,297,649	$1,126,336	$0	$0	$0	$1,126,336
2023	$2,866,389,857	$30,000,000		$2,866,390	$312,000	$3,178,390	$1,087,577	$0	$0	$0	$1,087,577
2024	$2,751,896,926	$30,000,000		$2,751,897	$312,000	$3,063,897	$1,050,367	$0	$0	$0	$1,050,367
2025	$2,641,979,647	$30,000,000		$2,641,980	$312,000	$2,953,980	$1,014,643	$0	$0	$0	$1,014,643
2026	$2,536,455,093	$30,000,000		$2,536,455	$312,000	$2,848,455	$980,348	$0	$0	$0	$980,348
2027	$2,435,147,656	$30,000,000		$2,435,148	$312,000	$2,747,148	$947,423	$8,888,289	$678,676	$4,625,003	$15,139,390
2028	$2,337,888,746	$2,337,888,746		$2,337,889	$24,314,043	$26,651,932	$13,961,041	$8,533,294	$651,570	$4,440,282	$27,586,186
2029	$2,244,516,519	$2,244,516,519		$2,244,517	$23,342,972	$25,587,488	$25,587,488	$8,192,485	$625,547	$4,262,943	$38,668,463
2030	$2,154,875,598	$2,154,875,598		$2,154,876	$22,410,706	$24,565,582	$24,565,582	$7,865,296	$600,564	$4,092,691	$37,124,132
2031	$2,068,816,820	$2,068,816,820		$2,068,817	$21,515,695	$23,584,512	$23,584,512	$7,551,181	$576,579	$3,929,242	$35,641,514
2032	$1,986,196,987	$1,986,196,987		$1,986,197	$20,656,449	$22,642,646	$22,642,646	$7,249,619	$553,553	$3,772,324	$34,218,142
						Total	$151,358,518	$48,280,164	$3,686,488	$25,122,484	$228,447,655
Assumes School Value Limitation and Tax Abatements with the County, Navigation District, and Port Authority.											

Source: CPA, Golden Pass Products LLC

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy		Sabine Pass ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2018	$1,051,650,000	$1,051,650,000		$1,051,650	$10,937,160		$11,988,810	$3,838,523	$293,095	$1,997,367	$18,117,795
2019	$1,588,050,000	$1,588,050,000		$1,588,050	$16,515,720		$18,103,770	$5,796,383	$442,590	$3,016,136	$27,358,878
2020	$3,239,268,000	$3,239,268,000		$3,239,268	$33,688,387		$36,927,655	$11,823,328	$902,784	$6,152,245	$55,806,012
2021	$3,109,872,780	$3,109,872,780		$3,109,873	$32,342,677		$35,452,550	$11,351,036	$866,722	$5,906,488	$53,576,795
2022	$2,985,648,982	$2,985,648,982		$2,985,649	$31,050,749		$34,036,398	$10,897,619	$832,100	$5,670,554	$51,436,671
2023	$2,866,389,857	$2,866,389,857		$2,866,390	$29,810,455		$32,676,844	$10,462,323	$798,863	$5,444,048	$49,382,078
2024	$2,751,896,926	$2,751,896,926		$2,751,897	$28,619,728		$31,371,625	$10,044,424	$766,954	$5,226,595	$47,409,598
2025	$2,641,979,647	$2,641,979,647		$2,641,980	$27,476,588		$30,118,568	$9,643,226	$736,320	$5,017,833	$45,515,946
2026	$2,536,455,093	$2,536,455,093		$2,536,455	$26,379,133		$28,915,588	$9,258,061	$706,910	$4,817,413	$43,697,972
2027	$2,435,147,656	$2,435,147,656		$2,435,148	$25,325,536		$27,760,683	$8,888,289	$678,676	$4,625,003	$41,952,651
2028	$2,337,888,746	$2,337,888,746		$2,337,889	$24,314,043		$26,651,932	$8,533,294	$651,570	$4,440,282	$40,277,077
2029	$2,244,516,519	$2,244,516,519		$2,244,517	$23,342,972		$25,587,488	$8,192,485	$625,547	$4,262,943	$38,668,463
2030	$2,154,875,598	$2,154,875,598		$2,154,876	$22,410,706		$24,565,582	$7,865,296	$600,564	$4,092,691	$37,124,132
2031	$2,068,816,820	$2,068,816,820		$2,068,817	$21,515,695		$23,584,512	$7,551,181	$576,579	$3,929,242	$35,641,514
2032	$1,986,196,987	$1,986,196,987		$1,986,197	$20,656,449		$22,642,646	$7,249,619	$553,553	$3,772,324	$34,218,142
						Total	$410,384,651	$131,395,086	$10,032,825	$68,371,163	$620,183,724

Source: CPA, Golden Pass Products LLC

[1]Tax Rate per $100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be $374,385,998. The estimated gross 15 year M&O tax benefit, or levy loss, is $259,026,133.

