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TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

November 24, 2015

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

RE: Application to the Calhoun County Independent School District from Novus International, Inc.

(First Qualifying Year 2019, First Value Limitation Year 2021)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Calhoun County Independent School District is notifying Novus International, Inc. of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the school district on November 16, 2015. The Board voted to accept the application on November 16, 2015. The application has been determined complete as of November 24, 2015. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in 2021. Please prepare the economic impact report.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Calhoun County Appraisal District
Novus International, Inc.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 1

Pages 1 through 9 of application.



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

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 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 original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. 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, the Comptroller will publish all submitted 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 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, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation 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), 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 www.texasahead.org/tax_programs/chapter313/. 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

November 16, 2015

Date Application Received by District

Dr. James

First Name

Superintendent

Title

Calhoun County ISD

School District Name

525 N. Commerce Street

Street Address

525 N. Commerce Street

Mailing Address

Port Lavaca

City

361-552-9728

Phone Number

Mobile Number (optional)

Cowley

Last Name

TX

State

361-551-2648

Fax Number

cowleyj@calcoisd.org

Email Address

77979

ZIP

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)

<u>Daniel T.</u> First Name	<u>Casey</u> Last Name
<u>Partner</u> Title	
<u>Moak, Casey & Associates LLP</u> Firm Name	
<u>512-485-7878</u> Phone Number	<u>512-485-7888</u> Fax Number
<u></u> Mobile Number (optional)	<u>dcasey@moakcasey.com</u> Email Address

4. On what date did the district determine this application complete? 11/24/2015
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Jeffrey</u> First Name	<u>Klopfenstein</u> Last Name
<u>President, Methionine Business</u> Title	<u>Novus International, Inc.</u> Organization
<u>20 Research Park Drive</u> Street Address	
<u>20 Research Park Drive</u> Mailing Address	
<u>St. Charles</u> City	<u>MO</u> State
<u>314-576-8433</u> Phone Number	<u>63304-5633</u> ZIP
<u></u> Mobile Number (optional)	<u>314-514-3226</u> Fax Number
	<u>Jbklop@novusint.com</u> 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.

<u>Roger</u> First Name	<u>Holtzclaw</u> Last Name
<u>Director Capital Projects</u> Title	<u>Novus International, Inc.</u> Organization
<u>5995 Rogerdale Rd.</u> Street Address	
<u>5995 Rogerdale Rd.</u> Mailing Address	
<u>Houston</u> City	<u>TX</u> State
<u>832-351-6614</u> Phone Number	<u>77072</u> ZIP
<u></u> Mobile Number (optional)	<u></u> Fax Number
	<u>Roger.holtzclaw@novusint.com</u> 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)

Greg Maxim
 First Name Last Name
 Partner
 Title
 Cummings Westlake, LLC
 Firm Name
 713-266-4456 713-266-2333
 Phone Number Fax Number
 gmaxim@cwlp.net
 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 time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

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? Novus International, Inc.

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 14315757584

3. List the NAICS code 311119

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

4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

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 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.

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

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

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

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.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<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

- 1. Application approval by school board April 2016
 - 2. Commencement of construction January 2018
 - 3. Beginning of qualifying time period 2019
 - 4. First year of limitation 2021
 - 5. Begin hiring new employees Q3 - 2020
 - 6. Commencement of commercial operations Q3 - 2020
 - 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
- Note:** Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Q3 - 2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Calhoun
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Calhoun
- 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:

County: <u>Calhoun, .49, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>CCGCD, .01, 100% *</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. 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
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: 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 www.texasahead.org/tax_programs/chapter313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
 - 2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
- 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 on the property 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: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) 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); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
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 a 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? February 2016

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**. 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 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 (question 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 listed in response to questions 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 (that property described in response to question 1): \$ 87,012,600.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of 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 question 2): \$ 0.00

Note: Investment for the property listed in question 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 estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 14

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

4. What is the number of new qualifying jobs you are committing to create? 10

5. What is the number of new non-qualifying jobs you are estimating you will create? 20

6. 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

6a. If yes, attach evidence 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.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC 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 from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

a. Average weekly wage for all jobs (all industries) in the county is 1,208.75

b. 110% of the average weekly wage for manufacturing jobs in the county is 1,894.48

c. 110% of the average weekly wage for manufacturing jobs in the region is 1,025.69

8. 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)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 53,336.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 54,000.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. 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

12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. 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

13a. 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, C, and D 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 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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

A copy of the check for the \$75,000 application fee to Calhoun County ISD is found on the following page.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 3

*Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)*

Novus International, Inc. is part of a combined group. See attached Form 05-166.

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 132559853	Report year 2015	Reporting entity taxpayer name Mitsui & Co. (USA), Inc. and Affiliates
-----------------------------------------------	---------------------	---------------------------------------------------------------------------

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Novus International, Inc.		2. Affiliate taxpayer number (if none, use FEI number) 431575758		3. Affiliate NAICS code 424690	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 781564683.00			
10. Gross receipts in Texas (before eliminations) 23117909.00		11. Cost of goods sold or compensation (before eliminations) 605105043.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate NOVUS Arkansas, LLC		2. Affiliate taxpayer number (if none, use FEI number) 203478871		3. Affiliate NAICS code 325180	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate Novus International Holdings, LLC		2. Affiliate taxpayer number (if none, use FEI number) 431889356		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. The information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

<input checked="" type="checkbox"/> Reporting entity taxpayer number	<input checked="" type="checkbox"/> Report year	Reporting entity taxpayer name
132559853	2015	Hizumi & Co. (USA), Inc. and Affiliates

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
MHBA CB, LLLP (f/k/a Novus International, LLLP)		431889359		325180	
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
<input type="checkbox"/>	<input type="checkbox"/>	040113		033114	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0.00		229722729.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
229722729.00		204835632.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
Novus Nutrition Brands LLC		208545165		325180	
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	040113		033114	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0.00		1688694.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0.00		195872509.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
Olympia MSI, LLC (f/k/a Agoura Hills MSI, LLC, fka V		260535547			
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	040113		033114	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0.00		0.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0.00		0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. The information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
-------	--------------------------	----	--------------------------



TAB 4

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

Description of Project

Novus International, Inc. ("Novus") is evaluating the development of a project to construct a facility to produce 100 KTA of Alimet®, a proprietary animal feed methionine supplement produced and distributed by Novus. Methionine is an essential amino acid used in industrial production of poultry and other animals. The project includes the design, procurement, fabrication, and construction of a manufacturing plant to be located at Ineos USA LLC facility at Green Lake Texas.

New property necessary for the proposed facility includes, but is not limited to, the following:

- MMP Charge Vessel
- Nitrile Reactor
- Nitrile Vessels
- Hydrolysis Reactors
- Hydrolyze Surge Vessels
- Extractor
- Strippers
- Extractor and Separation Vessels
- Receivers
- Solvent Receiver and Distillation Column
- Deepwell Surge Tank
- Brine Tanks
- Coolers
- HCN Column and Absorber
- NH3 Knockout and Blowdown Drums
- Sulfuric Acid Storage Tank
- HCN Product Reflux Drum
- Anti-foam Storage Tank
- Glycol Brine Storage Tank

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY NOVUS INTERNATIONAL, INC. TO CALHOUN COUNTY ISD

- Flare
- Thermal Oxidizer
- Furnace
- Cooling Tower
- Boiler Feed Water Tank
- Clarified Water System
- Waste Water Tank
- Process Sewer Storage Tanks
- Chilled Water Tanks
- Safety Shower Water Drum
- Main Collection Sewer Tanks
- Fire Water Fuel Tank
- Diesel Storage Tank
- Storm Water Tank
- Sulfuric Acid Tank
- Sulfuric Acid Shift Tank
- Ammonia Tank
- Glacial Acetic Acid Tank
- Demineralized Water Break Tank
- Alimet Tanks
- MMP Tanks
- HCN Waste K/O Drum and Tank
- Steam Condensate K/O Drum and Tank
- Fuel and Flare K/O Drums
- Heat Exchangers, Coolers and Reboilers
- Pumps
- Compressors
- Agitators
- All buildings, including but not limited to, control rooms, warehouses, locker rooms, etc.

Also included in this application, but not limited to, are all of the associated concrete foundations, pipe supports, intraplant piping, intraplant conduit and connections, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

The estimated capital investment cost of the project is \$400 million. If the technical

Novus International, Inc.

Chapter 313 Application to Calhoun County ISD

Cummings Westlake, LLC

viability of the project is confirmed; all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received; then construction could start as early as 2018 with commencement of commercial operations as in Q3 - 2020.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

Novus International, Inc. is a leader in the global production of animal nutrition products with manufacturing facilities in Little Rock, Arkansas, Beaumont, Texas and Chocolate Bayou near Alvin, Texas. Novus is evaluating the construction of additional production capacity in Calhoun County, Texas. The applicant requires this appraised value limitation in order to move forward with the development of the project. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the project to compete for global customers against similar projects operated by competitors of Novus in the U.S. and around the world. Without this appraised value limitation Novus would have to strongly consider making this investment at another site outside of Texas rather than Calhoun County.

