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January 11, 2019

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

RE: (1319) Amended application to the Calhoun County Independent School District from Formosa Plastics Corporation, Tx

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 to Calhoun County Independent School District from Formosa Plastics Corporation. The following changes have been made:

1. Application page 4, section 8
 - Explanation of permit has been added to final paragraph of Tab 5. Formosa received approval from TCEQ to construct with Amendment 1 of Permit 91780 as PP2 Train 3.
2. Application 5, Section 9
 - Question 2 has been updated to February 2019
 - Question 5 remains the same. Company has already begun hiring employees.
3. Tab 11 – Maps
 - Vicinity map now shows County Border, ISD Border and Reinvestment Location
 - PP3 map has been updated showing qualified property and Reinvestment Boundary Labeled
4. Tab 14 Schedules – Schedule C
 - Schedule C has corrected wage
 - Column A still explained in Man Hours. Construction employees our contractors and will not be full time employees of Formosa.
5. New Signature page has been attached

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
Formosa Plastics Corp., Tx

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>

TAB 1

Pages 1-9 of Application

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 9: Projected Timeline

1. Application approval by school board April 2019
2. Commencement of construction February 2019
3. Beginning of qualifying time period April 1, 2019
4. First year of limitation 2022
5. Begin hiring new employees 2018
6. Commencement of commercial operations 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? 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 County
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: Calhoun 100%, .49 City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Ground Water District 100%, .0098
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Calhoun Port Authority 100% .001 Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
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 comptroller.texas.gov/economy/local/ch313/.

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

TAB 5

Documentation to assist in determining if limitation is a determining factor

The Applicant is a wholly-owned subsidiary of Formosa Plastics Group, Taiwan. As such, the Applicant competes with other members of the Formosa Plastics Group for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Formosa Plastics Group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world.

The Applicant owns and operates the Point Comfort Complex where the Project would be sited on unimproved land if the Point Comfort location were chosen as the site for the Project.

Formosa Plastics takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The propose new facility could also be constructed at our Louisiana facility. Formosa Plastics has an entire investment plan for multiple stages of development. Point Comfort has already been chosen for two pieces of the final investment plan, but each unit can be located at any site. The PP3 unit does not require any specific materials that would require the plant to locate in Point Comfort.

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Formosa Plastics group. Calhoun County ISD's maintenance and operations (M&O) tax rate represents approximately 40% of the total property tax burden imposed on taxable property located at the Point Comfort location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas.

Formosa has made announcements regarding development at the Point Comfort location. These announcements relate to the new projects that have already been approved by Formosa. As stated above, the limitation on appraised value is necessary to the determination to locate at the Point Comfort site.

Formosa has received approval from the Texas Commission on Environmental Quality (TCEQ) to construct with Amendment 1 of Permit 91780 as PP2 Train 3.

