



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 2, 2017

Jim Haley  
Superintendent  
Pecos-Barstow-Toyah Independent School District  
1302 South Park Street  
Pecos, Texas 79772

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD, Application 1160

Dear Superintendent Haley:

On November 29, 2016, the Comptroller issued written notice that ETC Texas Pipeline, LTD (applicant) submitted a completed application (Application 1160) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on October 20, 2016, to the Pecos-Barstow-Toyah Independent School District (school district) by the applicant.

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

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1160

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

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

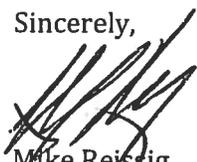
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed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

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of November 29, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,

  
Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of ETC Texas Pipeline, LTD (project) applying to Pecos-Barstow-Toyah Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of ETC Texas Pipeline, LTD.

Applicant	ETC Texas Pipeline LTD
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Pecos-Barstow-Toyah ISD
2015-2016 Average Daily Attendance	2,270
County	Reeves
Proposed Total Investment in District	\$105,000,000
Proposed Qualified Investment	\$105,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,108
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,108
Minimum annual wage committed to by applicant for qualified jobs	\$57,620
Minimum weekly wage required for non-qualifying jobs	\$725
Minimum annual wage required for non-qualifying jobs	\$37,688
Investment per Qualifying Job	\$10,500,000
Estimated M&O levy without any limit (15 years)	\$10,670,400
Estimated M&O levy with Limitation (15 years)	\$5,688,800
Estimated gross M&O tax benefit (15 years)	\$4,981,600

**Table 2** is the estimated statewide economic impact of ETC Texas Pipeline, LTD (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	0	0	0	\$0	\$0	\$0
2017	160	188	348.28	\$9,219,232	\$15,902,268	\$25,121,500
2018	10	49	59	\$576,202	\$5,095,598	\$5,671,800
2019	10	42	52	\$576,202	\$4,702,898	\$5,279,100
2020	10	36	46	\$576,202	\$4,339,498	\$4,915,700
2021	10	33	43	\$576,202	\$4,150,598	\$4,726,800
2022	10	31	41	\$576,202	\$4,099,698	\$4,675,900
2023	10	31	41	\$576,202	\$4,166,598	\$4,742,800
2024	10	31	41	\$576,202	\$4,313,098	\$4,889,300
2025	10	32	42	\$576,202	\$4,540,398	\$5,116,600
2026	10	33	43	\$576,202	\$4,810,198	\$5,386,400
2027	10	34	44	\$576,202	\$5,116,598	\$5,692,800
2028	10	35	45	\$576,202	\$5,415,098	\$5,991,300
2029	10	36	46	\$576,202	\$5,758,898	\$6,335,100
2030	10	37	47	\$576,202	\$6,132,998	\$6,709,200
2031	10	38	48	\$576,202	\$6,486,498	\$7,062,700
2032	10	39	49	\$576,202	\$6,851,398	\$7,427,600

