

TIMOTHY E. YOUNG
Direct Dial: 512/275-7894
Email: tim@ikardwynne.com
Fax: 512-275-7333

Ikard Wynne LLP

2901 VIA FORTUNA, BUILDING 6, SUITE 450
AUSTIN, TEXAS 78746
O 512 275 7880, F 512 275 7333

December 3, 2018

Via Email: Desiree.Caufield@cpa.texas.gov
And Hand Delivery

Ms. Desiree Caufield
Senior Research Analyst
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street, Room 311
Austin, Texas 78774

Re: Amendment No. 1 to Application No. 1309 Barbers Hill ISD – Enterprise Products Operating LLC

Dear Ms. Caufield:

On behalf of our client, Enterprise Products Operating LLC, is submitting Amendment No. 1 to Application No. 1309 with the Barbers Hill ISD in response to your email dated November 28, 2018. For convenience, I have set forth the questions from your November 28 email below, and how the questions are addressed in Amendment No. 1:

1. *The timelines listed in Schedule C do not match the timeline in Section 9 of the application.*

Schedule C has been amended to reflect the timeline referenced in Section 9 of the application.

2. *TWC has released 2nd quarter 2018 wages. As such, page 7, Tab 13, and (if necessary) Schedule C must be updated to reflect this information.*

Page 7 of the Application and TAB 13 have been amended to include the updated wage information data.

3. *Please add the county boundary to the vicinity map.*

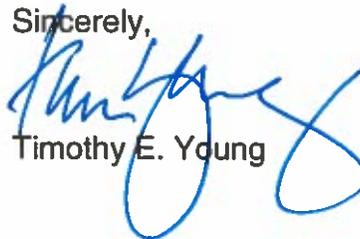
The Project Vicinity Map in TAB No. 11 has been updated to show the boundary of Chambers County, Texas. Only the Project Vicinity Map is being substituted by Amendment No. 1.

4. *Satellite imagery shows existing structures within the project boundary. Please explain and provide current imagery that shows no structures within the project boundary or list all relevant property in Section 13 and Tab 10. Please note, any existing property at the time of application must be included in Section 13 and Tab 10 regardless of whether or not it will be demolished at a future date.*

A new TAB No. 10 has been provided explaining the current use of the proposed site as a construction staging area for an unrelated project. No change is necessary for Section 13 of the Application.

Electronic copies of the amended pages are transmitted with this letter along with a new signature page for the application. Hard copies will be hand-delivered to you as well. Please contact me if you need further information.

Sincerely,



Timothy E. Young

TEY/mee

cc: Stephanie Jones
Becky McManus
Curt Tate
Al Noor
Sara Leon
Shelly Leung

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

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?
5. What is the number of new non-qualifying jobs you are estimating you will create?
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
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
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?
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
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**.

