O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 PHONE: (512) 494-9949 FAX: (512) 494-9919

KEVIN O'HANLON

kohanlon@808west.com

Rio Grande Valley Office 426 W. Caffery Ave. Pharr, Texas 78577

San Antonio Office 117 W. Craig Place San Antonio, Texas 78212

December 20, 2021

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

RE: Value Limitation Agreement between Taylor Independent School District and Samsung Austin Semiconductor, LLC (#1620)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy each of the materials submitted to, and approved by, the Taylor ISD Board of Trustees on November 15, 2021. The package contains a copy each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston

William Eggleston

Legal Assistant to Kevin O'Hanlon

FINDINGS OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT **BOARD OF TRUSTEES UNDER THE** TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED \mathbf{BY}

SAMSUNG AUSTIN SEMICONDUCTOR, LLC (#1620)



November 15, 2021

FINDINGS OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
SAMSUNG AUSTIN SEMICONDUCTOR, LLC (#1620)

NOVEMBER 15, 2021

FINDINGS OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY SAMSUNG AUSTIN SEMICONDUCTOR, LLC (#1620)

STATE OF TEXAS

COUNTY OF WILLIAMSON

On the 15thth day of November 2021, a public meeting of the Board of Trustees of the Taylor Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Samsung Austin Semiconductor, LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On June 29, 2021, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of July 23, 2021. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32017943922), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

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

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on August 20, 2021 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F.**

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Applicant is proposing a new manufacturing facility to be located in Williamson County. The project will involve building out approximately 6 million square feet of new space. The investment associated with the buildout would be in excess of \$17 billion dollars, and the project would result in the creation of around 1,700 quality, high paying net-new jobs.

The project will consist of a new manufacturing facility for semiconductors. This fabrication plant will produce advanced logic devices for Samsung's Foundry business. The proposed investment will be used to build a new semiconductor wafer fabrication facility and purchase new production machinery & equipment used in connection with manufacturing, processing and fabricating semiconductors in a cleanroom environment. Construction will involve building cleanroom facilities, utility additions, and support structures for the installation of the new production equipment and the new tool sets.

Applicant intends to break ground by Q1 of 2022 with the expectation that production would be up and running by Q4 of 2024.

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating twenty-five (25) new qualifying jobs. The average salary level of qualifying jobs will be at least \$162,190 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year:
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employeeonly coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

The Applicant intends to create 1,675 non-qualifying jobs.

In its Application, Applicant has indicated that it intends to create 1,675 non-qualifying jobs. For any non-qualifying jobs the Applicant does create, the Applicant will be required to pay at least the county average wage of \$66,352 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 7.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$4.35 billion to the I&S tax base that would be available for debt service purposes at the peak investment level for the 2029-30 school year. The additional I&S taxable value would provide a benefit to the District, which is currently ineligible for state assistance for facilities funding under the Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA) programs. This project could provide an opportunity for decreases in the District's I&S tax rate and create an expanded I&S tax base to help address future facility needs.

Board Finding Number 8.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities could increase the District's facility needs, with current trends suggesting possible enrollment growth based on the impact of the project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there could be an impact on school facilities created by the new project. The anticipated growth in employment of up to 1,700 jobs associated with the project and the potential for housing growth in the Taylor area could impact the District's student population and the need for additional school facilities. This finding is confirmed by the TEA evaluation of

this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 9.

The Board finds that with the adoption of District Policy CCGB (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 10.

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

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (Attachment G) is an

"official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (Attachment H) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 11.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Eighty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.022(b).

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2020 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (Attachment E), the total taxable value for the District is \$1.3 billion. The District is classified as a Subchapter B, Category II District, which can offer a minimum value limitation of \$80 million.

Board Finding Number 12.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information

related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (Attachment I)

Board Finding Number 13.

The Applicant (Taxpayer No. 32017943922) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32017943922), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 14.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 15.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur revenue losses while the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H)

Board Finding Number 16.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 17.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at https://pol.tasb.org/Home/Index/1246, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

Board Finding Number 18.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 19.

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

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

Dated the 15th day of November 2021.

TAYLOR INDEPENDENT SCHOOL DISTRICT

President Board of Trustee

ATTEST:

By: NW / Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 PHONE: (512) 494-9949 FAX: (512) 494-9919

KEVIN O'HANLON

kohanlon@808west.com

Rio Grande Valley Office 426 W. Caffery Ave. Phart, Texas 78577

San Antonio Office 117 W. Craig Place San Antonio, Texas 78212

July 6, 2021

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

RE: Application to the Taylor Independent School District from Samsung Austin Semiconductor, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Taylor Independent School District is notifying Samsung Austin Semiconductor, LLC, of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller.

The Applicant submitted the Application to the school district on June 29, 2021. The Board voted to accept the application on June 29, 2021. The application has been determined complete as of July 6, 2021.

A copy of the application will be submitted to the Williamson County Appraisal District. Sincerely,

Kevin O'Hanlon School District Consultant

Cc: Williamson CAD
Samsung Austin Semiconductor, LLC

	APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS
	ATTACHMENT
1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/ or material litigation (if applicable)
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property (if applicable)
11	 Maps that clearly show: a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

Tab 1
Application for Appraised Value Limitation on Qualified Property

See attached Form 50-296-A Sections 1-16.

Data Analysis and Transparency Form 50-296-A

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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

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

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

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

When the Comptroller receives the notice and required information from the school district, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller's rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project and issue a certificate for a limitation on appraised value to the school board regarding the application by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete by the Comptroller), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information		
Authorized School District Representative		
June 29, 2021		
Date Application Received by District		
Devin	Padavil	
First Name	Last Name	
Superintendent		
Title		
Taylor Independent School District		
School District Name		
3101 N. Main St., Suite 104		
Street Address		
3101 N. Main St., Suite 104		
Mailing Address		
Taylor	Texas	76574
City	State	ZIP
512-365-1391	NA	
Phone Number	Fax Number	
NA	dpadavil@taylorisd.org	
Mobile Number (optional)	Email Address	
2. Does the district authorize the consultant to provide and obtain	information related to this application?	Ves N

SECTION 1: School District Information (continued)		
3. Authorized School District Consultant (If Applicable)		
Kevin	O'Hanlon	
First Name	Last Name	
Attorney at Law		
Title O'Hanlon, Deremath & Castillo		
Firm Name	Calculation	
512-494-9949	512-494-9919	
Phone Number NA	Fax Number kohanlon@808west.com	
Mobile Number (optional)	Email Address	
		1.1.0.0004
4. On what date did the district determine this application complete?		July 6, 2021
SECTION 2: Applicant Information		
1. Authorized Company Representative (Applicant)		
Michele	Glaze	
First Name	Last Name	
Director	Samsung Austin Semicon	ductor, LLC
Title 12100 Samsung Boulevard	Organization	
Street Address 12100 Samsung Boulevard		
Mailing Address		
Austin	TX	78754-1903
City	State	ZIP
512.672.3159	NA	
Phone Number 512.922.9381	Fax Number p.glaze@samsung.com	
Mobile Number (optional)	Business Email Address	
Will a company official other than the authorized company represental information requests? If yes, please fill out contact information for that person.	tive be responsible for responding to ful	ture Yes V
NIA	214	
NA First Name	NA Last Name	
NA	NA	
Title	Organization	
NA		
Street Address		
NA		
Mailing Address	23.5.A	
NA	NA	NA
City	State	ZIP
374	NA	
NA		
NA Phone Number NA	Fax Number NA	

SECTION 2: Applicant Information (continued)	
4. Authorized Company Consultant (If Applicable)	
Renn	Neilson
First Name	Last Name
Partner	
Title Baker Botts L.L.P.	
Firm Name	
713.229.1671	713.229.7971
Phone Number	Fax Number
renn.neilson@bakerbotts.com	
Business Email Address	
SECTION 3: Fees and Payments	
1. Has an application fee been paid to the school district?	X Yes No
The total fee shall be paid at the same time the application be considered supplemental payments.	is submitted to the school district. Any fees not accompanying the original application shall
 If yes, include all transaction information below. Including information provided will not be publicly posted. 	clude proof of application fee paid to the school district in Tab 2 . Any confidential banking
Payment Amount	Transaction Type
Payor	Payee
Date transaction was processed	
 If "payments to the school district" will only be determined to amount being specified, could such method result in "payments or the school of the school of	ents to the school district" that are not in
compliance with Tax Code §313.027(i)?	Yes ✓ No N/A
SECTION 4: Business Applicant Information	
1. What is the legal name of the applicant under which this ap	pplication is made? Samsung Austin Semiconductor, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code,	Chapter 171 (11 digits)
3. Parent Company Name	Samsung Electronics America, Inc.
4. Parent Company Tax ID	
5. NAICS code	334413
6 Is the applicant a party to any other pending or active Char	oter 313 agreements?
6a. If yes, please list application number, name of school	
	, permanagy
SECTION 5: Applicant Business Structure	
1. Business Organization of Applicant (corporation, limited liability of	corporation, etc) Limited Liability Corporation
2a. If yes, attach in Tab 3 a copy of the most recently se	bers of a combined group, as defined by Tax Code §171.0001.(7)? .

	2b.	Texas Franchise Tax Reporting Entity Taxpayer Name		
		Samsung Electronics America, Inc.		
	2c.	Reporting Entity Taxpayer Number		
		11329511536		
3. Is	s the	applicant current on all tax payments due to the State of Texas?	Ye	es No
4. A	re all	applicant members of the combined group current on all tax payment	ts due to the State of Texas? Yes No	N/A
SEC	TIO	N 6: Eligibility Under Tax Code Chapter 313.024		
1. A	re yo	u an entity subject to the tax under Tax Code, Chapter 171?		s No
2. T		operty will be used for one of the following activities:		
	(1)	manufacturing		s No
	(2)	research and development	Ye	s 🗸 No
	(3)	a clean coal project, as defined by Section 5.001, Water Code	Υε	s V No
	(4)	an advanced clean energy project, as defined by Section 382.003, H	ealth and Safety CodeYe	s V No
	(5)	renewable energy electric generation	Y6	s V No
	(6)	electric power generation using integrated gasification combined cycl	le technology Ye	s V No
	(7)	nuclear electric power generation	Ye	s V No
	(8)	a computer center that is used as an integral part or as a necessary applicant in one or more activities described by Subdivisions (1) through		s 🗸 No
	(9)	a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051	*Ye	s V No
3. A	re yo	u requesting that any of the land be classified as qualified investment	? Ye	s V No
4. W	Vill an	y of the proposed qualified investment be leased under a capitalized	lease?Ye	s V No
5. W	Vill an	y of the proposed qualified investment be leased under an operating	lease?Ye	s V No
		u including property that is owned by a person other than the applicar		
7. W	/ill an	y property be pooled or proposed to be pooled with property owned builtied investment?	y the applicant in determining the amount of	
		licants requesting eligibility under this category should note that there		
SEC	TIOIT	7: Project Description		
			including at a minimum, the type and planned use of real are	l kanadida
pe	erson	4, attach a detailed description of the scope of the proposed project, al property, the nature of the business, a timeline for property construment or a reapplication please specify and provide details regarding t	ction or installation, and any other relevant information. If the	project is an
2. C	heck	the project characteristics that apply to the proposed project:		
,	/ L	and has no existing improvements	Land has existing improvements (complete Section 13)	
	E	xpansion of existing operation on the land (complete Section 13)	Relocation within Texas	

2	SECTION 8: Limitation as Determinir	ng Factor				
1.	Does the applicant currently own the la	nd on which the proposed proje	ect will occur?		Yes	√ No
2.	Has the applicant entered into any agre	ements, contracts or letters of	intent related to the	proposed project?	✓ Yes	No
3.	Does the applicant have current busine	ss activities at the location whe	re the proposed pro	oject will occur?	Yes	√ No
4.	Has the applicant made public statement			0		
	proposed project location?			******************	Yes	√ No
5.	Has the applicant received any local or	state permits for activities on the	ne proposed project	site?	Yes	✓ No
6.	Has the applicant received commitment	s for state or local incentives for	or activities at the pr	oposed project site?	Yes	✓ No
7.	Is the applicant evaluating other location	ns not in Texas for the propose	d project?		✓ Yes	No
8.	Has the applicant provided capital inves with other alternative investment opport		Actual and the second second second		Yes	✓ No
9.	Has the applicant provided information re	elated to the applicant's inputs,	transportation and m	narkets for the proposed project?	✓ Yes	No
	Are you submitting information to assist factor in the applicant's decision to invest	st capital and construct the pro	ject in Texas?		✓ Yes	No
un	napter 313.026(e) states "the applicant nder Subsection (c)(2)." If you answere	may submit information to the difference of the	ne Comptroller that ons in Section 8, at	t would provide a basis for an affirn tach supporting information in Tab	native deter 5.	mination
S	ECTION 9: Projected Timeline					
CO	OTE: Only construction beginning after the mplete) can be considered qualified prop	e application review start date e erty and/or qualified investmen	(the date the Texas t.			
1,	Estimated school board ratification of fin	al agreement		De	cember 2	021
2.	Estimated commencement of construction	on			anuary 20	22
3.	Beginning of qualifying time period (MM	/DD/YYYY)		Jar	nuary 1, 2	022
4.	First year of limitation (YYYY)		************	Jar	nuary 1, 2	024
	4a. For the beginning of the limitation pe)(2):	
	A. January 1 following the applica	tion date	uary 1 following the	end of OTP		
	C. January 1 following the comme			3,14,1		
5.	Commencement of commercial operation	ns,		De	cember 20	024
S	ECTION 10: The Property					
1.	County or counties in which the propose	d project will be located		Williamson County		
2.	Central Appraisal District (CAD) that will	be responsible for appraising t	he property	Williamson County Apprais	al District	
	Will this CAD be acting on behalf of ano				Yes	✓ No
4.	List all taxing entities that have jurisdiction	on for the property, the portion	of project within eac	ch entity and tax rates for each entity:		
	M&O (ISD): Taylor ISD; 10	00%; 1.0308%	I&S (ISD):	Taylor ISD; 100%; 0.3		
	Williamson County 1	nd percent of project)		(Name, tax rate and percent of N/A	f project)	
	County.	od percent of project)	City:	(Name, tax rate and percent of	f project)	
	Hospital District:	N/A	Water District:	Lower Brushy Creek WC & II		0.02%
	(Name, tax rate ar	ad percent of project)	V. Trotter III	(Name, tax rate and percent of	f project)	
	Other (describe).	M/Rd; 100%; 0.04% of percent of project)	Other (describe):	N/A (Name, tax rate and percent of	project)	

9	SECTION 10: The Pr	roperty (continued)				
5.	List all state and loc	List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:				
	County:	TBD	City:	N/A		
		(Incentive type, percentage, start and end year)		(Incentive type, percentage, start and end year)		
	Hospital District:	N/A	Water District:	TBD		
		(Incentive type, percentage, start and end year)		(Incentive type, percentage, start and end yeart)		
	Other (describe):	TBD (Incentive type, percentage, start and end year)	Other (describe):	N/A (Incentive type, percentage, start and end year)		
		incentive type, percentage, start and end year)		(mostuve type, percentage, start and end year)		
6.	Is the project locate	ed entirely within the ISD listed in Section 1?	1411.1411.11111.1111.1111.1111.1111.1111.1111.1111	✓ Yes No		
	6a. If no, attach size. Please	in Tab 6 maps of the entire project (depicting a note that only the qualified property within the	II other relevant school distric ISD listed in Section 1 is eligil	ts) and additional information on the project scope and ble for the limitation from this application. Please verify pertain to only the property within the ISD listed in		
7.		etermination from the Texas Economic Developn				
		eking a limitation agreement constitute a single	그 그의 하네하누지 않는 이 하네요 [16]	ed in §313.024(d-2)? Yes 🗸 No		
	7a. If yes, attach	n in Tab 6 supporting documentation from the C	Office of the Governor.			
S	ECTION 11: Texas	Tax Code 313.021(1) Qualified Investmen	t			
1. 2. 3. 4.	At the time of applic What is the amount Note: The property any final agreement Does the qualified ir Attach a description a. a specific an appraised va b. a description qualified inve c. a detailed ma period and b Do you intend to ma	cation, what is the estimated minimum qualified of appraised value limitation for which you are value limitation amount is based on property value limitation amount is based on property value. Investment meet the requirements of Tax Code of the qualified investment [See §313.021(1).] and detailed description of the qualified investment limitation as defined by Tax Code §313.021 of any new buildings, proposed new improvement (Tab 7); and ap of the qualified investment showing location wildings to be constructed during the qualifying aske at least the minimum qualified investment re-	investment required for this sapplying?	\$ 80,000,000.00 application and may change prior to the execution of Yes No the project boundary for which you are requesting an ich you intend to include as part of your minimum to be placed in service during the qualifying time (Tab 11). 3 (or §313.053 for Subchapter C school districts)		
		pol district category during the qualifying time po				
S	ECTION 12: Texas T	Tax Code 313.021(2) Qualified Property				
1.	Attach a detailed de	scription of the qualified property. [See §313.02	21(2)) The description must in	clude:		
		d detailed description of the qualified property f	요즘 아이들이 가는 사람들이 아니라 아니라 그 것은 아이들은 사람이 되었다.	in appraised value limitation as defined by Tax Code		
	 a description property (Tate 		nents or personal property wh	ich you intend to include as part of your qualified		
		e plan of the proposed qualified property showir vithin a vicinity map that includes school district		dings or new improvements inside the project area ne boundaries (Tab 11); and		
		ne proposed qualified property be used to renov				
		ing buildings or existing improvements inside o				
	improve	used to renovate, refurbish, upgrade, maintair ments inside or outside the project area cannot \$\mathcal{C}\$9.1051(16).				