The project is still in an evaluation stage; only very preliminary development activities have begun. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project. No public announcements of a definitive intent to construct the project have been made – any statements have indicated only that Novus is considering the additional investment. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the project is technically viable and can be cost-competitive in the global marketplace.

Novus is also considering making this investment in St. Gabriel Parish, Louisiana. Novus has been offered significant incentives by Louisiana Economic Development. The incentive offer is attached.

TAB 6

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

- | | |
|--------------------------------------------------|--------|
| 1) Calhoun County | - 100% |
| 2) Calhoun County Groundwater Conservation Dist. | - 100% |
| 3) Calhoun County ISD | - 100% |

TAB 7

Description of Qualified Investment

Novus International, Inc. (“Novus”) is evaluating the development of a project to construct a facility to produce 100 KTA of Alimet®, a proprietary animal feed methionine supplement produced and distributed by Novus. Methionine is an essential amino acid used in industrial production of poultry and other animals. The project includes the design, procurement, fabrication, and construction of a manufacturing plant to be located at Ineos USA LLC facility at Green Lake Texas.

New property necessary for the proposed facility includes, but is not limited to, the following:

- MMP Charge Vessel
- Nitrile Reactor
- Nitrile Vessels
- Hydrolysis Reactors
- Hydrolyze Surge Vessels
- Extractor
- Strippers
- Extractor and Separation Vessels
- Receivers
- Solvent Receiver and Distillation Column
- Deepwell Surge Tank
- Brine Tanks
- Coolers
- HCN Column and Absorber
- NH3 Knockout and Blowdown Drums
- Sulfuric Acid Storage Tank
- HCN Product Reflux Drum
- Anti-foam Storage Tank
- Glycol Brine Storage Tank
- Flare
- Thermal Oxidizer
- Furnace
- Cooling Tower
- Boiler Feed Water Tank

- Clarified Water System
- Waste Water Tank
- Process Sewer Storage Tanks
- Chilled Water Tanks
- Safety Shower Water Drum
- Main Collection Sewer Tanks
- Fire Water Fuel Tank
- Diesel Storage Tank
- Storm Water Tank
- Sulfuric Acid Tank
- Sulfuric Acid Shift Tank
- Ammonia Tank
- Glacial Acetic Acid Tank
- Demineralized Water Break Tank
- Alimet Tanks
- MMP Tanks
- HCN Waste K/O Drum and Tank
- Steam Condensate K/O Drum and Tank
- Fuel and Flare K/O Drums
- Heat Exchangers, Coolers and Reboilers
- Pumps
- Compressors
- Agitators
- All buildings, including but not limited to, control rooms, warehouses, locker rooms, etc.

Also included in this application, but not limited to, are all of the associated concrete foundations, pipe supports, intraplant piping, intraplant conduit and connections, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

TAB 8

Description of Qualified Property

Novus International, Inc. (“Novus”) is evaluating the development of a project to construct a facility to produce 100 KTA of Alimet®, a proprietary animal feed methionine supplement produced and distributed by Novus. Methionine is an essential amino acid used in industrial production of poultry and other animals. The project includes the design, procurement, fabrication, and construction of a manufacturing plant to be located at Ineos USA LLC facility at Green Lake Texas.

New property necessary for the proposed facility includes, but is not limited to, the following:

- MMP Charge Vessel
- Nitrile Reactor
- Nitrile Vessels
- Hydrolysis Reactors
- Hydrolyze Surge Vessels
- Extractor
- Strippers
- Extractor and Separation Vessels
- Receivers
- Solvent Receiver and Distillation Column
- Deepwell Surge Tank
- Brine Tanks
- Coolers
- HCN Column and Absorber
- NH3 Knockout and Blowdown Drums
- Sulfuric Acid Storage Tank
- HCN Product Reflux Drum
- Anti-foam Storage Tank
- Glycol Brine Storage Tank
- Flare
- Thermal Oxidizer
- Furnace
- Cooling Tower

- Boiler Feed Water Tank
- Clarified Water System
- Waste Water Tank
- Process Sewer Storage Tanks
- Chilled Water Tanks
- Safety Shower Water Drum
- Main Collection Sewer Tanks
- Fire Water Fuel Tank
- Diesel Storage Tank
- Storm Water Tank
- Sulfuric Acid Tank
- Sulfuric Acid Shift Tank
- Ammonia Tank
- Glacial Acetic Acid Tank
- Demineralized Water Break Tank
- Alimet Tanks
- MMP Tanks
- HCN Waste K/O Drum and Tank
- Steam Condensate K/O Drum and Tank
- Fuel and Flare K/O Drums
- Heat Exchangers, Coolers and Reboilers
- Pumps
- Compressors
- Agitators
- All buildings, including but not limited to, control rooms, warehouses, locker rooms, etc.
- Land acquired by Novus International and/or a subsidiary.

Also included in this application, but not limited to, are all of the associated concrete foundations, pipe supports, intraplant piping, intraplant conduit and connections, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 9

Description of Land

Please see the attached legal description of the land for the proposed project. Applicant is in negotiations to purchase this land should the project move forward but has not done so as of the date of application. Applicant estimates the land to be valued at 300,000.

The proposed project is the area of land that is part of Calhoun County Appraisal Account Numbers 36101, 37866, 39806 and 33793 with the following legal descriptions; A0040 Jose Maria Arocha, Acres 559.8; A0072 Abraham M Gwatney, Tract PT 1, Acres 314.6; A0131 John Pickering, Tract PT 1, Acres 331.24; and A0163 Michael Doyle, Acres 324.148 PT of LT 1 respectively, and is also located within the GPS Point Coordinates listed below.

Point Coordinates of proposed project land:

<u>Point #</u>	<u>Latitude</u>	<u>Longitude</u>
1	28d35'07.06"N	96d50'09.31"W
2	28d35'01.33"N	96d50'15.14"W
3	28d34'35.84"N	96d50'40.15"W
4	28d33'52.01"N	96d51'23.39"W
5	28d33'49.09"N	96d51'19.59"W
6	28d33'54.54"N	96d51'14.21"W
7	28d33'56.82"N	96d51'17.17"W
8	28d34'34.90"N	96d50'39.57"W
9	28d34'21.28"N	96d50'31.15"W
10	28d34'26.97"N	96d50'19.32"W
11	28d34'06.13"N	96d50'07.67"W
12	28d33'56.03"N	96d50'32.80"W
13	28d33'43.07"N	96d50'24.79"W
14	28d33'39.79"N	96d50'23.36"W
15	28d33'37.45"N	96d50'23.42"W
16	28d33'30.19"N	96d50'25.75"W
17	28d33'25.49"N	96d50'22.86"W
18	28d33'25.96"N	96d50'21.88"W
19	28d33'30.31"N	96d50'24.55"W
20	28d33'39.80"N	96d50'21.49"W
21	28d33'55.63"N	96d50'31.28"W
22	28d34'07.45"N	96d50'06.76"W
23	28d33'56.50"N	96d49'59.99"W
24	28d33'54.46"N	96d50'04.20"W
25	28d33'53.94"N	96d50'03.88"W

Novus International, Inc.

Chapter 313 Application to Calhoun County ISD

Cummings Westlake, LLC

26	28d33'56.25"N	96d49'59.07"W
27	28d34'08.60"N	96d50'06.70"W
28	28d34'08.46"N	96d50'06.99"W
29	28d34'27.30"N	96d50'18.64"W
30	28d34'34.06"N	96d50'04.58"W
31	28d34'29.50"N	96d50'01.76"W
32	28d34'38.48"N	96d49'42.77"W
33	28d34'45.50"N	96d49'49.03"W

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 10

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

All existing property that is located in the proposed Reinvestment Zone is owned by INEOS and is tracked by the Calhoun County Appraisal District on the following accounts.

<u>CAD Account #</u>	<u>Owner</u>	<u>2015 Assessed Value of Improvements</u>
50460	INEOS USA LLC	\$59,681,200
53508	INEOS USA LLC	\$11,663,900
54663	INEOS USA LLC	\$15,667,500

If the proposed Novus International project gets built the Appraisal District will create a new account under the name Novus to track all improvements that qualify under this 313 value limitation.