Attachment 3 is an economic overview of Jefferson 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, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Schedule A (Rev. January 2013): Investment

Applicant Name Golden Pass Products LLC (Train 1 and Infrastructure Application)
ISD Name Sabine Pass ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent 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 investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)		2016-2017	2016	0	0		0	0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2016-2017	2016	0	0		0	0
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)		2016-2017	2016	$ 961,000,000	$ -	$ 961,000,000	$ -	$ 961,000,000
			2017-2018	2017	$ 1,253,000,000	$ -	$ 1,253,000,000	$ -	$ 1,253,000,000
	Complete tax years of qualifying time period	1	2018-2019	2018	$ 1,124,000,000	$ 5,000,000	$ 1,129,000,000	$ -	$ 1,129,000,000
		2	2019-2020	2019	$ 201,000,000	$ 7,000,000	$ 208,000,000	$ -	$ 208,000,000
	Value Limitation Period	3	2020-2021	2020	0	0		0	0
Tax Credit Period (with 50% cap on credit)		4	2021-2022	2021	0	0		0	0
		5	2022-2023	2022	0	0		0	0
		6	2023-2024	2023	0	0		0	0
		7	2024-2025	2024	0	0		0	0
		8	2025-2026	2025	0	0		0	0
		9	2026-2027	2026	0	0		0	0
		10	2027-2028	2027	0	0		0	0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2028-2029	2028	0	0		0	0
		12	2029-2030	2029	0	0		0	0
		13	2030-2031	2030	0	0		0	0
Post- Settle-Up Period		14	2031-2032	2031	0	0		0	0
Post- Settle-Up Period		15	2032-2033	2032	0	0		0	0

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, 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-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-for planning, construction and operation of the facility
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note. Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

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

Wanda Silva

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13

DATE

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

Applicant Name Golden Pass Products LLC (Train 1 and Infrastructure Application)

ISD Name Sabine Pass ISD

Form 50-296

					Qualified Property			Reductions from Market Value	Estimated Taxable Value	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O—after all reductions
		pre- year 1	2016-2017	2016	$ -	$ -	$ -	$ -	$ -	$ -
		pre- year 2	2018-2019	2017	$ -	$ -	$ 240,250,000	$ 12,012,500	$ 228,237,500	$ 228,237,500
	Complete tax years of qualifying time period	1	2018-2019	2018	$ -	$ -	$ 1,107,000,000	$ 55,350,000	$ 1,051,650,000	$ 1,051,650,000
		2	2019-2020	2019	$ -	$ 2,500,000	$ 1,669,000,000	$ 83,450,000	$ 1,588,050,000	$ 1,588,050,000
	Value Limitation Period	3	2020-2021	2020	$ -	$ 11,700,000	$ 3,397,440,000	$ 169,872,000	$ 3,239,268,000	$ 30,000,000
Tax Credit Period (with 50% cap on credit)		4	2021-2022	2021	$ -	$ 11,407,500	$ 3,261,542,400	$ 163,077,120	$ 3,109,872,780	$ 30,000,000
		5	2022-2023	2022	$ -	$ 11,122,313	$ 3,131,080,704	$ 156,554,035	$ 2,985,648,981	$ 30,000,000
		6	2023-2024	2023	$ -	$ 10,844,255	$ 3,005,837,476	$ 150,291,874	$ 2,866,389,857	$ 30,000,000
		7	2024-2025	2024	$ -	$ 10,573,148	$ 2,885,603,977	$ 144,280,199	$ 2,751,896,926	$ 30,000,000
		8	2025-2026	2025	$ -	$ 10,308,820	$ 2,770,179,818	$ 138,508,991	$ 2,641,979,646	$ 30,000,000
		9	2026-2027	2026	$ -	$ 10,051,099	$ 2,659,372,625	$ 132,968,631	$ 2,536,455,093	$ 30,000,000
		10	2027-2028	2027	$ -	$ 9,799,822	$ 2,552,997,720	$ 127,649,886	$ 2,435,147,656	$ 30,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2028-2029	2028	$ -	$ 9,554,826	$ 2,450,877,811	$ 122,543,891	$ 2,337,888,747	$ 2,337,888,747
		12	2029-2030	2029	$ -	$ 9,315,955	$ 2,352,842,699	$ 117,642,135	$ 2,244,516,519	$ 2,244,516,519
		13	2030-2031	2030	$ -	$ 9,083,057	$ 2,258,728,991	$ 112,936,450	$ 2,154,875,598	$ 2,154,875,598
Post- Settle-Up Period		14	2031-2032	2031	$ -	$ 8,855,980	$ 2,168,379,831	$ 108,418,992	$ 2,068,816,820	$ 2,068,816,820
Post- Settle-Up Period		15	2032-2033	2032	$ -	$ 8,634,581	$ 2,081,644,638	$ 104,082,232	$ 1,986,196,987	$ 1,986,196,987

