

LEON | ALCALA

ATTORNEYS AT LAW

May 18, 2022

Via Electronic Mail: Ch313.apps@cpa.texas.gov
Local Government Assistance &
Economic Analysis Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Barbers Hill Independent School District and Enterprise Products Operating LLC (Ethylene Dimerization and Metathesis Unit)

First Year of Qualifying Time Period – 2026
First Year of Limitation – 2028

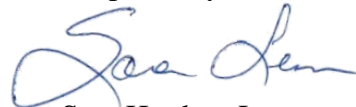
Dear Local Government Assistance and Economic Analysis Division:

The Barbers Hill Independent School District Board of Trustees approved the enclosed Application for Appraised Value Limitation on Qualified Property at a duly called meeting held on May 16, 2022. The Application was determined to be complete on May 18, 2022. The proposed proposes to construct a new facility, Ethylene Dimerization and Metathesis Unit, to manufacture 1.1 billion pounds per year of Polymer Grade Propylene that will be located in the Enterprise Products Operating LLC Mont Belvieu complex in Chambers County.

A copy is being provided to the Chambers County Appraisal District by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thanks so much for your kind attention to this matter.

Respectfully submitted,



Sara Hardner Leon

Enclosures

AUSTIN | HOUSTON | ARLINGTON

2901 Via Fortuna, Building 6, Suite 475, Austin, Texas 78746 | 512.637.4244 | leonalcala.com

May 18, 2022

Page | 2

cc: *Via Electronic Mail:* info@chamberscad.org
Mitch McCullough, Chief Appraiser, Chambers County Appraisal District

Via Electronic Mail: gpoole@bhisd.net
Dr. Greg Poole, Superintendent, Barbers Hill ISD

Via Electronic Mail: bmcmanus@bhisd.net
Rebecca McManus, Assistant Superintendent of Finance, Barbers Hill ISD

Via Electronic Mail: ctate@eprod.com
Cute Tate, Senior Tax Director, Enterprise Products Operating LLC

Via Electronic Mail: tim@ikardyoung.com
Tim Young, Attorney, Ikard Young LLP

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

1. Authorized School District Representative

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Email Address _____

4. On what date did the district determine this application complete?

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No

The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

Payment Amount _____ Transaction Type _____

Payor _____ Payee _____

Date transaction was processed _____

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school 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 for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments 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 application is made? _____

2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____

3. Parent Company Name _____

4. Parent Company Tax ID _____

5. NAICS code _____

6. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No

6a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) _____

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in **Tab 3** a copy of the most recently submitted Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

SECTION 5: Applicant Business Structure (continued)

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

2c. Reporting Entity Taxpayer Number

3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
- (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051* Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

SECTION 7: Project Description

1. In **Tab 4**, attach 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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- | | |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <input type="checkbox"/> Land has no existing improvements | <input type="checkbox"/> Land has existing improvements (complete Section 13) |
| <input type="checkbox"/> Expansion of existing operation on the land (complete Section 13) | <input type="checkbox"/> Relocation within Texas |

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
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? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement _____
2. Estimated commencement of construction _____
3. Beginning of qualifying time period (MM/DD/YYYY) _____
4. First year of limitation (YYYY) _____
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
 - A. January 1 following the application date
 - B. January 1 following the end of QTP
 - C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations _____

SECTION 10: The Property

1. County or counties in which the proposed project will be located _____
2. Central Appraisal District (CAD) that will be responsible for appraising the property _____
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): _____ <small>(Name, tax rate and percent of project)</small>	I&S (ISD): _____ <small>(Name, tax rate and percent of project)</small>
County: _____ <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: _____ <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>

SECTION 10: The Property (continued)

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: _____
(Incentive type, percentage, start and end year)

City: _____
(Incentive type, percentage, start and end year)

Hospital District: _____
(Incentive type, percentage, start and end year)

Water District: _____
(Incentive type, percentage, start and end year)

Other (describe): _____
(Incentive type, percentage, start and end year)

Other (describe): _____
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? Yes No

6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No

7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? _____

2. What is the amount of appraised value limitation for which you are applying? _____

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:

- a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
- b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
- c. a detailed map of the qualified investment showing 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, with vicinity map (**Tab 11**).

5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

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

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:

- 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
- 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
- 1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
- 1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? Yes No

Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

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

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
- 2a. If yes, attach complete documentation including:
- a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - 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. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment 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 of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
- What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? _____

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property within the project boundary**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property within the project boundary that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (statement 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property within the project boundary in response to statements 1 and 2 of this section, provide the following supporting information in Tab 10:
- 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. Total estimated market value of existing property within the project boundary (that property described in response to statement 1): \$ _____
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 the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to statement 2): \$ _____

Note: Investment for the property listed in statement 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property **cannot** become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create?
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14))
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 No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property?
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
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 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**.

Exhibit 1

Attachment 4a.

School District & Application Number	Applying Entity	Application Date	First Full Tax Year
Barbers Hill ISD No. 166	Enterprise Products Operating LLC	9/1/2009	2010
Barbers Hill ISD No. 178	Enterprise Products Operating LLC	8/30/2010	2011
Barbers Hill ISD No. 192	Enterprise Products Operating, LLC	7/20/2010	2012
Barbers Hill ISD No. 253	Enterprise Products Operating, LLC	11/20/2012	2014
Barbers Hill ISD No. 254	Enterprise Products Operating, LLC	11/20/2012	2014
Barbers Hill ISD No. 278	Enterprise Products Operating, LLC	3/28/2013	2014
Barbers Hill ISD No. 349	Enterprise Products Operating, LLC	9/23/2013	2015
Barbers Hill ISD No. 363	Enterprise Products Operating, LLC	11/18/2013	2015
Barbers Hill ISD No. 364	Enterprise Products Operating, LLC	11/18/2013	2015
Yoakum ISD No. 187	Enterprise Hydrocarbons, L.P.	4/11/2011	2012
Pecos-Barstow-Toyah ISD No. 1122	Delaware Basin Gas Processing, LLC	2/1/2016	2017
Pecos-Barstow-Toyah ISD No. 1161	Enterprise Products Operating, LLC	11/29/2016	2019
Barbers Hill ISD No. 1162	Enterprise Products Operating, LLC	11/18/2016	2020
Barbers Hill ISD No. 1309	Enterprise Products Operating, LLC	10/26/2018	2023
Barbers Hill ISD No. 1369	Enterprise Products Operating, LLC	5/9/2019	2022
Barbers Hill ISD No. 1272	Enterprise Products Operating, LLC	7/9/2018	2021
Carthage ISD No. 1270	TECO Gas Processing, LLC	6/26/2018	2021
Wink-Loving ISD No. 1278	Enterprise Products Operating, LLC	8/7/2018	2021

