
SARA LEON
& ASSOCIATES, LLC

2

September 27, 2019

Via Electronic Mail and Hand Delivery: Michelle.Luera@cpa.texas.gov

Michelle Luera, CTCM
Senior Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application #1327 from Hailiang Copper Texas, Inc. to Sealy Independent School District – Amendment #001 after Agreement - Transmittal

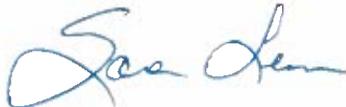
Dear Ms. Luera:

Hailiang Copper Texas, Inc. has made the following changes to Application #1327. Enumerated below are each of the changes contained within this Amendment:

1. Tab 1, Section 9 Projected Timeline: First year of Limitation adjusted to 2021
2. Tab 14 Schedules: Limitation Year Updated on Schedules
3. Tab 16 Authorized Signatures and Application Certification: New signature page

Thanks so much for your kind attention to this matter.

Respectfully submitted,



Sara Hardner Leon

Enclosures

cc: *Via Electronic Mail:* austincad@gmail.com
Mr. Greg Cook, RPA, Chief Appraiser, Austin County Appraisal District

Via Electronic Mail: Mike@keatax.com
Mr. Mike Fry, Director of Energy Services, K.E. Andrews & Company

Via Electronic Mail: [smoore\(@sealvisd.com](mailto:smoore(@sealvisd.com)
Ms. Sheryl Moore, Superintendent of Schools, Sealy Independent School District

Austin • Houston • Corpus Christi

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September 5, 2019

Superintendent Sheryl Moore
cc Texas Comptroller of Public Accounts
Sealy Independent School District
939 Tiger Lane
Sealy, Texas 77474

RE: Amendment One to Agreement #1327 Hailing Copper Texas, Inc.

Dear Superintendent Sheryl Moore:

Please find attached Amendment One to Agreement #1327 Hailing Copper Texas, Inc. On behalf of our client, Hailing Copper Texas, Inc. we kindly request that you review the following changes and consider for approval:

- Section 9: Projected Timeline
 - First Year of Limitation adjusted to 2021
- Tab 14:
 - Limitation Year Updated on Schedules
- Tab 17:
 - New Signature Page Provided

If you have any questions, please feel free to contact me a mfry@keatax.com or 469-298-1594.

Sincerely,

Mike Fry
Director-Energy Services

SECTION 9: Projected Timeline

- 1. Application approval by school board
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
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)?
8. When do you anticipate the new buildings or improvements will be placed in service?

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
3. Will this CAD be acting on behalf of another CAD to appraise this property?
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
5. Is the project located entirely within the ISD listed in Section 1?
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)?

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.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district?
2. What is the amount of appraised value limitation for which you are applying?
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
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?



Tab 14

Schedules A1-D

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

Amendment One (9/5/2019)

Date **9/5/2019**
 Applicant Name **Hailing Copper Texas, INC**
 ISD Name **Sealy ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	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 <u>not</u> 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)
Investment made before filing complete application with district		2018-2019	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								\$ 21,089,450.00
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	Year preceding the first complete tax year of the qualifying time period (assuming no	2019-2020	2019	\$ -	\$ -			\$ -
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$ 75,000,000.00	\$ 40,000,000.00			\$ 115,000,000.00
	QTP2	2021-2022	2021	\$ 20,000,000.00				\$ 20,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 95,000,000.00	\$ 40,000,000.00	\$ 21,089,450.00	\$ 1,675,896.00	\$ 157,765,346.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 135,000,000.00				

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

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

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

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

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Amendment One [9/5/2019]