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SECTION 12: Texas Tax Code 313.021(2) Qualified Property (continued)

2.		land upon which the new buildings or new improvements will be built part of the qualified property described by 021(2)(A)?	✓ Yes	No
		If yes, attach complete documentation including:		
		a. legal description of the land (Tab 9);		
		 each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless the land described in the current parcel will become qualified property (Tab 9); 	of whether or	not all of
		c. owner (Tab 9);		
		 d. the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and e. a detailed map showing the location of the land with vicinity map (Tab 11). 		
3.		land on which you propose new construction or new improvements currently located in an area designated as a stment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303?	Yes	√ No
	3a.	If yes, attach the applicable supporting documentation:		
		a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);		
		b. legal description of reinvestment zone (Tab 16);		
		c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);		
		d. guidelines and criteria for creating the zone (Tab 16); and		
		e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)		
	3b.	If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.	of the zone	on which
			ecember 20	021
	In Tab existin sufficie	N 13: Information on Property Not Eligible to Become Qualified Property 10, attach a specific and detailed description of all existing property within the project boundary. This includes building as of the application review start date (the date the application is determined to be complete by the Comptroller). The detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property.	escription mu	st provide
	proper	ty.		
2.	impro is used qualifie	10, attach a specific and detailed description of all proposed new property within the project boundary that will not vements as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/red to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise integer of property. The description must provide sufficient detail to distinguish existing property (statement 1) and all proposed annot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section).	moved proper eligible to become property	rty; ome
3.		e property not eligible to become qualified property within the project boundary in response to statements 1 and 2 of this and supporting information in Tab 10 :	section, provid	le the
	a.	maps and/or detailed site plan;		
	b.	surveys;		
	C.	appraisal district values and parcel numbers;		
	d.	inventory lists;		
	e.	existing and proposed property lists;		
	f.	model and serial numbers of existing property; or		
	g.	other information of sufficient detail and description.		
4.		stimated market value of existing property within the project boundary roperty described in response to statement 1):		0.00
5.	In Tab	10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of tived by the school district.	he date the ap	plication
6.		stimated market value of proposed property not eligible to become qualified property operty described in response to statement 2):		0.00
		stment for the property listed in statement 2 may count towards qualified investment in Column C of Schedules A-1 and onts of 313.021(1). Such property cannot become qualified property on Schedule B.	A-2, if it meets	the

Data Analysis and Transparency Form 50-296-A

5	SECTION 14: Wage and Employment Information	
1.	What is the number of new qualifying jobs you are committing to create?	25
	What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14))	1,675
3.	Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)?	Yes Vo
	3a. If yes, attach evidence of industry standard in Tab 12 documenting that the new qualifying job creation requirement a of employees necessary for the operation, according to industry standards.	above exceeds the number
4.	Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the Te Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job – from this estimate — will be based on information available at the time of the application review start date (date of a comple §9.1051(21) and (22). Note : If a more recent quarter of information becomes available before the application is deemed coninformation will be required.	 which may differ slightly ted application). See TAC
	Non-qualified job wages average weekly wage for all jobs (all industries) in the county is	\$ 1,275.00
	b. Qualifying job wage minimum option §313.021(5)(A) -110% of the average weekly wage for manufacturing jobs in the county is	\$ 3,119.05
	c. Qualifying job wage minimum option §313.021(5)(B) -110% of the average weekly wage for manufacturing jobs in the region is	\$ 1,292.31
5.	Which Tax Code section are you using to estimate the qualifying job wage standard required for this project?	A) or \$313.021(5)(B)
6.	What is the minimum required annual wage for each qualifying job based on the qualified property?	\$ 162,190.60
7.	What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?	\$ 162,190.60
8.	Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)?	
9.	Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)?	Yes No
	9a. If yes, attach in Tab 13 supporting documentation from the TWC, pursuant to §313.021(3)(F).	
10	Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements?	Yes V No
	10a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).	

SECTION 15: Economic Impact

- 1. Complete and attach Schedules A1, A2, B, and C in **Tab 14**. **Note**: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
- 2. Attach an Economic Impact Analysis, if supplied by an entity other than the Comptroller's office, in Tab 15. (not required)
- 3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Tab 2

 ${\it Proof of Payment of Application Fee}$

Texas Comptroller Franchise Tax Form No. 05-165

See attached.

Texas Franchise Tax Extension Affiliate List received by the Comptroller of Public Accounts

Detailed Description of the Project

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

Samsung Austin Semiconductor, LLC is considering Williamson County, Texas for a new manufacturing facility. If the new project were located in Williamson, it would involve building out approximately 6 million square feet of new space. The investment associated with the buildout would be in excess of \$17 billion dollars, and the project would result in the creation of at least 1,800 quality, high paying net-new jobs.

The project would consist of a new manufacturing facility for semiconductors. This fabrication plant would produce advanced logic devices for Samsung's Foundry business. The proposed investment would be used to build a new semiconductor wafer fabrication facility and purchase new production machinery & equipment used in connection with manufacturing, processing and fabricating semiconductors in a cleanroom environment.

Construction would involve building cleanroom facilities, utility additions, and support structures for the installation of the new production equipment and the new tool sets. Should Samsung make its investment, Samsung Austin Semiconductor would break ground by Q1 of 2022 with the expectation that production would be up and running by Q4 of 2024.

Documentation to assist in determining if limitation is a determining factor

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Yes, the applicant has entered into agreements with consultants related to evaluating tax and incentive issues in AZ, NY, and TX as well as engineering firms to evaluate project specifications.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

This project is highly competitive, and the company is looking at alternative sites in the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered. Samsung Austin Semiconductor is evaluating locations using four criteria to evaluate these sites: access to talent, existing semiconductor manufacturing ecosystem, speed to market, and strong public-private partnership. Because of its strong ties to the local community and the successful past 25 years of manufacturing in Texas, Samsung Austin Semiconductor would like to continue to invest in the region and state.

Additional locations under consideration include two locations in Arizona near the cities of Goodyear and Queens Creek. Applicant is also considering a site in Genesee County, New York. The company is engaged in active negotiations with all three locations; each has offered robust property tax abatement, as well as significant grants and/or refundable tax credits to fund the necessary infrastructure improvements.

All three alternative sites have the necessary land and are capable of scaling up the required infrastructure within the requisite period of time in order to meet the project's accelerated timetable.

9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?

Samsung sources raw materials for its manufacturing processes from numerous locations around the world and transports these materials by common carrier. Once manufactured, Samsung will sell its wafers to its parent company in Korea—again shipping them by common carrier — which in turn will cut, polish and package them into "chips" for resale to third parties through various international distribution channels. These third-party buyers will then install the chips in devices, etc., that are sold around the world. Samsung's robust international acquisition and distribution network afford it significant flexibility regarding where it locates manufacturing facilities.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

Samsung Austin Semiconductor is creating a new product line that has not been previously manufactured in the United States by Samsung. As a private partner, Samsung Austin Semiconductor will make a significant capital investment and pledge for job creation; it seeks a strong public partner to support the project through financial and other incentives (e.g., infrastructure and utility assistance). In connection with the project, the company is seeking rebates under Chapter 380 and 381 and assistance from the Texas Enterprise Fund. In addition, the company is also pursuing incentives relating to certain infrastructure and utility improvements, rate reductions, and other non-cash benefits to support construction and operations of the proposed project. This regional public support will lower the operational and financial costs for a given site and make it possible for Samsung Austin Semiconductor to meet its operational and financial targets for the new manufacturing facility.

This project is highly competitive, and the company is looking at alternative sites in the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered. Due to the higher tax cost of operating in Texas, the appraised value limitation is a determining factor. Without the appraised value limitation award, the company would likely locate the project in Arizona, New York, or Korea.

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

Not applicable.

Description of Qualified Investment

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified investment. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- FAB: Semiconductor manufacturing facility, including cleanroom
- OFFICE: Operation management facilities with cubicles, conference rooms, and other facilities for the health and safety of employees
- · CUB: Central Utility Building
- IWT: Industrial Waste Treatment, where pretreatment of wastewater occurs prior to sending to City municipal treatment plant
- . BULK GAS: Air separation plants and storage for inert gases like Helium
- ELEC SS: Austin Energy electric substation
- · GCS: Central Chemical Supply Storage
- PONDS: Detention related to the project
- PARK: parking garage

Machinery, equipment, and tools used in the following processes involved in manufacturing semiconductor products would be placed within the buildings listed above:

- Photolithography
- · Chemical mechanical polishing
- Thin film deposition
- Plasma etching
- · Surface preparation and clean-up
- Ion implanting
- Metal deposition
- Rapid thermal processing
- Furnaces
- Testing and defect analysis
- Water processing
- · Metrology and yield enhancing
- Designing, bonding, and packaging

In addition, the new investment/buildings will include the following systems:

- Process cooling water systems
- HVAC systems
- Industrial waste treatment systems
- · Process vacuum systems
- Security control systems
- · Fire protection systems
- Chemical and ultra-pure gas storage distribution systems
- Piping, cleanroom systems
- Failure analysis lab
- Other systems useful for manufacturing semiconductor products

100% of the project will be located in the reinvestment zone and project boundary within Taylor ISD and will be considered qualified property for this application.

Description of Qualified Property

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified property. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- · FAB: Semiconductor manufacturing facility, including cleanroom
- OFFICE: Operation management facilities with cubicles, conference rooms, and other facilities for the health and safety of employees
- CUB: Central Utility Building
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- Process cooling water systems
- HVAC systems
- Industrial waste treatment systems
- · Process vacuum systems
- · Security control systems
- Fire protection systems
- Chemical and ultra-pure gas storage distribution systems
- Piping, cleanroom systems
- Failure analysis lab
- Other systems useful for manufacturing semiconductor products

100% of the project will be located in the reinvestment zone and project boundary within Taylor ISD and will be considered qualified property for this application.

Tab 9

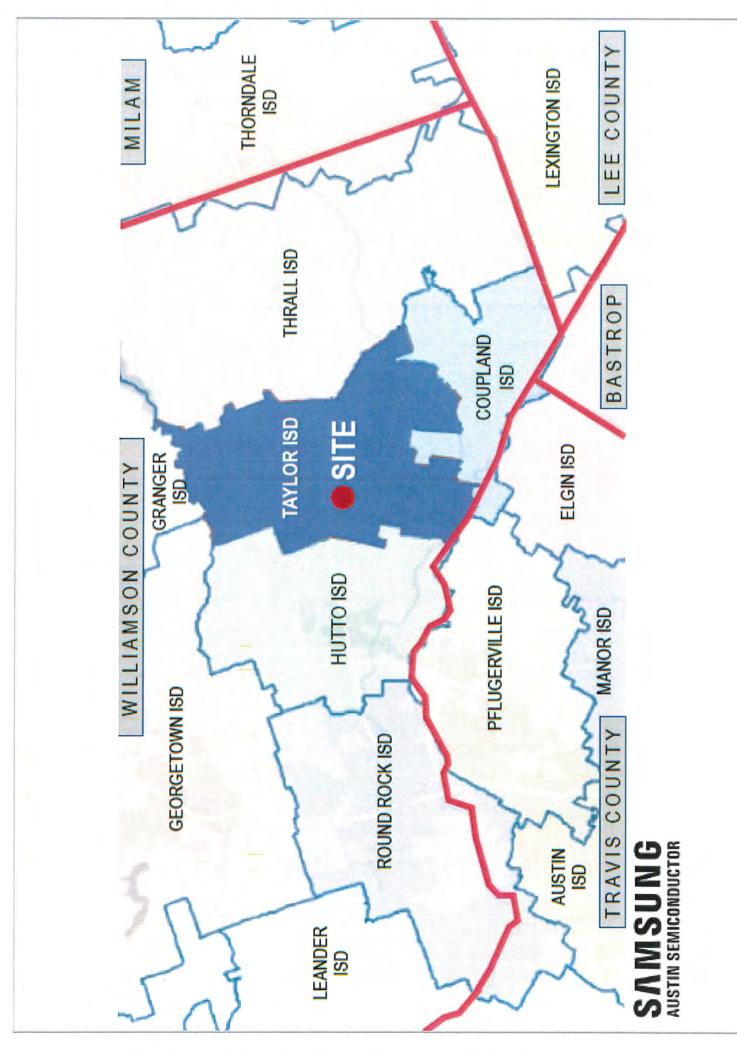
Description of Land

Description of all property not eligible to become qualified property (if applicable)

Any and all existing structures on the land would be removed in connection with construction of the project.

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.



Request for Waiver of Job Creation Requirement and supporting information (if applicable)

Not applicable. There is no job waiver request.

Calculation of three possible wage requirements with TWC documentation

- Williamson County average weekly wage for all jobs (all industries)
- Williamson County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

See attachments.