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

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

Wanda Fisher 11-18-13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE **DATE**

Schedule C- Application: Employment Information

Applicant Name Golden Pass Products LLC (Train 1 and Infrastructure Application)
ISD Name Sabine Pass ISD

Form 50-296

					Construction		New Jobs		Qualifying Jobs	
		Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	**Column A:** Number of Construction FTE's or man-hours (specify)	**Column B: Average** annual wage rates for construction workers	**Column C:** Number of new jobs applicant commits to create (cumulative)	**Column D: Average** annual wage rate for all new jobs.	**Column E:** Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Column F: Average** annual wage of qualifying jobs
		pre- year 1	2016-2017	2016	300 FTEs	$40,000	0	$0	0	$0
		pre- year 2	2017-2018	2017	1000 FTEs	$40,000	0	$0	0	$0
	Complete tax years of qualifying time period	1	2018-2019	2018	1100 FTEs	$40,000	0	$0	0	$0
		2	2019-2020	2019	500 FTEs	$40,000	0	$0	0	$0
	Value Limitation Period	3	2020-2021	2020			20	$67,230	16	$72,000
Tax Credit Period (with 50% cap on credit)		4	2021-2022	2021			20	$67,230	16	$72,000
		5	2022-2023	2022			20	$67,230	16	$72,000
		6	2023-2024	2023			20	$67,230	16	$72,000
		7	2024-2025	2024			20	$67,230	16	$72,000
		8	2025-2026	2025			20	$67,230	16	$72,000
		9	2026-2027	2026			20	$67,230	16	$72,000
		10	2027-2028	2027			20	$67,230	16	$72,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2028-2029	2028			20	$67,230	16	$72,000
		12	2029-2030	2029			20	$67,230	16	$72,000
		13	2030-2031	2030			20	$67,230	16	$72,000
Post- Settle-Up Period		14	2031-2032	2031			20	$67,230	16	$72,000
Post- Settle-Up Period		15	2032-2033	2032			20	$67,230	16	$72,000

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13
DATE

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name: Golden Pass Products LLC (Train 1 and Infrastructure Application) | ISD Name: Sabine Pass ISD | Form 50-296

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other (Nav & Port)
		Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
			2016-2017	2016	$ 120,125,000	$ 840,875,000	0	n/a	n/a	n/a	n/a
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2017-2018	2017	$ 156,625,000	$ 1,096,375,000	0	100%	n/a	n/a	100%
	Complete tax years of qualifying time period	1	2018-2019	2018	$ 141,125,000	$ 987,875,000	0	100%	n/a	n/a	100%
		2	2019-2020	2019	$ 26,000,000	$ 182,000,000	0	100%	n/a	n/a	100%
	Value Limitation Period	3	2020-2021	2020	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
Tax Credit Period (with 50% cap on credit)		4	2021-2022	2021	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		5	2022-2023	2022	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		6	2023-2024	2023	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		7	2024-2025	2024	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		8	2025-2026	2025	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		9	2026-2027	2026	$ 6,658,125	$ 46,606,875	$ 2,000,000	100%	n/a	n/a	100%
		10	2027-2028	2027	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2028-2029	2028	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%
		12	2029-2030	2029	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%
		13	2030-2031	2030	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%
Post- Settle-Up Period		14	2031-2032	2031	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%
Post- Settle-Up Period		15	2032-2033	2032	$ 6,658,125	$ 46,606,875	$ 2,000,000	0%	n/a	n/a	0%

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13

DATE

Attachment 2

TEA™
TEXAS EDUCATION AGENCY
1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

February 24, 2014

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Golden Pass Products LLC project (train 1) on the number and size of school facilities in Sabine Pass Independent School District (SPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the SPISD superintendent, Kristi Rochelle Heid, the TEA has found that the Golden Pass Products LLC project (train 1) would not have a significant impact on the number or size of school facilities in SPISD.

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

Sincerely,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

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TEXAS EDUCATION AGENCY
1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

February 24, 2014

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Golden Pass Products LLC (train 1) project for the Sabine Pass Independent School District (SPISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Golden Pass Products LLC project (train 1)on SPISD are correct.

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

Sincerely,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Summary of Financial Impact of the Proposed Golden Pass Products LLC Project (Train 1) on the Finances of the Sabine Pass Independent School District Under a Requested Chapter 313 Property Value Limitation

December 16, 2013 | Final Report

Prepared by

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Golden Pass Products LLC Project (Train 1) on the Finances of the Sabine Pass Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Golden Pass Products LLC (Golden Pass Train 1) has requested that the Sabine Pass Independent School District (SPISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to SPISD on November 20, 2013, Golden Pass Train 1 proposes to invest $3.55 billion to construct a new manufacturing project in SPISD.