Tab # 2

Proof of Payment of Application Fee

See attached check copy 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)*

Tab # 3

**Documentation of Combined Group
Membership under Texas Tax Code
171.0001(7)**

**Response to Section 5 question 2a.,
documentation of combined group
membership, received by CPA**

Tab # 4

Detail description of proposed project

Proposed Project Description

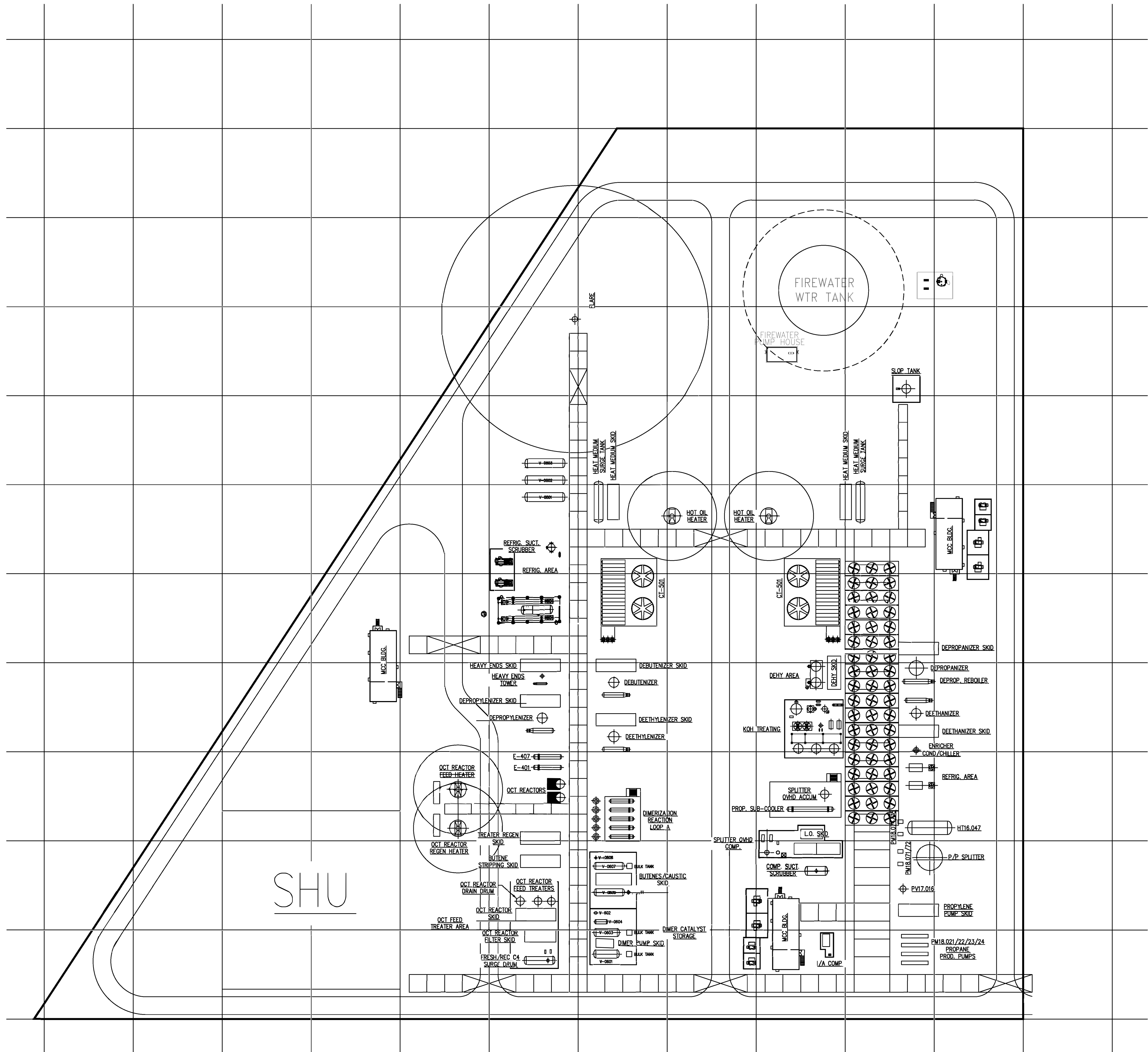
Enterprise Products Operating LLC (Enterprise) currently operates its Mont Belvieu Manufacturing Complex in Chambers County. Enterprise proposes to construct a new Ethylene Dimerization and Metathesis Unit to manufacture 1.1 billion pounds per year of Polymer Grade Propylene. The primary feed to the unit is Polymer Grade Ethylene which can be supplemented by mixed hydrocarbon streams rich in butenes. After the manufacturing process the finished product, Polymer Grade Propylene (PGP), is transferred via pipeline for shipment or to cavern storage.

Supplemental feeds to the Metathesis Section can be imported in the form of mixed C3/C4 olefin rich hydrocarbons or butadiene rich streams delivered by pipeline, truck, or rail.

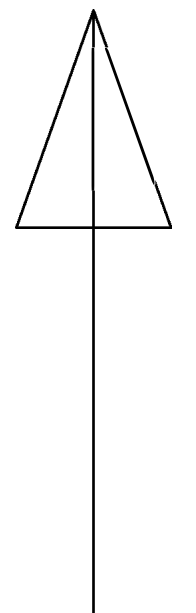
Manufacturing Process

The Dimerization Section converts Polymer Grade Ethylene feed to normal butenes in the presence of catalyst and co-catalyst. Butenes are separated from heavy byproducts, dried, and routed to the Metathesis Section.

The Metathesis Section combines normal butenes with ethylene to produce propylene. The normal butene rich feed combines with ethylene and recycled feeds. The combined feed is first treated to remove impurities before being heated and fed to the reactor where the metathesis reaction of ethylene and butene produces propylene. A recovery section separates Polymer Grade Propylene from unreacted feed and byproducts.



SHU



Tab # 5

Limitation is a Determining Factor

1. **Does the applicant currently own the land on which the proposed project will occur?**

An affiliate of the Applicant currently owns the land. If the project is sanctioned in Chambers County, Texas, the Applicant intends to purchase or lease the land. However, it will not be included as Qualified Property.

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

The Applicant has not entered into any agreement with respect to the proposed project.

3. **Does the applicant have current business activities at the location where the proposed project will occur?**

There are no existing improvements at the proposed project site.

4. **Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?**

Applicant has not made public statements regarding the potential development of the proposed project.

5. **Has the applicant received any local or state permits for activities on the proposed project site?**

No.

6. **Has the applicant received commitments for state or local incentives for activities at the proposed project site?**

No.

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

Applicant is a leading midstream energy company with a large pipeline footprint in the United States. These pipelines provide substantial flexibility in plant location. Applicant has gas manufacturing locations in Texas, Louisiana, New Mexico, Colorado, and Wyoming. Applicant also has significant interstate pipeline assets in Louisiana that can

and do move product to and from Texas. This allows potential manufacturing facilities to be located in St. Martin Parish, East Baton Rouge Parish, or Assumption Parish, Louisiana and the resulting manufactured product transported to Applicant's facilities in Texas.

Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation. The Chapter 313 Value Limitation, if granted, would make the location in Texas a feasible investment, as is further as shown in Item 10 to Tab 5.

8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with alternative investment opportunities?

Yes, see Item 10 to Tab 5, as referenced below in the answer to question 10.

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

N/A

10. Are you submitting information to assist in the determinations 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?

See the attached Item 10 to Tab 5.

Key Determining factors:

- The Applicant has submitted in Item 10 to Tab 5 a local school tax impact model of the proposed project's property tax burden with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. The impact of the property tax burden on the economic return of the proposed new project is an important factor in the evaluation project's economic viability and a key component in the site selection process. The tax model shows that the rate of return with the valuation limitation agreement exceeds the minimum rate of return required by the Applicant to proceed with the proposed investment.
- An appraised value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize the Applicant to invest capital in the proposed project rather than making an alternative investment.
- The property tax burden for the Applicant's proposed project is significant. The property tax burden has a direct impact on the proposed project's economic viability and the decision to invest in Texas.
- The ability to enter into a Chapter 313 appraised value limitation agreement with the school district is a determining factor to invest in this project.

- Capital investments by the Applicant are based on expected economic return on investment. Property tax liabilities can make up a substantial portion of the ongoing cost of operations that directly impacts the rate of return on the investment in the proposed project. Without the tax incentive, the economics of this project will be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain.
- Tax incentives play an important role in attracting capital intensive manufacturing facilities due to the high property tax burden in Texas.
- The Applicant is evaluating various manufacturing projects for development and where to commit substantial long term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 appraised value limitation agreement is an important component in this analysis.

Item 10 TAB 5

The chart below quantifies the property tax burden on the proposed project both with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. The chart shows the effect of a limitation agreement through the 25th anniversary of the beginning of the limitation period using the 2021 Barbers Hill ISD M&O ad valorem tax rate of \$0.8847 per \$100 of the estimated M&O taxable values of the proposed project from Schedule B. If the Chapter 313 Application is approved, the chart shows a potential tax savings to the Applicant of \$73,840,534. Note that the estimated tax savings does not account for the effect of Supplemental Payments or revenue protection payments as may be called for in a final Chapter 313 Agreement.