Source: CPA REMI, ETC Texas Pipeline, LTD

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Pecos-Barstow-Toyah ISD I&S Tax Levy	Pecos-Barstow-Toyah ISD M&O Tax Levy	Pecos-Barstow-Toyah ISD M&O and I&S Tax Levies	Reeves County Tax Levy	Reeves County Hospital District Tax Levy	Reeves County Water Improvement District #2 Tax Levy	Estimated Total Property Taxes
2018	\$95,000,000	\$95,000,000		\$52,250	\$988,000	\$1,040,250	\$256,500	\$256,500	\$100,413	\$1,653,663
2019	\$91,200,000	\$91,200,000		\$50,160	\$948,480	\$998,640	\$455,562	\$246,240	\$96,397	\$1,796,839
2020	\$87,400,000	\$87,400,000		\$48,070	\$908,960	\$957,030	\$436,580	\$235,980	\$92,380	\$1,721,971
2021	\$83,600,000	\$83,600,000		\$45,980	\$869,440	\$915,420	\$417,599	\$225,720	\$88,364	\$1,647,102
2022	\$79,800,000	\$79,800,000		\$43,890	\$829,920	\$873,810	\$398,617	\$215,460	\$84,347	\$1,572,234
2023	\$76,000,000	\$76,000,000		\$41,800	\$790,400	\$832,200	\$379,635	\$205,200	\$80,330	\$1,497,366
2024	\$72,200,000	\$72,200,000		\$39,710	\$750,880	\$790,590	\$360,653	\$194,940	\$76,314	\$1,422,497
2025	\$68,400,000	\$68,400,000		\$37,620	\$711,360	\$748,980	\$341,672	\$184,680	\$72,297	\$1,347,629
2026	\$64,600,000	\$64,600,000		\$35,530	\$671,840	\$707,370	\$322,690	\$174,420	\$68,281	\$1,272,761
2027	\$60,800,000	\$60,800,000		\$33,440	\$632,320	\$665,760	\$303,708	\$164,160	\$64,264	\$1,197,893
2028	\$57,000,000	\$57,000,000		\$31,350	\$592,800	\$624,150	\$284,726	\$153,900	\$60,248	\$1,123,024
2029	\$53,200,000	\$53,200,000		\$29,260	\$553,280	\$582,540	\$265,745	\$143,640	\$56,231	\$1,048,156
2030	\$49,400,000	\$49,400,000		\$27,170	\$513,760	\$540,930	\$246,763	\$133,380	\$52,215	\$973,288
2031	\$45,600,000	\$45,600,000		\$25,080	\$474,240	\$499,320	\$227,781	\$123,120	\$48,198	\$898,419
2032	\$41,800,000	\$41,800,000		\$22,990	\$434,720	\$457,710	\$208,799	\$112,860	\$44,182	\$823,551
			<b>Total</b>	<b>\$564,300</b>	<b>\$10,670,400</b>	<b>\$11,234,700</b>	<b>\$4,907,031</b>	<b>\$2,770,200</b>	<b>\$1,084,461</b>	<b>\$19,996,393</b>

Source: CPA, ETC Texas Pipeline, LTD

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Reeves County Hospital District, Reeves County Water Improvement District #2 and Reeves County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Pecos-Barstow-Toyah ISD I&S Tax Levy	Pecos-Barstow-Toyah ISD M&O Tax Levy	Pecos-Barstow-Toyah ISD M&O and I&S Tax Levies	Reeves County Tax Levy	Reeves County Hospital District Tax Levy	Reeves County Water Improvement District #2 Tax Levy	Estimated Total Property Taxes	
2018	\$95,000,000	\$30,000,000		0.0550	1.0400						
				\$52,250	\$312,000	\$364,250	\$237,272	\$256,500	\$100,413	\$958,435	
2019	\$91,200,000	\$30,000,000		\$50,160	\$312,000	\$362,160	\$227,781	\$246,240	\$96,397	\$932,578	
2020	\$87,400,000	\$30,000,000		\$48,070	\$312,000	\$360,070	\$218,290	\$235,980	\$92,380	\$906,720	
2021	\$83,600,000	\$30,000,000		\$45,980	\$312,000	\$357,980	\$208,799	\$225,720	\$88,364	\$880,863	
2022	\$79,800,000	\$30,000,000		\$43,890	\$312,000	\$355,890	\$199,308	\$215,460	\$84,347	\$855,005	
2023	\$76,000,000	\$30,000,000		\$41,800	\$312,000	\$353,800	\$379,635	\$205,200	\$80,330	\$1,018,966	
2024	\$72,200,000	\$30,000,000		\$39,710	\$312,000	\$351,710	\$360,653	\$194,940	\$76,314	\$983,617	
2025	\$68,400,000	\$30,000,000		\$37,620	\$312,000	\$349,620	\$341,672	\$184,680	\$72,297	\$948,269	
2026	\$64,600,000	\$30,000,000		\$35,530	\$312,000	\$347,530	\$322,690	\$174,420	\$68,281	\$912,921	
2027	\$60,800,000	\$30,000,000		\$33,440	\$312,000	\$345,440	\$303,708	\$164,160	\$64,264	\$877,573	
2028	\$57,000,000	\$57,000,000		\$31,350	\$592,800	\$624,150	\$284,726	\$153,900	\$60,248	\$1,123,024	
2029	\$53,200,000	\$53,200,000		\$29,260	\$553,280	\$582,540	\$265,745	\$143,640	\$56,231	\$1,048,156	
2030	\$49,400,000	\$49,400,000		\$27,170	\$513,760	\$540,930	\$246,763	\$133,380	\$52,215	\$973,288	
2031	\$45,600,000	\$45,600,000		\$25,080	\$474,240	\$499,320	\$227,781	\$123,120	\$48,198	\$898,419	
2032	\$41,800,000	\$41,800,000		\$22,990	\$434,720	\$457,710	\$208,799	\$112,860	\$44,182	\$823,551	
				<b>Total</b>	<b>\$564,300</b>	<b>\$5,688,800</b>	<b>\$6,253,100</b>	<b>\$4,033,624</b>	<b>\$2,770,200</b>	<b>\$1,084,461</b>	<b>\$14,141,385</b>
				<b>Diff</b>	<b>\$0</b>	<b>\$4,981,600</b>	<b>\$4,981,600</b>	<b>\$873,407</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,855,007</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, ETC Texas Pipeline, LTD