The Golden Pass Train 1 project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, SPISD may offer a minimum value limitation of $30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2018-19 and 2019-20 school years, reflecting the request in the application for an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2018-19 and 2019-20 school years. Beginning with the 2020-21 school year, the project would go on the local tax roll at $30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with SPISD currently levying a $0.1350 per $100 I&S tax rate. The full taxable value of the investment is expected to reach $3.2 billion in 2020-21, which would substantially enhance the ability of SPISD to meet its debt service needs.

In the case of the Golden Pass Train 1 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. SPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2020-21 school year (-$5,196,656), with smaller amounts in subsequent years.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $243.8 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

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

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

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

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

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by $325 and $365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

SPISD is classified as a formula district under the estimates presented below. ASATR funds are not a factor in any of the estimates presented here, given the timing of the project and current state policy. As a formula district, the finances of SPISD are susceptible to changes in property values and M&O tax collections like those associated with a property value limitation agreement.

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

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Golden Pass Train 1 project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

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

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models, as are the changes in the equalized wealth level. The projected taxable values of the Golden Pass Products LLC project are factored into the base model used here in order to simulate the financial impact of constructing the project in the absence of a value limitation agreement. The impact of the limitation value for the proposed Golden Pass Train 1 project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 337 students in average daily attendance (ADA) in analyzing the effects of the Golden Pass Train 1 project on the finances of SPISD. The District's local tax base reached $648.5 million for the 2013 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.040 per $100 is used throughout this analysis. SPISD has estimated state property wealth per weighted ADA or WADA of approximately $1.1 million for the 2013-14 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for SPISD under the assumptions outlined above through the 2032-33 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Golden Pass Train 1 facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A second model is developed which adds the Golden Pass Train 1 value but imposes the proposed property value limitation effective in the third year, which in this case is the 2020-21 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, SPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2020-21 school year (-$5,196,656). Smaller out-year losses are assumed for the remaining seven value limitation years. The revenue reduction results chiefly from the mechanics of the lag in the state property value study and the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture.

As the differences presented in Table 4 indicate, nearly all of the tax benefits to be provided to Golden Pass Train 1 are offset by reductions in recapture costs imposed on SPISD. The remaining differences are attributable to the four cents of SPISD tax effort that are not subject to recapture. The reduced property values under the limitation reduce the revenue that would have been earned by the District for these four cents of tax effort.

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

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.040 per $100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $232.2 million over the life of the agreement. In addition, Golden Pass Train 1 would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $26.8 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key SPISD revenue losses are expected to total approximately $15.2 million over the course of the agreement under current law. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $243.8 million over the life of the agreement.

Facilities Funding Impact

The Golden Pass Train 1 project remains fully taxable for debt services taxes, with SPISD currently levying a $0.1350 per $100 I&S tax rate. The value of the Golden Pass Train 1 project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will substantially enhance the ability of SPISD to meet its debt-service needs.

The Golden Pass Train 1 project is not expected to affect SPISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on public school enrollments in the area.

Conclusion

The proposed Golden Pass Train 1 manufacturing project enhances the tax base of SPISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated $243.8 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of SPISD in meeting its future debt service obligations.

Table 1 – Base District Information with Golden Pass Products LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2017-18	337.10	629.45	$1.0400	$0.1350	$1,741,768,865	$1,741,768,865	$678,823,756	$678,823,756	$1,078,438	$1,078,438
1	2018-19	337.10	629.45	$1.0400	$0.1350	$2,565,181,365	$2,565,181,365	$1,742,061,256	$1,742,061,256	$2,767,588	$2,767,588
2	2019-20	337.10	629.45	$1.0400	$0.1350	$3,101,581,365	$3,101,581,365	$2,565,473,756	$2,565,473,756	$4,075,732	$4,075,732
3	2020-21	337.10	629.45	$1.0400	$0.1350	$4,752,799,365	$1,543,531,365	$3,101,873,756	$3,101,873,756	$4,927,903	$4,927,903
4	2021-22	337.10	629.45	$1.0400	$0.1350	$4,623,404,145	$1,543,531,365	$4,753,091,756	$1,543,823,756	$7,551,170	$2,452,651
5	2022-23	337.10	629.45	$1.0400	$0.1350	$4,499,180,346	$1,543,531,365	$4,623,696,536	$1,543,823,756	$7,345,602	$2,452,651
6	2023-24	337.10	629.45	$1.0400	$0.1350	$4,379,921,222	$1,543,531,365	$4,499,472,737	$1,543,823,756	$7,148,249	$2,452,651
7	2024-25	337.10	629.45	$1.0400	$0.1350	$4,265,428,291	$1,543,531,365	$4,380,213,613	$1,543,823,756	$6,958,784	$2,452,651
8	2025-26	337.10	629.45	$1.0400	$0.1350	$4,155,511,011	$1,543,531,365	$4,265,720,682	$1,543,823,756	$6,776,891	$2,452,651
9	2026-27	337.10	629.45	$1.0400	$0.1350	$4,049,986,458	$1,543,531,365	$4,155,803,402	$1,543,823,756	$6,602,267	$2,452,651
10	2027-28	337.10	629.45	$1.0400	$0.1350	$3,948,679,021	$1,543,531,365	$4,050,278,849	$1,543,823,756	$6,434,621	$2,452,651
11	2028-29	337.10	629.45	$1.0400	$0.1350	$3,851,420,112	$3,851,420,112	$3,948,971,412	$1,543,823,756	$6,273,676	$2,452,651
12	2029-30	337.10	629.45	$1.0400	$0.1350	$3,758,047,884	$3,758,047,884	$3,851,712,503	$3,851,712,503	$6,119,162	$6,119,162
13	2030-31	337.10	629.45	$1.0400	$0.1350	$3,668,406,963	$3,668,406,963	$3,758,340,275	$3,758,340,275	$5,970,823	$5,970,823
14	2031-32	337.10	629.45	$1.0400	$0.1350	$3,582,348,185	$3,582,348,185	$3,668,699,354	$3,668,699,354	$5,828,411	$5,828,411
15	2032-33	337.10	629.45	$1.0400	$0.1350	$3,499,728,352	$3,499,728,352	$3,582,640,576	$3,582,640,576	$5,691,691	$5,691,691