Calhoun CAD

Property Search Results > 50460 INEOS USA LLC for Year 2015

Property

Account

Property ID: 50460 Legal Description: REALTY IMPROVEMENTS EXCLUDING LAND GREEN LAKE PLANT LAND VALUE ON ACCT A0131-00000-0001-00
 Geographic ID: 029-2-000460-000010 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: Mapsco:
 Neighborhood: CAPITAL APPRAISAL Map ID:
 Neighborhood CD: CAPITAL

Owner

Name: INEOS USA LLC Owner ID: 82574
 Mailing Address: 13050 STATE HWY 185 % Ownership: 100.0000000000%
 PO BOX 659
 PORT LAVACA, TX 77979

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$59,681,200	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$59,681,200	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$59,681,200	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$59,681,200	

Taxing Jurisdiction

Owner: INEOS USA LLC
 % Ownership: 100.0000000000%
 Total Value: \$59,681,200

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	CALHOUN COUNTY APPRAISAL DISTRICT	0.000000	\$59,681,200	\$59,681,200	\$0.00
FML	FARM TO MARKET & LATERAL ROAD	0.000000	\$59,681,200	\$59,681,200	\$0.00
G05	CALHOUN COUNTY	0.490000	\$59,681,200	\$59,681,200	\$292,437.88
GWD	CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT	0.010000	\$59,681,200	\$59,681,200	\$5,968.12
S01	CALHOUN COUNTY ISD	1.293600	\$59,681,200	\$59,681,200	\$772,036.00
Total Tax Rate:		1.793600			
				Taxes w/Current Exemptions:	\$1,070,442.00
				Taxes w/o Exemptions:	\$1,070,442.00

Calhoun CAD

Property Search Results > 53508 INEOS USA LLC for Year 2015

Property

Account

Property ID: 53508 Legal Description: TCEQ EXEMPT ALL TCEQ PROPERTY
 Geographic ID: 029-2-000460-000040 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: Mapsco:
 Neighborhood: CAPITAL APPRAISAL Map ID:
 Neighborhood CD: CAPITAL

Owner

Name: INEOS USA LLC Owner ID: 82574
 Mailing Address: 13050 STATE HWY 185 % Ownership: 100.0000000000%
 PO BOX 659
 PORT LAVACA, TX 77979
 Exemptions: PC

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$11,663,900	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$11,663,900	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$11,663,900	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$11,663,900	

Taxing Jurisdiction

Owner: INEOS USA LLC
 % Ownership: 100.0000000000%
 Total Value: \$11,663,900

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	CALHOUN COUNTY APPRAISAL DISTRICT	0.000000	\$11,663,900	\$0	\$0.00
FML	FARM TO MARKET & LATERAL ROAD	0.000000	\$11,663,900	\$0	\$0.00
G05	CALHOUN COUNTY	0.490000	\$11,663,900	\$0	\$0.00
GWD	CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT	0.010000	\$11,663,900	\$0	\$0.00
S01	CALHOUN COUNTY ISD	1.293600	\$11,663,900	\$0	\$0.00
Total Tax Rate:		1.793600			
				Taxes w/Current Exemptions:	\$0.00
				Taxes w/o Exemptions:	\$209,203.71

Calhoun CAD

Property Search Results > 54663 INEOS USA LLC for Year 2015

Property

Account

Property ID: 54663 Legal Description: POLLUTION CONTROL-@ 24% EXEMPT TNRCC #96-2507 - THIRD REACTOR
 Geographic ID: 029-2-000460-000015 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: Mapsco:
 Neighborhood: CAPITAL APPRAISAL Map ID:
 Neighborhood CD: CAPITAL

Owner

Name: INEOS USA LLC Owner ID: 82574
 Mailing Address: 13050 STATE HWY 185 % Ownership: 100.0000000000%
 PO BOX 659
 PORT LAVACA, TX 77979
 Exemptions: PC

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$15,667,500	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$15,667,500	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$15,667,500	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$15,667,500	

Taxing Jurisdiction

Owner: INEOS USA LLC
 % Ownership: 100.0000000000%
 Total Value: \$15,667,500

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	CALHOUN COUNTY APPRAISAL DISTRICT	0.000000	\$15,667,500	\$11,907,300	\$0.00
FML	FARM TO MARKET & LATERAL ROAD	0.000000	\$15,667,500	\$11,907,300	\$0.00
G05	CALHOUN COUNTY	0.490000	\$15,667,500	\$11,907,300	\$58,345.77
GWD	CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT	0.010000	\$15,667,500	\$11,907,300	\$1,190.73
S01	CALHOUN COUNTY ISD	1.293600	\$15,667,500	\$11,907,300	\$154,032.84
Total Tax Rate:		1.793600			
				Taxes w/Current Exemptions:	\$213,569.34
				Taxes w/o Exemptions:	\$281,012.28

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 11

Maps that clearly show:

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

See attached maps.

11a & f) Vicinity Map of Project and Proposed Reinvestment Zone



CALHOUN COUNTY
N.T.S.

NO.	REVISION	BY	CHKD	DATE	REFERENCE DRAWINGS		FOR ASB	FOR CONS	REVISION	DATE	VICINITY MAP	GREEN LAKE, TEXAS	DATE	SCALE	SHEET NO.	REV.
					PROJECT	DATE										

TAYLOR 811
Call Before You Dig
Toll Free 1-877-458-8111

JACOBS
JEG JOB NO.: 58RR0022

ALUMET PRODUCTION PLANT

DATE: 11/27/15

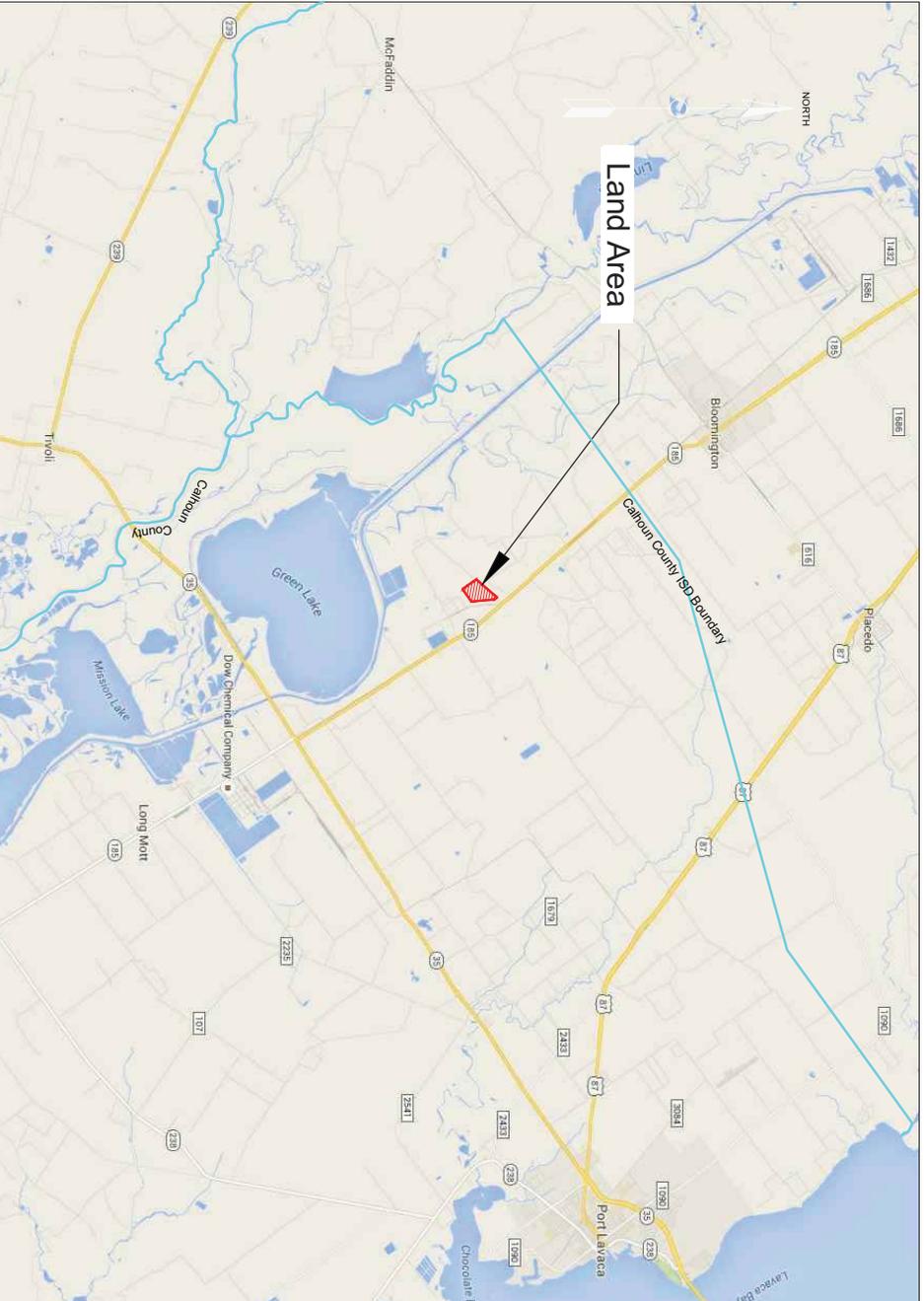
SCALE: 1"=100'

SHEET NO.: 58-CIVIL-5000

REV. A

11e) Land Location within vicinity map

VICINITY MAP



CALHOUN COUNTY
N.T.S.