Date **9/5/2019**
 Applicant Name **Hailing Copper Texas, INC**
 ISD Name **Sealy ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 135,000,000.00		\$ 21,089,450.00	\$ 1,675,896.00	\$ 157,765,346.00
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2018-2019	2018			\$ 21,089,450.00	\$ 1,675,896.00	\$ 22,765,346.00
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2019-2020	2019	\$ -	\$ -			\$ -
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2020-2021	2020	\$ 75,000,000.00	\$ 40,000,000.00			\$ 115,000,000.00
Value limitation period***	1	2021-2022	2021	\$ 20,000,000.00				\$ 20,000,000.00
	2	2022-2023	2022					
	3	2023-2024	2023					
	4	2024-2025	2024					
	5	2025-2026	2025					
	6	2026-2027	2026					
	7	2027-2028	2027					
	8	2028-2029	2028					
	9	2029-2030	2029					
	10	2030-2031	2030					
Total Investment made through limitation				\$ 95,000,000.00	\$ 40,000,000.00	\$ 21,089,450.00	\$ 1,675,896.00	\$ 157,765,346.00
Continue to maintain viable presence	11	2031-2032	2031					
	12	2032-2033	2032					
	13	2033-2034	2033					
	14	2034-2035	2034					
	15	2035-2036	2035					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036					
	17	2037-2038	2037					
	18	2038-2039	2038					
	19	2039-2040	2039					
	20	2040-2041	2040					
	21	2041-2042	2041					
	22	2042-2043	2042					
	23	2043-2044	2043					
	24	2044-2045	2044					
	25	2045-2046	2045					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

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

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

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

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

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

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

Amendment One [9/5/2019]

Date **9/5/2019**
 Applicant Name **Hailing Copper Texas, INC**
 ISD Name **Sealy ISD**

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2021-2022	2021	\$ 1,675,896.00	\$ 40,000,000.00	\$ 75,000,000.00	\$ 116,675,896.00	\$ 116,675,896.00	\$ 30,000,000.00
	2	2022-2023	2022	\$ 1,675,896.00	\$ 38,800,000.00	\$ 94,000,000.00	\$ 134,475,896.00	\$ 134,475,896.00	\$ 30,000,000.00
	3	2023-2024	2023	\$ 1,675,896.00	\$ 37,636,000.00	\$ 90,240,000.00	\$ 129,551,896.00	\$ 129,551,896.00	\$ 30,000,000.00
	4	2024-2025	2024	\$ 1,675,896.00	\$ 36,472,000.00	\$ 86,480,000.00	\$ 124,627,896.00	\$ 124,627,896.00	\$ 30,000,000.00
	5	2025-2026	2025	\$ 1,675,896.00	\$ 35,308,000.00	\$ 82,720,000.00	\$ 119,703,896.00	\$ 119,703,896.00	\$ 30,000,000.00
	6	2026-2027	2026	\$ 1,675,896.00	\$ 34,144,000.00	\$ 78,960,000.00	\$ 114,779,896.00	\$ 114,779,896.00	\$ 30,000,000.00
	7	2027-2028	2027	\$ 1,675,896.00	\$ 32,980,000.00	\$ 75,200,000.00	\$ 109,855,896.00	\$ 109,855,896.00	\$ 30,000,000.00
	8	2028-2029	2028	\$ 1,675,896.00	\$ 31,816,000.00	\$ 71,440,000.00	\$ 104,931,896.00	\$ 104,931,896.00	\$ 30,000,000.00
	9	2029-2030	2029	\$ 1,675,896.00	\$ 30,652,000.00	\$ 67,680,000.00	\$ 100,007,896.00	\$ 100,007,896.00	\$ 30,000,000.00
	10	2030-2031	2030	\$ 1,675,896.00	\$ 29,488,000.00	\$ 63,920,000.00	\$ 95,083,896.00	\$ 95,083,896.00	\$ 30,000,000.00
Continue to maintain viable presence	11	2031-2032	2031	\$ 1,675,896.00	\$ 28,324,000.00	\$ 60,160,000.00	\$ 90,159,896.00	\$ 90,159,896.00	\$ 90,159,896.00
	12	2032-2033	2032	\$ 1,675,896.00	\$ 27,160,000.00	\$ 56,400,000.00	\$ 85,235,896.00	\$ 85,235,896.00	\$ 85,235,896.00
	13	2033-2034	2033	\$ 1,675,896.00	\$ 25,996,000.00	\$ 52,640,000.00	\$ 80,311,896.00	\$ 80,311,896.00	\$ 80,311,896.00
	14	2034-2035	2034	\$ 1,675,896.00	\$ 24,832,000.00	\$ 48,880,000.00	\$ 75,387,896.00	\$ 75,387,896.00	\$ 75,387,896.00
	15	2035-2036	2035	\$ 1,675,896.00	\$ 23,668,000.00	\$ 45,120,000.00	\$ 70,463,896.00	\$ 70,463,896.00	\$ 70,463,896.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	\$ 1,675,896.00	\$ 22,504,000.00	\$ 41,360,000.00	\$ 65,539,896.00	\$ 65,539,896.00	\$ 65,539,896.00
	17	2037-2038	2037	\$ 1,675,896.00	\$ 21,340,000.00	\$ 37,600,000.00	\$ 60,615,896.00	\$ 60,615,896.00	\$ 60,615,896.00
	18	2038-2039	2038	\$ 1,675,896.00	\$ 20,176,000.00	\$ 33,840,000.00	\$ 55,691,896.00	\$ 55,691,896.00	\$ 55,691,896.00
	19	2039-2040	2039	\$ 1,675,896.00	\$ 19,012,000.00	\$ 30,080,000.00	\$ 50,767,896.00	\$ 50,767,896.00	\$ 50,767,896.00
	20	2040-2041	2040	\$ 1,675,896.00	\$ 17,848,000.00	\$ 26,320,000.00	\$ 45,843,896.00	\$ 45,843,896.00	\$ 45,843,896.00
	21	2041-2042	2041	\$ 1,675,896.00	\$ 16,684,000.00	\$ 22,560,000.00	\$ 40,919,896.00	\$ 40,919,896.00	\$ 40,919,896.00
	22	2042-2043	2042	\$ 1,675,896.00	\$ 15,520,000.00	\$ 18,800,000.00	\$ 35,995,896.00	\$ 35,995,896.00	\$ 35,995,896.00
	23	2043-2044	2043	\$ 1,675,896.00	\$ 14,356,000.00	\$ 18,800,000.00	\$ 34,831,896.00	\$ 34,831,896.00	\$ 34,831,896.00
	24	2044-2045	2044	\$ 1,675,896.00	\$ 13,192,000.00	\$ 18,800,000.00	\$ 33,667,896.00	\$ 33,667,896.00	\$ 33,667,896.00
	25	2045-2046	2045	\$ 1,675,896.00	\$ 12,028,000.00	\$ 18,800,000.00	\$ 32,503,896.00	\$ 32,503,896.00	\$ 32,503,896.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 9/5/2019
 Applicant Name Hailing Copper Texas, INC
 ISD Name Sealy ISD