Tab 13 - Wage Calculations

County Wage Rate - All Industries (Non-Qualifying Jobs)

	Quarter	Year	Average ekly Wage*	Δ	nnualized
	1	2020	\$ 1,340.00	\$	69,680.00
Williamson County	2	2020	\$ 1,192.00	\$	61,984.00
williamson county	3	2020	\$ 1,235.00	\$	64,220.00
	4	2020	\$ 1,333.00	\$	69,316.00
		Average	\$ 1,275.00	\$	66,300.00

County Wage Rate - Manufacturing (Qualifying Jobs § 313.021(5)(A))

	Quarter	Year	Average ekly Wage*	,	Annualized
	1	2020	\$ 3,630.00	\$	188,760.00
Williamson County	2	2020	\$ 2,274.00	\$	118,248.00
williamson county	3	2020	\$ 2,662.00	\$	138,424.00
	4	2020	\$ 2,776.00	\$	144,352.00
		Average	\$ 2,835.50	\$	147,446.00
		110%	\$ 3,119.05	\$	162,190.60

Regional Wage Rate - Manufacturing (Qualifying Jobs § 313.021(5)(B))

	Year		Average ekly Wage*	Annual
Conital Area COC	2019	100	1,174.83	\$ 61,091.00
Capital Area COG	110%	\$	1,292.31	\$ 67,200.10

^{*}See attached QCEW and COG data

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Williamson	Total All	10	Total, All Industries	1,340
2020	02	Williamson	Total All	10	Total, All Industries	1,192
2020	03	Williamson	Total All	10	Total, All Industries	1,235
2020	04	Williamson	Total All	10	Total, All Industries	1,333

	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Williamson	Private	31-33	Manufacturing	3,630
2020	02	Williamson	Private	31-33	Manufacturing	2,274
2020	03	Williamson	Private	31-33	Manufacturing	2,662
2020	04	Williamson	Private	31-33	Manufacturing	2,776
020	04	Williamson	Private	31-33	Manufacturing	2,7

2019 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

		Wa	ges	
COG	COG Number	Hourly	Annual	
Panhandle Regional Planning Commission	1	\$22.31	\$46,399	
South Plains Association of Governments	2	\$18.97	\$39,448	
NORTEX Regional Planning Commission	3	\$20.38	\$42,395	
North Central Texas Council of Governments	4	\$32.92	\$68,476	
Ark-Tex Council of Governments	5	\$20.09	\$41,780	
East Texas Council of Governments	6	\$28.95	\$60,211	
West Central Texas Council of Governments	7	\$21.83	\$45,406	
Rio Grande Council of Governments	8	\$18.15	\$37,749	
Permian Basin Regional Planning Commission	9	\$21.87	\$45,499	
Concho Valley Council of Governments	10	\$26.74	\$55,625	
Heart of Texas Council of Governments	11	\$22.41	\$46,614	\$61,091 x 110%
Capital Area Council of Governments	12	\$29.37	\$61,091	\$67,200.10
Brazos Valley Council of Governments	13	\$17.60	\$36,613	
Deep East Texas Council of Governments	14	\$21.06	\$43,796	
South East Texas Regional Planning Commission	15	\$25.52	\$53,079	
Houston-Galveston Area Council	16	\$28.85	\$60,015	
Golden Crescent Regional Planning Commission	17	\$21.43	\$44,565	
Alamo Area Council of Governments	18	\$26.64	\$55,401	
South Texas Development Council	19	\$18.70	\$38,889	
Coastal Bend Council of Governments	20	\$34.94	\$72,668	
Lower Rio Grande Valley Development Council	21	\$20.05	\$41,698	
Texoma Council of Governments	22	\$18.40	\$38,280	
Central Texas Council of Governments	23	\$21.07	\$43,821	
Middle Rio Grande Development Council	24	\$22.74	\$47,296	
Texas		\$27.25	\$56,673	

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

Annual Wage Figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates. Data intended only for use implementing Chapter 313, Texas Tax Code.

Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B and C.

Form 50-296A

15-Jun-21 Samsung Austin Semiconductor, LLC Taylor ISD Date Applicant Name ISD Name

			(Estimated Inv	(Estimated Investment in each year. Do not put cumulative totals.)	totals.)		
			Column A	Column B	Column C	Column D	Column E
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before fling complete application with district	Year preceding the	ing the	Not eligible to become Qualified Property	oualified Property		[The only other investment made before filing complete application with district has may become Qualified Property to land.]	
Investment made after filing complete application with district, but before final board approval of application	year of the qualifying time period (assuming no deferrals of	the lime 2021					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	qualifying time perlod)	ilme					
Complete lax vears of qualifying time period	2	2022		1,864,000,000		v	1,864,000,000
QTP2	52	2023	1,853,000,000	5,491,800,000		v	4,344,800,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]	Period [ENTER	this row in Schodulo A	(2) (383,000,000 (5)	4,355,800,000		-	6.208.800.000
				Entk	Enter amounts from TOTAL row above in Schedule A2	lle A2	
DiatoT	Cualified Investor	Total Qualified Invastment (sum of green cells)	To.				

For All Columns: List amount invested each year, not cumulative totals.

Column A: The represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total deltar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar vibus of other investment teat may affect economic impact and total vibus. Examples of other investment that will not become qualified property include investment that may affect economic impact and total vibus. Examples of other investment that will not become qualified property, relative to the application.

Includionally replaces existing property, is used to maintain, returbish, renorate, modify or upgrade existing property or is affixed to existing property.

Column D. Dollar value of other investment that may affect economic impact and lotal value. Examples of other investment that may result in qualified property are land or professional services.

Total investment. Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified investment. For the green qualified investment cell, enter the sum of all the green-shaded cells.

Form 50-296A

15-Jun-21 Samsung Austin Semiconductor, LLC Taylor ISD Date Applicant Name ISD Name

de loike i								Revised February 2008
				PROPERTY INVE	PROPERTY INVESTMENT AMOUNTS			
				(Estimated Investment in each	(Estimated Investment in each year. Do not put cumulative totals.)			
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) yyyy	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Invostment (A+B+C+D)
					Enter amount	Enter amounts from TOTAL row in Schedule A1 in the row below	row below	
Total Investment from Schedule A1*	i	TOTALS FROM	TOTALS FROM SCHEDULE A1	1,853,000,000 \$				6,208,800,000
	1	2024-2025	2024	\$ 2,121,000,000	383.200,000			000 000 000
	2	2025-2026	2025		828 000 000 828			000,000,000
	60	2026-2027	2026	1.184.000.000			0	2,879,000,000
	4	2027-2028	2027	1,692,000,000			0	2,063,000,000
Majora limitation marindian	15	2028-2029	2028	1,653,000,000			9	7,882,000,000
TOTAL STREET	4D	2029-2030	2029					000,000,000,
	7	2030-2031	2030					
	80	2031-2032	2031					
	O.	2032-2033	2032					
	10	2033-2034	2033					
	Tot	Total Investment made through limitation §	e through limitation	\$ 10,503,000,000	6.497,000,000			47 000 000 000
	11	2034-2035	2034					
	12	2035-2036	2035					
Continue to maintain viable presence	13	2036-2037	2036					
	14	2037-2038	2037					
	15	2038-2039	2038					
	16	2039-2040	2039					
	17	2040-2041	2040					
	18	2041-2042	2041					
	19	2042-2043	2042					
Additional years for 25 year economic impact as required by	20	2043-2044	2043					
313.026(c)(1)	21	2044-2045	2044					
	22	2045-2046	2045					
	23	2046-2047	2046					
	24	2047-2048	2047					
	25	2048-2048	2048					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.

** Only investment made during deferrate of the limitation (efter the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s), if the limitation starts at the end of qualifying time period or the qualifying time period overlaps the imitation, no investment should be included on this line.

For All Columns: List amount of parted will overlab your value limitation period, do not also include investment and or occupance of the value limitation period, depending on the overlap. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Columns: List amount of parter amount parter amount parter amount parter amount parter amount part may affect economic impact and total value. Examples of other investment that may affect economic impact and total value, examples of other investment that may affect economic impact and total value, examples of other investment that may affect economic impact and total value.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Form 50-296A

Applicant Name ISD Name Date

6/15/2021

Samsung Austin Semiconductor, LLC Taylor ISD

Final taxable value for I&S Final taxable value for M&O Revised February 2020 after all reductions \$1,592,244,400 \$1,489,730,000 \$1,528,200,000 \$1,583,200,000 \$1,638,200,000 \$1,693,200,000 \$1,803,200,000 \$1,858,200,000 \$1,913,200,000 \$1,968,200,000 \$2,023,200,000 \$2,133,200,000 \$2,078,200,000 \$750,000,000 \$55,000,000 \$80,000,000 \$80,000,000 \$80,000,000 Estimated Taxable Value after all reductions \$4,020,260,000 \$3,868,750,000 \$4,180,140,000 \$2,176,810,000 \$3,328,200,000 \$4,353,840,000 \$3,213,124,600 \$2,478,422,200 \$1,981,250,000 \$1,672,088,800 \$1,592,244,400 \$1,489,730,000 \$1,583,200,000 \$1,693,200,000 \$1,803,200,000 \$1,968,200,000 \$2,133,200,000 \$1,528,200,000 \$1,638,200,000 \$1,748,200,000 \$1,858,200,000 \$1,913,200,000 \$2,023,200,000 \$2,078,200,000 \$750,000,000 \$55,000,000 Market Value less any exemptions (such as pollution control) and \$2,176,810,000 \$3,328,200,000 \$3,868,750,000 \$4,180,140,000 \$4,353,840,000 \$3,213,124,600 \$1,592,244,400 before limitation \$4,020,260,000 \$2,478,422,200 \$1,981,250,000 \$1,672,088,800 \$1,489,730,000 \$1,528,200,000 \$1,583,200,000 \$1,638,200,000 \$1,693,200,000 \$1,748,200,000 \$1,803,200,000 \$1,858,200,000 \$1,913,200,000 \$1,968,200,000 \$2,023,200,000 \$2,078,200,000 \$2,133,200,000 \$750,000,000 \$55,000,000 Estimated Total Market Value of tangible personal buildings or "in or on the property in the new new improvements" \$3,270,260,000 \$3,118,750,000 \$3,375,140,000 \$3,493,840,000 \$2,298,124,600 \$1,426,810,000 \$2,578,200,000 \$1,509,422,200 \$957,250,000 \$402,244,400 \$290,124,600 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 \$592,088,800 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 \$228,200,000 Estimated Total Market Value of new buildings or other new improvements **Qualified Property** \$1,025,000,000 \$1,135,000,000 \$1,144,605,400 \$1,245,000,000 \$1,300,000,000 \$1,355,000,000 \$1,410,000,000 \$1,465,000,000 \$1,520,000,000 \$1,575,000,000 \$1,630,000,000 \$1,685,000,000 \$1,740,000,000 \$1,795,000,000 \$1,850,000,000 \$695,000,000 5695,000,000 5695,000,000 000,000,698 \$695,000,000 \$750,000,000 \$805,000,000 \$860,000,000 \$914,000,000 \$969,000,000 Estimated Market Value of \$55,000,000 Tax Year (Fill in actual tax F 2022 2023 2025 2026 2035 2036 2038 2024 2028 2029 2030 2032 2033 2034 2039 2040 2042 2043 2044 2045 2046 2027 2037 2047 2031 2041 2022-2023 2023-2024 2024-2025 2025-2026 2027-2028 2028-2029 2029-2030 2031-2032 2032-2033 2033-2034 2034-2035 2035-2036 2037-2038 2038-2039 2039-2040 2041-2042 2042-2043 2043-2044 2044-2045 2045-2046 24 2047-2048 School Year (YYYY-YYYY) 2026-2027 2030-2031 2036-2037 2040-2041 2046-2047 10 = 12 13 14 15 16 17 18 20 23 19 21 2 22 0 8 0 2 4 9 6 3 25 year economic impact Value Limitation Period Continue to maintain Additional years for viable presence as required by 313.026(c)(1) QTP2 QTP1

\$2,188,200,000 Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. \$1,905,000,000

\$55,000,000

2048

2048-2048

25

\$2,188,200,000

\$2,188,200,000

\$228,200,000

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date

Form 50-296A Revised February 2020

6/15/2021 Samsung Austin Semiconductor, LLC Taylor ISD Applicant Name ISD Name

				Const	Construction	Non-Qualifying Jobs	Qualifying Jobs	g Jobs
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
QTP1	0	2022-2023	2022	3317	\$ 67,970	180		
атрг	0	2023-2024	2023	8248	990	089		
	1	2024-2025	2024	1560	\$ 70,025	925	25	\$ 162.190.60
	2	2025-2026	2025	978	\$ 71,075	1155	25	162.190.60
	3	2026-2027	2026	272	ь	1420	25	
	4	2027-2028	2027			1555	25	\$ 162.190.60
Value Limitation Period The qualifying time period could overlap the	S	2028-2029	2028			1640	25	\$ 162,190.60
Value limitation period.	9	2029-2030	2029			1675	25	\$ 162,190.60
	7	2030-2031	2030			1675	25	\$ 162,190.60
	80	2031-2032	2031			1675	25	\$ 162,190.60
	6	2032-2033	2032			1675	25	\$ 162,190.60
	10	2033-2034	2033			1675	25	\$ 162 190 60
Veare Following	11 through 15	2034-2039	2034-2038			1675	25	
Value Limitation Period	16 through 25	2039-2048	2039-2048			1675	0	

Notes: See TAC 9.1051 for definition of non-qualifying jobs. Only include jobs on the project site in this school district.

Economic Impact Analysis, other payments made in state or other economic information (if applicable)

To be provided by Comptroller's Office.

Description of Reinvestment or Enterprise Zone

Including:

- (a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office
- (b) Legal description of the reinvestment zone*
- (c) Order, resolution or ordinance establishing reinvestment zone*
- (d) Guidelines and criteria for creating the zone*

Applicant will request that Taylor ISD designate the reinvestment zone at a later date, prior to final application approval by the Taylor ISD Board of Trustees.

TAYLOR INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

- WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,
- WHEREAS, the Taylor Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,
- WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,
- WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached Exhibit A as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,
- WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Williamson County, Texas as shown on the map attached as Exhibit B; and.
- WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached Exhibits A & B; and,
- WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.
- NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT:
- **SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.
- **SECTION 2.** That the Board of Trustees of the Taylor Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:
 - (a) That the public hearing on the adoption of TAYLOR ISD REINVESTMENT ZONE

- NO. 2021-001 has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "Exhibit A"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 which is described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and.
- (d) That creation of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 with boundaries as described in Exhibit A and Exhibit B will result in benefits to the Taylor Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 described in Exhibit A and Exhibit B meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Taylor Independent School District.
- **SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Taylor Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *TAYLOR ISD REINVESTMENT ZONE NO. 2021-001*.
- **SECTION 4.** That the existence of the *TAYLOR ISD REINVESTMENT ZONE NO. 2021-001* shall first take effect upon, XXXX XXth, 2021, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.
- **SECTION 5.** That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Taylor Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Williamson County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASS	SED, APPROVED AND ADOPT	TED on this day of	, 2021.
TAYL	OR INDEPENDENT SCHOOL DIST	TRICT	
By:	5	ATTEST:	
	President	Secretar	
	Board of Trustees	Board of	Trustees

EXHIBIT A

LEGAL DESCRIPTION OF TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

Ехнівіт В

SURVEY MAPS OF TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

Tab 17

Authorized Signatures and Applicant Certification

Texas Comptroller of Public Accounts

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here Devin Padavil	Superintendent
Print Name (Authorized School District Representative) sign here	6/29/21
Signature (Autrentied School District Representative)	Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief

I hereby certify and affirm that the business entity I represent Is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print,	Michele Glaze	Director
sign here	Print Name (Authorized Company Representative (Applicant)) Wichele Alge	G/29/21
	Signature (Authorized Company Representative (Applicanti)	Date

GIVEN under my hand and seal of office this, the

DELLEM M. HARTMANN

My Notary ID # 6818081

Expires November 14, 2024

(Notary Seal)

My Commission expires: 11-14-2024

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jall felony under Texas Penal Code Section 37,10.

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 PHONE: (512) 494-9949 FAX: (512) 494-9919

KEVIN O'HANLON

kohanlon@808west.com

Rio Grande Valley Office 426 W. Caffery Ave. Pharr, Texas 78577

San Antonio Office 117 W. Craig Place San Antonio, Texas 78212

July 8, 2021

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

RE: Supplement001 of the Application to the Taylor Independent School District from Samsung Austin Semiconductor, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed, please find Supplement001 of the Application to the Taylor Independent School District from Samsung Austin Semiconductor, LLC. The following changes have been made:

- 1. Updated Section 3: Fees and Payments Questions 1-3
- 2. Tab 2 Added check to tab 2

A copy of the application will be submitted to the Williamson County Appraisal District.