TAB 11

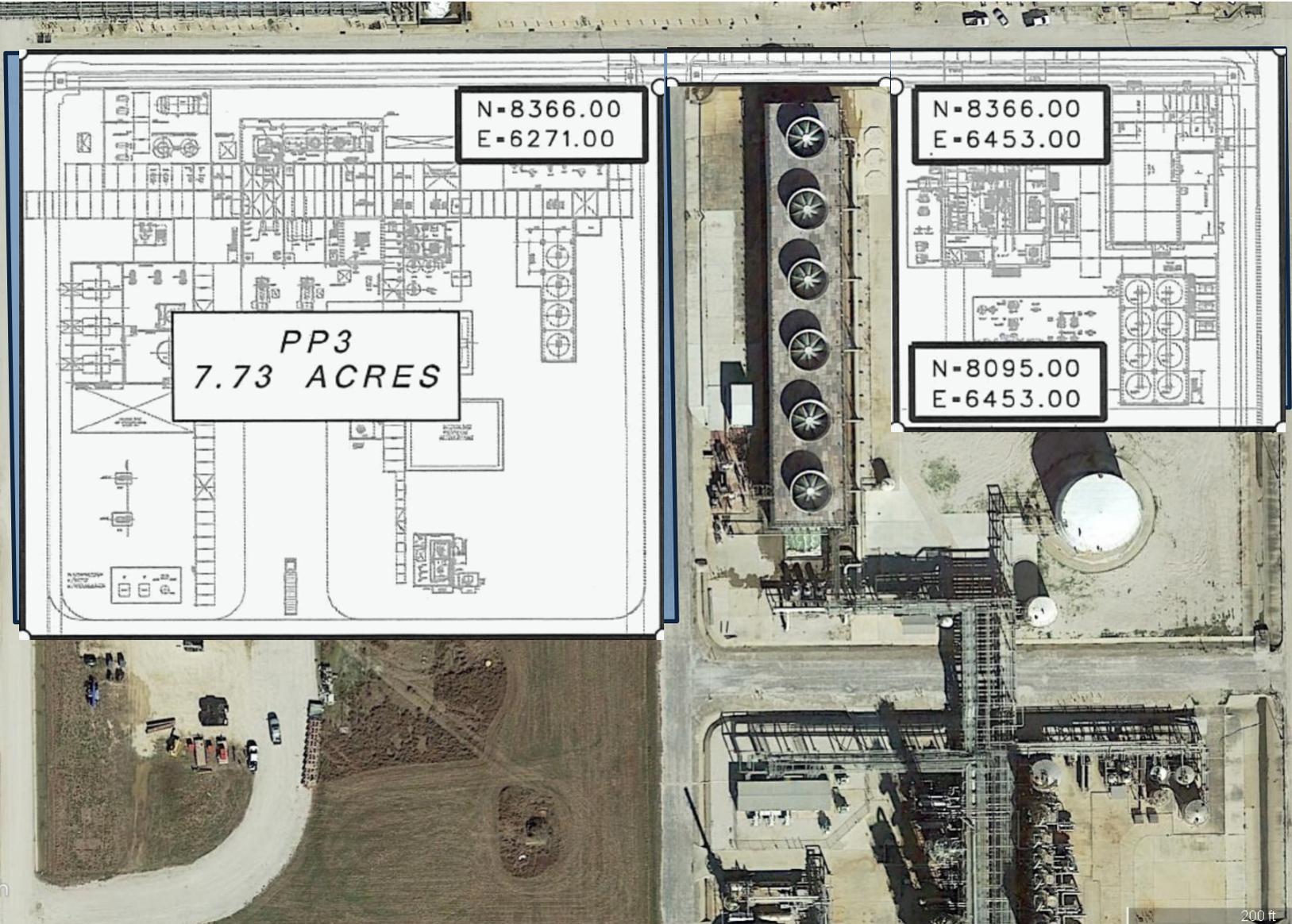
Maps that clearly show:

- ***Project vicinity, Qualified Investment & property, Existing Property, Land Location and Reinvestment Zone***

SEE ATTACHED MAPS



PP3



TAB 14

Schedules A1, A2, B, C, and D completed and signed Economic Impact

See attached Excel Spreadsheet

Schedule C: Employment Information

Date: 10/4/18
Applicant Name: FORMOSA PLASTICS CORPORATION, TX
ISD Name: CALHOUN COUNTY

Form 50-296A
Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018					
	0	2019-2020	2019	70,000 man-hours/ Month	\$67,000.00	0	0	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	38,000 man-hours / Month	\$67,000.00	5	10	\$ 61,646.20
	2	2021-2022	2021			15	10	\$ 61,646.20
	3	2022-2023	2022			15	10	\$ 61,646.20
	4	2023-2024	2023			15	10	\$ 61,646.20
	5	2024-2025	2024			15	10	\$ 61,646.20
	6	2025-2026	2025			15	10	\$ 61,646.20
	7	2026-2027	2026			15	10	\$ 61,646.20
	8	2027-2028	2027			15	10	\$ 61,646.20
	9	2028-2029	2028			15	10	\$ 61,646.20
10	2028-2029	2028			15	10	\$ 61,646.20	
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2044			15	10	\$ 61,646.20

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
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
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

TAB 17

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

See Attached

Texas Comptroller of Public Accounts

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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

Larry Nichols

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Larry W. Nichols
Signature (Authorized School District Representative)

Date

1/11/2019

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

Jack Wu

Print Name (Authorized Company Representative (Applicant))

Vice President

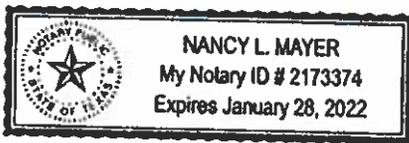
Title

sign
here

Jack Wu
Signature (Authorized Company Representative (Applicant))

Date

1/11/2019



(Notary Seal)

GIVEN under my hand and seal of office this, the

11 day of January 2019

Nancy L. Mayer
Notary Public in and for the State of Texas

Notary Public in and for the State of Texas

My Commission expires: 1/28/2022

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