NO.	REVISION	BY	DATE	REFERENCE DRAWINGS		FOR ASB	FOR COST	REVISION	DATE	VICINITY MAP	GREEN LAKE, TEXAS	DATE	SCALE	SHEET NO.	REV.
				PROJECT	NO.										




JEG JOB NO.: 58RR0022

NO. REVISION BY DATE

PROJECT NO. DATE

FOR ASB FOR COST

REVISION DATE

VICINITY MAP

GREEN LAKE, TEXAS

DATE

SCALE

SHEET NO.

REV.

JEG JOB NO.: 58RR0022

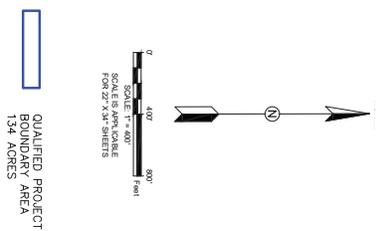
PROJECT NO. DATE

FOR ASB FOR COST

REVISION DATE

VICINITY MAP
GREEN LAKE, TEXAS
DATE
SCALE
SHEET NO.
REV.

11e-1) Map of Land to become Qualified Property



POINT NUMBER	LATITUDE	LONGITUDE
1	28d35'1.33"N	96d50'15.14"W
2	28d34'58.84"N	96d50'14.09"W
3	28d34'31.635"N	96d50'9.62"W
4	28d34'21.28"N	96d50'31.15"W
5	28d34'35.84"N	96d50'40.15"W

- NOTES:
1. INFORMATION PROVIDED IS PRELIMINARY AND SHALL BE CONFIRMED BY SURVEY.
 2. BOUNDARY TO BE CONFIRMED BY PHASE 2 FINAL PLOT PLAN.

ISSUED FOR INFORMATION ONLY



JEG JOB NO.: 58RR0022

NO.	REVISION	BY	DATE	CHKD	APP'D	NO.	REVISION	BY	DATE	CHKD	APP'D
A						B					
						C					
						D					
						E					
						F					
						G					
						H					
						I					
						J					
						K					

OWNER	ALUMET PRODUCTION PLANT	GREEN LAKE, TEXAS
DATE	10/29/15	
SCALE	AS SHOWN	
SHEET NO.	SR-101	
REV.	A	

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 12

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

Not applicable. There is no job waiver request.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

See attachments.

**NOVUS INTERNATIONAL, INC.
TAB 13 TO CHAPTER 313 APPLICATION**

**CALHOUN COUNTY ISD - CALHOUN COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 1,231	\$ 64,012
SECOND	2015	\$ 1,184	\$ 61,568
THIRD	2014	\$ 1,162	\$ 60,424
FOURTH	2014	\$ 1,258	\$ 65,416
AVERAGE		\$ 1,208.75	\$ 62,855

**CALHOUN COUNTY ISD - CALHOUN COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 1,798	\$ 93,496
SECOND	2015	\$ 1,676	\$ 87,152
THIRD	2014	\$ 1,680	\$ 87,360
FOURTH	2014	\$ 1,735	\$ 90,220
AVERAGE		\$ 1,722	\$ 89,557
		X 110%	110%
		\$ 1,894.48	\$ 98,513

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Golden Crescent	2014	\$ 932	\$ 48,487
		X 110%	110%
		\$ 1,025.69	\$ 53,336

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Calhoun County	Private	00	0	10	Total, All Industries	\$1,231
2015	2nd Qtr	Calhoun County	Private	00	0	10	Total, All Industries	\$1,184
2014	3rd Qtr	Calhoun County	Private	00	0	10	Total, All Industries	\$1,162
2014	4th Qtr	Calhoun County	Private	00	0	10	Total, All Industries	\$1,258

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	\$1,798
2015	2nd Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	\$1,676
2014	3rd Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	\$1,680
2014	4th Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	\$1,735

**2014 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

110% x \$48,487 =
\$53,336

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

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

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 14

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

See attached Schedules A1, A2, B, C and D.

PROPERTY INVESTMENT AMOUNTS

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

			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 new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Not eligible to become Qualified Property				
Investment made before filing complete application with district							
Investment made after filing complete application with district, but before final board approval of application	--	2018-2019	\$0	\$0	\$0	\$0	\$0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			\$138,000,000	\$7,000,000	\$0	\$0	\$145,000,000
Complete six years of qualifying time period	QTP-1	2019-2020	\$138,000,000	\$7,000,000	\$0	\$0	\$145,000,000
	QTP-2	2020-2021	\$104,000,000	\$6,000,000	\$0	\$0	\$110,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			\$380,000,000	\$20,000,000	\$0	\$0	\$400,000,000
Total Qualified Investment (sum of green cells)			\$400,000,000				

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

Date: 11/11/2015
 Applicant Name: Novus International, Inc.
 ISD Name: Calhoun County Independent School District
 Form 50-296A
 Revised May 2014

Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property			Estimated Taxable Value		
				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 18S after all reductions	Final taxable value for M&O after all reductions	
0	2018-2019	2018	\$300,000	\$0	\$50,140,000	\$300,000	\$42,448,800	\$300,000	\$42,448,800
0	2019-2020	2019	\$300,000	\$2,545,500	\$200,560,000	\$168,895,100	\$42,448,800	\$168,895,100	\$168,895,100
0	2020-2021	2020	\$300,000	\$10,181,800	\$372,400,000	\$313,900,000	\$313,900,000	\$313,900,000	\$30,000,000
1	2021-2022	2021	\$300,000	\$19,600,000	\$357,504,000	\$301,846,000	\$301,846,000	\$301,846,000	\$30,000,000
2	2022-2023	2022	\$300,000	\$19,306,000	\$343,203,800	\$290,266,800	\$290,266,800	\$290,266,800	\$30,000,000
3	2023-2024	2023	\$300,000	\$19,016,400	\$329,475,600	\$279,143,600	\$279,143,600	\$279,143,600	\$30,000,000
4	2024-2025	2024	\$300,000	\$18,731,200	\$316,296,600	\$268,458,100	\$268,458,100	\$268,458,100	\$30,000,000
5	2025-2026	2025	\$300,000	\$18,450,200	\$303,644,700	\$258,193,000	\$258,193,000	\$258,193,000	\$30,000,000
6	2026-2027	2026	\$300,000	\$18,173,400	\$291,498,900	\$248,331,600	\$248,331,600	\$248,331,600	\$30,000,000
7	2027-2028	2027	\$300,000	\$17,900,800	\$279,838,900	\$229,756,400	\$229,756,400	\$229,756,400	\$30,000,000
8	2028-2029	2028	\$300,000	\$17,632,300	\$268,645,300	\$221,012,400	\$221,012,400	\$221,012,400	\$30,000,000
9	2029-2030	2029	\$300,000	\$17,367,800	\$257,899,500	\$212,611,600	\$212,611,600	\$212,611,600	\$204,540,400
10	2030-2031	2030	\$300,000	\$17,107,300	\$247,583,500	\$204,540,400	\$204,540,400	\$204,540,400	\$204,540,400
11	2031-2032	2031	\$300,000	\$16,850,700	\$237,680,200	\$196,785,700	\$196,785,700	\$196,785,700	\$189,335,000
12	2032-2033	2032	\$300,000	\$16,597,900	\$228,173,000	\$189,335,000	\$189,335,000	\$189,335,000	\$182,176,100
13	2033-2034	2033	\$300,000	\$16,348,900	\$221,012,400	\$182,176,100	\$182,176,100	\$182,176,100	\$175,297,600
14	2034-2035	2034	\$300,000	\$16,103,700	\$219,046,100	\$175,297,600	\$175,297,600	\$175,297,600	\$175,297,600
15	2035-2036	2035	\$300,000	\$15,862,100	\$210,284,300	\$168,688,300	\$168,688,300	\$168,688,300	\$162,337,600
16	2036-2037	2036	\$300,000	\$15,624,200	\$201,872,900	\$162,337,600	\$162,337,600	\$162,337,600	\$156,235,100
17	2037-2038	2037	\$300,000	\$15,389,800	\$193,798,000	\$156,235,100	\$156,235,100	\$156,235,100	\$150,371,000
18	2038-2039	2038	\$300,000	\$15,159,000	\$186,046,100	\$150,371,000	\$150,371,000	\$150,371,000	\$144,735,900
19	2039-2040	2039	\$300,000	\$14,931,600	\$178,604,300	\$144,735,900	\$144,735,900	\$144,735,900	\$139,320,600
20	2040-2041	2040	\$300,000	\$14,707,600	\$171,460,100	\$139,320,600	\$139,320,600	\$139,320,600	\$134,116,600
21	2041-2042	2041	\$300,000	\$14,487,000	\$164,601,700	\$134,116,600	\$134,116,600	\$134,116,600	\$129,115,400
22	2042-2043	2042	\$300,000	\$14,269,700	\$158,017,600	\$129,115,400	\$129,115,400	\$129,115,400	\$124,308,900
23	2043-2044	2043	\$300,000	\$14,055,700	\$151,696,900	\$124,308,900	\$124,308,900	\$124,308,900	\$124,308,900
24	2044-2045	2044	\$300,000	\$13,844,900	\$145,629,000	\$124,308,900	\$124,308,900	\$124,308,900	\$124,308,900
25	2045-2046	2045	\$300,000	\$13,637,200	\$139,803,800	\$124,308,900	\$124,308,900	\$124,308,900	\$124,308,900

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.