Sincerely,

Kevin O'Hanlon

School District Consultant

With the

Cc: Williamson CAD

Samsung Austin Semiconductor, LLC

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

3	SECTION 2: Applicant Information (continued)		
4.	Authorized Company Consultant (If Applicable)		
F	Renn	Neilson	
Fi	rst Name	Last Name	
F	Partner		
	tle		
_	Baker Botts L.L.P.		
	rm Name	740,000,7074	
_	'13.229.1671	713.229.7971	
	enn.neilson@bakerbotts.com	Fax Number	
_	usiness Email Address	_	
	TCTION 2. Fore and December		
-	SECTION 3: Fees and Payments		
1.	Has an application fee been paid to the school district?		X Yes No
	The total fee shall be paid at the same time the application is submit be considered supplemental payments.		
	 If yes, include all transaction information below. Include proo information provided will not be publicly posted. 	of of application fee paid to the school district in Tab 2.	Any confidential banking
\$	100,000.00	Check	
_	syment Amount	Transaction Type	
S	Samsung Austin Semiconductor, LLC	Taylor ISD	
	yor	Payee	
J	une 24, 2021	_	
dis	or the purpose of questions 2 and 3, "payments to the school district" in strict or to any person or persons in any form if such payment or transf on for the agreement for limitation on appraised value. Will any "payments to the school district" that you may make in order agreement result in payments that are not in compliance with Tax Co	fer of thing of value being provided is in recognition of, and receive a property tax value limitation	anticipation of, or consider-
3.	If "payments to the school district" will only be determined by a formulamount being specified, could such method result in "payments to the compliance with Tax Code §313.027(i)?	ula or methodology without a specific e school district" that are not in	
S	ECTION 4: Business Applicant Information		
_		Compung Austin Comison	dustan II C
1.	What is the legal name of the applicant under which this application i	is made? Samsung Austin Semicon	
	Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 1		32017943922
3.	Parent Company Name	Samsung Electronic	s America, Inc.
	Parent Company Tax ID		11329511536
5.	NAICS code		334413
6	Is the applicant a party to any other pending or active Chapter 313 ag	greements?	Yes No
٠.	6a. If yes, please list application number, name of school district a		·· V les No
	Application No. 243, Manor ISD, 2012 (active); A		ing)
	Application No. 240, Marior 100, 2012 (active), 11	tellication No. 1004, Manor 100, 2024 (pend	iiig)
	SECTION 5: Applicant Business Structure		
1.	Business Organization of Applicant (corporation, limited liability corporation,	etc) Limited Liability Corpora	ation
2.	Is applicant a combined group, or comprised of members of a combine 2a. If yes, attach in Tab 3 a copy of the most recently submitted T	Texas Comptroller Franchise Tax Form No. 05-165, No.	05-166, or any other
	documentation from the Franchise Tax Division to demonstrate	te the applicant's combined group membership and conf	act information.

Tab 2

Proof of Payment of Application Fee

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

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

Attachment B Franchise Tax Account Status



Franchise Tax Account Status

As of: 11/04/2021 14:51:19

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

SAMSUNG AUSTIN SEMICONDUCTOR, LLC

Texas Taxpayer Number 32017943922

Mailing Address 12100 SAMSUNG BLVD STE 100 AUSTIN, TX

78754-1902

Right to Transact Business in

Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 08/05/2005

Texas SOS File Number 0800527862

Registered Agent Name CTCORPORATION SYSTEM

Registered Office Street Address 1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 20, 2021

Devin Padavil Superintendent Taylor Independent School District 3101 N. Main St. Suite 104 Taylor, Texas 76574

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Taylor Independent School District and Samsung Austin Semiconductor, LLC, Application 1620

Dear Superintendent Padavil:

On July 23, 2021, the Comptroller issued written notice that Samsung Austin Semiconductor, LLC (applicant) submitted a completed application (Application 1620) for a limitation on appraised value under the provisions of Tax Code Chapter 313. This application was originally submitted on June 29, 2021, to the Taylor Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has committed to create the required number of new

qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the

county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1620.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2021.

Note that any building or improvement existing as of the application review start date of July 23, 2021, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

- DocuSigned by:

Lisa Craven

Lisa Craven

Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Samsung Austin Semiconductor, LLC (project) applying to Taylor Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

 $\textbf{Table 1} \ \text{is a summary of investment, employment and tax impact of Samsung Austin Semiconductor, LLC.}$

Applicant	Samsung Austin Semiconductor, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Taylor ISD
2019-2020 Average Daily Attendance	2,815
County	Williamson
Proposed Total Investment in District	\$17,000,000,000
Proposed Qualified Investment	\$6,208,800,000
Limitation Amount	\$80,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	1,675
Average weekly wage of qualifying jobs committed to by applicant	\$3,119.05
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$3,119.05
Minimum annual wage committed to by applicant for qualified jobs	\$162,190.60
Minimum weekly wage required for non-qualifying jobs	\$1,276
Minimum annual wage required for non-qualifying jobs	\$66,352
Investment per Qualifying Job	\$680,000,000
Estimated M&O levy without any limit (15 years)	\$411,386,714
Estimated M&O levy with Limitation (15 years)	\$97,272,209
Estimated gross M&O tax benefit (15 years)	\$314,114,505

Table 2 is the estimated statewide economic impact of Samsung Austin Semiconductor, LLC (modeled).

		Employment		- Personal Income				
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total		
2023	180	175	355	\$12,418,200	\$16,881,800	\$29,300,000		
2024	705	1,150	1855	\$49,567,991	\$102,652,009	\$152,220,000		
2025	950	1,816	2766	\$67,488,138	\$175,431,862	\$242,920,000		
2026	1180	2,400	3580	\$85,044,707	\$249,305,293	\$334,350,000		
2027	1445	2,707	4152	\$1,709,562	\$389,890,438	\$391,600,000		
2028	1580	2,986	4566	\$1,700,253	\$455,329,747	\$457,030,000		
2029	1665	3,175	4840	\$1,696,711	\$510,023,289	\$511,720,000		
2030	1700	3,040	4740	\$1,694,775	\$531,755,225	\$533,450,000		
2031	1700	2,821	4521	\$1,694,035	\$536,145,965	\$537,840,000		
2032	1700	2,595	4295	\$1,694,035	\$535,655,965	\$537,350,000		
2033	1700	2,384	4084	\$1,694,035	\$533,215,965	\$534,910,000		
2034	1700	1,952	3652	\$1,694,035	\$505,385,965	\$507,080,000		
2035	1700	1,718	3418	\$1,694,035	\$492,445,965	\$494,140,000		
2036	1700	1,550	3250	\$1,694,035	\$484,385,965	\$486,080,000		
2037	1700	1,435	3135	\$1,694,035	\$483,165,965	\$484,860,000		

Source: CPA REMI, Samsung Austin Semiconductor, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Taylor ISD 1&S Tax Levy	Taylor ISD M&O Tax Levy	Taylor M&O and I&S Tax Levies	Williamson County Tax Levy	Williamson CO Cty FM/Rd Tax Levy	Lower Brushy Creek WC & ID Tax Levy	Estimated Total Property Taxes
			Tax Rate	0.3725	1.0308		0.4187	0.0400	0.0200	
2022	\$55,000,000	\$55,000,000		\$204,875	\$566,940	\$771,815	\$230,296	\$22,000	\$11,000	\$1,035,111
2023	\$750,000,000	\$750,000,000		\$2,793,750	\$7,731,000	\$10,524,750	\$3,140,400	\$300,000	\$150,000	\$14,115,150
2024	\$2,176,810,000	\$2,176,810,000		\$8,108,617	\$22,438,557	\$30,547,175	\$9,114,739	\$870,724	\$435,362	\$40,968,000
2025	\$3,328,200,000	\$3,328,200,000		\$12,397,545	\$34,307,086	\$46,704,631	\$13,935,839	\$1,331,280	\$665,640	\$62,637,390
2026	\$4,020,260,000	\$4,020,260,000		\$14,975,469	\$41,440,840	\$56,416,309	\$16,833,633	\$1,608,104	\$804,052	\$75,662,097
2027	\$3,868,750,000	\$3,868,750,000		\$14,411,094	\$39,879,075	\$54,290,169	\$16,199,230	\$1,547,500	\$773,750	\$72,810,649
2028	\$4,180,140,000	\$4,180,140,000		\$15,571,022	\$43,088,883	\$58,659,905	\$17,503,082	\$1,672,056	\$836,028	\$78,671,071
2029	\$4,353,840,000	\$4,353,840,000		\$16,218,054	\$44,879,383	\$61,097,437	\$18,230,399	\$1,741,536	\$870,768	\$81,940,140
2030	\$3,213,124,600	\$3,213,124,600		\$11,968,889	\$33,120,888	\$45,089,778	\$13,453,995	\$1,285,250	\$642,625	\$60,471,648
2031	\$2,478,422,200	\$2,478,422,200		\$9,232,123	\$25,547,576	\$34,779,699	\$10,377,649	\$991,369	\$495,684	\$46,644,401
2032	\$1,981,250,000	\$1,981,250,000		\$7,380,156	\$20,422,725	\$27,802,881	\$8,295,890	\$792,500	\$396,250	\$37,287,521
2033	\$1,672,088,800	\$1,672,088,800		\$6,228,531	\$17,235,891	\$23,464,422	\$7,001,370	\$668,836	\$334,418	\$31,469,046
2034	\$1,592,244,400	\$1,592,244,400		\$5,931,110	\$16,412,855	\$22,343,966	\$6,667,046	\$636,898	\$318,449	\$29,966,358
2035	\$1,489,730,000	\$1,489,730,000		\$5,549,244	\$15,356,137	\$20,905,381	\$6,237,797	\$595,892	\$297,946	\$28,037,017
2036	\$1,528,200,000	\$1,528,200,000		\$5,692,545	\$15,752,686	\$21,445,231	\$6,398,879	\$611,280	\$305,640	\$28,761,030
2037	\$1,583,200,000	\$1,583,200,000		\$5,897,420	\$16,319,626	\$22,217,046	\$6,629,175	\$633,280	\$316,640	
2038	\$1,638,200,000	\$1,638,200,000		\$6,102,295	\$16,886,566	\$22,988,861	\$6,859,471	\$655,280	\$327,640	\$30,831,252
7.			Total	\$148,662,739	\$411,386,714	\$560,049,452	\$167,108,891	\$15,963,784	\$7,981,892	\$751,104,019

Source: CPA, Samsung Austin Semiconductor, LLC *Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Williamson County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Taylor ISD I&S Tax Levy	Taylor ISD M&0 Tax Levy	Taylor M&O and I&S Tax Levies	Williamson County Tax Levy	Williamson CO Cty FM/Rd Tax Levy	Lower Brushy Creek WC & ID Tax Levy	Estimated Total Property Taxes
		1	Tax Rate	0.3725	1,0308		0.4187	0.0400	0.0200	
2022	\$55,000,000	\$55,000,000		\$204,875	\$566,940	\$771,815	\$230,296	\$22,000	\$11,000	\$1,024,111
2023	\$750,000,000	\$750,000,000		\$2,793,750	\$7,731,000	\$10,524,750	\$3,140,400	\$300,000	\$150,000	\$13,965,150
2024	\$2,176,810,000	\$80,000,000		\$8,108,617	\$824,640	\$8,933,257	\$9,114,739	\$870,724	\$435,362	\$18,918,720
2025	\$3,328,200,000	\$80,000,000		\$12,397,545	\$824,640	\$13,222,185	\$13,935,839	\$1,331,280	\$665,640	\$28,489,304
2026	\$4,020,260,000	\$80,000,000		\$14,975,469	\$824,640	\$15,800,109	\$16,833,633	\$1,608,104	\$804,052	\$34,241,845
2027	\$3,868,750,000	\$80,000,000		\$14,411,094	\$824,640	\$15,235,734	\$16,199,230	\$1,547,500	\$773,750	\$32,982,464
2028	\$4,180,140,000	\$80,000,000		\$15,571,022	\$824,640	\$16,395,662	\$17,503,082	\$1,672,056	\$836,028	\$35,570,800
2029	\$4,353,840,000	\$80,000,000		\$16,218,054	\$824,640	\$17,042,694	\$18,230,399	\$1,741,536	\$870,768	\$37,014,629
2030	\$3,213,124,600	\$80,000,000		\$11,968,889	\$824,640	\$12,793,529	\$13,453,995	\$1,285,250	\$642,625	\$27,532,774
2031	\$2,478,422,200	\$80,000,000		\$9,232,123	\$824,640	\$10,056,763	\$10,377,649	\$991,369	\$495,684	\$21,425,781
2032	\$1,981,250,000	\$80,000,000		\$7,380,156	\$824,640	\$8,204,796	\$8,295,890	\$792,500	\$396,250	\$17,293,186
2033	\$1,672,088,800	\$80,000,000		\$6,228,531	\$824,640	\$7,053,171	\$7,001,370	\$668,836	\$334,418	\$14,723,377
2034	\$1,592,244,400	\$1,592,244,400		\$5,931,110	\$16,412,855	\$22,343,966	\$6,667,046	\$636,898	\$318,449	\$29,647,909
2035	\$1,489,730,000	\$1,489,730,000		\$5,549,244	\$15,356,137	\$20,905,381	\$6,237,797	\$595,892	\$297,946	\$27,739,071
2036	\$1,528,200,000	\$1,528,200,000		\$5,692,545	\$15,752,686	\$21,445,231	\$6,398,879	\$611,280	\$305,640	\$28,455,390
2037	\$1,583,200,000	\$1,583,200,000		\$5,897,420	\$16,319,626	\$22,217,046	\$6,629,175	\$633,280	\$316,640	\$29,479,501
2038	\$1,638,200,000	\$1,638,200,000		\$6,102,295	\$16,886,566	\$22,988,861	\$6,859,471	\$655,280	\$327,640	\$30,503,612
			Total	\$148,662,739	\$97,272,209	\$245,934,947	\$167,108,891	\$15,963,784	\$7,981,892	\$429,007,622
			Diff	\$0	\$314,114,505	\$314,114,505	\$0	\$0	\$0	\$322,096,397

Source: CPA, Samsung Austin Semiconductor, LLC

*Tax Rate per \$100 Valuation

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.

Attachment B - Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Samsung Austin Semiconductor, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation	2021	\$0	\$0	\$0	\$0
Pre-Years	2022	\$566,940	\$566,940	\$0	\$0
7.0 70010	2023	\$7,731,000	\$8,297,940	\$0	\$0
	2024	\$824,640	\$9,122,580	\$21,613,917	\$21,613,917
	2025	\$824,640	\$9,947,220	\$33,482,446	\$55,096,363
	2026	\$824,640	\$10,771,860	\$40,616,200	\$95,712,563
	2027	\$824,640	\$11,596,500	\$39,054,435	\$134,766,998
Limitation Period	2028	\$824,640	\$12,421,140	\$42,264,243	\$177,031,241
(10 Years)	2029	\$824,640	\$13,245,780	\$44,054,743	\$221,085,984
0.00	2030	\$824,640	\$14,070,420	\$32,296,248	\$253,382,232
	2031	\$824,640	\$14,895,060	\$24,722,936	\$278,105,168
	2032	\$824,640	\$15,719,700	\$19,598,085	\$297,703,253
	2033	\$824,640	\$16,544,340	\$16,411,251	\$314,114,505
	2034	\$16,412,855	\$32,957,195	\$0	\$314,114,505
Maintain Viable	2035	\$15,356,137	\$48,313,332	\$0	\$314,114,505
Presence	2036	\$15,752,686	\$64,066,018	\$0	\$314,114,505
(5 Years)	2037	\$16,319,626	\$80,385,643	\$0	\$314,114,505
	2038	\$16,886,566	\$97,272,209	\$0	\$314,114,505
	2039	\$17,453,506	\$114,725,715	\$0	\$314,114,505
	2040	\$18,020,446	\$132,746,160	\$0	\$314,114,505
	2041	\$18,587,386	\$151,333,546	\$0	\$314,114,505
Additional Years	2042	\$19,154,326	\$170,487,871	\$0	\$314,114,505
as Required by	2043	\$19,721,266	\$190,209,137	\$0	\$314,114,505
313.026(c)(1)	2044	\$20,288,206	\$210,497,343	\$0	\$314,114,505
(10 Years)	2045	\$20,855,146	\$231,352,488	\$0	\$314,114,505
	2046	\$21,422,086	\$252,774,574	\$0	\$314,114,505
	2047	\$21,989,026	\$274,763,599	\$0	\$314,114,505
	2048	\$22,555,966	\$297,319,565	\$0	\$314,114,505

\$297,319,565	is less than	\$314,114,505

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Samsung Austin Semiconductor, LLC