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2017-18	$17,120,991	$124,063	$0	-$7,501,318	$684,840	$0	$0	$10,428,576
1	2018-19	$25,190,433	$124,063	$0	-$19,467,817	$1,007,617	$0	$0	$6,854,296
2	2019-20	$30,447,153	$124,063	$0	-$25,588,806	$1,217,886	$0	$0	$6,200,296
3	2020-21	$47,270,944	$124,063	$0	-$41,063,747	$1,890,838	$0	$0	$8,222,098
4	2021-22	$45,976,992	$124,063	$0	-$41,651,255	$1,839,080	$0	$0	$6,288,880
5	2022-23	$44,734,753	$124,063	$0	-$40,425,681	$1,789,390	$0	$0	$6,222,525
6	2023-24	$43,542,162	$124,063	$0	-$39,249,057	$1,741,686	$0	$0	$6,158,854
7	2024-25	$42,397,233	$124,063	$0	-$38,119,427	$1,695,889	$0	$0	$6,097,758
8	2025-26	$41,298,059	$124,063	$0	-$37,034,910	$1,651,922	$0	$0	$6,039,134
9	2026-27	$40,242,815	$124,063	$0	-$35,993,707	$1,609,713	$0	$0	$5,982,884
10	2027-28	$39,229,740	$124,063	$0	-$34,994,081	$1,569,190	$0	$0	$5,928,912
11	2028-29	$37,795,573	$124,063	$0	-$33,617,002	$1,511,823	$0	$0	$5,814,457
12	2029-30	$36,880,525	$124,063	$0	-$32,713,574	$1,475,221	$0	$0	$5,766,235
13	2030-31	$36,002,044	$124,063	$0	-$31,846,184	$1,440,082	$0	$0	$5,720,005
14	2031-32	$35,158,668	$124,063	$0	-$31,013,391	$1,406,347	$0	$0	$5,675,687
15	2032-33	$34,348,994	$124,063	$0	-$30,213,814	$1,373,960	$0	$0	$5,633,203

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2017-18	$17,120,991	$124,063	$0	-$7,501,318	$684,840	$0	$0	$10,428,576
1	2018-19	$25,190,433	$124,063	$0	-$19,467,817	$1,007,617	$0	$0	$6,854,296
2	2019-20	$30,447,153	$124,063	$0	-$25,588,806	$1,217,886	$0	$0	$6,200,296
3	2020-21	$15,178,263	$124,063	$0	-$12,884,015	$607,131	$0	$0	$3,025,442
4	2021-22	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
5	2022-23	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
6	2023-24	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
7	2024-25	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
8	2025-26	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
9	2026-27	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
10	2027-28	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
11	2028-29	$37,795,573	$124,063	$0	-$28,311,722	$1,511,823	$0	$0	$11,119,737
12	2029-30	$36,880,525	$124,063	$0	-$32,713,574	$1,475,221	$0	$0	$5,766,235
13	2030-31	$36,002,044	$124,063	$0	-$31,846,184	$1,440,082	$0	$0	$5,720,005
14	2031-32	$35,158,668	$124,063	$0	-$31,013,391	$1,406,347	$0	$0	$5,675,687
15	2032-33	$34,348,994	$124,063	$0	-$30,213,814	$1,373,960	$0	$0	$5,633,203