Date 11/11/2015

Applicant Name Novus International, Inc.

ISD Name Calhoun County Independent School District

Schedule C: Employment Information

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Qualifying Jobs		
				Column A Number of Construction FTE's or man-hours (Specify)	Column B Average annual wage rates for construction workers	Column C Non-Qualifying Jobs Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Qualifying Jobs Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Value Limitation Period The qualifying time period could overlap the value limitation period.	0	2018-2019	2018	322 FTE	\$78,725	0	0	\$0
	0	2019-2020	2019	322 FTE	\$80,694	0	0	\$0
	0	2020-2021	2020	241 FTE	\$82,711	0	0	\$0
	1	2021-2022	2021		\$0	20	10	\$54,000
	2	2022-2023	2022		\$0	20	10	\$54,000
	3	2023-2024	2023		\$0	20	10	\$54,000
	4	2024-2025	2024		\$0	20	10	\$54,000
	5	2025-2026	2025		\$0	20	10	\$54,000
	6	2026-2027	2026		\$0	20	10	\$54,000
	7	2027-2028	2027		\$0	20	10	\$54,000
8	2028-2029	2028		\$0	20	10	\$54,000	
9	2029-2030	2029		\$0	20	10	\$54,000	
10	2030-2031	2030		\$0	20	10	\$54,000	
Years Following Value Limitation Period	11 through 25	2031-2046	2031-2045		\$0	20	10	\$54,000

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Date

11/11/2015

Schedule D: Other Incentives (Estimated)

Applicant Name

Novus International, Inc.

Form 50-296A

ISD Name

Calhoun County Independent School District

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:					
Tax Code Chapter 312	County: Calhoun County City: N/A Other: N/A	2021	2021-2030	12,969,200	see below	0
Local Government Code Chapters 380/381	County: City: N/A Other: N/A					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				12,969,200		0

Additional information on incentives for this project:

County 312 Terms: Novus anticipates a 10 year abatement at 100%

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 15

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

None.

Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

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

16 a) Not applicable

16 b) Will be provided once Calhoun County creates the Reinvestment Zone

16 c) Will be provided once Calhoun County creates the Reinvestment Zone

**GUIDELINES AND CRITERIA OF THE COMMISSIONERS' COURT
OF CALHOUN COUNTY FOR GRANTING TAX ABATEMENT AS A
BUSINESS INCENTIVE IN REINVESTMENT ZONES
CREATED IN CALHOUN COUNTY**

(For the period June 25, 2015 through June 24, 2017)

PREAMBLE

WHEREAS, the Commissioners' Court of Calhoun County by resolution adopted on March, 18, 1988 declared its eligibility to grant tax abatement; and

WHEREAS, by subsequent resolutions the Commissioners' Court of Calhoun County adopted and extended Guidelines and Criteria for granting tax abatement in reinvestment zones created in Calhoun County; and

WHEREAS, as a direct result of being eligible to grant tax abatement, Calhoun County, the Calhoun County Independent School District, Calhoun County Navigation District and other taxing jurisdictions in the county have been able to compete for and obtain expansion projects of the Union Carbide Corporation Seadrift Plant, with projects exceeding one hundred million dollars, and the Formosa Plastics Corporation, Texas facilities of approximately 1.3 billion dollars; and

WHEREAS, pursuant to the **PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE ANN.** Chapter 312, it is necessary to adopt Guidelines and Criteria for granting tax abatement agreements as a business incentive for the next two year period commencing June 25, 2015 through June 24, 2017, inclusive, said Guidelines and Criteria to be unchanged for the two year period, unless amended by three-quarters vote; and

NOW, THEREFORE, BE IT RESOLVED that the Commissioners' Court of Calhoun County does hereby adopt the following Guidelines and Criteria for granting tax abatement as a business incentive in reinvestment zones created within Calhoun County, Texas for the period June 25, 2015 through June 24, 2017, inclusive.

Section 1

DEFINITIONS

- (a) “ABATEMENT” means the exemption from ad valorem taxation of a portion or all of the eligible value of the real property or of tangible personal property located on the real property, or both, as limited by these Guidelines and Criteria and the provisions of TEX. TAX CODE ANN. §312.204.
- (b) “AGREEMENT” means a written contractual agreement between a property owner and/or lessee and an eligible taxing jurisdiction for the purposes of a business incentive.
- (c) “AQUACULTURE FACILITY” means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching or incubation or nursing or maturing or processing to marketable size aquatic culture in commercially marketable quantities.
- (d) “APPLICANT” means the legal entity seeking tax abatement as a business incentive.
- (e) “APPRAISED VALUE” means the last certified property value as approved by the Calhoun County Appraisal Review Board.
- (f) “BASE YEAR VALUE” means the appraised value of all property owned by the Taxpayer/applicant in the reinvestment zone as most recently determined by the Calhoun County Appraisal District immediately preceding the application, plus the agreed upon value of all property improvements made in the reinvestment zone since the last appraisal, but before the execution of the agreement.
- (g) “BUSINESS INCENTIVE” means an item offered of value to a business that induces the business to locate in a particular jurisdiction.
- (h) “COMMENCEMENT OF CONSTRUCTION” means the placement or construction of any improvements that are part of the project in the reinvestment zone. The storage of building materials in the reinvestment zone that are to be used in construction of the improvements does not constitute commencement of construction. Engineering, site preparation and similar activity shall not be considered commencement of construction so long as permanent improvements that are part of the project have not been constructed and placed in the reinvestment zone.

- (i) **“COMMISSIONERS”** or **“COMMISSIONERS’ COURT”** means the Commissioners’ Court and governing body of Calhoun County, Texas.
- (j) **“COUNTY”** means Calhoun County, Texas, a political subdivision of the State of Texas.
- (k) **“DEFERRED MAINTENANCE”** means improvements necessary for continued operations which do not improve the productivity or alter the process technology.
- (l) **“DESIGNATING AUTHORITY”** means the taxing unit that has the authority to designate the reinvestment zone in which the proposed project is located.
- (m) **“DESIGNEE”** unless otherwise indicated, means any person or entity authorized by the Commissioners’ Court to act on behalf of the County.
- (n) **“ECONOMIC LIFE”** means the number of years a property improvement is expected to be in service in a facility, and will continue to have value for ad valorem tax purposes throughout such term
- (o) **“ELIGIBLE JURISDICTION”** includes Calhoun County and any navigation district, any drainage district, and municipal utility district, any water quality improvement district, any municipality, and the Calhoun County Independent School District, that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.
- (p) **“EXPANSION”** means the addition of building, structures, fixed machinery or equipment for purposes of increasing production capacity.
- (q) **“FACILITY”** means property improvements proposed, completed, or in the process of construction which together comprise an integral whole.
- (r) **“INFRASTRUCTURE”** means a system of public works installed in a residential subdivision, whether public or private, to include, but not be limited to, roadways, utility service including water, sewer and electrical service, and bulk heading.
- (s) **“MANUFACTURING FACILITY”** means building 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.
- (t) **“MATERIAL MISREPRESENTATION”** means a false statement about a material matter which induced the Commissioners’ Court to take any specific action on

an application for tax abatement as a business incentive, and without such misrepresentation, the Commissioners' Court would either not have designated a reinvestment zone, or granted tax abatement as a business incentive or would have taken some action different than it actually did.

(u) "**MODERNIZATION**" means the replacement or upgrading of existing facilities which increases the productivity 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, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

(v) "**NEW FACILITY**" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(w) "**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, and result in the creation of new permanent jobs within Calhoun County and inject new wealth into Calhoun County.

(x) "**PROJECT**" is a reference to the entire proposal of work and improvements to be accomplished in the reinvestment zone as described in the application and tax abatement as a business incentive agreement.

(y) "**REGIONAL DISTRIBUTION CENTER FACILITY**" means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.

(z) "**REGIONAL ENTERTAINMENT**" means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission or the general public.