		Employment		1000000	Personal Income		Rev	enue & Expend	liture
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2023	180	175	355	\$12,418,200	\$16,881,800	\$29,300,000	1290000	-680000	\$1,970.00
2024	705	1,150	1855	\$49,567,991	\$102,652,009	\$152,220,000	9590000	-2840000	\$12,430,00
2025	950	1,816	2766	\$67,488,138	\$175,431,862	\$242,920,000	15000000	-2590000	\$17,590,00
2026	1180	2,400	3580	\$85,044.707	\$249,305,293	\$334,350,000	19760000	-1610000	\$21,370,00
2027	1445	2,707	4152	\$1,709,562	\$389,890,438	\$391,600,000	22160000	100000	\$22,060,00
2028	1580	2,986	4566	\$1,700,253	\$455,329,747	\$457,030,000	25180000	2320000	\$22,860,00
2029	1665	3,175	4840	\$1,696,711	\$510,023,289	\$511,720,000	27610000	4840000	\$22,770,00
2030	1700	3,040	4740	\$1,694,775	\$531,755,225	\$533,450,000	26950000	7740000	\$19,210,00
2031	1700	2,821	4521	\$1,694,035	\$536,145,965	\$537,840,000	26060000	10380000	\$15,680,00
2032	1700	2,595	4295	\$1,694,035	\$535,655,965	\$537,350,000	25220000	12540000	\$12,680,00
2033	1700	2,384	4084	\$1,694,035	\$533,215,965	\$534,910,000	24410000	14230000	\$10,180,00
2034	1700	1,952	3652	\$1,694,035	\$505,385,965	\$507,080,000	21060000	15790000	\$5,270,00
2035	1700	1,718	3418	\$1,694,035	\$492,445,965	\$494,140,000	20100000	16570000	\$3,530,00
2036	1700	1,550	3250	\$1,694,035	\$484,385,965	\$486,080,000	19280000	17010000	\$2,270,00
2037	1700	1,435	3135	\$1,694,035	\$483,165,965	\$484,860,000	18700000	17230000	\$1,470,00
2038	1700	1,355	3055	\$1,694,035	\$487,805,965	\$489,500,000	18340000	17360000	\$980.00
2039	1700	1,321	3021	\$1,694,035	\$497,325,965	\$499,020,000	18010000	17310000	\$700,00
2040	1700	1,296	2996	\$1,694,035	\$511,245,965	\$512,940,000	18010000	17200000	\$810,00
2041	1700	1,308	3008	\$1,694,035	\$528,825,965	\$530,520,000	18010000	17040000	\$970,00
2042	1700	1,318	3018	\$1,694,035	\$551,285,965	\$552,980,000	18110000	16940000	\$1,170,00
2043	1700	1,333	3033	\$1,694,035	\$576,435,965	\$578,130,000	18260000	16830000	\$1,430,00
2044	1700	1,355	3055	\$1,694,035	\$601,825,965	\$603,520,000	18370000	16750000	\$1,620,00
2045	1700	1,376	3076	\$1,694,035	\$628,675,965	\$630,370,000	18510000	16580000	\$1,930,00
2046	1700	1,394	3094	\$1,694,035	\$658,945,965	\$660,640,000	18750000	16500000	\$2,250,00
2047	1700	1,411	3111	\$1,694,035	\$689,225,965	\$690,920,000	19000000	16420000	\$2,580.00
2048	1700	1,431	3131	\$1,694,035	\$723,405,965	\$725,100,000	19350000	16370000	\$2,980,00
						Total	\$505,090,000	\$296,330,000	\$208,760,00
							\$506,079,565	is greater than	\$314,114,505

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.

Attachment C - Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that "the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry
 officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Samsung Austin Semiconductor, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Samsung Austin Semiconductor, LLC in Tab 4 of their Application for a Limitation on Appraised Value:
 - A. "The proposed investment would be used to build a new semiconductor wafer fabrication facility and purchase new production machinery & equipment used in connection with manufacturing, processing and fabricating semiconductors in a cleanroom environment."
 - B. "If the new project were located in Williamson, it would involve building out approximately 6 million square feet of new space."
- Per Samsung Austin Semiconductor, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "[T]he applicant has entered into agreements with consultants related to evaluating tax and incentive issues in AZ, NY, and TX as well as engineering firms to evaluate project specifications.
 - B. "This project is highly competitive, and the company is looking at alternative sites in the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered."
 - C. "Additional locations under consideration include two locations in Arizona near the cities of Goodyear and Queens Creek. Applicant is also considering a site in Genesee County, New York. The company is engaged in active negotiations with all three locations; each has offered robust property tax abatement, as well as significant grants and/or refundable tax credits to fund the necessary infrastructure improvements."
 - D. In connection with the project, the company is seeking rebates under Chapter 380 and 381 and assistance from the Texas Enterprise Fund. In addition, the company is also pursuing incentives relating to certain infrastructure and utility improvements, rate reductions, and other non-cash benefits to support construction and operations of the proposed project. This regional public support will lower the operational and financial costs for a given site and make it possible for

- Samsung Austin Semiconductor to meet its operational and financial targets for the new manufacturing facility."
- E. "This project is highly competitive, and the company is looking at alternative sites in, the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered. Due to the higher tax cost of operating in Texas, the appraised value limitation is a determining factor. Without the appraised value limitation award, the company would likely locate the project in Arizona, New York, or Korea."
- Per a July 23, 2021 Buffalo News article:
 - A. "Samsung is already considering building the plant in Travis County, Texas the county where Austin is located. The Austin area is viewed as a prime candidate to win the coveted project, given that Samsung already has manufacturing operations in North Austin. In May, a Korean publication said Samsung had picked Austin for the project, but Samsung officials denied they had reached a decision."
 - B. "Genesee County economic development officials are trying to persuade Samsung to choose the Science and Technology Advanced Manufacturing Park, or STAMP, for the plant. The planned business park is in the Town of Alabama, north of the Thruway's Pembroke exit, and partway between Buffalo and Rochester."
 - C. "Michele Glaze, director of Samsung Austin Semiconductor, said the company is "continuing our due diligence in multiple locations for a possible future expansion. However, no decision has been made at this time. "We are fortunate to have opportunities from Arizona, New York (Genesee County) and Texas under consideration and are continuing discussions with each location,"
 - D. "Samsung said it is using four criteria to evaluate sites in Texas, Arizona and Genesee County: access to talent, existing semiconductor manufacturing ecosystem, speed to market and strong public-private partnership."
 - E. "All the alternative sites under consideration "have the necessary land and are capable of scaling up the required infrastructure within the requisite period of time in order to meet the project's accelerated timetable," Samsung said. "Because of its strong ties to the local community and the successful past 25 years of manufacturing in Texas, Samsung Austin Semiconductor would like to continue to invest in the region and state,"
- A July 27, 2021 KVUE article states "The massive tech company is scouting other destinations for the facility, too – which will produce the company's most advanced computer chips yet. Taylor, Texas, is on the list, in addition to Phoenix and upstate New York, according the Austin Business Journal."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
- c) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- d) Additional information provided by the Applicant or located by the Comptroller

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Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

SECTION 8: Limitation as Determining Factor			- John of Book
Does the applicant currently own the land on which the proposed p.	roject will occur?	***************************************	Yes / No
2. Has the applicant entered into any agreements, contracts or letters			✓ Yes No
Does the applicant have current business activities at the location v			Yes / No
Has the applicant made public statements in SEC fillings or other do proposed project location?	ocuments regarding its	intentions regarding the	Yes V No
5. Has the applicant received any local or state permits for activities of			Yes 🗸 No
6. Has the applicant received commitments for state or local incentive:			Yes 🗸 No
7. Is the applicant evaluating other locations not in Texas for the propo	osed project?	************	✓ Yes No
Has the applicant provided capital investment or return on investment with other alternative investment opportunities?			Yes V No
9. Has the applicant provided information related to the applicant's input	ts, transportation and m	narkets for the proposed project?	✓ Yes No
10. Are you submitting information to assist in the determination as to we factor in the applicant's decision to invest capital and construct the			✓ Yes No
Chapter 313.026(e) states "the applicant may submit information to under Subsection (c)(2)." If you answered "yes" to any of the ques			
SECTION 9: Projected Timeline			
NOTE: Only construction beginning after the application review start da complete) can be considered qualified property and/or qualified investments.		Comptroller of Public Accounts deems	the application
Estimated school board ratification of final agreement		<u>De</u>	cember 2021
2. Estimated commencement of construction		Ja	nuary 2022
Beginning of qualifying time period (MM/DD/YYYY)		Jar	nuary 1, 2022
First year of limitation (YYYY)		Jar	nuary 1, 2024
4a. For the beginning of the limitation period, notate which one of the			(2):
A. January 1 following the application date B. J	January 1 following the	end of OTP	
C. January 1 following the commencement of commercial ope			
5. Commencement of commercial operations		Dec	cember 2024
SECTION 10: The Property			
County or counties in which the proposed project will be located		Williamson County	
Central Appraisal District (CAD) that will be responsible for appraisir	ng the property	Williamson County Appraisa	al District
Will this CAD be acting on behalf of another CAD to appraise this process.			
			Yes ✓ No
 List all taxing entities that have jurisdiction for the property, the portional statement of the property of the		Taylor ISD; 100%; 0.3	725%
M&O (ISD): [Name, tax rate and percent of project)	I&S (ISD):	(Name, tax rate and percent of	
County: Williamson County; 100%; 0.418719%	City:	N/A	
(Name, tax rate and percent of project) Hospital District: N/A	Albania Landa	(Name, tax rate and percent of Lower Brushy Creek WC & IE	
Hospital District: (Name, tax rate and percent of project)	Water District:	(Name, tax rate and percent of	The second secon
Other (describe): Williamson Cty FM/Rd; 100%; 0.04% (Name, tax rate and percent of project)	Other (describe):	N/A (Name, tax rate and percent of	project)

Supporting Information

Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value

Tab 4

Detailed Description of the Project

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

Samsung Austin Semiconductor, LLC is considering Williamson County, Texas for a new manufacturing facility. If the new project were located in Williamson, it would involve building out approximately 6 million square feet of new space. The investment associated with the buildout would be in excess of \$17 billion dollars, and the project would result in the creation of at least 1,800 quality, high paying net-new jobs.

The project would consist of a new manufacturing facility for semiconductors. This fabrication plant would produce advanced logic devices for Samsung's Foundry business. The proposed investment would be used to build a new semiconductor wafer fabrication facility and purchase new production machinery & equipment used in connection with manufacturing, processing and fabricating semiconductors in a cleanroom environment.

Construction would involve building cleanroom facilities, utility additions, and support structures for the installation of the new production equipment and the new tool sets. Should Samsung make its investment, Samsung Austin Semiconductor would break ground by Q1 of 2022 with the expectation that production would be up and running by Q4 of 2024.

Supporting Information

Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

Tab 5

Documentation to assist in determining if limitation is a determining factor

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Yes, the applicant has entered into agreements with consultants related to evaluating tax and incentive issues in AZ, NY, and TX as well as engineering firms to evaluate project specifications.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

This project is highly competitive, and the company is looking at alternative sites in the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered. Samsung Austin Semiconductor is evaluating locations using four criteria to evaluate these sites: access to talent, existing semiconductor manufacturing ecosystem, speed to market, and strong public-private partnership. Because of its strong ties to the local community and the successful past 25 years of manufacturing in Texas, Samsung Austin Semiconductor would like to continue to invest in the region and state,

Additional locations under consideration include two locations in Arizona near the cities of Goodyear and Queens Creek. Applicant is also considering a site in Genesee County, New York. The company is engaged in active negotiations with all three locations; each has offered robust property tax abatement, as well as significant grants and/or refundable tax credits to fund the necessary infrastructure improvements.

All three alternative sites have the necessary land and are capable of scaling up the required infrastructure within the requisite period of time in order to meet the project's accelerated timetable.

9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?

Samsung sources raw materials for its manufacturing processes from numerous locations around the world and transports these materials by common carrier. Once manufactured, Samsung will sell its wafers to its parent company in Korea—again shipping them by common carrier — which in turn will cut, polish and package them into "chips" for resale to third parties through various international distribution channels. These third-party buyers will then install the chips in devices, etc., that are sold around the world. Samsung's robust international acquisition and distribution network afford it significant flexibility regarding where it locates manufacturing facilities.

10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

Samsung Austin Semiconductor is creating a new product line that has not been previously manufactured in the United States by Samsung. As a private partner, Samsung Austin Semiconductor will make a significant capital investment and pledge for job creation; it seeks a strong public partner to support the project through financial and other incentives (e.g., infrastructure and utility assistance). In connection with the project, the company is seeking rebates under Chapter 380 and 381 and assistance from the Texas Enterprise Fund. In addition, the company is also pursuing incentives relating to certain infrastructure and utility improvements, rate reductions, and other non-cash benefits to support construction and operations of the proposed project. This regional public support will lower the operational and financial costs for a given site and make it possible for Samsung Austin Semiconductor to meet its operational and financial targets for the new manufacturing facility.

This project is highly competitive, and the company is looking at alternative sites in the US including Arizona and New York, as well as abroad in Korea where Samsung Austin Semiconductor's parent company is headquartered. Due to the higher tax cost of operating in Texas, the appraised value limitation is a determining factor. Without the appraised value limitation award, the company would likely locate the project in Arizona, New York, or Korea.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Samsung looking at second Texas site for \$17 billion chip plant



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Attachment D Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED SAMSUNG AUSTIN SEMICONDUCTOR, LLC PROJECT IN THE TAYLOR INDEPENDENT SCHOOL DISTRICT (PROJECT # 1620)

PREPARED BY



Executive Summary

Samsung Austin Semiconductor, LLC (Company) has requested that the Taylor Independent School District (TISD) 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 TISD on June 30, 2021 the Company plans to make a cumulative investment of \$17 billion, with a peak taxable value of \$4.35 billion in 2029-30 to construct a new manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Samsung 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, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, TISD may offer a minimum value limitation of \$80 million. This value limitation, under the proposed application, will begin in the 2024-25 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, and the recent House Bill 1525. The overall conclusions are as follows, but please read all of the subsquent details in the report below for more information.

Total Revenue Loss Payment owed to TISD

\$54.58 million

Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)

\$238.1 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on July 23, 2021.



The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo (ODC) will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, ODC will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting.

How the 313 Agreement Interacts with Texas School Finance

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3 and HB 1525, for those districts subject to recapture. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for TISD, based on the calculations shown below.



Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 as adopted in 2019 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].

Given the directive regarding the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 is set to expire on December 31, 2022, but its expiration is not expected to affect the eligibility of the current application for a Chapter 313 agreement.

For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. The current information is expected to be updated as the details of House Bill 1525 implementation are determined by TEA.

Legislative action on school funding in HB 3 in 2019 and the recent HB 1525 update could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.



Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA: 2,810 Local M&O Tax Base \$1.66 billion

2020-21 M&O Tax Rate: \$1.0308 per \$100 of Taxable Value 2021-22 Projected M&O Tax Rate: \$0.9603 per \$100 of Taxable Value 2021-22 Projected M&O Tax Rate: \$0.3725 per \$100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 - Base District Information with Samsung Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP1	2022-23	2,810.00	3,990.20	\$0.9603	\$0.3725	\$1,676,030,403	\$1,676,030,403	\$420,037	\$420,037
QTP2	2023-24	2,810.00	3,990.20	\$0.9603	\$0.3725	\$1,731,030,403	\$1,731,030,403	\$433,821	\$433,821
VL1	2024-25	2,810.00	3,990.20	\$0.9603	\$0.3725	\$2,426,030,403	\$2,426,030,403	\$607,998	\$607,998
VL2	2025-26	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,852,840,403	\$1,756,030,403	\$965,577	\$440,086
VL3	2026-27	2,810.00	3,990.20	\$0.9603	\$0.3725	\$5,004,230,403	\$1,756,030,403	\$1,254,132	\$440,086
VL4	2027-28	2,810.00	3,990.20	\$0.9603	\$0.3725	\$5,696,290,403	\$1,756,030,403	\$1,427,572	\$440,086
VL5	2028-29	2,810.00	3,990.20	\$0.9603	\$0.3725	\$5,544,780,403	\$1,756,030,403	\$1,389,601	\$440,086
VL6	2029-30	2,810.00	3,990.20	\$0.9603	\$0.3725	\$5,856,170,403	\$1,756,030,403	\$1,467,640	\$440,086
VL7	2030-31	2,810.00	3,990.20	\$0.9603	\$0.3725	\$6,029,870,403	\$1,756,030,403	\$1,511,172	\$440,086
VL8	2031-32	2,810.00	3,990.20	\$0.9603	\$0.3725	\$4,889,155,003	\$1,756,030,403	\$1,225,292	\$440,086
VL9	2032-33	2,810.00	3,990.20	\$0.9603	\$0.3725	\$4,154,452,603	\$1,756,030,403	\$1,041,165	\$440,086
VL10	2033-34	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,657,280,403	\$1,756,030,403	\$916,567	\$440,086
VP1	2034-35	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,348,119,203	\$1,756,030,403	\$839,087	\$440,086
VP2	2035-36	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,268,274,803	\$3,268,274,803	\$819,076	\$819,076
VP3	2036-37	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,165,760,403	\$3,165,760,403	\$793,385	\$793,385
VP4	2037-38	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,204,230,403	\$3,204,230,403	\$803,026	\$803,026
VP5	2038-39	2,810.00	3,990.20	\$0.9603	\$0.3725	\$3,259,230,403	\$3,259,230,403	\$816,810	\$816,810

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

QTP= Qualifying Time Period

VL= Value Limitation

VP= Viable Presence



M&O Impact of the Samsung Project on TISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of \$80 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$54.58 million over the course of the Agreement, with more than half of the loss reflected in the first two limitation years (2024-25 and 2025-26). The impact of these changes is summarized in Table 5.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2022-23	\$14,328,283	\$9,775,860	\$0	\$1,088,468	\$1,464,602	\$0	\$1,612,304	\$28,269,517
QTP2	2023-24	\$20,407,100	\$9,284,985	\$0	\$1,550,254	\$1,972,729	\$0	\$0	\$33,215,068
VL1	2024-25	\$33,260,975	\$3,082,110	\$0	\$2,526,716	\$1,569,987	\$0	\$0	\$40,439,788
VL2	2025-26	\$43,537,130	\$695,719	-\$10,347,888	\$3,307,358	\$68,551	\$0	\$0	\$37,260,870
VL3	2026-27	\$49,713,766	\$1,264,500	-\$21,192,825	\$3,776,575	\$0	\$0	\$0	\$33,562,016
VL4	2027-28	\$48,361,539	\$695,719	-\$24,322,827	\$3,673,851	\$0	\$0	\$0	\$28,408,282
VL5	2028-29	\$51,140,695	\$1,264,500	-\$26,017,234	\$3,884,974	\$0	\$0	\$0	\$30,272,935
VL6	2029-30	\$52,690,967	\$695,719	-\$28,227,609	\$4,002,742	\$0	\$0	\$0	\$29,161,819
VL7	2030-31	\$42,510,083	\$1,264,500	-\$19,040,152	\$3,229,337	\$0	\$0	\$0	\$27,963,768
VL8	2031-32	\$35,952,864	\$695,719	-\$11,914,152	\$2,731,209	\$0	\$0	\$0	\$27,465,640
VL9	2032-33	\$31,515,602	\$1,264,500	-\$8,045,671	\$2,394,126	\$0	\$0	\$0	\$27,128,557
VL10	2033-34	\$28,756,338	\$695,719	-\$4,717,626	\$2,184,515	\$164,448	\$0	\$0	\$27,083,394
VP1	2034-35	\$27,773,791	\$1,264,500	-\$4,303,860	\$2,109,875	\$368,309	\$0	\$0	\$27,212,615
VP2	2035-36	\$26,877,149	\$695,719	-\$2,838,437	\$2,041,760	\$415,288	\$0	\$0	\$27,191,479
VP3	2036-37	\$27,213,627	\$1,264,500	-\$3,743,696	\$2,067,321	\$500,835	\$0	\$0	\$27,302,587
VP4	2037-38	\$27,694,684	\$695,719	-\$3,655,972	\$2,103,865	\$478,629	\$0	\$0	\$27,316,925
VP5	2038-39	\$28,175,742	\$1,264,500	-\$4,705,811	\$2,140,409	\$442,494	\$0	\$0	\$27,317,334
		\$589,910,335	\$35,864,488	-\$173,073,757	\$44,813,355	\$7,445,872	\$0	\$1,612,304	\$506,572,597

QTP= Qualifying Time Period

VL= Value Limitation

VP= Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$292.6 million over the life of the agreement. The TISD revenue losses are expected to total approximately \$54.58 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$238.1 million, prior to any negotiations with Samsung on supplemental payments.

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amounts. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. Future legislative action in 2023 on school funding formulas could affect these calculations.



Table 3- "Value Limitation Revenue Model" -- Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2022-23	\$14,328,283	\$9,775,860	\$0	\$1,088,468	\$1,464,602	\$0	\$1,612,304	\$28,269,517
QTP2	2023-24	\$20,407,100	\$9,284,985	\$0	\$1,550,254	\$1,972,729	\$0	\$0	\$33,215,068
VL1	2024-25	\$14,546,945	\$3,082,110	\$0	\$1,105,079	\$687,058	\$0	\$0	\$19,421,192
VL2	2025-26	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL3	2026-27	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL4	2027-28	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL5	2028-29	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL6	2029-30	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL7	2030-31	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL8	2031-32	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL9	2032-33	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VL10	2033-34	\$14,546,945	\$9,061,860	\$0	\$1,105,079	\$1,369,148	\$0	\$0	\$26,083,032
VP1	2034-35	\$27,773,791	\$9,061,860	\$0	\$2,109,875	\$2,616,400	\$0	\$0	\$41,561,926
VP2	2035-36	\$26,877,149	\$695,719	-\$2,838,437	\$2,041,760	\$415,288	\$0	\$0	\$27,191,479
VP3	2036-37	\$27,213,627	\$1,264,500	-\$3,743,696	\$2,067,321	\$500,835	\$0	\$0	\$27,302,587
VP4	2037-38	\$27,694,684	\$695,719	-\$3,655,972	\$2,103,865	\$478,629	\$0	\$0	\$27,316,925
VP5	2038-39	\$28,175,742	\$1,264,500	-\$4,705,811	\$2,140,409	\$442,494	\$0	\$0	\$27,317,334
		\$317,939,826	\$116,681,993	-\$14,943,915	\$24,152,742	\$20,900,367	\$0	\$1,612,304	\$466,343,317

QTP= Qualifying Time Period

VL= Value Limitation

VP= Viable Presence

Table 4 – Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP1	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2024-25	-\$18,714,030	\$0	\$0	-\$1,421,637	-\$882,929	\$0	\$0	-\$21,018,596
VL2	2025-26	-\$28,990,185	\$8,366,141	\$10,347,888	-\$2,202,279	\$1,300,597	\$0	\$0	-\$11,177,838
VL3	2026-27	-\$35,166,821	\$7,797,360	\$21,192,825	-\$2,671,496	\$1,369,148	\$0	\$0	-\$7,478,984
VL4	2027-28	-\$33,814,594	\$8,366,141	\$24,322,827	-\$2,568,772	\$1,369,148	\$0	\$0	-\$2,325,250
VL5	2028-29	-\$36,593,750	\$7,797,360	\$26,017,234	-\$2,779,895	\$1,369,148	\$0	\$0	-\$4,189,903
VL6	2029-30	-\$38,144,022	\$8,366,141	\$28,227,609	-\$2,897,663	\$1,369,148	\$0	\$0	-\$3,078,787
VL7	2030-31	-\$27,963,138	\$7,797,360	\$19,040,152	-\$2,124,258	\$1,369,148	\$0	\$0	-\$1,880,736
VL8	2031-32	-\$21,405,919	\$8,366,141	\$11,914,152	-\$1,626,130	\$1,369,148	\$0	\$0	-\$1,382,608
VL9	2032-33	-\$16,968,657	\$7,797,360	\$8,045,671	-\$1,289,047	\$1,369,148	\$0	\$0	-\$1,045,525
VL10	2033-34	-\$14,209,393	\$8,366,141	\$4,717,626	-\$1,079,436	\$1,204,700	\$0	\$0	-\$1,000,362
VP1	2034-35	\$0	\$7,797,360	\$4,303,860	\$0	\$2,248,091	\$0	\$0	\$14,349,311
VP2	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2038-39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		-\$271,970,509	\$80,817,505	\$158,129,842	-\$20,660,613	\$13,454,495	\$0	\$0	-\$40,229,280

QTP= Qualifying Time Period VL= Value Limitation VP= Viable Presence



\$238,052,530

Table 5 - Estimated Financial Impact of the Samsung Project Property Value Limitation Request Submitted to TISD at \$1.03080 M&O per \$100 Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP1	2022-23	\$55,000,000	\$55,000,000	\$0.9603	\$0	\$0	\$0
QTP2	2023-24	\$750,000,000	\$750,000,000	\$0.9603	\$0	\$0	\$0
VL1	2024-25	\$2,176,810,000	\$80,000,000	\$0.9603	\$20,135,666	-\$21,018,596	-\$882,930
VL2	2025-26	\$3,328,200,000	\$80,000,000	\$0.9603	\$31,192,465	-\$11,177,838	\$20,014,627
VL3	2026-27	\$4,020,260,000	\$80,000,000	\$0.9603	\$37,838,317	-\$7,478,984	\$30,359,333
VL4	2027-28	\$3,868,750,000	\$80,000,000	\$0.9603	\$36,383,366	-\$2,325,250	\$34,058,116
VL5	2028-29	\$4,180,140,000	\$80,000,000	\$0.9603	\$39,373,644	-\$4,189,903	\$35,183,741
VL6	2029-30	\$4,353,840,000	\$80,000,000	\$0.9603	\$41,041,686	-\$3,078,787	\$37,962,898
VL7	2030-31	\$3,213,124,600	\$80,000,000	\$0.9603	\$30,087,396	-\$1,880,736	\$28,206,659
VL8	2031-32	\$2,478,422,200	\$80,000,000	\$0.9603	\$23,032,048	-\$1,382,608	\$21,649,440
VL9	2032-33	\$1,981,250,000	\$80,000,000	\$0.9603	\$18,257,704	-\$1,045,525	\$17,212,178
VL10	2033-34	\$1,672,088,800	\$80,000,000	\$0.9603	\$15,288,829	-\$1,000,362	\$14,288,466
VP1	2034-35	\$1,592,244,400	\$1,592,244,400	\$0.9603	\$0	\$0	\$0
VP2	2035-36	\$1,489,730,000	\$1,489,730,000	\$0.9603	\$0	\$0	\$0
VP3	2036-37	\$1,528,200,000	\$1,528,200,000	\$0.9603	\$0	\$0	\$0
VP4	2037-38	\$1,583,200,000	\$1,583,200,000	\$0.9603	\$0	\$0	\$0
VP5	2038-39	\$1,638,200,000	\$1,638,200,000	\$0.9603	\$0	\$0	\$0

QTP= Qualifying Time Period

VL= Value Limitation

VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

Legislative and Texas Education Agency administrative changes to the underlying school finance formulas
used in these calculations, which could be significant under HB 3 and HB 1525.

\$292,631,120 -\$54,578,591

- Legislative changes addressing property value appraisals and exemptions.
- · Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with TISD currently levying a \$0.3725 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Samsung project to the local I&S tax roll. TISD is not currently eligible for state support from the Existing Debt Allotment (EDA) or Instructional Facilities Allotment (IFA) programs.

The project value is expected to depreciate over much of the life of the agreement and beyond. The project could affect school district 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. This will depend on the expansion of housing in the District and the location decisions of employees associated with the Samsung project.



Table 6 - Estimated Impact of the Samsung Project Property Value Limitation Request on TISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP1	2022-23	\$0.3725	\$1,657,401,878	\$6,173,822	\$55,000,000	\$0.360536	-\$0.0120
QTP2	2023-24	\$0.3725	\$1,657,401,878	\$6,173,822	\$750,000,000	\$0.256452	-\$0.1160
VL1	2024-25	\$0.3725	\$1,657,401,878	\$6,173,822	\$2,176,810,000	\$0.161019	-\$0.2115
VL2	2025-26	\$0.3725	\$1,657,401,878	\$6,173,822	\$3,328,200,000	\$0.123833	-\$0.2487
VL3	2026-27	\$0.3725	\$1,657,401,878	\$6,173,822	\$4,020,260,000	\$0.108739	-\$0.2638
VL4	2027-28	\$0.3725	\$1,657,401,878	\$6,173,822	\$3,868,750,000	\$0.111720	-\$0.2608
VL5	2028-29	\$0.3725	\$1,657,401,878	\$6,173,822	\$4,180,140,000	\$0.105761	-\$0.2667
VL6	2029-30	\$0.3725	\$1,657,401,878	\$6,173,822	\$4,353,840,000	\$0.102705	-\$0.2698
VL7	2030-31	\$0.3725	\$1,657,401,878	\$6,173,822	\$3,213,124,600	\$0.126759	-\$0.2457
VL8	2031-32	\$0.3725	\$1,657,401,878	\$6,173,822	\$2,478,422,200	\$0.149277	-\$0.2232
VL9	2032-33	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,981,250,000	\$0.169673	-\$0.2028
VL10	2033-34	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,672,088,800	\$0.185428	-\$0.1871
VP1	2034-35	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,592,244,400	\$0.189984	-\$0.1825
VP2	2035-36	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,489,730,000	\$0.196173	-\$0.1763
VP3	2036-37	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,528,200,000	\$0.193804	-\$0.1787
VP4	2037-38	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,583,200,000	\$0.190515	-\$0.1820
VP5	2038-39	\$0.3725	\$1,657,401,878	\$6,173,822	\$1,638,200,000	\$0.187335	-\$0.1852

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

Attachment E

Taxable Value of Property



Glenn Hegar Texas Comptroller of Public Accounts



Property Tax Assistance

2020 ISD Summary Worksheet

246-Williamson /Williamson County

246-911/Taylor ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	882,489,079	0.9654	914,117,546	882,489,079
B - MULTIFAMILY	42,720,407	N/A	42,720,407	42,720,407
C1 - VACANT LOTS	21,089,160	N/A	21,089,160	21,089,160
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN- SPACE LAND	6,820,013	0.7606	8,966,654	6,820,013
D2 - FARM & RANCH IMP	0	N/A	0	0
E - NON-AG LAND AND IMPROVEMENTS	92,531,961	0.8684	106,554,538	92,531,961
F1 - COMMERCIAL REAL	238,133,010	0.8983	265,092,964	238,133,010
F2 - INDUSTRIAL REAL	45,763,128	N/A	45,763,128	45,763,128
G - ALL MINERALS	634,414	N/A	634,414	634,414
J - ALL UTILITIES	50,616,019	N/A	50,616,019	50,616,019
L1 - COMMERCIAL PERSONAL	66,764,158	N/A	66,764,158	66,764,158
L2 - INDUSTRIAL PERSONAL	93,821,116	N/A	93,821,116	93,821,116
M1 - MOBILE HOMES	936,111	N/A	936,111	936,111

N - INTANGIBLE PERSONAL PROPERT Y	0	N/A	0	0
O - RESIDENTIAL INVENTORY	13,042,591	N/A	13,042,591	13,042,591
S - SPECIAL INVENTORY	7,797,808	N/A	7,797,808	7,797,808
Subtotal	1,563,158,975	0	1,637,916,614	1,563,158,975
Less Total Deductions	243,713,243	0	254,130,164	243,713,243
Total Taxable Value	1,319,445,732	0	1,383,786,450	1,319,445,732

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	Т3	Т4
1,356,905,900	1,319,445,732	1,356,905,900	1,319,445,732