Year	Project Market Value	BHISD M&O Tax Without Chp. 313 Limitation	Project Market Value with Limitation	BHISD M&O Tax With Chp. 313 Limitation
2028	1,025,818,500	9,075,416	80,000,000	707,760
2029	984,312,000	8,708,208	80,000,000	707,760
2030	963,805,500	8,526,787	80,000,000	707,760
2031	943,299,000	8,345,366	80,000,000	707,760
2032	922,792,500	8,163,945	80,000,000	707,760
2033	902,286,000	7,982,524	80,000,000	707,760
2034	881,779,500	7,801,103	80,000,000	707,760
2035	861,273,000	7,619,682	80,000,000	707,760
2036	840,766,500	7,438,261	80,000,000	707,760
2037	820,260,000	7,256,840	80,000,000	707,760
2038	799,753,500	7,075,419	799,753,500	7,075,419
2039	779,247,000	6,893,998	779,247,000	6,893,998
2040	758,740,500	6,712,577	758,740,500	6,712,577
2041	738,234,000	6,531,156	738,234,000	6,531,156
2042	717,727,500	6,349,735	717,727,500	6,349,735
2043	697,221,000	6,168,314	697,221,000	6,168,314
2044	676,714,500	5,986,893	676,714,500	5,986,893
2045	656,208,000	5,805,472	656,208,000	5,805,472
2046	635,701,500	5,624,051	635,701,500	5,624,051
2047	615,195,000	5,442,630	615,195,000	5,442,630
2048	594,688,500	5,261,209	594,688,500	5,261,209
2049	574,182,000	5,079,788	574,182,000	5,079,788
2050	553,675,500	4,898,367	553,675,500	4,898,367
2051	533,169,000	4,716,946	533,169,000	4,716,946
2052	512,662,500	4,535,525	512,662,500	4,535,525
Total		\$ 168,000,217		\$ 94,159,683
			Difference	\$ 73,840,534

Tab # 6

**Description of how project is located in
more than one district...**

Not applicable to this proposed project

Tab # 7

Description of Qualified Investment

Proposed Project Description

Enterprise Products Operating LLC (Enterprise) currently operates its Mont Belvieu Manufacturing Complex in Chambers County. Enterprise proposes to construct a new Ethylene Dimerization and Metathesis Unit to manufacture 1.1 billion pounds per year of Polymer Grade Propylene. The primary feed to the unit is Polymer Grade Ethylene which can be supplemented by mixed hydrocarbon streams rich in butenes. After the manufacturing process the finished product, Polymer Grade Propylene (PGP), is transferred via pipeline for shipment or to cavern storage.

Supplemental feeds to the Metathesis Section can be imported in the form of mixed C3/C4 olefin rich hydrocarbons or butadiene rich streams delivered by pipeline, truck, or rail.

Manufacturing Process

The Dimerization Section converts Polymer Grade Ethylene feed to normal butenes in the presence of catalyst and co-catalyst. Butenes are separated from heavy byproducts, dried, and routed to the Metathesis Section.

The Metathesis Section combines normal butenes with ethylene to produce propylene. The normal butene rich feed combines with ethylene and recycled feeds. The combined feed is first treated to remove impurities before being heated and fed to the reactor where the metathesis reaction of ethylene and butene produces propylene. A recovery section separates Polymer Grade Propylene from unreacted feed and byproducts.

Proposed Ethylene Dimerization and Metathesis manufacturing facility - List of Improvements

Plant Components

- Catalyst Preparation Equipment
- Heat Exchangers
- Dimerization Reactors
- Catalyst Quench Equipment
- Caustic Storage
- Debutenizer Column
- Heavy Ends Column
- Reactor Feed Heater
- Metathesis Reactors
- Reactor Regeneration System
- Deethylenizer Column
- Depropylenizer Column
- Propane/Propylene Splitter Column
- Caustic Treater

- Splitter Overhead Compressor
- Deethanizer
- Selective Hydrogenation Reactors
- Refrigeration Equipment
- Vessels
- Pumps
- Compressors
- Control Equipment
- Electrical Infrastructure
- Utilities
- Plant Piping
- Hot Oil System
- Fire Water Distribution
- Dryer and Treater Units
- Instrument Air System

Tab # 8

Description of Qualified Property

Proposed Project Description

Enterprise Products Operating LLC (Enterprise) currently operates its Mont Belvieu Manufacturing Complex in Chambers County. Enterprise proposes to construct a new Ethylene Dimerization and Metathesis Unit to manufacture 1.1 billion pounds per year of Polymer Grade Propylene. The primary feed to the unit is Polymer Grade Ethylene which can be supplemented by mixed hydrocarbon streams rich in butenes. After the manufacturing process the finished product, Polymer Grade Propylene (PGP), is transferred via pipeline for shipment or to cavern storage.

Supplemental feeds to the Metathesis Section can be imported in the form of mixed C3/C4 olefin rich hydrocarbons or butadiene rich streams delivered by pipeline, truck, or rail.

Manufacturing Process

The Dimerization Section converts Polymer Grade Ethylene feed to normal butenes in the presence of catalyst and co-catalyst. Butenes are separated from heavy byproducts, dried, and routed to the Metathesis Section.

The Metathesis Section combines normal butenes with ethylene to produce propylene. The normal butene rich feed combines with ethylene and recycled feeds. The combined feed is first treated to remove impurities before being heated and fed to the reactor where the metathesis reaction of ethylene and butene produces propylene. A recovery section separates Polymer Grade Propylene from unreacted feed and byproducts.

Proposed Ethylene Dimerization and Metathesis manufacturing facility - List of Improvements

Plant Components

- Catalyst Preparation Equipment
- Heat Exchangers
- Dimerization Reactors
- Catalyst Quench Equipment
- Caustic Storage
- Debutenizer Column
- Heavy Ends Column
- Reactor Feed Heater
- Metathesis Reactors
- Reactor Regeneration System
- Deethylenizer Column
- Depropylenizer Column
- Propane/Propylene Splitter Column
- Caustic Treater

- Splitter Overhead Compressor
- Deethanizer
- Selective Hydrogenation Reactors
- Refrigeration Equipment
- Vessels
- Pumps
- Compressors
- Control Equipment
- Electrical Infrastructure
- Utilities
- Plant Piping
- Hot Oil System
- Fire Water Distribution
- Dryer and Treater Units
- Instrument Air System