<sup>1</sup>Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that ETC Texas Pipeline, LTD (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2018	\$312,000	\$312,000	\$676,000	\$676,000
	2019	\$312,000	\$624,000	\$636,480	\$1,312,480
	2020	\$312,000	\$936,000	\$596,960	\$1,909,440
	2021	\$312,000	\$1,248,000	\$557,440	\$2,466,880
	2022	\$312,000	\$1,560,000	\$517,920	\$2,984,800
	2023	\$312,000	\$1,872,000	\$478,400	\$3,463,200
	2024	\$312,000	\$2,184,000	\$438,880	\$3,902,080
	2025	\$312,000	\$2,496,000	\$399,360	\$4,301,440
	2026	\$312,000	\$2,808,000	\$359,840	\$4,661,280
	2027	\$312,000	\$3,120,000	\$320,320	\$4,981,600
<b>Maintain Viable Presence (5 Years)</b>	2028	\$592,800	\$3,712,800	\$0	\$4,981,600
	2029	\$553,280	\$4,266,080	\$0	\$4,981,600
	2030	\$513,760	\$4,779,840	\$0	\$4,981,600
	2031	\$474,240	\$5,254,080	\$0	\$4,981,600
	2032	\$434,720	\$5,688,800	\$0	\$4,981,600
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2033	\$395,200	\$6,084,000	\$0	\$4,981,600
	2034	\$355,680	\$6,439,680	\$0	\$4,981,600
	2035	\$316,160	\$6,755,840	\$0	\$4,981,600
	2036	\$276,640	\$7,032,480	\$0	\$4,981,600
	2037	\$247,000	\$7,279,480	\$0	\$4,981,600
	2038	\$247,000	\$7,526,480	\$0	\$4,981,600
	2039	\$247,000	\$7,773,480	\$0	\$4,981,600
	2040	\$247,000	\$8,020,480	\$0	\$4,981,600
	2041	\$247,000	\$8,267,480	\$0	\$4,981,600
	2042	\$247,000	\$8,514,480	\$0	\$4,981,600

<b>\$8,514,480</b>	is greater than	<b>\$4,981,600</b>
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**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes
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NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, ETC Texas Pipeline, LTD

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment C – Limitation as a Determining Factor

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

### Methodology

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

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

### Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the ETC Texas Pipeline, LTD.’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per ETC Texas Pipeline LTD., in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead Plant economics just as the potential customer response will be. Both factors will be considered before any determination is made.”
  - B. “Multiple other potential projects are presently competing for the same capital expenditures by our company including possible plants in Louisiana ... and other competing projects are also under review, which could be located in Southern New Mexico.”
- According to Reeves County Commissioner’s Court Agenda dated January 9, 2017 an Economic Development Issue regarding ETC Texas Pipeline was listed as an agenda item. Upon further examination, the County Clerk Dianne Florez reported the Commissioners discussed the company’s 312 tax abatement agreement application and declined to offer the abatement to the company.