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					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	400FTE	\$ 66,222.20	N/A	N/A	\$ 66,222.20
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2021-2022	2021				10	\$ 66,222.20
	2	2022-2023	2022				10	\$ 66,222.20
	3	2023-2024	2023				10	\$ 66,222.20
	4	2024-2025	2024				10	\$ 66,222.20
	5	2025-2026	2025				10	\$ 66,222.20
	6	2026-2027	2026				10	\$ 66,222.20
	7	2027-2028	2027				10	\$ 66,222.20
	8	2028-2029	2028				10	\$ 66,222.20
	9	2029-2030	2029				10	\$ 66,222.20
	10	2030-2031	2030				10	\$ 66,222.20
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045				10	\$ 66,222.20

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

Schedule D: Other Incentives (Estimated)

Date 9/5/2019
Applicant Name Hailing Copper Texas, INC
ISD Name Sealy ISD

Form 50-296A
 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: Austin County	2021	2021-2030	\$ 549,284.00	75% / Year	\$ 137,321.00
	City: City of Sealy	2021	2021-2030	\$ 556,471.00	75% / Year	\$ 139,117.75
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
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				\$ 1,105,755.00	75%	\$ 276,438.75

Additional information on incentives for this project:



Tab 17

Signatures and Certification

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 ▶ Sheryl Moore Title Superintendent
Print Name (Authorized School District Representative) _____
sign here ▶ Sheryl Moore Date 9-25-19
Signature (Authorized School District Representative) _____

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 ▶ Wang Liu Title CEO
Print Name (Authorized Company Representative (Applicant)) _____
sign here ▶ Wang Liu Date SEP-18-2019
Signature (Authorized Company Representative (Applicant)) _____



(Notary Seal)

GIVEN under my hand and seal of office this, the
18 day of Sept., 2019
Angela Worrell
Notary Public in and for the State of Texas
My Commission expires: April 16, 2023

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.

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** ▶

Print Name (Authorized School District Representative)

Title

**sign
here** ▶

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

**print
here** ▶

Print Name (Authorized Company Representative (Applicant))

Title

**sign
here** ▶

Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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.