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2017-18	$0	$0	$0	$0	$0	$0	$0	$0
1	2018-19	$0	$0	$0	$0	$0	$0	$0	$0
2	2019-20	$0	$0	$0	$0	$0	$0	$0	$0
3	2020-21	-$32,092,681	$0	$0	$28,179,732	-$1,283,707	$0	$0	-$5,196,656
4	2021-22	-$30,798,729	$0	$0	$30,416,131	-$1,231,949	$0	$0	-$1,614,547
5	2022-23	-$29,556,490	$0	$0	$29,190,556	-$1,182,259	$0	$0	-$1,548,193
6	2023-24	-$28,363,899	$0	$0	$28,013,933	-$1,134,555	$0	$0	-$1,484,521
7	2024-25	-$27,218,970	$0	$0	$26,884,303	-$1,088,758	$0	$0	-$1,423,425
8	2025-26	-$26,119,796	$0	$0	$25,799,786	-$1,044,791	$0	$0	-$1,364,801
9	2026-27	-$25,064,552	$0	$0	$24,758,583	-$1,002,582	$0	$0	-$1,308,551
10	2027-28	-$24,051,477	$0	$0	$23,758,957	-$962,059	$0	$0	-$1,254,579
11	2028-29	$0	$0	$0	$5,305,280	$0	$0	$0	$5,305,280
12	2029-30	$0	$0	$0	$0	$0	$0	$0	$0
13	2030-31	$0	$0	$0	$0	$0	$0	$0	$0
14	2031-32	$0	$0	$0	$0	$0	$0	$0	$0
15	2032-33	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial Impact of the Golden Pass Products LLC Project Property Value Limitation Request Submitted to SPISD at $1.040 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2017-18	$228,237,500	$228,237,500	$0	$1.040	$2,373,670	$2,373,670	$0	$0	$0	$0	$0
1	2018-19	$1,051,650,000	$1,051,650,000	$0	$1.040	$10,937,160	$10,937,160	$0	$0	$0	$0	$0
2	2019-20	$1,588,050,000	$1,588,050,000	$0	$1.040	$16,515,720	$16,515,720	$0	$0	$0	$0	$0
3	2020-21	$3,239,268,000	$30,000,000	$3,209,268,000	$1.040	$33,688,387	$312,000	$33,376,387	$0	$33,376,387	-$5,196,656	$28,179,73
4	2021-22	$3,109,872,780	$30,000,000	$3,079,872,780	$1.040	$32,342,677	$312,000	$32,030,677	$2,255,164	$34,285,841	-$1,614,547	$32,671,29
5	2022-23	$2,985,648,981	$30,000,000	$2,955,648,981	$1.040	$31,050,749	$312,000	$30,738,749	$2,171,313	$32,910,062	-$1,548,193	$31,361,87
6	2023-24	$2,866,389,857	$30,000,000	$2,836,389,857	$1.040	$29,810,455	$312,000	$29,498,455	$2,090,813	$31,589,268	-$1,484,521	$30,104,74
7	2024-25	$2,751,896,926	$30,000,000	$2,721,896,926	$1.040	$28,619,728	$312,000	$28,307,728	$2,013,530	$30,321,258	-$1,423,425	$28,897,83
8	2025-26	$2,641,979,646	$30,000,000	$2,611,979,646	$1.040	$27,476,588	$312,000	$27,164,588	$1,939,336	$29,103,925	-$1,364,801	$27,739,12
9	2026-27	$2,536,455,093	$30,000,000	$2,506,455,093	$1.040	$26,379,133	$312,000	$26,067,133	$1,868,107	$27,935,240	-$1,308,551	$26,626,68
10	2027-28	$2,435,147,656	$30,000,000	$2,405,147,656	$1.040	$25,325,536	$312,000	$25,013,536	$1,799,725	$26,813,260	-$1,254,579	$25,558,68
11	2028-29	$2,337,888,747	$2,337,888,747	$0	$1.040	$24,314,043	$24,314,043	$0	$12,690,891	$12,690,891	$0	$12,690,89
12	2029-30	$2,244,516,519	$2,244,516,519	$0	$1.040	$23,342,972	$23,342,972	$0	$0	$0	$0	$0
13	2030-31	$2,154,875,598	$2,154,875,598	$0	$1.040	$22,410,706	$22,410,706	$0	$0	$0	$0	$0
14	2031-32	$2,068,816,820	$2,068,816,820	$0	$1.040	$21,515,695	$21,515,695	$0	$0	$0	$0	$0
15	2032-33	$1,986,196,987	$1,986,196,987	$0	$1.040	$20,656,449	$20,656,449	$0	$0	$0	$0	$0
						$374,385,998	$142,188,745	$232,197,253	$26,828,880	$259,026,133	-$15,195,272	$243,830,86

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	$10,625,160	$16,203,720	$26,828,880
	Credits Earned		$26,828,880
	Credits Paid		$26,828,880
	Excess Credits Unpaid		$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**

Attachment 3

Jefferson County

Population

- Total county population in 2010 for Jefferson County: 243,933 , up 0.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Jefferson County was the state's 20st largest county in population in 2010 and the 181st fastest growing county from 2009 to 2010.
- Jefferson County's population in 2009 was 46.6 percent Anglo (below the state average of 46.7 percent), 34.1 percent African-American (above the state average of 11.3 percent) and 15.2 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Jefferson County:

Beaumont:	110,110	**Port Arthur:**	56,694
Nederland:	16,053	**Groves:**	14,299
Port Neches:	12,525	**Bevil Oaks:**	1,204
China:	1,023	**Nome:**	477
Taylor Landing:	211		

Economy and Income

Employment

- September 2011 total employment in Jefferson County: 105,661 , up 0.6 percent from September 2010. State total employment increased 0.9 percent during the same period.
  (October 2011 employment data will be available November 18, 2011).
- September 2011 Jefferson County unemployment rate: 11.9 percent, up from 10.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

Beaumont:	11.1 percent, up from 9.6 percent in September 2010.
Port Arthur:	14.9 percent, up from 14.4 percent in September 2010.

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

Income

- Jefferson County's ranking in per capita personal income in 2009: 59th with an average per capita income of $37,139, up 0.1 percent from 2008. Statewide average per capita personal income was $38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Jefferson County averaged $44.36 million annually from 2007 to 2010. County total agricultural values in 2010 were up 16.0 percent from 2009. Major agriculture related commodities in Jefferson County during 2010 included:
  - Aquaculture
  - Nursery
  - Hay
  - Rice
  - Other Beef
- 2011 oil and gas production in Jefferson County: 568,759.0 barrels of oil and 38.6 million Mcf of gas. In September 2011, there were 175 producing oil wells and 145 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Jefferson County during the fourth quarter 2010: $840.90 million, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Beaumont:	$561.42 million, up 6.5 percent from the same quarter in 2009.
Port Arthur:	$161.68 million, up 6.1 percent from the same quarter in 2009.
Nederland:	$36.71 million, down 9.8 percent from the same quarter in 2009.
Groves:	$18.33 million, up 3.2 percent from the same quarter in 2009.
Port Neches:	$10.90 million, up 7.2 percent from the same quarter in 2009.
Bevil Oaks:	$328,690.00, up 28.6 percent from the same quarter in 2009.
China:	$476,378.00, up 11.0 percent from the same quarter in 2009.
Nome:	$589,066.00, down 41.1 percent from the same quarter in 2009.

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

- Taxable sales in Jefferson County through the fourth quarter of 2010: $3.07 billion, down 3.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Beaumont:	$2.05 billion, down 3.0 percent from the same period in 2009.
Port Arthur:	$576.60 million, down 4.2 percent from the same period in 2009.

Nederland:	$151.56 million, down 8.1 percent from the same period in 2009.
Groves:	$73.47 million, down 2.4 percent from the same period in 2009.
Port Neches:	$42.85 million, down 2.4 percent from the same period in 2009.
Bevil Oaks:	$982,394.00, up 10.1 percent from the same period in 2009.
China:	$1.63 million, up 0.1 percent from the same period in 2009.
Nome:	$2.40 million, down 31.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Jefferson County during 2010: $3.07 billion, down 3.6 percent from 2009.
- Jefferson County sent an estimated $191.61 million (or 1.12 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Beaumont:	$2.05 billion, down 3.0 percent from 2009.
Port Arthur:	$576.60 million, down 4.2 percent from 2009.
Nederland:	$151.56 million, down 8.1 percent from 2009.
Groves:	$73.47 million, down 2.4 percent from 2009.
Port Neches:	$42.85 million, down 2.4 percent from 2009.
Bevil Oaks:	$982,394.00, up 10.1 percent from 2009.
China:	$1.63 million, up 0.1 percent from 2009.
Nome:	$2.40 million, down 31.3 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: $505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Jefferson County based on the sales activity month of August 2011: $4.92 million, up 28.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Beaumont:	$2.86 million, up 14.7 percent from August 2010.
Port Arthur:	$1.52 million, up 75.1 percent from August 2010.
Nederland:	$328,832.49, up 25.1 percent from August 2010.
Groves:	$120,684.08, up 6.6 percent from August 2010.
Port Neches:	$85,567.84, up 3.5 percent from August 2010.
Bevil Oaks:	$1,447.39, down 20.4 percent from August 2010.
China:	$3,609.75, down 4.3 percent from August 2010.
Nome:	$4,512.68, down 4.5 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: $6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Jefferson County based on sales activity months from September 2010 through August 2011: $53.88 million, up 4.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Beaumont:	$34.13 million, up 3.7 percent from fiscal 2010.
Port Arthur:	$13.08 million, up 8.4 percent from fiscal 2010.
Nederland:	$3.62 million, up 3.9 percent from fiscal 2010.
Groves:	$1.66 million, up 1.3 percent from fiscal 2010.
Port Neches:	$1.25 million, up 6.6 percent from fiscal 2010.
Bevil Oaks:	$21,324.67, up 29.3 percent from fiscal 2010.
China:	$59,742.82, down 12.9 percent from fiscal 2010.
Nome:	$53,336.94, down 3.9 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: $3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Jefferson County based on sales activity months through August 2011: $34.25 million, up 3.4 percent from the same period in 2010.