### Supporting Information

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

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# **Supporting Information**

Section 8 of the Application for  
a Limitation on Appraised Value

**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 checked="" type="checkbox"/> Land has no existing improvements	<input 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.

For more information, visit our website: [www.TexasAhead.org/tax\\_programs/chapter313/](http://www.TexasAhead.org/tax_programs/chapter313/)

# **Supporting Information**

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

**Tab 5 Limitation as Determining Factor w/ability to locate or relocate:**

**ETC Texas Pipeline, LTD (or "the Company")** is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 7 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead Plant economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, multiple other potential projects are presently competing for the same capital expenditures by our company, including possible plants in Louisiana that would be eligible for a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program (and for state sales tax incentives). This and other competing projects are also under review, which could be located in Southern New Mexico due to offers of Industrial Revenue Bond (abatement) and Job Training incentive programs.

**DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT**  
**PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT**

ETC Texas Pipeline, LTD (or “the Company”) is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 7 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect its expenditures to build plants in other states outside of Texas.

**Kansas**  
**Louisiana**  
**New Mexico**  
**Oklahoma**

**Proposed Project Description**

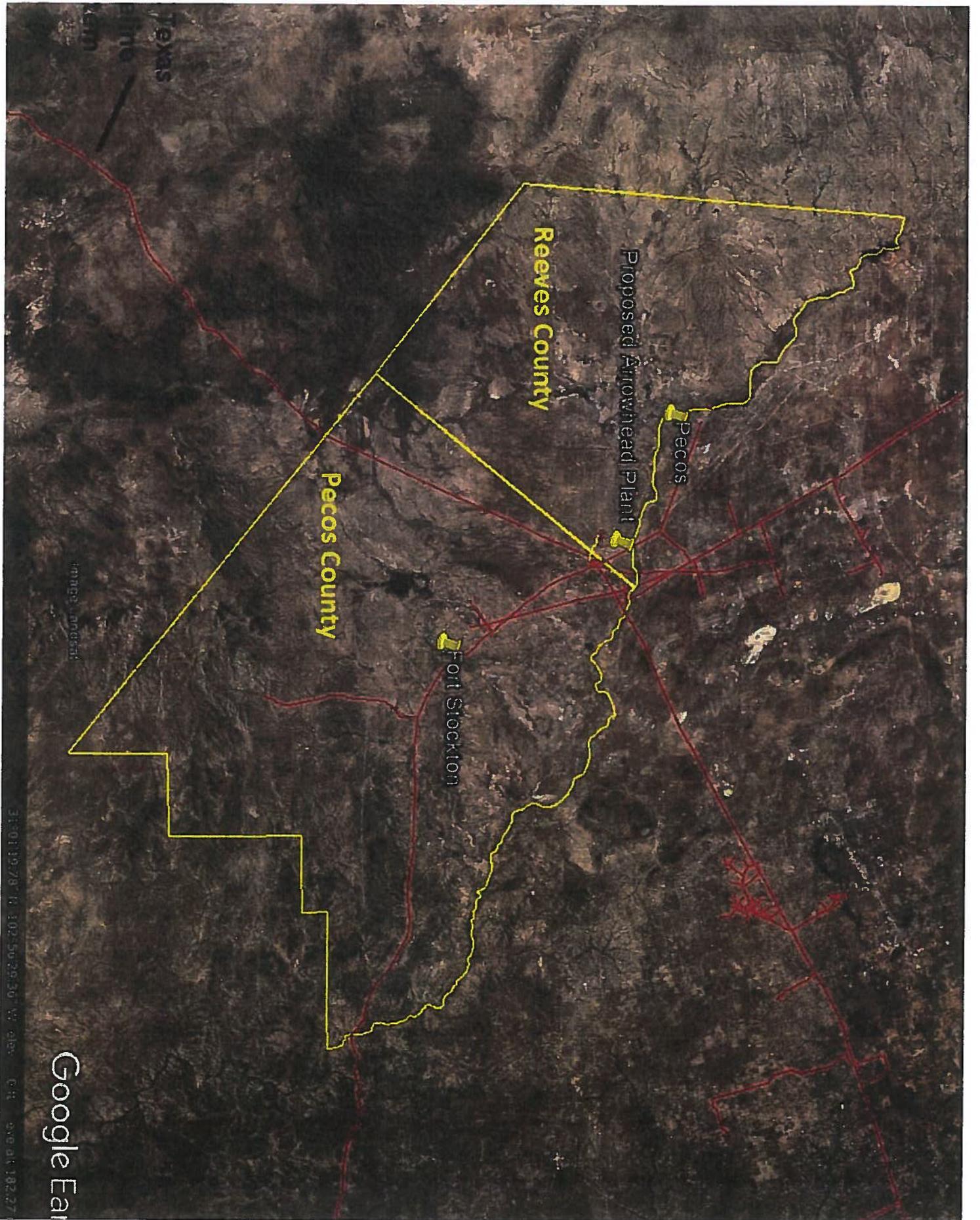
ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for ETC to start construction is April of 2017 and start hiring the new employees in June of 2017. This should allow for completion and commencement of commercial operations to start in August of 2017.