(aa) "**REGIONAL SERVICE FACILITY**" means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.

(bb) "**REINVESTMENT ZONE-COUNTY DESIGNATED**" means any area of Calhoun County which has been designated a reinvestment zone for tax abatement as a business incentive and which is not within the taxing jurisdiction of any incorporated municipality. It is the province of the Calhoun County Commissioners' Court to designate Reinvestment Zones - County Designated on a case-by-case basis in order to

maximize the potential incentives for eligible enterprises to locate or expand within Calhoun County.

(cc) “**REINVESTMENT ZONE - MUNICIPALITY DESIGNATED**” means an area of Calhoun County which lies within the taxing jurisdiction of a municipality and has been designated a reinvestment zone by that municipality for tax abatement as a business incentive. It is the province of the City Council of any eligible municipality to designate Reinvestment Zones Municipality Designated on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within the City.

(dd) “**RENOVATION**” is a repair or improvement of an existing facility or structure.

(ee) “**REPAIR**” means any improvement or betterment of an existing facility or structure.

(ff) “**REPLACEMENT**” means the substitution of something new or different for an existing facility or structure, or portion thereof, when the replacement facility or structure is to be used for the same general purpose as the old facility or structure that is being replaced.

(gg) “**RESEARCH FACILITY**” means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop or develop the production processes thereto.

(hh) “**SCHOOL DISTRICT**” or “**DISTRICT**”, unless otherwise indicated, means the Calhoun County Independent School District.

(ii) “**SUBSTANTIAL COMPLIANCE**” means that any estimate or prediction that comes within eighty-five percent of a stated amount shall be construed as compliance, but only when estimates are expressly authorized. Unless expressly authorized, strict compliance with a statement or representation shall be required.

(jj) “**TAXPAYER**” means the legal entity that seeks, or who has been approved for tax abatement as a business incentive. It also is a reference to the owner of the property constituting the reinvestment zone and the improvements and tangible personal property to be located therein.

ELIGIBILITY CRITERIA GENERALLY

(a) **General Eligibility** Subject to the limitations and exceptions contained in these Guidelines and Criteria, TEX. TAX CODE ANN. §312.204 shall govern to what extent real property and tangible personal property located in a reinvestment zone are eligible for tax abatement as a business incentives.

(b) **Commencement of Construction.** If the reinvestment zone is designated by a municipality, the applicant shall not commence construction until after it and the municipality have both executed an agreement on similar terms for the same project then under consideration by the County. Any property otherwise eligible for abatement that is placed or constructed in the reinvestment zone before the agreement is executed with the municipality shall not be eligible for tax abatement as a business incentive. However, any eligible improvements made or property placed in the reinvestment zone after executing the agreement with the municipality shall be eligible for abatement with the County, even though such improvements or property are placed in the reinvestment zone prior to filing the application or executing the agreement with the County, provided that a municipality is the designating authority. If the reinvestment zone is County designated, applicant shall not commence construction until the County executes the agreement.

(c) **Property Value Eligible for Abatement** Subject to the limitations and other eligibility requirements contained in these guidelines, the County may abate the value of tangible personal property located on the real property in the reinvestment zone in each year covered by the agreement, other than tangible personal property that was located on the real property at any time before the period covered by the agreement. The value of real property to the extent its value for each year during the agreement exceeds its value for the year in which the agreement was executed is eligible for abatement.

(d) **New and Existing Facilities** A business incentive may be granted for both eligible new facilities and structures, as well as for expansion or modernization of existing facilities and structures.

(e) **Eligible Property to be Described** The application for tax abatement as a business incentive or any other business incentive and any agreement must describe the project and improvements with such detail and certainty as required by the County in order to identify the property that is declared to be eligible for business incentives. Any

property, even though otherwise eligible for business incentives, that is not sufficiently described in the application, as determined by the Commissioners' Court, or their designee, shall not be eligible for business incentives under such agreement.

(f) **Exclusions.**

(1) This policy is mutually exclusive of existing Industrial District Contracts. The real property cannot be in an improvement project financed by tax increment bonds.

(2) Any business incentive agreement granted is subject to the rights of holders of outstanding bonds of the County.

(3) When any project that otherwise satisfies the eligibility criteria for tax abatement as a business incentive is for the purpose of repairing, replacing, modernizing, or upgrading an existing facility, if, prior the commencement of the project, or upon completion of the project the value of the existing facility is reduced or deleted from the tax rolls, then, in such event, the applicant shall only be eligible for tax abatement as a business incentives to the extent of the difference in the last appraised value of the property value that is being dropped or reduced from the tax rolls and the project cost.

Section 3

ELIGIBILITY CRITERIA AND TERMS FOR FACILITIES/INDUSTRY

(a) **Eligible Facilities.** A facility may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:

- (1) Manufacturing Facility; or
- (2) Research Facility; or
- (3) Aquaculture Facility; or
- (4) Regional Distribution Center Facility; or
- (5) Regional Service Facility; or
- (6) Regional Entertainment Facility; and,
- (7) Other Basic Industry.

(b) **Economic Qualifications** In addition to satisfying the other eligibility criteria, in order to be eligible for business incentives, the new facility or structure, or the expanded or modernized existing facility or structure must meet the following qualifications:

- (1) The project must cost at least Five Million Dollars (\$5,000,000.00); and
- (2) Be expected to retain or create employment for at least 10 persons of the eligible facility on a full time and permanent basis in Calhoun County; and
- (3) Not be expected to solely or primarily have the effect of transferring employment from one part of Calhoun County to another; and
- (4) Be expected to attract major investment in the reinvestment zone that would be a benefit to the property to be included in the zone; and
- (5) That development anticipated to occur in the proposed reinvestment zone would contribute to the economic development of the County.
- (6) The County reserves the right to grant abatements up to the state maximum of 100% for 10 years.

(c) **Term of Abatement.** The term of tax abatement as a business incentive granted by the County shall be six (6) years, and shall be applied commencing January 1 following the effective date of the agreement.

(d) **Effective Date.**

- (1) If the County is the designating authority, the effective date of the agreement shall be the date that the County executes the agreement.
- (2) If a municipality is the designating authority, the effective date of any agreement that the County approves shall be same date as that of the agreement entered into for the same project by the municipality.
- (3) Abatement applies to all eligible improvements placed in the reinvestment zone after the designating authority and Taxpayer execute their agreement. Taxes will be abated on eligible property for the number of years approved by the County, commencing January 1 immediately following the effective date of the agreement. Property otherwise eligible for abatement under the agreement shall be eligible for abatement only if the property is placed or constructed in the reinvestment zone after the effective date of the agreement, but on or before December 31 immediately preceding the beginning of the last full tax year that taxes are to be abated.

(e) **Percent of Tax Abatement as a Business Incentive.** The percent of tax abatement as a business incentive of eligible property value to be granted each year shall be as follows:

Taxable Investment (Millions)	Year					
	1	2	3	4	5	6
Up to 5.00	—	—	—	—	—	—
5.00 to 9.99	90	50	25	—	—	—
10.00 to 14.99	90	75	50	25	—	—
15.00 to 19.99	90	90	75	50	25	—
20.00 or more	90	90	85	75	50	25

(f) **Taxability.** From the execution of the agreement to the end of the agreement period taxes shall be payable as follows:

- (1) the value of ineligible property as provided in Section 2 shall be fully taxable.
- (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
- (3) the unabated value of eligible property shall be taxable

(g) **Limitations.** If, during the term of the business incentive period the taxpayer should close, cease production, or demolish any or all of a facility that was in existence on the effective date of the business incentives agreement, or take any other similar action that would have the effect of reducing or deleting the value of the facility, or portion thereof from the tax rolls that was in existence on the effective date of the business incentives agreement regardless of the reason, then the eligible value for abatement allowed in the business incentives agreement shall be reduced by the amount of existing property value owned by the taxpayer that is reduced or deleted from the tax roll. Depreciation, agreed to by the Chief Appraiser, or Appraisal Review Board, shall not be construed as a reduction or deletion of value for purposes of this limitation.

ELIGIBILITY CRITERIA AND TERMS FOR REAL ESTATE DEVELOPMENT

(a) **Eligible Development.** A development may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:

- (1) New single family residential housing project;
- (2) Multi-family housing project; and/or,
- (3) Apartment project.

(b) **Duration of Abatement as a Business Incentive.** Any Agreement under this section shall not exceed three (3) years.

(c) **Economic Qualification.** To be eligible to receive tax abatement as a business incentive, the developer must expend a minimum of two million dollars (\$2,000,000.00) in infrastructure costs for the development.

(d) **Taxability.** From the initial application to the end of the abatement period, taxes shall be paid as follows:

(1) All ineligible property shall be fully taxable during the term of the abatement.