Tab # 9

Land is not part of the qualified property

Not applicable

Tab # 10

Description of all property not eligible to become qualified property

Not Applicable – All property will be eligible to become qualified property

Tab # 11

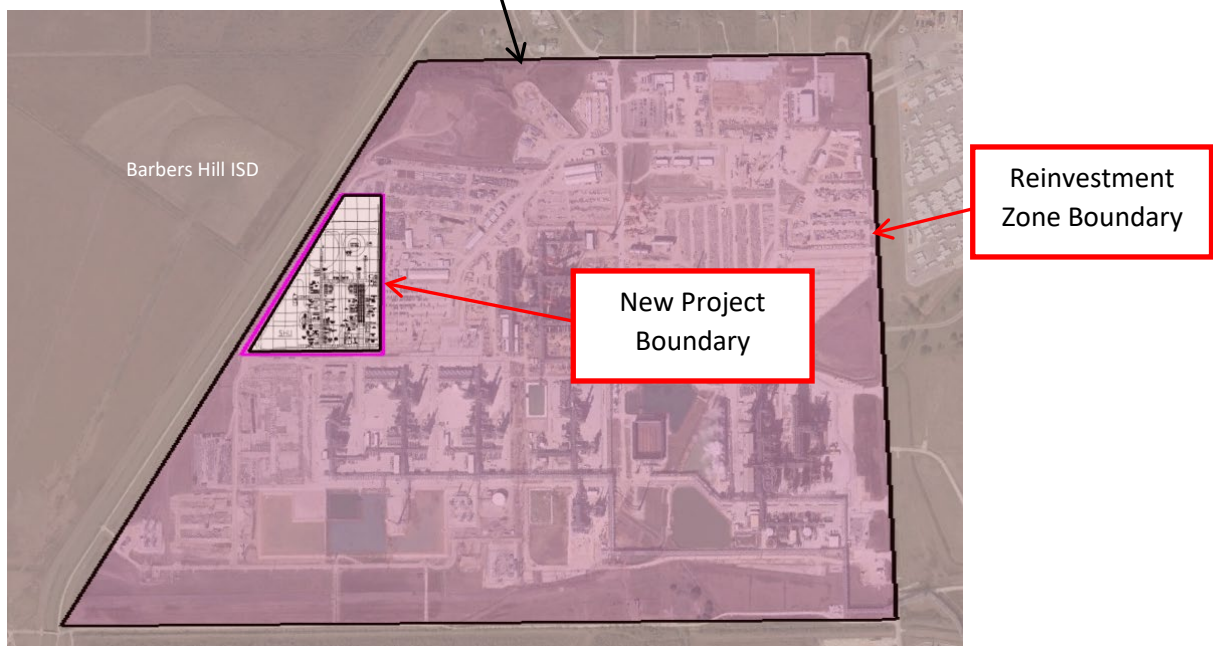
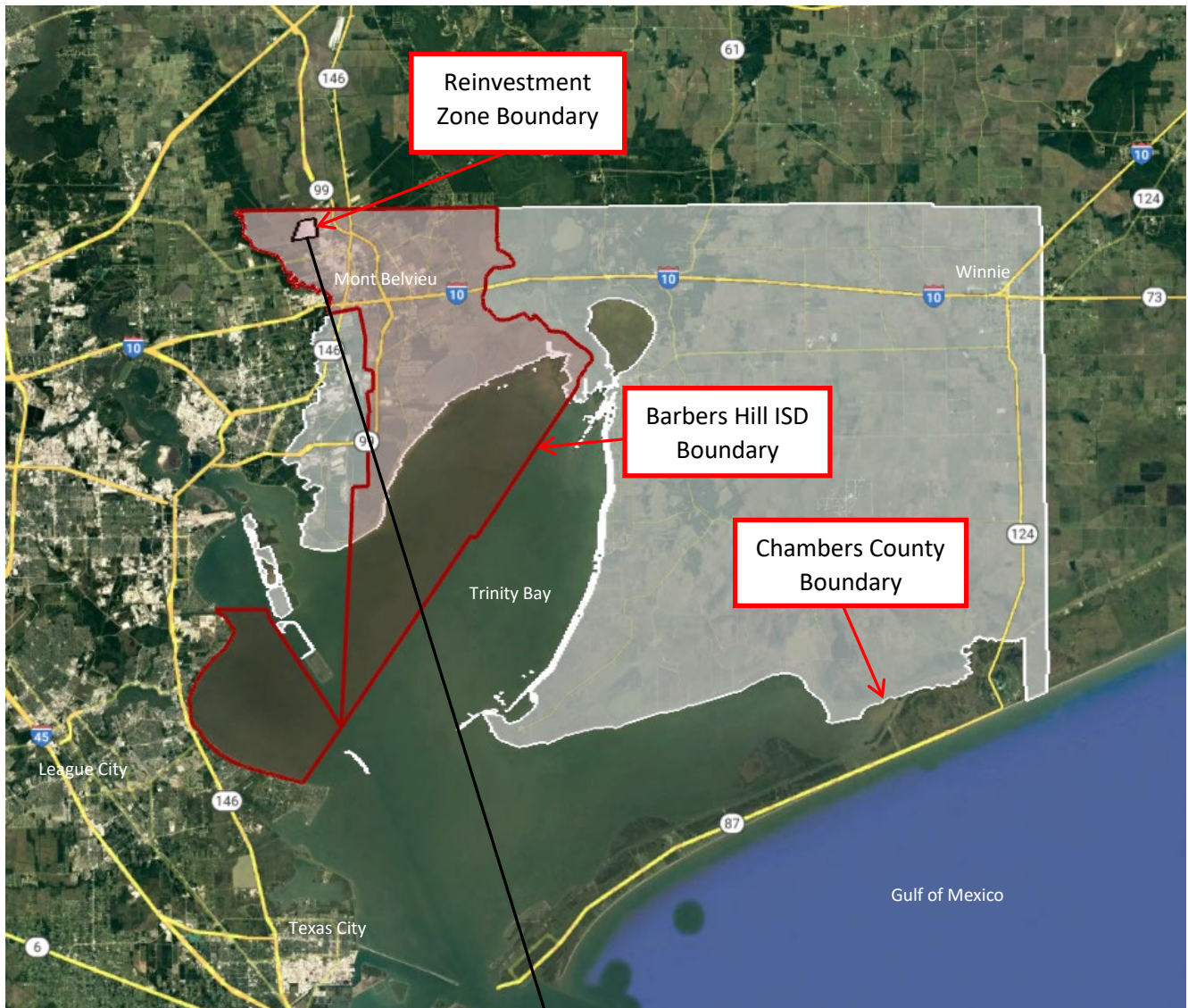
Maps that clearly show:

- a) **Project Vicinity** – See following map labeled “Project Vicinity Map”
- b) **Qualified Investment** – See following map labeled “Qualified Investment / Qualified Property Map”
- c) **Qualified Property** – See following map labeled “Qualified Investment / Qualified Property Map”
- d) **NO Existing Property** – See Tab #10 and map labeled "Reinvestment Zone Map".
- e) **Land location and vicinity map** – See following map labeled “Project Vicinity Map”
- f) **Reinvestment Zone within vicinity map, showing the actual or proposed boundaries and size** – See following map labeled “Reinvestment Zone Map”

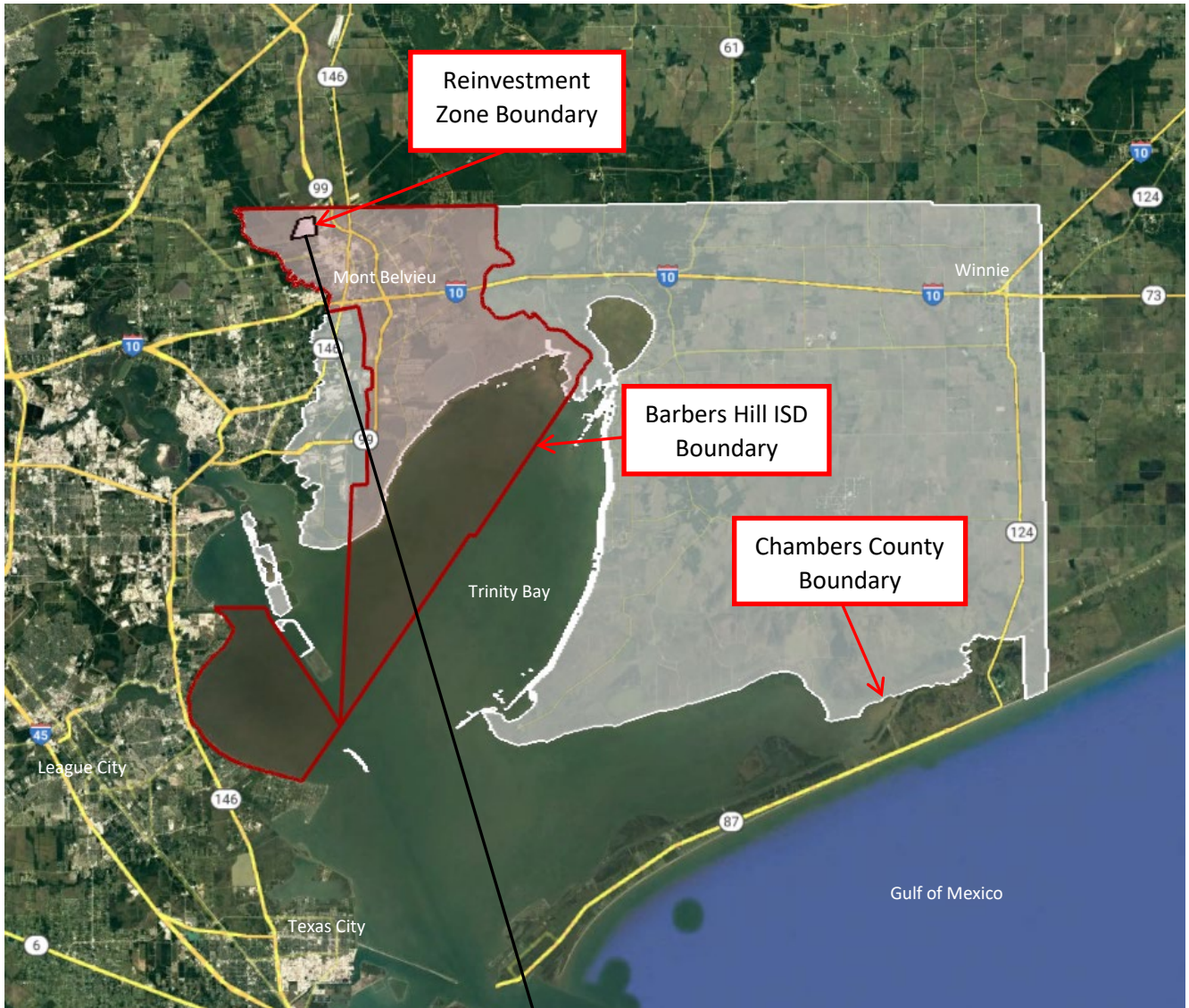
Project Vicinity Map



Qualified Investment / Qualified Property Map



Reinvestment Zone Map



Tab # 12

**Request for Waiver of Job Creation
Requirement and supporting information**



P.O. Box 4018 Houston, Texas 77210-4018 713.381.6500
1100 Louisiana Street Houston, Texas 77002-41010 www.epplp.com

May 23, 2022

Barbers Hill ISD
Dr. Greg Poole
PO BOX 1108
Mont Belvieu, TX 77580

Re: Chapter 313 Job Waiver Request; Dimerization & Metathesis Chapter 313 Application

Dear Dr. Poole:

Enterprise Products Operating LLC (“Enterprise”) respectfully requests that Barbers Hill Independent School District’s Board of Trustees waive the job requirement provision as allowed in Section 313.025(f-1) of the tax code in connection with its Dimerization & Metathesis Chapter 313 Application. This waiver would require that the school District make a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility described in the Enterprise application for the Dimerization & Metathesis. Enterprise requests that Barbers Hill ISD makes such findings and waive the job creation requirement of twenty-five (25) permanent jobs.