Loss To	50% of the loss		
the Additional	to the Local Optional		
\$10,000 Homestead	Percentage Homestead		
Exemption	Exemption		
37,460,168	0		

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

Т7	Т8	Т9	T10
1,356,905,900	1,319,445,732	1,356,905,900	1,319,445,732

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

246-911-02/Taylor ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	882,489,079	0.9654	914,117,546	882,489,079
B - MULTIFAMILY	42,720,407	N/A	42,720,407	42,720,407
C1 - VACANT LOTS	21,089,160	N/A	21,089,160	21,089,160
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN- SPACE LAND	6,820,013	0.7606	8,966,654	6,820,013

D2 - FARM & RANCH IMP	0	N/A	0	0
E - NON-AG LAND AND IMPROVEMENTS	92,531,961	0.8684	106,554,538	92,531,961
F1 - COMMERCIAL REAL	238,133,010	0.8983	265,092,964	238,133,010
F2 - INDUSTRIAL REAL	45,763,128	N/A	45,763,128	45,763,128
G - ALL MINERALS	634,414	N/A	634,414	634,414
J - ALL UTILITIES	50,616,019	N/A	50,616,019	50,616,019
L1 - COMMERCIAL PERSONAL	66,764,158	N/A	66,764,158	66,764,158
L2 - INDUSTRIAL PERSONAL	93,821,116	N/A	93,821,116	93,821,116
M1 - MOBILE HOMES	936,111	N/A	936,111	936,111
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	13,042,591	N/A	13,042,591	13,042,591
S - SPECIAL INVENTORY	7,797,808	N/A	7,797,808	7,797,808
Subtotal	1,563,158,975		1,637,916,614	1,563,158,975
Less Total Deductions	243,713,243		254,130,164	243,713,243
Total Taxable Value	1,319,445,732		1,383,786,450	1,319,445,732

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	Т3	T4
1,356,905,900	1,319,445,732	1,356,905,900	1,319,445,732

Loss To	50 % of the loss		
the Additional	to the Local Optional		
\$10,000 Homestead	Percentage Homestead		
Exemption	Exemption		
37,460,168	Ó		

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	Т8	Т9	T10
1,356,905,900	1,319,445,732	1,356,905,900	1,319,445,732

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

Attachment F TEA's Facilities Value

Attachment G Participation Agreement

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

by and between

TAYLOR INDEPENDENT SCHOOL DISTRICT

and

SAMSUNG AUSTIN SEMICONDUCTOR, LLC

(Texas Taxpayer ID # 32017943922)

Comptroller Application No. 1620

Dated

November 15, 2021

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

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the TAYLOR INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and SAMSUNG AUSTIN SEMICONDUCTOR, LLC, Texas Taxpayer Identification Number 32017943922 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on June 29, 2021, the Superintendent of Schools of the Taylor Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on June 29, 2021, the Board of Trustees acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, on July 6, 2021, the pursuant to voted Board authority deemed the Application complete, and transmitted the Application to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and July 23, 2021, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 Texas Admin. Code Section 9.1054, the Application was delivered to the Williamson County Appraisal District established in Williamson County, Texas (the "Williamson County Appraisal District"), pursuant to Section 6.01 of the Texas Tax Code;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the Texas Tax Code, conducted an economic impact evaluation pursuant to Section 313.026 of the Texas Tax Code, and on August 20th, 2021, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the Texas Tax Code;

WHEREAS, on November 15, 2021, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District:

WHEREAS, on November 15, 2021, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the Texas Tax Code, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 15, 2021, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on November 15, 2021, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 Texas Admin. Code Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 Texas Admin. Code Section 9.1051.

"<u>Act</u>" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"Applicant" means SAMSUNG AUSTIN SEMICONDUCTOR, LLC, (Texas Taxpayer ID No. 32017943922), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

"Applicant's Qualified Investment" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

"Applicant's Qualified Property" means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE,) filed with the District by the Applicant on June 29th, 2021. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Application Approval Date" means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

"Application Review Start Date" means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Williamson County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Taylor Independent School District.

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

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth

in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Williamson County, Texas.

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

"Final Termination Date" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means acts of God, war, fires, explosions, hurricanes, floods, pandemics, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

"Land" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"<u>Oualified Property</u>" has the meaning set forth in Section 313.021(2) of the Texas Tax Code and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"Qualifying Time Period" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"<u>Tax Limitation Amount</u>" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.027 of the TEXAS TAX CODE.

"<u>Tax Limitation Period</u>" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"<u>Tax Year</u>" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"<u>Taxable Value</u>" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying the District's Average Daily Attendance for the school year immediately preceding the year for which the calculation is being made, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective

for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2022, which is the Tax Year TEXAS TAX CODE in which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

"Applicable School Finance Law" means Chapters 41, 42, 48, and 49 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"<u>Average Daily Attendance</u>" means the number of students calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE for the school year immediately preceding each year for which the calculation is being made.

"I&S Taxable Value Amount" means the taxable value used by the District in calculating property taxes for Interest and Sinking Fund taxation purposes.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the Texas Education Code and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Option to Terminate" means Applicant's written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant's unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had

not entered into this Agreement. The Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision s shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

"Lost M&O Revenue" means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

ARTICLE II AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6, and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is July 23, 2021, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.
 - B. The Application Approval Date for this Agreement is November 15, 2021.
 - C. The Qualifying Time Period for this Agreement:
 - i. Starts on January 1, 2022, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by § 313.027(h) of the TEXAS TAX CODE; and
 - ii. Ends on December 31, 2023, the last day of the second complete Tax Year following the Qualifying Time Period start date.
 - D. The Tax Limitation Period for this Agreement:
 - Starts on January 1, 2024, first complete Tax Year that begins after the end of Qualifying Time Period; and,
 - ii. Ends on December 31, 2033.
 - E. The Final Termination Date for this Agreement is December 31, 2038.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

- **Section 2.4. TAX LIMITATION.** So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:
 - A. the Market Value of the Applicant's Qualified Property; or
 - B. \$80,000,000 based on Section 313.027 of the TEXAS TAX CODE.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.022(b), Subchapter B of the TEXAS TAX CODE.

- **Section 2.5. TAX LIMITATION ELIGIBILITY.** In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:
- A. have completed the Applicant's Qualified Investment in the amount of \$80,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,276 for all New Non-Qualifying Jobs created by the Applicant.
- **Section 2.6. TAX LIMITATION OBLIGATIONS.** In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:
- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project, as more fully specified in Article V:
 - C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III OUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the Texas Government Code, or a reinvestment zone, pursuant to Chapter 311 or 312 of the Texas Tax Code. The legal description, and information concerning the designation, of such zone is attached to this Agreement as EXHIBIT 1 and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in EXHIBIT 4, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in EXHIBIT 4 shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in EXHIBIT 4, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE.

ARTICLE IV PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the Texas Tax Code, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance

with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

The Parties agree that notwithstanding anything to the contrary in this Article IV, Applicant shall satisfy its obligation to compensate the District for Lost M&O Revenue by making payments to the District as calculated is Subsections A through H, below.

- A. For the first year of the Tax Limitation Period (i.e., Tax Year 2024), Applicant's total payment obligation to the District shall be an amount equal to (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for the first year of the Tax Limitation Period if this Agreement had not been entered into by the Parties; minus, (ii) the amount of maintenance and operations ad valorem school taxes actually paid by Applicant for such year.
- B. The amount calculated under Subsection A, above, shall be payable to District in ten (10) equal annual payments, beginning on or before the 31st day of January next following the end of the first year of the Tax Limitation Period and continuing thereafter on January 31 of each of the succeeding years, in the amount of ten percent (10%) each of the amount calculated under Subsection A, above.
- C. For each of the nine (9) remaining years of the Tax Limitation Period, (i.e., Tax Years 2025 2033), Applicant's payment obligation to the District shall, in addition to any amounts due under Subsection B above, include an additional amount equal to (i) the current year's I&S Taxable Value of Applicant's Qualified Property, minus (ii) the I&S Taxable Value of Applicant's Qualified Property for the immediately preceding year (but not less than zero), times the District's M&O Tax Rate for the then current year.
- D. The amount calculated in Subsection C, above, shall be payable to District on or before the 31st day of January next following end of the Tax Year for which such calculation was made.
- E. Payments due under Subsections B, and C, above, as well as payments due and owing to the District under Article VI of this Agreement are cumulative and are not intended to offset one another.
- F. The Parties agree that such amounts calculated in accordance with this Section 4.2 are intended to be revenue protection payments based on the District's taxable value of property

for the preceding tax year in satisfaction of TEXAS EDUCATION CODE § 48.256(d).

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are or may be required under the terms or because of the execution of this Agreement. For any Tax Year outside of the Tax Limitation Period and for which the required Comptroller's Biennial report is not due,

Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Eight Thousand Dollars (\$8,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) days of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement—but, for the avoidance of doubt, only to the extent such negative impact exceeds the Lost M&O Revenue Amount due for such year under this Article IV. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.10. CUMULATIVE PAYMENT LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from the Tax Year that includes the Application Approval Date and ending with and including the Tax Year 2034, which is the first Tax Year following the end of the Tax Limitation Period, exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Cumulative Payments which cannot be paid to the District on or before the January 31 after the end of the first Tax Year following the end of the Tax Limitation Period (i.e., the Tax Year 2034) because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

ARTICLE V PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

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

limitations contained in Section 4.10, and that all payments under this Article VI are subject to the separate limitations contained in Section 6.2.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed either (i) the limit imposed by the provisions of Section 313.027(i) of the TEXAS TAX CODE, as such limit is allowed to be increased by the Legislature for any future year of this Agreement, or (ii) the amount described in Section 6.3.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

- A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;
- B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.
- C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the Texas Tax Code as implemented in Articles IV and V of this Agreement For purposes of this Agreement; and,
- D. the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the Texas Education Code, based upon the District's Average Daily Attendance for the previous school year.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENTS.

- A. Applicant shall make ten annual Supplemental Payments equal to \$100 times the District's Average Daily Attendance, with its first Supplemental Payment to the District due for the first Tax Year of the Tax Limitation Period (Tax Year 2024) and the last Supplemental Payment to the District due for the last Tax Year of the Tax Limitation Period (2033). Payments due under this Subsection shall be made on or before the date specified in Section 4.6, above for the first year of the Tax Limitation Period.
- B. Payments due under this Article VI shall be made on or before the date specified in Section 4.6, above for each applicable year.

Year		
Č	Year	Year

1.	2024	2024-2025	January 31, 2025	\$100 * 2023-24 ADA
2.	2025	2025-2026	January 31, 2026	\$100 * 2024-25 ADA
3.	2026	2026-2027	January 31, 2027	\$100 * 2025-26 ADA
4.	2027	2027-2028	January 31, 2028	\$100 * 2026-27 ADA
5.	2028	2028-2029	January 31, 2029	\$100 * 2027-28 ADA
6.	2029	2029-2030	January 31, 2030	\$100 * 2028-29 ADA
7.	2030	2030-2031	January 31, 2031	\$100 * 2029-30 ADA
8.	2031	2031-2032	January 31, 2032	\$100 * 2030-31 ADA
9.	2032	2032-2033	January 31, 2033	\$100 * 2031-32 ADA
10.	2033	2033-2034	January 31, 2034	\$100 * 2032-33 ADA

Notwithstanding the foregoing or anything to the contrary contained in this Agreement (including, but not limited to, Article VII), if the Applicant notifies the District in writing pursuant that it will not commence construction of the Applicant's Qualified Investment, then the Applicant shall have no obligation to pay any Supplemental Payment otherwise due for any tax year commencing after the date the Applicant provides such written notification to the District.

ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged, subject to the limitation provided in Section 4.10 above; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to

provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the Texas Tax Code, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the Texas Government Code and Section 313.010(a) of the Texas Tax Code. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

i. date of submission of the final payment;

ii. Final Termination Date; or

iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

- D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.
- Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:
- A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;
- B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and
- C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT, The Applicant shall

be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

- A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;
- B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;
- C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
- D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
- E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
- F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article

IV of this Agreement;

- G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;
- H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;
- I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;
- J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller:
- K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;
- L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;
- M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;
- N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the Texas Tax Code, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;
- O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

- A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.
- B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:
 - i. whether or not a breach of this Agreement has occurred;

- ii. whether or not such breach is a Material Breach:
- iii. the date such breach occurred, if any;
- iv, whether or not any such breach has been cured; and
- C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:
 - i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
 - ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
 - iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.
- D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Williamson County, Texas. The Parties agree to sign a document that provides the mediator, and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remediate Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

- B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Williamson County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.
- C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach

to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$80,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to; (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

Name: Dr. Devin Padavil Title: Superintendent

District: Taylor Independent School District

Physical: 3101 N. Main Street Mailing: 3101 N. Main Street

Taylor, TX 76574 Phone: (512) 278-4002 Email: dpadavil@taylorisd.org

Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Name: Michele Glaze

Title: Director

Organization: Samsung Austin Semiconductor, LLC

Physical: 12100 Samsung Boulevard Mailing: 12100 Samsung Boulevard

Austin, TX 78754 Phone: (512) 672-3159

Email: p.glaze@samsung.com

With Copy To:

Samsung Austin Semiconductor, LLC 12100 Samsung Boulevard Austin, TX 78754 Attention: General Counsel

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

C. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement

may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on

appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Williamson County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement. as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses

relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

- A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.
- C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:
 - i. The Act:
 - ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
 - iii. This Agreement and its Attachments including the Application as incorporated by reference.
- Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.
- Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:
- A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;
- B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;
- C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.
- Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e- mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

- B. Delivery is deemed complete as follows:
 - i. When delivered if delivered personally or sent by express courier service;

mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of November, 2021.

SAMSUNG AUSTIN SEMICONDUCTOR, LLC	TAYLOR INDEPENDENT SCHOOL DISTRICT
By: SANG SUP JEONG President	By: MARCO R. ORTIZ President Board of Trustees
	ATTEST:
	THOMAS ROHLACK Secretary Board of Trustees
	In Case of Conflict:
	SHORTY MITCHELL Vice President

Board of Trustees

ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of November, 2021.

SAMSUNG AUSTIN SEMICONDUCTOR, LLC	TAYLOR INDEPENDENT SCHOOL DISTRICT
By:	By: 1/-
MICHELE GLAZE	MARCO R. ORTIZ President Board of Trustees
Director	
	ATTEST:
	THOMAS ROHLACK Secretary Board of Trustees
	In Case of Conflict:
	SHORTY MITCHELL Vice President

Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On November 15, 2021, at a duly called meeting of the Taylor Independent School District, and after a properly conducted Public Hearing concerning the matter, the Taylor Independent School District adopted an Order creating Samsung Reinvestment Zone No. 1, in Williamson County consisting of all land contained within the boundaries described below:

TAYLOR INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Taylor Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

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

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Williamson County, Texas as shown on the map attached as Exhibit B; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached Exhibits A & B; and,

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TAYLOR INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Taylor Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on the adoption of TAYLOR ISD REINVESTMENT ZONE

- NO. 2021-001 has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "Exhibit A"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 which is described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and,
- (d) That creation of TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 with boundaries as described in Exhibit A and Exhibit B will result in benefits to the Taylor Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the TAYLOR ISD REINVESTMENT ZONE NO. 2021-001 described in Exhibit A and Exhibit B meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Taylor Independent School District.
- **SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Taylor Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *TAYLOR ISD REINVESTMENT ZONE NO. 2021-001*.
- **SECTION 4.** That the existence of the *TAYLOR ISD REINVESTMENT ZONE NO. 2021-001* shall first take effect upon, November 15th, 2021, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.
- **SECTION 5**. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Taylor Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Williamson County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 15th day of November 2021.

