



LAMAR CISD ESTIMATED FINANCIAL IMPACT TESLA INC. (#J0050) JETI VALUE LIMITATION REQUEST

EXECUTIVE SUMMARY

Tesla, Inc. applied under the Jobs, Energy, Technology and Innovation Act (JETI) for a 10-year Maintenance & Operations (M&O) appraised value limitation on a proposed solar cell manufacturing facility in Lamar CISD (Fort Bend County).

Key Project Details:

- **Total investment:** Approximately **\$10.1 billion** (well above the statutory \$200 million)
- **Jobs:** Minimum 75 full-time permanent jobs required; Projected **9,712** new permanent jobs by year five of the incentive period with average annual **wage commitment of \$134,149**. Up to **1,147 construction jobs**.
- **Timeline:** Construction begins 2026 (three years). Value Limitation begins in tax year **2029 for 10 years** through tax year 2038.
- **Tax treatment:** No M&O taxes on non-land value during construction. Taxed at **50% for M&O** purposes. Remains **fully taxable for I&S** purposes at all times. After limitation period ends, project returns to 100% taxation for M&O

KEY M&O (General Fund) Financial Impact:

- **Taxes:** **\$113.8 million** M&O taxes (non-land) over the agreement term (tax years 2026 through 2041)
- **Tesla Tax Savings:** Estimated **\$110.4 million** tax savings to Tesla
- **Net M&O Impact:** **Small gain of \$89,070** over 16 years, primarily from Tier II collections. Increased local taxes are almost entirely offset by corresponding reduction in state aid under equalized school finance system.
- **No financial harm to Lamar CISD.**

KEY I&S (Debt Service) Impact:

- **Peak value:** \$3.9 billion in tax year 2030, year two of the incentive; \$20 million in I&S taxes on peak value
- **Total I&S Taxes:** \$335.5 million through the agreement and up through tax year 2063 (25 years past the incentive)
- **Bond Capacity:** Additional **\$180.3 million** for **no tax rate increase**
- **Demographic study needed for full impact of the Tesla facility on school district enrollment and future facility needs.**