Enterprise currently operates multiple plants and facilities in Chambers County and expects to integrate the new facility with existing operations. Based on this and other plant operation experience Enterprise expects to create ten (10) permanent jobs for the proposed project. The proposed project is expected to directly create approximately 2200 jobs during construction, which will increase the need for local goods and services and generate incremental state and local tax revenue.

The chart below shows the current staffing of similar facilities owned and operated by Enterprise. The Dimerization & Metathesis has similar functions to our Fractionator facilities located in Texas, New Mexico and Louisiana. Accordingly, we have used those facilities as a basis for comparison.

COMPARISON OF STAFFING FOR SIMILAR FACILITIES

Facility	FTE <u>Operators</u>	FTE <u>Maintenance</u>	Shared FTE Admin/Supervision/ Safety, etc.	FTE* <u>Total</u>
Frac # 9, Mont Belvieu	4	4	4	8
Frac #4,5,6,7,8, Mont Belvieu	4	4	4	8
Seminole, Mont Belvieu	5	4	4	9
West Texas, Mont Belvieu	5	4	5	9
Hobbs, New Mexico	10	4	2	14
Port Allen, Louisiana	7	5	1	12
Promix, Louisiana	5	6	1	11
Tebone, Louisiana	8	5	1	12
Norco, Louisiana	8	5	1	12
Average	7	5	2	10

*Excludes shared FTE's

We have also provided a summary of staffing commitments made by competitors for similar facilities with Chapter 313 Agreements. The summary is set forth below:

COMPARISON OF STAFFING FOR SIMILAR FACILITIES – OTHER COMPANIES

App Number	District Name	Company Name	Jobs Created
193	Barbers Hill ISD	OneOk Hydrocarbon	10
194	Barbers Hill ISD	Cedar Bayou Fractionators	24
195	Barbers Hill ISD	Lone Star NGL Asset Holdings	20
251	Barbers Hill ISD	Lone Star NGL Asset Holdings	10
252	Barbers Hill ISD	OneOk Hydrocarbon	10
333	Barbers Hill ISD	Cedar Bayou Fractionators	8
339	Barbers Hill ISD	Lone Star NGL Asset Holdings	4
1016	Barbers Hill ISD	Lone Star NGL Asset Holdings	4
1035	Barbers Hill ISD	Lone Star NGL Asset Holdings	10
		Average # Jobs Created	11
		Median # Jobs Created	10

Our commitment to create 10 new qualifying jobs meets the median qualifying jobs for our competitors' similar facilities, and the average number of FTEs for all of our existing similar facilities.



P.O. Box 4018 Houston, Texas 77210-4018 713.381.6500
1100 Louisiana Street Houston, Texas 77002-41010 www.epplp.com

We believe this facility will promote economic growth and welfare to the community by creating permanent full-time positions. The wages for these positions will be at least above 110% of the Chambers County average wage rate. Additionally, benefits such as medical, dental, and life insurance will be provided, as well as 401K and pension plans.

We appreciate your consideration of the job waiver request and if you have any questions, please feel free to contact me by telephone at 713-381-8071 or by email at ctate@eprod.com.

Sincerely,

A handwritten signature in blue ink that reads "Curt Jatto".

Sr. Tax Director

Tab # 13

Calculation of three possible wage requirements with TWC documentation

Calculations of Wages for Chambers County

Based on Most Recent Data Available

Average Weekly Wage for all jobs (all Industries) in the County		
Year	Period	Wages
2021	1st Qtr	\$1,156
2021	2nd Qtr	\$1,164
2021	3rd Qtr	\$1,175
2020	4th Qtr	\$1,281
Average		\$1,194.00

110% of Average Weekly Wage for Manufacturing jobs in the County		
Year	Period	Wages
2021	1st Qtr	\$2,103
2021	2nd Qtr	\$2,050
2021	3rd Qtr	\$2,275
2020	4th Qtr	\$2,473
Average Weekly Wage		\$2,225
110% of Average Weekly Wage		\$2,447.78

110% of Average Weekly Wage for Manufacturing jobs in the Region	
Houston-Galveston Area Council	
Rate per Hour	\$29.83
Hours Per Week	40
Average Weekly Wage	\$1,193.20
110% of Average Weekly Wage	\$1,312.52

Minimum Required Annual(52 weeks) Wage	\$68,251.04
-----------------------------------------------	--------------------

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	01	Chambers	Total All	10	Total, All Industries	0	1,328
2020	02	Chambers	Total All	10	Total, All Industries	0	1,311
2020	03	Chambers	Total All	10	Total, All Industries	0	1,195
2020	04	Chambers	Total All	10	Total, All Industries	0	1,281
2021	01	Chambers	Total All	10	Total, All Industries	0	1,156
2021	02	Chambers	Total All	10	Total, All Industries	0	1,164
2021	03	Chambers	Total All	10	Total, All Industries	0	1,175

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	01	Chambers	Private	31-33	Manufacturing	2	2,276
2020	02	Chambers	Private	31-33	Manufacturing	2	2,045
2020	03	Chambers	Private	31-33	Manufacturing	2	2,132
2020	04	Chambers	Private	31-33	Manufacturing	2	2,473
2021	01	Chambers	Private	31-33	Manufacturing	2	2,103
2021	02	Chambers	Private	31-33	Manufacturing	2	2,050
2021	03	Chambers	Private	31-33	Manufacturing	2	2,275

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	\$23.32	\$48,501
South Plains Association of Governments	2	\$20.42	\$42,473
NORTEX Regional Planning Commission	3	\$20.64	\$42,928
North Central Texas Council of Governments	4	\$32.34	\$67,261
Ark-Tex Council of Governments	5	\$21.30	\$44,299
East Texas Council of Governments	6	\$29.28	\$60,904
West Central Texas Council of Governments	7	\$21.54	\$44,797
Rio Grande Council of Governments	8	\$19.02	\$39,552
Permian Basin Regional Planning Commission	9	\$22.57	\$46,945
Concho Valley Council of Governments	10	\$27.28	\$56,739
Heart of Texas Council of Governments	11	\$23.41	\$48,696
Capital Area Council of Governments	12	\$29.96	\$62,326
Brazos Valley Council of Governments	13	\$18.41	\$38,286
Deep East Texas Council of Governments	14	\$21.07	\$43,829
South East Texas Regional Planning Commission	15	\$27.38	\$56,957
Houston-Galveston Area Council	16	\$29.83	\$62,050
Golden Crescent Regional Planning Commission	17	\$22.09	\$45,945
Alamo Area Council of Governments	18	\$27.45	\$57,101
South Texas Development Council	19	\$19.20	\$39,945
Coastal Bend Council of Governments	20	\$35.39	\$73,603
Lower Rio Grande Valley Development Council	21	\$20.70	\$43,056
Texoma Council of Governments	22	\$19.18	\$39,897
Central Texas Council of Governments	23	\$21.34	\$44,390
Middle Rio Grande Development Council	24	\$22.98	\$47,809
Texas		\$28.00	\$58,233

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.

Data intended only for use implementing Chapter 313, Texas Tax Code.