TAYLOR INDEPENDENT SCHOOL DISTRICT

By:

President

Board of Trustees

ATTEST:

Secretary

Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

DESCRIPTION

A 354.33 acre (15,434,429 square feet), tract of land, lying within the Thomas B. Lee Survey Abstract 800, the Benjamin J. Tyler Survey Abstract 631, the H.T.&B.R.R.CO. Survey, Abstract 315, the GW Tyler Survey, Abstract 636, the George N. Tyler Survey, Abstract 634 and the Lucius A. Tyler Survey, Abstract 632, Williamson County, Texas, and being a portion of a called 51.4 acre tract, conveyed to Harvey Bill Hehman and described in Volume 366, Page 282, Deed Records of Williamson County, Texas, a portion of a called 79.49 acre tract, (Tract 2 - Tract 2) conveyed to Christopher Henry Fritz in Document No. 2017012204, Official Public Records of Williamson County, Texas, all of a called 0.86 acre tract, Tract 2 conveyed to Prophet Capital Management, Ltd in Document No. 2019032467, Official Public Records of Williamson County, Texas, all of the remainder of a called 149.15 acre tract, (Tract 5), conveyed to Christopher Henry Fritz in Document No. 2017012204, Official Public Records of Williamson County, Texas, all of a called 5.300 acre tract, conveyed to Christopher H. Fritz and wife, Trina Renee Fritz in Document No. 2020002212, Official Public Records of Williamson County, Texas, all of a called 2.000 acre tract, conveyed to Bethany Fritz Grissom and husband, Russell Lane Grissom in Document No. 2015010250, Official Public Records of Williamson County, Texas, a portion of the remainder of a called 100.718 acre tract, (Tract II) conveyed to Wallin Farm & Ranch Partnership, Ltd. in Document No. 2004043044, Official Public Records of Williamson County, Texas, all of a called 0.879 acre tract, conveyed to Dennis Lee Carter and wife, Judy Carter in Volume 2309, Page 782, Deed Records of Williamson County, Texas, a portion of the remainder of a called 160 acre tract, (Tract 2) conveyed to Christopher Henry Fritz in Document No. 2017012204, Official Public Records of Williamson County, Texas, and a portion of County Road 401 and County Road 404 as dedicated to Williamson County, Texas, described as follows:

BEGINNING at a 6" Wood Post found for the southeastern corner of said 51.4 acre tract, the northeastern corner of a called 95.260 acre tract, conveyed to Brandon Roznovak and wife, Abby Roznovak in Document No. 2014074516, Official Public Records of Williamson County, Texas and also being on the western right of way line of County Road 401, for the **POINT OF BEGINNING** and an ell corner of the herein described tract;

THENCE, with the southern line of said 51.4 acre tract and also being the northern line of said 95.260 acre tract, N 82° 31′ 45″ W, a distance of 1382.05 feet to a 4″ Steel Post found for an angle point of said 51.4 acre tract, the northwestern corner of said 95.260 acre tract and also being the northeastern corner of a called 62 acre tract, conveyed to Larry Gene Hamann in Document No. 2006104445, Official Public Records of Williamson County, Texas;

THENCE, over and across said 51.4 acre tract, N 07° 13′ 32″ E, a distance of 984.53 feet to a point on the northern line of said 51.4 acre tract and also being the southern line of a called 79.74 acre tract, conveyed to C. Ernest Lawrence Family Limited Partnership in Document No. 200501133, Official Public Records of Williamson County, Texas, for the northwestern corner of the herein described tract, from which a Post found for the northwestern corner of said 51.4 acre tract and also being the southwestern corner of said 79.74 acre tract, bears N 82° 46′ 28″ W, a distance of 895.31 feet;

THENCE, with the northern line of said 51.4 acre tract, the southern line of said 79.74 acre tract, over and across said County Road 401 and said 79.49 acre tract, S 82° 46′ 28″ E, a distance of 3339.26 feet to a point on the eastern line of said 79.49 acre tract and also being the western line of a called 151.17 acre tract, (Tract 1) conveyed to Prophet Capital Management, LTD in Document No. 2019032467, Official Public Records of Williamson County, Texas, for the northeastern corner of the herein described tract, from which a 1/2" iron rod found for the northeastern corner of said 79.49 acre tract, bears N 07° 08′ 58″ E, a distance of 837.78 feet;

THENCE, with the eastern line of said 79.49 acre tract and also being the western line of said 151.17 acre tract, S 07° 08' 58" W, a distance of 1169.63 feet to a 1/2" iron rod found for the southeastern corner of said 79.49 acre tract and also being the northeastern corner of said 0.86 acre tract;

THENCE, with the eastern line of said 0.86 acre tract and also being the western line of said 151.17 acre tract, S 16° 12' 59" W, a distance of 23.14 feet to a 1/2" iron rod found for an angle point of said remainder of 149.15 acre tract, the southeastern corner of said 0.86 acre tract and also being the southwestern corner of said 151.17 acre tract, for an ell corner of the herein described tract;

THENCE, with the northern line of said remainder of 149.15 acre tract and also being the southern line of said 151.17 acre tract, S 82° 21′ 54″ E, a distance of 365.25 feet to a 1/2″ iron rod found for the northeastern corner of said remainder of 149.15 acre tract and also being the northwestern corner of a called 75 acre tract, conveyed to Tony Daniel Michalik in Volume 440, Page 579, Deed Records of Williamson County, Texas, for an ell corner of the herein described tract;

THENCE, with the eastern line of said remainder of 149.15 acre tract, the western line of said 75 acre tract, over and across said County Road 404 and said 100.718 acre tract, the following five (5) courses and distances:

1. S 07° 50' 32" W, a distance of 1249.86 feet to a point;

- 2. N 82° 10' 24" W, a distance of 158.33 feet to a point;
- 3. S 07° 49' 36" W, a distance of 40.00 feet to a point;
- 4. S 82° 10' 24" E, a distance of 158.33 feet to a point;
- 5. S 07° 48' 15" W, a distance of 3740.74 feet to a point, for the southeastern corner of the herein described tract;

THENCE, over and across said 100.718 acre tract and said remainder of 160 acre tract, N 82° 33' 04" W, a distance of 2347.10 feet to a point, for the southwestern corner of the herein described tract;

THENCE, over and across said remainder of 160 acre tract and said County Road 404, N 08° 05' 03" E, passing at a distance of 2194.98 feet a 1/2" iron rod with "BRYAN TECH" cap found for the southeastern corner of said 95.260 acre tract also being the point of intersection of the northern right of way line of County Road 404 with the western right of way line of County Road 401, continuing with the eastern line of said 95.260 acre tract and also being the western right of way line of County Road 401 for a total distance of 5226.42 feet to the POINT OF BEGINNING.

Containing 354.33 acres or 15,434,429 square feet, more or less.

BEARING BASIS NOTE

This project is referenced for all bearing and coordinate basis to the Texas State Plane Coordinate System NAD 83 (2011 adjustment), Central Zone (4203). The Grid to Surface combined scale factor is 1,000120.

Robert J. Gertson, RPLS Texas Registration No. 6367 Atwell, LLC 805 Las Cimas Parkway, Suite 310 Austin, Texas 78746 Ph. 512-904-0505 TBPE LS Firm No. 10193726



EXHIBIT B

SURVEY MAPS OF TAYLOR ISD REINVESTMENT ZONE NO. 2021-001

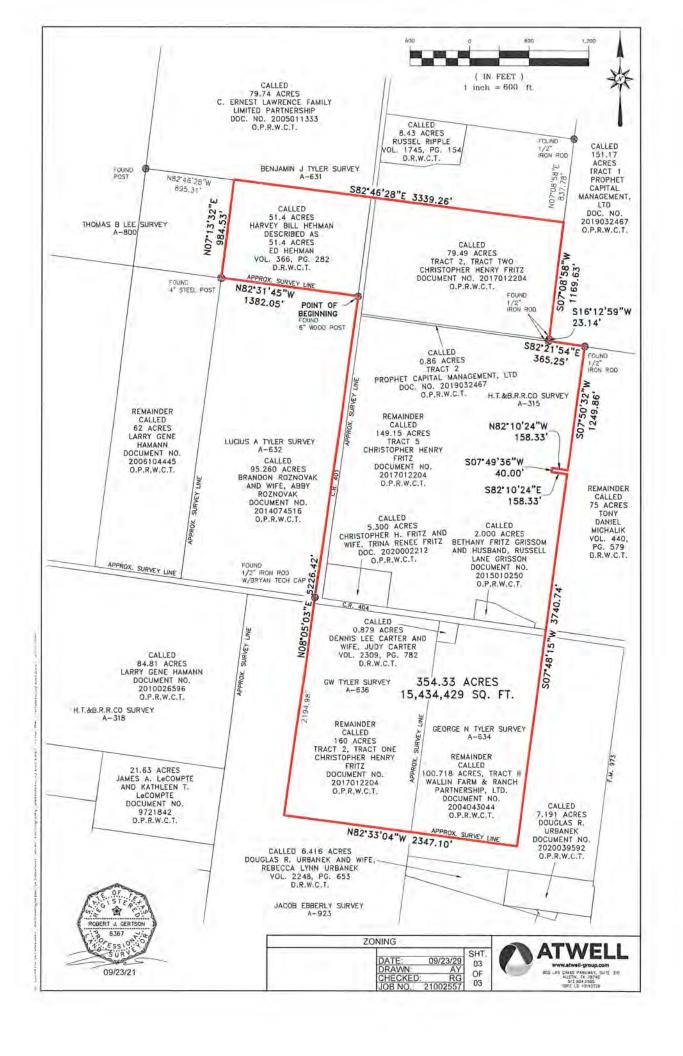


EXHIBIT 2

DESCRIPTION AND OCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Samsung Reinvestment Zone No. 1 and the Taylor Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to Exhibit 1 and Exhibit 4.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after November 15, 2021, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Taylor Independent School District and the Silicon Silver Reinvestment Zone No. I depicted by the map attached to Exhibit 4.

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified investment. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- FAB: Semiconductor manufacturing facility, including cleanroom
- OFFICE: Operation management facilities with cubicles, conference rooms, and other facilities for the health and safety of employees
- . CUB: Central Utility Building
- IWT: Industrial Waste Treatment, where pretreatment of wastewater occurs prior to sending to City municipal treatment plant
- BULK GAS: Air separation plants and storage for inert gases like Helium
- ELEC SS: Austin Energy electric substation
- GCS: Central Chemical Supply Storage
- PONDS: Detention related to the project
- PARK: parking garage

Machinery, equipment, and tools used in the following processes involved in manufacturing semiconductor products would be placed within the buildings listed above:

- Photolithography
- Chemical mechanical polishing
- Thin film deposition
- Plasma etching
- Surface preparation and clean-up
- Ion implanting
- Metal deposition
- · Rapid thermal processing
- Furnaces
- · Testing and defect analysis
- Water processing
- Metrology and yield enhancing
- · Designing, bonding, and packaging

In addition, the new investment/buildings will include the following systems:

- Process cooling water systems
- HVAC systems
- Industrial waste treatment systems
- Process vacuum systems

Agreement for Limitation on Appraised Value Between Taylor Independent and Samsung Austin Semiconductor, LLC

- · Security control systems
- · Fire protection systems
- Chemical and ultra-pure gas storage distribution systems.
- · Piping, cleanroom systems
- Failure analysis lab
- Other systems useful for manufacturing semiconductor products

100% of the project will be located in the reinvestment zone and project boundary within Taylor ISD and will be considered qualified property for this application.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after July 23, 2021, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Taylor Independent School District and the Silicon Silver Reinvestment Zone No. 1 depicted by the map attached to this Exhibit 4.

Below is a description of each building indicated on the Site Master Plan map (attached in Tab 11) as qualified property. Each of the buildings described below is an integral part, or a necessary auxiliary part, of the proposed manufacturing operations:

- FAB: Semiconductor manufacturing facility, including cleanroom
- OFFICE: Operation management facilities with cubicles, conference rooms, and other facilities for the health and safety of employees
- CUB: Central Utility Building
- IWT: Industrial Waste Treatment, where pretreatment of wastewater occurs prior to sending to City municipal treatment plant
- . BULK GAS: Air separation plants and storage for inert gases like Helium
- ELEC SS: Austin Energy electric substation
- · GCS: Central Chemical Supply Storage
- PONDS: Detention related to the project
- PARK: parking garage

Machinery, equipment, and tools used in the following processes involved in manufacturing semiconductor products would be placed within the buildings listed above:

- Photolithography
- Chemical mechanical polishing
- Thin film deposition
- Plasma etching
- Surface preparation and clean-up
- Ion implanting
- Metal deposition
- · Rapid thermal processing
- Furnaces
- · Testing and defect analysis
- Water processing
- Metrology and yield enhancing
- Designing, bonding, and packaging

In addition, the new investment/buildings will include the following systems:

- Process cooling water systems
- HVAC systems

Agreement for Limitation on Appraised Value Between Taylor Independent and Samsung Austin Semiconductor, LLC

- Industrial waste treatment systems
- Process vacuum systems
- Security control systems
- Fire protection systems
- Chemical and ultra-pure gas storage distribution systems
- · Piping, cleanroom systems
- Failure analysis lab
- Other systems useful for manufacturing semiconductor products

100% of the project will be located in the reinvestment zone and project boundary within TaylorISD and will be considered qualified property for this application.



EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre- Limitation Period	Partial Year Beginning on the Date Agreement Signed (11/15/2021)	January 1, 2021	2021-2022	2021	Agreement Signed (11/15/2021). No limitation on appraised value or Qualifying Time Period.
	1	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2023	2023-2024	2023	Qualifying Time Period. No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2024	2024-2025	2024	\$80 million appraised value limitation.
	2	January 1, 2025	2025-2026	2025	\$80 million appraised value limitation.
	3	January 1, 2026	2026-2027	2026	\$80 million appraised value limitation.
	4	January 1, 2027	2027-2028	2027	\$80 million appraised value limitation.
	5	January 1, 2028	2028-2029	2028	\$80 million appraised value limitation.
	6	January 1, 2029	2029-2030	2029	\$80 million appraised value limitation.
	7	January 1, 2030	2030-2031	2030	\$80 million appraised value limitation.
	8	January 1, 2031	2031-2032	2031	\$80 million appraised value limitation.
	9	January 1, 2032	2032-2033	2032	\$80 million appraised value limitation.
	10	January 1, 2033	2033-2034	2033	\$80 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2038	2038-2039	2038	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

November 15, 2021

President and Members Board of Trustees Taylor Independent School District 3101 N. Main St., Suite 104 Taylor, Texas 76574

Re:

Recommendations and Findings of the Firm Concerning the Samsung Austin Semiconductor, LLC (#1620) application for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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

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

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Samsung Austin Semiconductor, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

Partner

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW 808 WEST AVE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON CERTIFIED, CIVIL APPELLATE CERTIFIED, CIVIL TRIAL JUSTIN DEMERATH

BENJAMIN CASTILLO

November 15, 2021

President and Members
Board of Trustees
Taylor Independent School District
3101 N. Main St., Suite 104
Taylor, Texas 76574

Re: Recommendations and Findings of the Firm Concerning the Application of Samsung Austin Semiconductor, LLC (#1620) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Taylor Independent School District, with respect to the pending Application of Samsung Austin Semiconductor, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Samsung Austin Semiconductor, LLC. Based upon our review we have drawn the following conclusions:

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

The proposed Agreement contains adequate legal provisions to protect the interests of the District.

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

Sincerely,

Kevin O'Hanlon For the Firm

Attachment I Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 8, 2021

Devin Padavil Superintendent Taylor Independent School District 3101 N. Main St. Suite 104 Taylor, Texas 76574

Re:

Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Taylor Independent School District and Samsung Austin Semiconductor, LLC, Application 1620

Dear Superintendent Padavil:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Taylor Independent School District and Samsung Austin Semiconductor, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

DocuSigned by:

DFC70F5753487 Will Counihan

Director

Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, Demerath & Castillo

Michele Glaze, Samsung Austin Semiconductor, LLC

Renn Nelson, Baker Botts L.L.P.

Attachment J Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
- In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
- 3. A person has a substantial interest in a business entity if:

The person owns at least:

- a. Ten percent of the voting stock or shares of the business entity, or
- b. Either ten percent or \$15,000 of the fair market value of the business entity; or
- Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
- 4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.