(2) Any property within the reinvestment zone that is sold, transferred, conveyed, occupied or otherwise no longer part of the developer's inventory shall be taxed at the appraised value determined by the Calhoun County Appraisal District beginning January 1 of the year following the sale, transfer, conveyance, or occupation.

(3) At the end of the abatement period, all property subject to the Agreement shall be subject to full taxation.

APPLICATION

(a) **Filing.** Any property owner of taxable property in Calhoun County located in a designated or proposed reinvestment zone may request tax abatement as a business incentive by filing a written application with the Commissioners' Court, or their designee. When appropriate, the application may combine a request for designation of a reinvestment zone with an application for tax abatement as a business incentive.

(b) **Contents.** The application shall include all information contemplated by these Guidelines and Criteria in order for the Commissioners' Court to evaluate the applicant's eligibility and to determine whether to grant any business incentives. The application

shall be submitted on a form provided by the County, or alternatively, if unavailable; the contents of the application shall be in order of this subsection and respond to each element of this subsection, and shall contain such other information as required by the County, or its representative. Specifically, the application shall include the following:

- (1) A list of the kind, number and location of all proposed improvements of the property, including a general written description of the general nature and extent of modernization, expansion or new improvements to be undertaken.
- (2) A statement of the current and proposed uses of the property showing that planned usage is consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone during the period that the property tax exemptions are in effect.
- (3) A map showing locations of existing and proposed improvements. The map should also show general uses and conditions of the real property in the reinvestment zone.
- (4) A legal description of the property.
- (5) An estimate of the project cost and new value that will result from the modernization, expansion or new improvements to be undertaken. A statement of the base year value separately stated for land and existing improvements located in the reinvestment zone, plus any improvements or changes in value in the reinvestment zone after the last appraisal and prior to the application. In any case where the value of an existing facility will be deleted or diminished as a result of the project, the application must contain verification from the Chief Appraiser of the last appraised value of any portion or all of a facility whose value will be reduced or removed from the tax rolls.
- (6) An estimate of the number of jobs that will be created or retained by the modernization, expansion or new improvements.
- (7) Estimated date of start of construction, length of construction, estimated value of new improvements to be completed during each year of construction and estimated date of completion.
- (8) An estimate of what the property value subject to abatement will be on January 1 immediately following the end of the abatement period.

(9) In the case of applicants unknown to the Commissioners' Court, a financial statement of the individual or corporation filing the application, complete with letters of credit and other documents which the County may request in order that the Commissioners' Court can appropriately evaluate the financial capacity and other factors of the applicant.

(10) The Taxpayer shall make the following assurances in the application:

(a) That all the information contained in the application is true and correct.

(b) That the person signing the application on behalf of the Taxpayer/Applicant has unrestricted authority to execute the application and the contract documents on behalf of the Taxpayer/Applicant, and has the unrestricted authority to obligate the Taxpayer/Applicant to all the terms, covenants and conditions that will be contained in the agreement.

(c) That construction will not commence on any of the eligible improvements until an agreement has been executed with the designating authority, whether the designating authority is the County, or a municipality.

(d) That the project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and that the Taxpayer will abide by all conditions of the permits, laws and ordinances, rules and regulations governing the operation of the project throughout its economic life.

(e) That the Taxpayer/applicant will abide by all conditions of the agreement and the Guidelines and Criteria adopted by the Commissioners' Court applicable to the agreement.

(f) That the planned use of the property will not constitute a hazard to public health or safety throughout the economic life of the project.

(g) That the applicant will make the specific improvements to the property as described in its application.

(h) That although estimates of the cost of the project and the number of jobs retained or created as a result of the project that are within 85 % of actual cost and/or number of jobs may be construed to be substantial compliance,

the actual total cost of the project and actual number of jobs retained or created shall not be less than the minimum amounts required in the County's Guidelines required to qualify for tax abatement as a business incentive.

(11) The applicant will identify the type of legal entity making the application, such as corporation, partnership, etc. If a corporation, the statement should include the home state of incorporation, the name and address of the registered agent for service in Texas, and a commitment to notify the County within sixty days of any change of the registered agent or status of the corporation. Similar information will be required of a general or limited Partnership or other legal entity.

(12) The application shall contain the name, title and address of the Taxpayer's local and corporate representatives for the purposes of giving notice.

(13) In its application, the applicant shall include a statement that it waives all rights of confidentiality with regard to the contents of its application for tax abatement as a business incentive otherwise granted under TEX. TAX CODE ANN. §312 .003.

(14) The applicant shall agree to reimburse the County for all legal fees and any other expenses that the County incurs in establishing eligibility for granting business incentives and for reviewing, processing and acting on its application. Further, applicant shall agree to pay for the costs of an economic impact assessment, if the County requires one in connection with its application for business incentives. In the event the County determines an economic impact assessment is required, the Taxpayer shall be given notice and the opportunity to withdraw its application prior to commencement of the economic impact assessment, if applicant is unwilling to pay the total cost of the economic impact assessment. In its application, the Taxpayer shall agree to pay for all fees and expenses incurred by the County in establishing eligibility to grant business incentives and processing the application, even though the Commissioners' Court ultimately denies the application.

(15) Any other information that the Commissioners' Court or Applicant may deem appropriate to assist the Commissioners' Court in determining whether to enter into a business incentives agreement with the Applicant.

(16) If a variance from any provision in these Guidelines and Criteria is

requested, a statement describing the variance, and a detailed statement supporting the Applicant's reasons for the requested variance must be included.

(c) **Completed Application.** Upon receipt of a completed application, the Commissioners' Court shall mail written notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the application. Such notice shall be mailed at least seven (7) days before the Commissioners' Court takes any action on the application. The notice shall include a copy of the proposed agreement, if the County is the designating authority. There shall be a \$1,000 nonrefundable fee payable the County at the time the application is submitted.

(d) **Economic impact assessment.** After receipt of an application for business incentives, the Commissioners' Court may cause to have prepared an economic impact assessment setting forth the impact of the proposed agreement. The study shall include, but not necessarily be limited to, an assessment of the economic effects of the abatement of taxes. The County shall give at least ten (10) days written notice to the Applicant of its intent to conduct an economic impact assessment, which notice shall include a description of the scope of the study. If the Applicant is unwilling to pay for the economic impact assessment, it may give notice to the County within seven (7) calendar days from the date it received notice of the proposed economic impact assessment that the Applicant is withdrawing its application. The economic impact assessment may include any other issue that the Commissioners' Court determines to be appropriate in considering the application, including, without limitation by enumeration, environmental issues, short term/long term effect on issues of adequacy of existing physical plants, need to increase number of employees in the County, and the impact on the County of any resulting increased costs as a result of the project and the County's ability to pay such costs during the abatement period.

Section 5

DESIGNATION OF REINVESTMENT ZONE

(a) **Authority to Designate Reinvestment Zones.** Reinvestment zones may be designated by either the Commissioners' Court for property located outside the jurisdiction of any municipality in the County, or by a municipality, if the property is

located within the jurisdiction of such municipality.

(b) **Application for County Designated Reinvestment Zone.** An application to the County for designation of a Reinvestment Zone may be combined with the application for business incentives. The application must include information to support the required findings in subsection (c), inclusive of this section. It must also include a map showing the boundaries of the proposed reinvestment zone and a legal description of the proposed reinvestment zone. Any information contained in the application for business incentives that answers the requirements for designation of a reinvestment zone does not need to be duplicated, if the application for designation of a reinvestment zone and business incentives are combined in one application.

(c) **Designation.** The Commissioners' Court may not designate an area as a reinvestment zone until:

(1) The Commissioners' Court has held a public hearing on the designation at which time interested persons shall be entitled to speak and present evidence for or against the designation; and

(2) The Commissioners' Court must make the following findings in order to designate an area as a reinvestment zone:

(a) The designation would contribute to the retention or expansion of primary employment; or,

(b) The designation would attract major investment in the zone that would be a benefit to the property to be included in the zone; and,

(c) The designation would contribute to the economic development of the county.

(d) **Notice of Hearing.** Notice of the hearing shall be clearly identified on the Commissioners' Court agenda. In addition, notice shall issue as follows:

(1) Notice of the hearing must be published in a newspaper of general circulation in the County not later than the 7th day before the date of the hearing; and

(2) Written notice of the hearing shall be delivered to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the proposed reinvestment zone. Such notice

shall be delivered at least 7 days before the hearing. Pursuant to Tex Tax Code Ann. §312.201(e) this notice shall be presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(e) **Municipality Designated Reinvestment Zones.** If the reinvestment zone is designated by a municipality, to be eligible for tax abatement as a business incentive with the County, the property must be located in a reinvestment zone and the municipality must have entered into an agreement for the same project with the applicant no more than ninety days before the County enters into an agreement with the same applicant for the same project.

