

**Collin County Community College District Board of Trustees**

2018-12-16

December 11, 2018

Resource: H. Neil Matkin  
District President

**AGENDA ITEM:** Report Out of the Finance and Audit Committee and Authorization for the District President to Negotiate and Execute a Tax Abatement Agreement with Texas Instruments, Inc.

**DISCUSSION:** In early 2003, Texas Instruments, Inc. initiated a site review process for a millimeter wafer facility and, subsequently, announced their selection of a 90-acre site in Richardson, Texas. Collin College participated in a unified tax abatement program with the City of Richardson and Collin County in support of a multi-phase project that included equipment investments, retooling for technology upgrades, and anticipated local employment of 1,000 employees.

The chart below reflects the planned abatement taxes and the unabated taxes for the duration of the original abatement period that the Board of Trustees approved in November 2003.

**Company Savings (Abated Taxes)\***

Period	COR	County	CCCCD	Total
Abated taxes 1 <sup>st</sup> 10 yrs	\$82,561,728	\$43,194,375	\$15,886,200	\$141,642,303
Abated taxes 2 <sup>nd</sup> 14 yrs	\$90,810,614	\$47,510,000	\$17,473,418	\$155,794,032
<b>Total Abated 24 yrs</b>	<b>\$173,372,342</b>	<b>\$90,704,375</b>	<b>\$33,359,618</b>	<b>\$297,436,335</b>

**Tax Revenue (Unabated Taxes)\***

Period	COR	County	CCCCD	Total
Unabated taxes 1 <sup>st</sup> 10 yrs	\$6,471,284	\$3,385,625	\$1,245,179	\$11,102,087
Unabated taxes 2 <sup>nd</sup> 14 yrs	\$109,886,386	\$57,490,000	\$21,143,902	\$188,520,288
<b>Total Unabated 24 yrs</b>	<b>\$116,357,670</b>	<b>\$60,875,625</b>	<b>\$22,389,081</b>	<b>\$199,622,375</b>

\* Total may vary slightly due to rounding.

- o Agreement Default Provisions: (Sec.18)
  - Failure to start or complete timely
  - Any delinquent taxes
  - Bankruptcy/Insolvency
  - Breach of enumerated specific terms

**Minimum Agreement Performance Values**  
(Section 14 -17)

	Minimum* Capital Investment Values		Employment	
	Phase 1	Phase 2	Phase 1	Phase 2
Reprt. Prd. Yr. 6	\$1 Billion	\$0.8 Billion	250	200
Reprt. Prd. Yr. 10	\$1.8 Billion	N/A	400	N/A
Reprt. Prd. Yr. 14	\$2.5 Billion	\$1.6 Billion	750	350
Reprt. Prd. Yr. 20	\$3.0 billion	\$2.4 Billion	1,000	600

\* Tax benefit analysis has been developed on more active and higher likely values for some years

Texas Instruments has now requested an amendment to this previously approved tax abatement allowing the agreement to continue as originally passed in order to consider building an additional facility here in Collin County.

**DISTRICT PRESIDENT'S  
RECOMMENDATION:**

The District President recommends that the Board of Trustees authorize the District President to negotiate and execute an amendment to the tax abatement agreement with Texas Instruments, Inc. in accordance with Board Requirements.

**SUGGESTED MOTION:**

This may come out of committee as a motion and second or a suggested motion could be: "Mr. Chairman, I make a motion that the Board of Trustees of Collin County Community College District authorizes the District President to negotiate and execute an amendment to the tax abatement agreement with Texas Instruments, Inc. in accordance with Board requirements."