Tab # 14

Schedules A1, A2, B, and C

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date **5/23/2022**
 Applicant Name **Enterprise Products Operating LLC**
 ISD Name **Barbers Hill ISD**

Form 50-296A
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	Pre	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2022	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period									-
	Deferral	2023-2024	2023						
	Deferral	2024-2025	2024						
	QTP Partial Stub Year 1/2/25	2025-2026	2025	24,465,000				24,465,000	
Complete tax years of qualifying time period	QTP1	2026-2027	2026	349,965,000				349,965,000	
	QTP2	2027-2028	2027	675,570,000				675,570,000	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 1,050,000,000	-			\$ 1,050,000,000	
Total Qualified Investment (sum of green cells)				1,050,000,000	Enter amounts from TOTAL row above in Schedule A2				

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

Column A: This 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 dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total 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.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E	
				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 <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1			\$ 1,050,000,000	-			
Enter amounts from TOTAL row in Schedule A1 in the row below									
Each year prior to start of value limitation Period **									
Value limitation period***	1	2028-2029	2028						
	2	2029-2030	2029						
	3	2030-2031	2030						
	4	2031-2032	2031						
	5	2032-2033	2032						
	6	2033-2034	2033						
	7	2034-2035	2034						
	8	2035-2036	2035						
	9	2036-2037	2036						
	10	2037-2038	2037						
Total Investment made through limitation				\$ 1,050,000,000	-				
Continue to maintain viable presence	11	2038-2039	2038						
	12	2039-2040	2039						
	13	2040-2041	2040						
	14	2041-2042	2041						
	15	2042-2043	2042						
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043						
	17	2044-2045	2044						
	18	2045-2046	2045						
	19	2046-2047	2046						
	20	2047-2048	2047						
	21	2048-2049	2048						
	22	2049-2050	2049						
	23	2050-2051	2050						
	24	2051-2052	2051						
	25	2052-2053	2052						

* 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 deferrals of the start of the limitation (after 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 the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This 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 dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

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

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

Date

5/23/2022

Applicant Name

Enterprise Products Operating LLC

Form 50-296A

ISD Name

Barbers Hill ISD

Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Defferral	0	2023-2024	2023			0	0	0	0
Defferral	0	2024-2025	2024			0	0	0	0
QTP Partial Stub Year 1/2/25	0	2025-2026	2025			24,465,000	24,465,000	24,465,000	24,465,000
QTP1	0	2026-2027	2026			349,965,000	349,965,000	349,965,000	349,965,000
QTP2	0	2027-2028	2027			675,570,000	675,570,000	675,570,000	675,570,000
Value Limitation Period	1	2028-2029	2028			1,050,000,000	1,025,818,500	1,025,818,500	80,000,000
	2	2029-2030	2029			1,008,000,000	984,312,000	984,312,000	80,000,000
	3	2030-2031	2030			987,000,000	963,805,500	963,805,500	80,000,000
	4	2031-2032	2031			966,000,000	943,299,000	943,299,000	80,000,000
	5	2032-2033	2032			945,000,000	922,792,500	922,792,500	80,000,000
	6	2033-2034	2033			924,000,000	902,286,000	902,286,000	80,000,000
	7	2034-2035	2034			903,000,000	881,779,500	881,779,500	80,000,000
	8	2035-2036	2035			882,000,000	861,273,000	861,273,000	80,000,000
	9	2036-2037	2036			861,000,000	840,766,500	840,766,500	80,000,000
	10	2037-2038	2037			840,000,000	820,260,000	820,260,000	80,000,000
Continue to maintain viable presence	11	2038-2039	2038			819,000,000	799,753,500	799,753,500	799,753,500
	12	2039-2040	2039			798,000,000	779,247,000	779,247,000	779,247,000
	13	2040-2041	2040			777,000,000	758,740,500	758,740,500	758,740,500
	14	2041-2042	2041			756,000,000	738,234,000	738,234,000	738,234,000
	15	2042-2043	2042			735,000,000	717,727,500	717,727,500	717,727,500
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2043-2044	2043			714,000,000	697,221,000	697,221,000	697,221,000
	17	2044-2045	2044			693,000,000	676,714,500	676,714,500	676,714,500
	18	2045-2046	2045			672,000,000	656,208,000	656,208,000	656,208,000
	19	2046-2047	2046			651,000,000	635,701,500	635,701,500	635,701,500
	20	2047-2048	2047			630,000,000	615,195,000	615,195,000	615,195,000
	21	2048-2049	2048			609,000,000	594,688,500	594,688,500	594,688,500
	22	2049-2050	2049			588,000,000	574,182,000	574,182,000	574,182,000
	23	2050-2051	2050			567,000,000	553,675,500	553,675,500	553,675,500
	24	2051-2052	2051			546,000,000	533,169,000	533,169,000	533,169,000
	25	2052-2053	2052			525,000,000	512,662,500	512,662,500	512,662,500

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date **5/23/2022**
 Applicant Name **Enterprise Products Operating LLC**
 ISD Name **Barbers Hill ISD**

Form 50-296A

Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying 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
Deferral	0	2023-2024	2023				Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Deferral	0	2024-2025	2024					
QTP Partial Stub Year 1/2/225	0	2025-2026	2025	130 FTE	68,500			
QTP1	0	2026-2027	2026	1200 FTE	\$ 68,500			
QTP2	0	2027-2028	2027	2200 FTE	\$ 68,500			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2028-2029	2028				10	\$ 68,500
	2	2029-2030	2029				10	\$ 68,500
	3	2030-2031	2030				10	\$ 68,500
	4	2031-2032	2031				10	\$ 68,500
	5	2032-2033	2032				10	\$ 68,500
	6	2033-2034	2033				10	\$ 68,500
	7	2034-2035	2034				10	\$ 68,500
	8	2035-2036	2035				10	\$ 68,500
	9	2036-2037	2036				10	\$ 68,500
	10	2037-2038	2037				10	\$ 68,500
Years Following Value Limitation Period	11 through 25	2038-2053	2038-2052				10	\$ 68,500

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

Tab # 15

**Economic Impact Analysis, other
payments made in the state of other
economic information**

Not Applicable

Tab # 16

Description of Reinvestment Zone

REINVESTMENT ZONE

Guidelines and Criteria for Tax Abatement in Chambers County, Texas are also attached.

**ORDER RENEWING
ENTERPRISE PRODUCTS OPERATING LLC 2013
REINVESTMENT ZONE**

On July 10, 2018, at a regular, public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("the Court"), the Court conducted a hearing on the application of ENTERPRISE PRODUCTS OPERATING LLC ("Enterprise") for renewal of the ENTERPRISE PRODUCTS OPERATING LLC 2013 REINVESTMENT ZONE ("the Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement and economic development agreements in accordance with the Texas Tax Code ("the Code").
2. On February 26, 2013, the Court designated the Zone by Order to affect tax abatement on qualified investments. In accordance with Chapter 312.203 of the Code, the designation of a reinvestment zone for tax abatement expires five (5) years after the date of designation.
3. The Zone expired on February 25, 2018. Chapter 312.203 of the Code allows for a reinvestment zone to be renewed for a period of 5 years.
4. The request for renewal/re-designation of the Zone was timely submitted by Enterprise and received by the Court.
5. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the renewal of the Zone. Specifically, notice of today's hearing was published in the manner required by law and notice was timely given to the presiding officer of other taxing units of government as required by law.
6. The renewal of the Zone will contribute to the retention or expansion of primary employment and will attract major investment in the Zone that will be a benefit to the property to be included in the Zone and will contribute to the economic development of the County and surrounding area.

7. The improvements sought to be made are feasible and practical and will be a benefit to the land to be included in the Zone.
8. The area requested to be renewed as a reinvestment zone meets the criteria for designation as such in one of more ways as specifically provided by law.
9. The Zone shall take effect upon the effective date of this Order and expire five (5) years thereafter. The Zone may be renewed by the Court for one or more subsequent terms of five (5) years or less.

Therefore, upon motion made by Commissioner Senac seconded by Commissioner Nelson and affirmatively passed, be it RESOLVED and ORDERED by the Court that the 527.514-acre tract of land, more or less, described in the attached Exhibit "ZONE DESCRIPTION" is hereby renewed and re-designated as the ENTERPRISE PRODUCTS OPERATING LLC 2013 REINVESTMENT ZONE and is eligible for manufacturing / industrial tax abatement.

PASSED and ADOPTED July 10, 2018.

CHAMBERS COUNTY, TEXAS

By:



JUDGE JIMMY SYLVIA,
Chambers County Judge

ATTEST:



HEATHER H. HAWTHORNE, County Clerk

NOTICE OF PUBLIC HEARING REGARDING
RENEWAL/REDESIGNATION
OF THE ENTERPRISE PRODUCTS OPERATING LLC 2013
REINVESTMENT ZONE

Notice is given that ENTERPRISE PRODUCTS OPERATING LLC (“ENTERPRISE”) has applied to the Commissioners Court of CHAMBERS COUNTY, TEXAS (“the Court”) for the renewal of the Enterprise Products Operating LLC 2013 Reinvestment Zone (“the Zone”) in accordance with Chapter 312.203 of the Texas Tax Code, thereby permitting ENTERPRISE to seek tax abatement from Chambers County on improvements proposed to be constructed on the property. The Zone is 527.514 acres of land in Chambers County, Texas, largely situated in three tracts as identified in the HANNAH NASH SURVEY, ABSTRACT NO. 20, CHAMBERS COUNTY, TEXAS: (Tract #1 - 88.077 acres; Tract #2 – 8.437 acres; and Tract #3 – 431 acres). The ENTERPRISE Proposal for Tax Abatement and Request for Renewal of the Zone were submitted to the Court on February 13, 2018 and June 26, 2018, respectively.