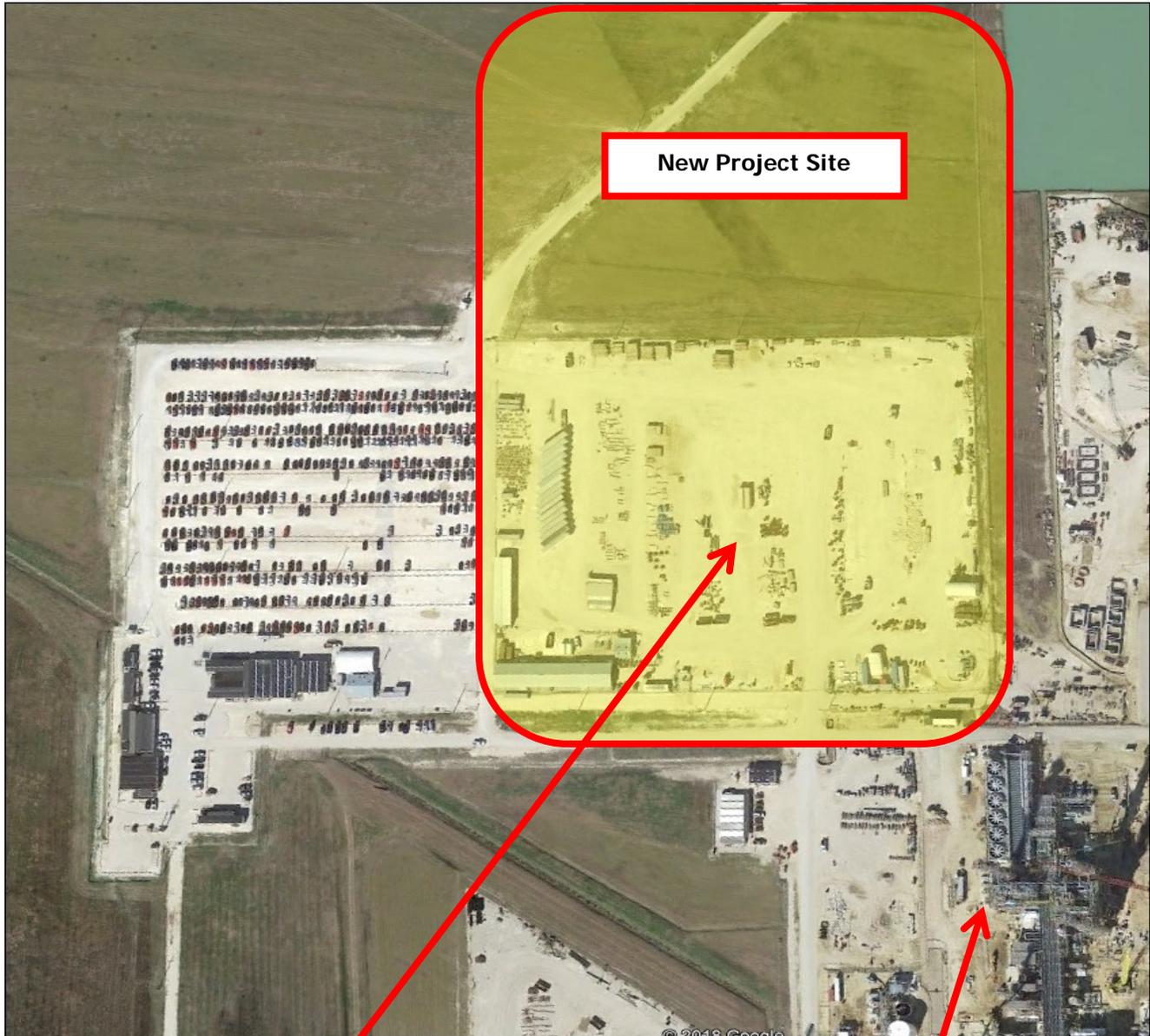
Tab # 10

Description of all property not eligible to become qualified property

At the time of the filing of this application, the site selected for the proposed project is being used as a construction staging area. The items are temporarily staged there in connection with the construction of the IBDH project (which is unrelated to the proposed project). Applicant will clear all items temporarily staged in this area before construction of the proposed project commences. The cost associated to these items temporarily stored here will not be a part of the value limitation agreement. See the detailed aerial view of the proposed site on the next page.

Tab # 10 (continued)

Description of all property not eligible to become qualified property



New Project Site

Construction Staging Area for the IBDH facility (unrelated project). These items will be completely removed before the start of construction of the proposed facility.

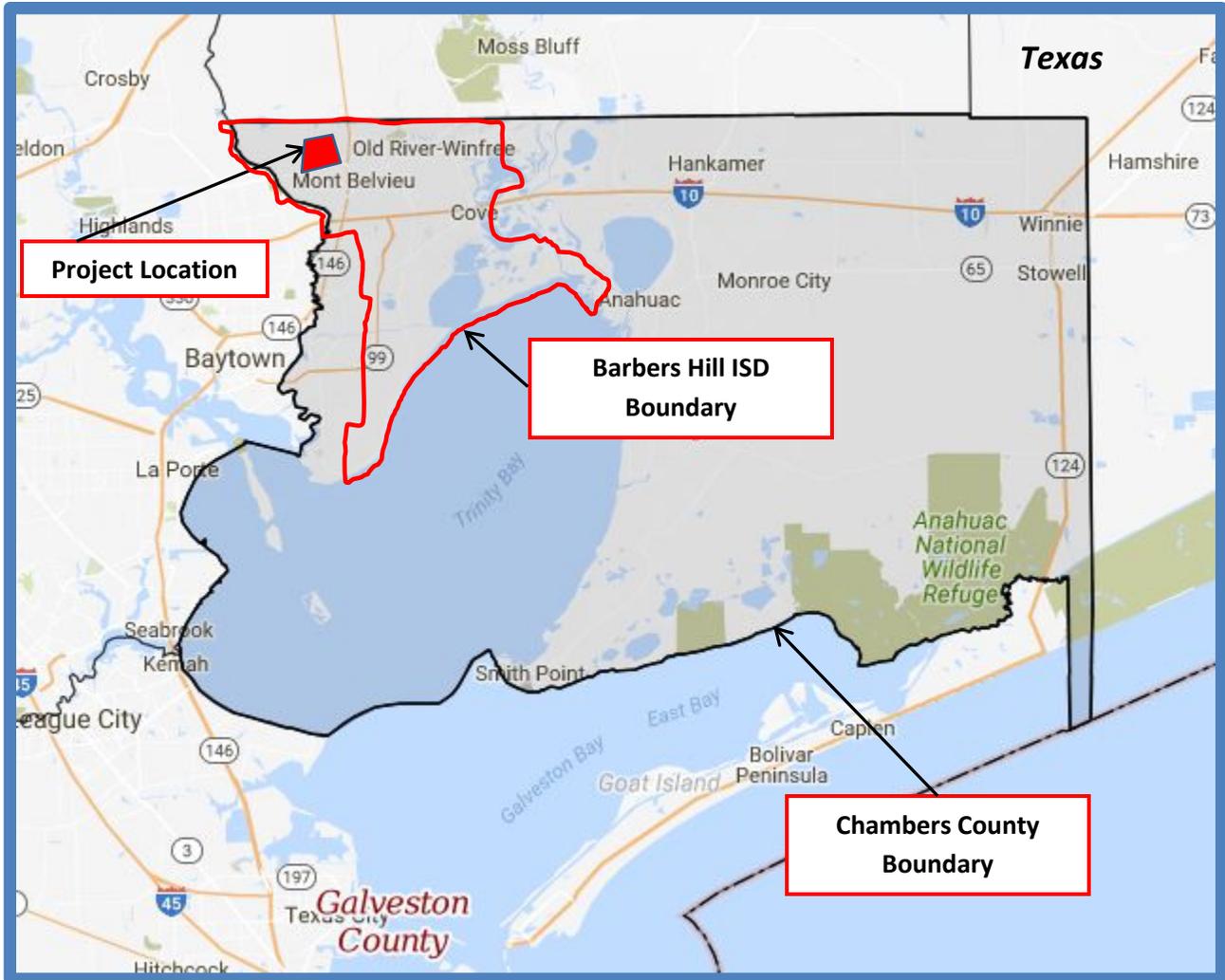
Existing Property (Not on New Project Site): Fractionator #9