**Cryogenic Natural Gas Processing Plant**

The Arrowhead Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Arrowhead Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H<sub>2</sub>O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.





Reeves County

Pecos County

Pecos

Proposed Arrowhead Plant

Fort Stockton

Texas

40000

Google Earth

31°01'19.78" N 102°56'39.30" W alt: 0 ft 09/01/18 2:27

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

**AGENDA**  
of the Reeves County Commissioner's Court  
Monday, January 9, 2017

**AGENDA**  
**Regular Meeting of the Reeves County Commissioner's Court**  
**Date: Monday, January 9, 2017**  
**Time: 10:00 a.m.**  
**3<sup>rd</sup> Floor Courtroom, Reeves County Courthouse**

**Regular Meeting**

**Agenda Topics:**

**Invocation**

1. Discuss/Action to approve personnel and salary changes RCDC, Sheriff's Office and Road & Bridge Dept.
2. Discuss/Action to approve Departmental Reports including advertisement for County Road Engineer/Road Administrator Position.
3. Discuss/Action to approve Budget Amendments and Line-Item Transfers.
4. Discuss/Action to approve Semi-Monthly Bills.
5. Discuss/Action to approve Minutes from previous Commissioners' Court Meeting(s).
6. Discuss/Action to Ratify Road & Bridge Permits on Exhibit A.
7. Discuss/Action on window repair/replacement at Reeves County Courthouse.
8. Discuss/Action to approve Emergency repair Sheriff's Jail plumbing in Food Service Dept.
9. Discuss/Action to reschedule next Commissioners' Court date and set a Special Meeting date to Award on Golf Course Project Bids.
10. Discuss/Action to Ratify on approval of Golf Course Change Order Request to install Sprinkler System at the Driving Range.
11. Discuss/Action to approve Utility Line Easement Request submitted by ETC Pipeline, in Section 43, H&TC RR Co. Survey Abstract 166, Ward County, Texas.
12. Discuss/Action to approve Administrative Services Agreement with Blue Cross Blue Shield.
13. Executive Session, under Govt. Code 551.071, 552.11
  - Consult with Attorney Greg Hudson
  - Economic Development Issue ETC Texas Pipeline

Open Session, under Govt. Code 551.071, 552.11