- Payments based on sales activity months through August 2011 to the city of:

Beaumont:	$21.39 million, down 0.5 percent from the same period in 2010.
Port Arthur:	$8.55 million, up 13.4 percent from the same period in 2010.
Nederland:	$2.40 million, up 7.2 percent from the same period in 2010.
Groves:	$1.05 million, unchanged 0.0 percent from the same period in 2010.
Port Neches:	$777,953.02, up 6.8 percent from the same period in 2010.
Bevil Oaks:	$13,829.51, up 28.9 percent from the same period in 2010.
China:	$36,072.52, down 15.9 percent from the same period in 2010.
Nome:	$34,192.72, down 5.8 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: $6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Jefferson County based on sales activity in the 12 months ending in August 2011: $53.88 million, up 4.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Beaumont:	$34.13 million, up 3.7 percent from the previous 12-month period.
Port Arthur:	$13.08 million, up 8.4 percent from the previous 12-month period.
Nederland:	$3.62 million, up 3.9 percent from the previous 12-month period.
Groves:	$1.66 million, up 1.3 percent from the previous 12-month period.
Port Neches:	$1.25 million, up 6.6 percent from the previous 12-month period.
Bevil Oaks:	$21,324.67, up 29.3 percent from the previous 12-month period.
China:	$59,742.82, down 12.9 percent from the previous 12-month period.
Nome:	$53,336.94, down 3.9 percent from the previous 12-month period.

- ***City Calendar Year-To-Date (RJ 2011)***

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

Beaumont:	$28.00 million, up 2.7 percent from the same period in 2010.
Port Arthur:	$10.95 million, up 11.8 percent from the same period in 2010.
Nederland:	$3.01 million, up 5.2 percent from the same period in 2010.
Groves:	$1.35 million, down 0.4 percent from the same period in 2010.
Port Neches:	$1.00 million, up 4.9 percent from the same period in 2010.
Bevil Oaks:	$17,539.35, up 24.4 percent from the same period in 2010.
China:	$49,163.51, down 12.1 percent from the same period in 2010.
Nome:	$43,857.48, down 8.6 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: $5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Jefferson County based on sales activity months in 2010: $52.76 million, down 5.8 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Beaumont:	$34.24 million, down 4.0 percent from 2009.
Port Arthur:	$12.06 million, down 11.1 percent from 2009.
Nederland:	$3.46 million, down 5.1 percent from 2009.
Groves:	$1.66 million, down 5.1 percent from 2009.
Port Neches:	$1.20 million, down 3.8 percent from 2009.
Bevil Oaks:	$18,225.09, up 24.3 percent from 2009.
China:	$66,583.42, down 18.2 percent from 2009.
Nome:	$55,457.98, up 10.2 percent from 2009.

Property Tax

- As of January 2009, property values in Jefferson County: $25.13 billion, down 3.8 percent from January 2008 values. The property tax base per person in Jefferson County is $103,315, above the statewide average of $85,809. About 2.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Jefferson County's ranking in state expenditures by county in fiscal year 2010: 17th. State expenditures in the county for FY2010: $1.14 billion, up 0.3 percent from FY2009.

- In Jefferson County, 31 state agencies provide a total of 4,852 jobs and $52.56 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Lamar University
  - Lamar Institute of Technology
  - Lamar University
  - Department of Criminal Justice
  - Texas Youth Commission

Higher Education

- Community colleges in Jefferson County fall 2010 enrollment:
  - None.

- Jefferson County is in the service area of the following:
  - Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
    Chambers County
    Galveston County
    Jefferson County
- Institutions of higher education in Jefferson County fall 2010 enrollment:
  - Lamar University, a Public University (part of Texas State University System), had 13,969 students.
  - Lamar State College-Port Arthur, a Public State College (part of Texas State University System), had 2,374 students.
  - Lamar Institute of Technology, a Public State College (part of Texas State University System), had 3,243 students.

School Districts

- Jefferson County had 6 school districts with 69 schools and 40,215 students in the 2009-10 school year.

  (Statewide, the average teacher salary in school year 2009-10 was $48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
  - Beaumont ISD had 19,505 students in the 2009-10 school year. The average teacher salary was $47,118. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.
  - Hamshire-Fannett ISD had 1,752 students in the 2009-10 school year. The average teacher salary was $41,481. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
  - Nederland ISD had 5,022 students in the 2009-10 school year. The average teacher salary was $47,598. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
  - Port Arthur ISD had 9,047 students in the 2009-10 school year. The average teacher salary was $45,029. The percentage of students meeting the 2010 TAKS passing standard for all tests was 58 percent.
  - Port Neches-Groves ISD had 4,586 students in the 2009-10 school year. The average teacher salary was $47,318. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
  - Sabine Pass ISD had 303 students in the 2009-10 school year. The average teacher salary was $47,538. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.