The required hearing on the renewal/re-designation of the Zone will be conducted by the Court on Tuesday, July 10, 2018, at 10:00 a.m. in the courtroom of the Chambers County Court located in the Chambers County Courthouse, 404 Washington Avenue, Anahuac, Texas 77514. All persons interested in such application or desiring to comment thereon are invited to attend and participate in such hearing.

DATED: June 26, 2018

CHAMBERS COUNTY COMMISSIONERS COURT
ANAHUAC, TEXAS

ENTERPRISE PRODUCTS OPERATING LLC 2013 PROPERTY DESCRIPTION

88.077 ACRES

All that certain tract or parcel of land containing 88.077 acres of land, more or less, being a part of and out of the residue of a called 2,214-acre tract conveyed to Albert N. Nelson, Jr., et al by deed dated August 23, 1950 and recorded in Volume 126, Page 225, Deed Records of the Chambers County (C.C.D.R.), situated in the HANNAH NASH SURVEY, Abstract No. 20, Chambers County, Texas; said 88.077 acre tract being the same property conveyed to Gary R. Nelson by deed dated July 10, 2000 and recorded in Volume 00-464, Page 384, Official Public Records of the Chambers County, Texas (O.P.R.C.C.T).

8.437 ACRES

Being a tract or parcel of land containing 8.437 acres of land situated in the HANNAH NASH SURVEY, Abstract Number 20, Chambers County, Texas; being all of a called 6.854-acre tract, all of a called 1.262 acre tract, and all of a called 0.3214 acre tract described as "Tracts 1, 2 and 3" conveyed to Missouri Pacific Railroad Company (now known as Union Pacific Railroad Company) as described in deed recorded in Volume 95-279, Page 567 of the Official Public Record of Chambers County, Texas (O.P.R.C.C.T).

431.0 ACRES

A 431.0-acre tract of land situated in the HANNAH NASH LEAGUE, Abstract No.20, Chambers County, Texas, being out of and a part of the residue of 2,214 acres conveyed to Albert N. Nelson, Jr., by Albert N. Nelson, et ux, by deed dated December 31, 1959, and recorded in Volume 218 at Page 248 of the Deed Records of Chambers County, Texas, and a 13.354 acre tract of land conveyed to Albert N. Nelson, Jr., et al, by Chambers County, Texas, by deed dated September 1, 1995, and recorded in Volume 276 at Page 338 of the Official Public Records of Chambers County, Texas.

GUIDELINES AND CRITERIA FOR TAX ABATEMENT IN CHAMBERS COUNTY

SECTION 1 INTRODUCTION

In recognition of the fact that:

- a.) The creation and retention of job opportunities that bring new wealth is the highest civic priority;
- b.) New jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services;
- c.) The communities within Chambers County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects;
- d.) Any tax incentives offered in Chambers County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community;
- e.) Any tax incentives should not adversely affect the competitive position of existing companies operating in Chambers County;
- f.) The abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and
- g.) Effective September 1st, 1987, Texas law requires any eligible taxing jurisdiction to establish guidelines and criteria for tax abatement agreements prior to granting tax abatement, said guidelines and criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and Chambers County has developed the following guidelines and criteria for tax abatement.

SECTION 2 DEFINITIONS

- a.) **“Abatement”** means the full or partial exemption from ad valorem taxes of the increase in value of certain real property in a reinvestment zone designated for economic development purposes.
- b.) **“Eligible Jurisdiction”** means Chambers County and any municipality, school district or college district that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.
- c.) **“Agreement”** means a contractual agreement between a property owner and an eligible jurisdiction for the purpose of tax abatement.
- d.) **“Base Year Value”** means the assessed value of eligible property on the January 1st preceding the execution of the agreement.

- e.) **“Economic Life”** means the number of years a property improvement is expected to be in service in a facility.
- f.) **“Deferred Maintenance”** means improvements necessary for continued operations, which do not improve productivity or alter the process technology.
- g.) **“Expansion”** means the addition of buildings, structures, or fixed machinery or equipment for purposes of increasing production capacity.
- h.) **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
- i.) **“Manufacturing Facility”** means buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- j.) **“Modernization”** means the replacement and upgrading of existing facilities, which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, of fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- k.) **“New Facility”** means a property previously undeveloped, which is placed into service, by means other than or in conjunction with expansion or modernization.
- l.) **“Other Basic Industry”** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production or products or services and which result in the creation of new permanent jobs and bring in new wealth.
- m.) **“Wholesale Distribution Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- n.) **“Entertainment and Recreation Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.
- o.) **“Service Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.
- p.) **“Research Facility”** means building structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes of such goods or materials.

SECTION 3 ABATEMENT AUTHORIZED

- a.) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Wholesale Distribution Facility, Service Facility, Entertainment and Recreation Facility, or other Basic Industry.

- b.) **Creation of New Value.** Abatement may be only be granted for the additional value over the base year value resulting from eligible property improvements made subsequent to and listed in tax abatement agreement between the eligible jurisdiction and the property owner subject to such limitations as the eligible jurisdiction may require.
- c.) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- d.) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- e.) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for tax abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; watercraft; aircraft; housing; deferred maintenance investments; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has an economic life of less than 15 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- f.) **Owned/Leased Facilities.** In order for a facility to qualify for tax abatement, the land and eligible property must be owned and operated by the same individual or company or be leased to a facility operator whose lease term is at least 10 years.
- g.) **Value and Term of Abatement.** Tax Abatement for eligible property shall be granted effective with the January 1st valuation date immediately following the date of execution of the agreement and shall not exceed five (5) years, including construction time. The percentage of the new value created pursuant to the agreement on which taxes will be abated in each of the years for which abatement is granted shall be as follows:

1 st year	100%
2 nd year	100%
3 rd year	75%
4 th year	60%
5 th year	50%

If a modernization project includes facility replacements, the value to which abatement applies shall be the value of the new unit(s) less the value of the old unit(s).

Provided, however, that the value on which abatement is granted in any year shall not exceed the estimated increase in market value (required to be included in the tax abatement agreement in accordance with Section 6 (a), (1) resulting from construction of or improvements to eligible facilities.)

- h.) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax abatement, the proposed improvement;
 - (1) Must be reasonably expected to increase the value of property in the amount of \$500,000 or more after the period of abatement has expired;

- (2) Must be reasonably expected to prevent the loss of employment and to create employment at the facility for at least five people on a permanent basis and the owner must agree to exercise its best efforts to insure that 50% of new employees, or a minimum of two (2) employees, are residents of Chambers County, Harris County, Jefferson County, Galveston County, Hardin County and/or Liberty County; 10% of new employees, or a minimum of two (2) employees, are residents of Chambers County; and 5% of new employees, or a minimum of one (1) employee are resident(s) of the city in which the facility is located;
- (3) Must not be expected to solely or primarily have the effect of transferring employment from one part of Chambers County to another; and
- (4) If a new facility, must be necessary because capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.

Further, the owner of the proposed improvement must make every reasonable effort to use local resources in employees, goods and services at the facility.

- i.) **Taxability.** For tax years beginning on or after the execution of the tax abatement agreement to the end of the agreement period taxes shall be payable as follows;
 - (1) the value of ineligible property as provided in Section 3(e) shall be fully taxable;
 - (2) the base year value of existing eligible property shall be fully taxable; and
 - (3) the value of eligible property shall be taxable in the manner described in Section 3(g).

SECTION 4 APPLICATION

- a.) **Filing of Application.** Any present or potential owner of taxable property in Chambers County may request the creation of a reinvestment zone and tax abatement by filing a written request with the County Judge of Chambers County if the property is located outside of the taxing jurisdiction of a municipality.
- b.) **Content of Application.** The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a general descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and/or aerial and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the municipality or County deems appropriate for evaluating the financial capacity and other factors of the applicant.
- c.) **Notice to Eligible Jurisdiction.** Upon receipt and approval of an application, Chambers County shall notify in writing the presiding officer of the governing body of each eligible jurisdiction.