Tab # 11

Maps that clearly show:

- a) **Project Vicinity** – See following map labeled “Project Vicinity Map” (submitting new Project Vicinity Map only in this Amendment #1)
- b) **Qualified Investment** – See following map labeled “Qualified Investment / Qualified Property Map”
- c) **Qualified Property** – See following map labeled “Qualified Investment / Qualified Property Map”
- d) **NO Existing Property** – See Tab #10.
- e) **Land location and vicinity map** – See following map labeled “Project Vicinity Map”
- f) **Reinvestment Zone within vicinity map, showing the actual or proposed boundaries and size** – See following map labeled “Reinvestment Zone Map”

Project Vicinity Map



Tab # 13

Calculation of three possible wage requirements with TWC documentation

Calculations of Wages for Chambers County

Based on Most Recent Data Available

Average Weekly Wage for all jobs (all Industries) in the County		
Year	Period	Wages
2018	1st Qtr	\$1,348
2018	2nd Qtr	\$1,145
2017	3rd Qtr	\$1,146
2017	4th Qtr	\$1,185
Average		\$1,206.00

110% of Average Weekly Wage for Manufacturing jobs in the County		
Year	Period	Wages
2018	1st Qtr	\$3,083
2018	2nd Qtr	\$1,986
2017	3rd Qtr	\$1,950
2017	4th Qtr	\$2,064
Average Weekly Wage		\$2,271
110% of Average Weekly Wage		\$2,497.83

110% of Average Weekly Wage for Manufacturing jobs in the Region	
Houston-Galveston Area Council	
Rate per Hour	\$28.94
Hours Per Week	40
Average Weekly Wage	\$1,157.60
110% of Average Weekly Wage	\$1,273.36

Minimum Required Annual(52 weeks) Wage	\$66,214.72
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AMENDMENT # 1 - 11/28/2018

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,348
2018	2nd Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,145
2017	3rd Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,146
2017	4th Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,185

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$3,083
2018	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,986
2017	4th Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,950
2017	3rd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$2,064

source:

<http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

**2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$39,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$48,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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.

Tab # 14

**Schedule A1, A2, B, C and D completed
and signed economic impact**

Schedule C: Employment Information

AMENDMENT # 1 - 11/28/2018

Date 11/28/2018
 Applicant Name Enterprise Products Operating LLC
 ISD Name Barbers Hill ISD

Form 30-230A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D 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
	Pre	2019-2020	2019	1,000 FTE	67,000			67,000
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP1	2020-2021	2020	1,500 FTE	67,000			67,000
	QTP2	2021-2022	2021	1,500 FTE	67,000		25	67,000
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	QTP3	2022-2023	2022				25	67,000
	1	2023-2024	2023				25	67,000
	2	2024-2025	2024				25	67,000
	3	2025-2026	2025				25	67,000
	4	2026-2027	2026				25	67,000
	5	2027-2028	2027				25	67,000
	6	2028-2029	2028				25	67,000
	7	2029-2030	2029				25	67,000
	8	2030-2031	2030				25	67,000
9	2031-2032	2031				25	67,000	
Years Following Value Limitation Period	10	2032-2033	2032				25	67,000

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

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

Greg Poole
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign here

[Handwritten Signature]
Signature (Authorized School District Representative)

12/3/2018
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

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

print here

Curt Tate
Print Name (Authorized Company Representative (Applicant))

Senior Tax Director
Title

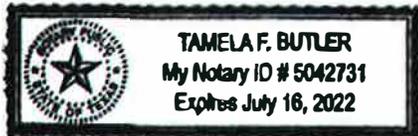
sign here

[Handwritten Signature]
Signature (Authorized Company Representative (Applicant))

November 29, 2018
Date

GIVEN under my hand and seal of office this, the

29th day of November, 2018



(Notary Seal)

[Handwritten Signature]
Notary Public in and for the State of Texas

My Commission expires: 7-16-22

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.