(f) **Date of Expiration.** The designation of a reinvestment zone shall expire five (5) years after the date of designation. However, the designation of a reinvestment zone that has expired may be renewed by the County or municipality for periods not to exceed five (5) years. The expiration of the designation of a reinvestment zone shall not affect existing agreements made under these Guidelines and Criteria.

Section 6

AGREEMENTS

(a) **Resolution of Commissioners' Court.** After approval, the Commissioners' Court shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required, which shall include those matters contained in Texas Tax Code §312.205 and any other terms and conditions in the best interests of the County.

(b) **Notice to Other Taxing Jurisdictions.** If the County is the designating authority, it shall deliver written notice to the presiding officer of the governing body of each other taxing unit in which the property that is the subject of the agreement is located that the County intends to enter into an agreement. The notice must be delivered at least 7 days before the County enters into the agreement. The notice must also include a copy of the proposed agreement. The notice shall be presumed to be delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(c) **Execution/Effective Date.** After giving the notices required above, and after making

the necessary findings, the County may, in its discretion, approve and execute the agreement. The effective date of the agreement shall be the date that the County's designated representative or official executes the agreement if the County is the designating authority. If a municipality is the designating authority, the effective date of the agreement shall be the date that the City's designated representative or official executes the agreement.

Section 7

RECAPTURE

(a) **Conditions of Default. Cure and Termination.** Should the Commissioners' Court determine that the Taxpayer is in default according to the terms and conditions of its agreement, the Commissioners' Court shall notify the Taxpayer in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated by the Commissioners' Court. Provided, that upon proof of a curative effort commencing within sixty (60) days, if construction is required, the Commissioners' Court may extend the time to complete the curative work, based upon reasonable construction requirements.

(b) **Elements of Default.** The following shall be considered elements of default, in the event that the Taxpayer:

- (1) Allows its ad valorem taxes owed to Calhoun County to become delinquent without timely and proper protest and/or contest; or
- (2) Violates any of the terms and conditions of the abatement agreement, or any prior or subsequent agreement with the County, or any other taxing jurisdiction that has granted an agreement to the Taxpayer for any project that the Commissioners' Court has also granted business incentives; or
- (3) Discontinues producing product or service at the improvements subject to abatement and described in the application, for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period after the facility is completed and begins producing product or service.

(4) Violates any written term, covenant, condition, agreement, or promise of a gift or donation made by the taxpayer to the County, although such may be extraneous to the agreement, and even though same might be otherwise legally unenforceable; or

(5) Makes any material misrepresentations, either in the application or agreement.

(c) **Termination.** If, after written notice, the Taxpayer fails to cure within the prescribed period any specified default, such failure shall be grounds for termination for cause. Termination of the agreement for cause shall be retroactive to the beginning of the agreement. Termination shall be effected by resolution of the Commissioners' Court and written notice mailed to the Taxpayer.

(d) **Non Waiver.** In the event the County fails to act on or enforce any element or breach that is identified as a default, such failure to act shall not be a waiver of the County's right to subsequently enforce the same default or any other prior or subsequent default.

(e) **Recapture.** On termination for cause, the Taxpayer shall then become liable for the payment of all taxes that would have otherwise become due but for the abatement agreement for all calendar years during which the abatement agreement was in effect. Said taxes shall be paid to the Calhoun County Consolidated Tax Office for the credit of Calhoun County within sixty (60) days from the date of receipt of notice of termination. All such taxes due shall include statutory penalty and interest from the date they would otherwise have become delinquent but for the agreement, until the date they are actually paid.

Section 8

ADMINISTRATION

(a) **Duties of Chief Appraiser.** The Chief Appraiser of the County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, on or before April 1, the Taxpayer receiving abatement shall furnish the Chief Appraiser with such information as may be

reasonably requested. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions, which have granted tax abatement as a business incentive in the reinvestment zone, of the amount of the appraisal.

(b) **Compliance Inspections.** All compliance inspections will be made only after giving twenty-four (24) hours notice and will only be conducted in such manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) **Annual Evaluations** Upon completion of construction, the Commissioners' Court of Calhoun County, or their designees, shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

(d) **Notice Requirements.** Any notice required to be given to Calhoun County hereunder shall be in writing, and mailed or personally delivered to the County Judge. Notices to the Taxpayer shall be in writing, and addressed to its designated representative at the address provided in its application or the agreement.

Section 9

MISCELLANEOUS

(a) **Variance.** An application for a variance from the provisions of these Guidelines and Criteria may be made in written form to the Commissioners' Court. The total duration of abatement shall in no instance exceed ten (10) consecutive tax years commencing January 1 following the effective date of the agreement, including any extension. Such request shall include a complete description of the circumstances explaining why the applicant should be granted such variance. Approval of a request for variance requires at least a three-fourths (3/4) vote of the Commissioners' Court.

(b) **Assignments.** An abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility, subject to obtaining written approval by resolution of the Commissioners' Court. Approval shall be conditioned upon the assignee providing whatever proof the Commissioners' Court may require to show the assignee's financial capability to carry out all the terms and conditions of the agreement.

The County reserves the right to require such additional information as it may deem appropriate to determine not only the assignee's financial capability to carry out the terms and conditions of the agreement, but also its experience and historical record to determine that it is in fact capable of operating the project subject to the abatement in such a manner that it can reasonably be expected to strictly comply with every term, covenant, condition and assurance contained in the agreement. Further, the assignee shall agree in writing by amendment to the original agreement that it shall be bound by all the terms, covenants and conditions contained in the original agreement. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to Calhoun County or any other taxing unit affected by the agreement for delinquent taxes, or otherwise in default of any of the terms, covenants or conditions contained in the agreement. Subject to the foregoing conditions, the Commissioners' Court shall not unreasonably withhold approval of any proposed assignment. Any approval of assignment of the agreement shall not release any previous Taxpayer who has been a party to the agreement from its obligations under the agreement.

(c) **Application for Exemption.** It shall be the responsibility of the Taxpayer to perfect any right of exemption as a result of any agreements entered into with the County. For each year in which abatement has been authorized by the County under the agreement, it shall be the responsibility of the Taxpayer to file its annual application with the Calhoun County Appraisal District for property exemption in accordance with the Texas Tax Code and related administrative regulations.

(d) **Effective Date.** These Guidelines and Criteria shall be effective for two (2) years, from June 25, 2015 through June 24, 2017, inclusive.

(e) **Sunset Provision.** At the end of the two year effective period of these Guidelines and Criteria, all agreements created pursuant to these provisions will be reviewed by the Calhoun County Commissioners' Court to determine whether the goals have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated. In the event that these Guidelines and Criteria are not modified or renewed, they shall automatically terminate effective June 24, 2017.

(f) **Effect of Modification or Termination.** The modification or termination of these Guidelines and Criteria shall have no effect upon existing agreements entered into while these Guidelines and Criteria are in effect.

(g) **Subtitles.** The use of subtitles in these Guidelines and Criteria is strictly for convenience, and shall have no legal significance whatsoever. The use of the singular shall include the plural and the use of plural shall include the singular when appropriate. The use of any reference to gender shall include any and all other genders when appropriate.

(h) **Severability.** In the event any paragraph, clause, phrase or other provision of these Guidelines and Criteria should be declared to be unconstitutional, void or otherwise unenforceable the remaining provisions shall remain in full force and effect as if the unconstitutional, void or otherwise unenforceable provisions had not been included.

Section 10

ADOPTION

Upon motion by Commissioner Fritsch, seconded by Commissioner Finster, the foregoing resolution to amend these Guidelines and Criteria of the Commissioners' Court of Calhoun County for Granting Business incentives in Reinvestment Zones Created in Calhoun County was approved by a vote of 5 for and 0 against.

PASSED, ADOPTED AND APPROVED on this 28th day of May, 2015.

**COMMISSIONERS' COURT OF
CALHOUN COUNTY, TEXAS**



Michael J. Pfeifer, County Judge

ATTEST:

Anna Goodman, County Clerk

By: 

Josie Sampson, Deputy



Novus International, Inc.
Chapter 313 Application to Calhoun County ISD
Cummings Westlake, LLC

TAB 17

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

See attached.

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

Dr. James Cowley

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Dr. James B Cowley
Signature (Authorized School District Representative)

11-16-2015
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

Jeffrey B. Klopfenstein

Print Name (Authorized Company Representative (Applicant))

President, Methionine Business

Title

sign here

Jeffrey B Klopfenstein
Signature (Authorized Company Representative (Applicant))

NOV 11, 2015
Date

GIVEN under my hand and seal of office this, the

11th day of *November*, *2015*

Sheri A. Varney
Notary Public in and for the State of ~~Texas~~ *Missouri*

My Commission expires

(Notary Seal)

SHERI A. VARNEY
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County, Missouri
My Commission Expires: July 01, 2017
Commission Number: 13499211

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.