- d.) **Abatement Inapplicable to Prior Projects.** Chambers County shall not establish a reinvestment zone or enter into an abatement agreement if it finds that the request for the abatement was approved by Commissioner's Court after the construction, alteration, or installation of improvements began as related to a proposed modernization, expansion or new facility.
- e.) **Variance.** Requests for variance from the provisions of Subsections (a), (e) and (g) of Section 3 must be made in written form. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance.

**SECTION 5
PUBLIC HEARING AND APPROVAL**

- a.) **Public Hearing for Designation of Zone.** A resolution designating a reinvestment zone may not be adopted until the governing body has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be published at least seven (7) days prior to the hearing in a newspaper having general circulation in the eligible jurisdiction. The presiding officers of other eligible jurisdictions shall be notified in writing at least (7) days prior to the hearing.
- b.) **Findings Required for Agreement.** In order to enter into a tax abatement agreement, the eligible jurisdiction must find that the terms of the proposed agreement and the subject property meet these guidelines and criteria and that:
 - (1) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base; and
 - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.

**SECTION 6
AGREEMENT**

- a.) **Contents of Agreement.** After approval, the eligible jurisdiction shall formally approve and execute an agreement with the owner of the facility which agreement shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 3(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Section 4(b);
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 3(a), 3(f), 3(g), 7, 8, and 9, or other provisions that may be required for uniformity or by state law; and
 - (6) amount of investment and average number of jobs involved.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County. Upon execution of this agreement, it becomes the responsibility of the applicant to file with the County the necessary reports annually certifying employment and investment level as stated in the executed contract.

SECTION 7 RECAPTURE

The tax abatement agreement shall contain provisions for recapture of taxes abated in the event that 1) the improvements for which abatement was granted are not completed in accordance with agreement, 2) the owner allows ad valorem taxes owed the eligible jurisdictions granting abatement to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes, 3) the owner discontinues operating or using the property as required by the agreement, or 4) the owner breaches any of the terms or conditions of the agreement.

SECTION 8 ADMINISTRATION

- a.) **Appraisal and Assessment.** The Chief Appraiser of the County shall annually determine an appraisal of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions, which levy taxes of the amount of the assessment.
- b.) **Access to Property.** The agreement shall stipulate that employees and/or designated representatives of the contracting eligible jurisdiction shall have access to the subject property during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only upon twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility.
- c.) **Annual Evaluations.** Upon completion of construction, the jurisdiction creating the reinvestment zone shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement to the eligible jurisdictions.

SECTION 9 ASSIGNMENT

A tax abatement agreement may not be assigned unless written consent is first granted by the eligible jurisdiction that has entered into the agreement, which consent shall be at the sole discretion of such eligible jurisdiction. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements to, and operation of the property as the assignor, except to the extent such improvements have been completed. No assignment shall be approved by an eligible jurisdiction if the assignor or the assignee is indebted to the eligible jurisdiction for ad valorem taxes or other obligations.

SECTION 10
SUNSET PROVISIONS

- a.) These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and criteria will be modified, renewed or eliminated.
- b.) This policy applies only to the tax abatement under the provisions of Chapter 312. Property Redevelopment and Tax Abatement Act, Texas Tax Code.

APPLICATION FOR TAX ABATEMENT IN CHAMBERS COUNTY, TX

This application should be filed at least 90 days prior to the proposed date for beginning of construction or the installation of fixed machinery and equipment. **Projects that have begun construction (including earthwork) prior to County approval of final contracts are ineligible.** The filing of this document acknowledges familiarity and conformance with Guidelines and Criteria for Tax Abatement in Chambers County (attached). This application will become part of the agreement and any knowingly false representations will be grounds to void the agreement. Original copy of this request should be submitted to the County Judge Jimmy Sylvia, 404 Washington Avenue, P. O. Box 939, Anahuac, Texas 77514 if the property is located outside the corporate limits of a municipality. If the property is within the corporate limits of a municipality, the application should be submitted to the city manager of the municipality or city administrator. Note: Approval of this application is only 1 step in securing tax abatement. The applicant must provide other legal documents.

Upon approval, the applicant must maintain membership in the Baytown-West Chambers County Economic Development Foundation, commencing the date of agreement and extending for the term of this agreement, at the standard rate for similar size companies as established by the Foundation.

APPLICANT INFORMATION

Date: September 22, 2021

Company Name: _____
Address: _____
City: _____ State: _____ Zip-Code: _____

APPLICANT MUST SUBMIT ANNUAL REPORT. (See instructions).

Number of Employees: _____
Annual Sales: _____
Corporation: Partnership: Proprietorship:

PROJECT INFORMATION

Type of Facility

See Instructions

- Manufacturing Facility
- Wholesale Distribution Facility
- Research Facility
- Service Facility
- Entertainment & Recreation Facility
- Other Basic Industry

Proposed Project Location Address and Legal Description: _____

Attach map and/or aerial showing proposed site

Jurisdictions:

School District _____
College District _____
City or Town _____

Describe Product or Service

Project Description:

Attach narrative(s) fully explaining the project, describe existing site and proposed improvements and provide list of improvements and fixed machinery and equipment for which abatement is requested.

NEW PLANT EXPANSION MODERNIZATION

ECONOMIC INFORMATION

Construction Estimates:

Start Month/Year ____/____ Construction Man Years ____
 Completion Date ____/____ Peak Construction Jobs ____

If Modernization:

Estimated Economic Life of Existing Plant ____ Years
 Added Economic Life from Modernization ____ Years

Permanent Employment Estimates (PEE'S)

Current Plant Employment ____
 Number of Plant Jobs Retained or Created
 At start/opening ____ in year ____
 5 years into operation ____ in year ____

Estimated Appraised Value on Site

	Personal	Improvements	Land
Value January 1 Preceding Abatement Agreement:	_____	_____	_____
Est. Value of Improvements:	_____	_____	_____
Est. Value of Abated Properties After Abatement Expires:	_____	_____	_____
Value upon Completion of Project – Personal Property and Project Improvements Not Subject To Abatement:	_____	_____	_____

VARIANCE

Is the applicant seeking a variance under Section 4 (e) of the guidelines? YES NO
If "YES", attach required supplementary information.

OTHER ABATEMENTS. Has the company made application for abatement for this project to other taxing jurisdictions or nearby counties? YES NO. If "YES" please provide dates of application, hearing dates if held or scheduled, name of jurisdictions and contacts, and letter of intent.

COMPANY REPRESENTATIVE TO BE CONTACTED:

NAME: _____
Signature of Company Official

TITLE: _____
Name & Title of Company Official

ADDRESS: _____
CITY: _____ STATE: _____ ZIP-CODE: _____
TELEPHONE: _____

INSTRUCTIONS

Applicant and projects must meet the requirements established in the Guidelines and Criteria (attached) in order to receive positive consideration. Section 3 of the Guidelines, for example, sets out improvements, terms and economic qualifications. Conformance with all sections, however, is required for eligibility.

APPLICANT INFORMATION

The taxing unit may consider applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned businesses of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established; business references (name, contact and telephone number of principal bank, accountant and attorney) and may be required to submit an audited financial statement and business plan.

PROJECT INFORMATION

Only facilities listed in Section 3(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2 to confirm project qualification.

ECONOMIC INFORMATION

Permanent Employment Estimates – In estimating the permanent employment, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

Estimated Appraised Value on Site – The value January 1st preceding abatement should be the value established by the Chambers County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least five hundred thousand dollars (\$500,000.00) after the period of abatement expires. Projections of value should be a “best estimate” based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plant administration, housing, etc.

Tab # 17

**Signature and Certification page, signed
and dated by Authorized School District
Representative and Authorized Company
Representative (applicant)**

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 → Becky McManus Assistant Superintendent of Finance
Print Name (Authorized School District Representative) Title

sign here → *Becky McManus* 5/16/22
Signature (Authorized 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.

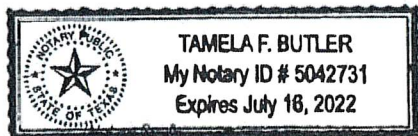
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here → Curt Tate Senior Tax Director
Print Name (Authorized Company Representative (Applicant)) Title

sign here → *Curt Tate* May 6, 2022
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the

29th day of April, 2022
Tamela F. Butler
 Notary Public in and for the State of Texas
 My Commission expires: 07-16-2022



If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.