
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street, Room 427
Austin, Texas 78774
Attention: Ms. Tabita Collazo

March 31, 2021

Re: Amended Application #1570 to Ector County Independent School District from *1PointFive P1, LLC*

Dear Ms. Collazo:

On behalf of our client, *1PointFive P1, LLC* we would like to submit the following amendments to their Chapter 313 application (#1570) with Ector County Independent School District:

- Tab 1 – Section 10 Q4 – Updated tax rates
- Tab 1 – Section 14 Q4c – Updated 110% COG average weekly wage
- Tab 1 – Section 14 Q6 & Q7 – Updated COG annual wage
- Tab 2 – Explanation regarding application received date and wire transfer date
- Tab 7 & 8 – Updated language and clarification on qualified property
- Tab 11 – Updated maps to include highway identifiers
- Tab 13 – Updated COG wage rate
- Schedule C – Updated column E (wage rates for qualifying jobs)
- Tab 1 – Updated signature page

If you have any questions, please don't hesitate to reach me at (512) 671-5507.

Sincerely,



Doug Heinz
Manager, SSIA

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement September 2021
 2. Estimated commencement of construction Q2 2022
 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2022
 4. First year of limitation (YYYY) 2025
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2024

SECTION 10: The Property

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

M&O (ISD): <u>Ector County ISD, 1.0547, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Ector County ISD, 0.1232, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Ector County, 0.3650, 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>Ector County HD, 0.1500, 100%</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>Odessa College, 0.1890, 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>

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 25
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. 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
- 3a. If yes, attach evidence of industry standard 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.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission 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 available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
- a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,187.75
- b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,552.10
- c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 962.48
5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? \$ 50,048.90
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 50,048.90
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
9. 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
- 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
- 10a. 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, and C 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 an entity 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**.

Note regarding application received date and wire transfer date

The Ector County ISD Board meeting to accept the application was originally set for Tuesday, February 16 and the application was emailed to the District's representatives in advance to be submitted to the District on the meeting date. Therefore, February 16 is the submission date stated on the application. Monday, February 15 was a federal holiday for Presidents Day (observed), and banks and corporate offices were closed. Between February 14 and 15, Winter Storm Uri caused record-breaking cold temperatures in Texas and deposited massive amounts of snow and ice across the state, crippling transportation systems and causing rolling blackouts and catastrophic power failures of the state's electric grid. The School Board meeting for February 16 was cancelled and rescheduled for February 23, 2021. The subsequent damage from the winter storm to water and electric infrastructure, as well as sustained electricity service outages effectively displaced many members of the project team, who were not able to process payment for the project application until February 24, when economic development, consultant and company employees were all able to return to normal working conditions.

Tab 7**Description of Qualified Investment**

1PointFive's DAC facility, the largest of its kind in the world, would be capable of removing approximately 500 kilotons of atmospheric CO₂ per year. The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactor
- Pellet Reactor
- Pellet Calciner
- Slaker/Hydrator

Eligible ancillary and necessary equipment would include the following:

- | | |
|---|--|
| • Pellet Separator and Washing | • Pumps |
| • Pellet Dryer | • Electrical and Instrumentation Controls |
| • CO ₂ Purifier and Compressor | • New Piping |
| • Cooling System | • Water Treatment Facility |
| • Compressors | • Operations, Maintenance,
Measurement, and Monitoring
Buildings |
| • Evaporators | |

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

Tab 8**Description of Qualified Property**

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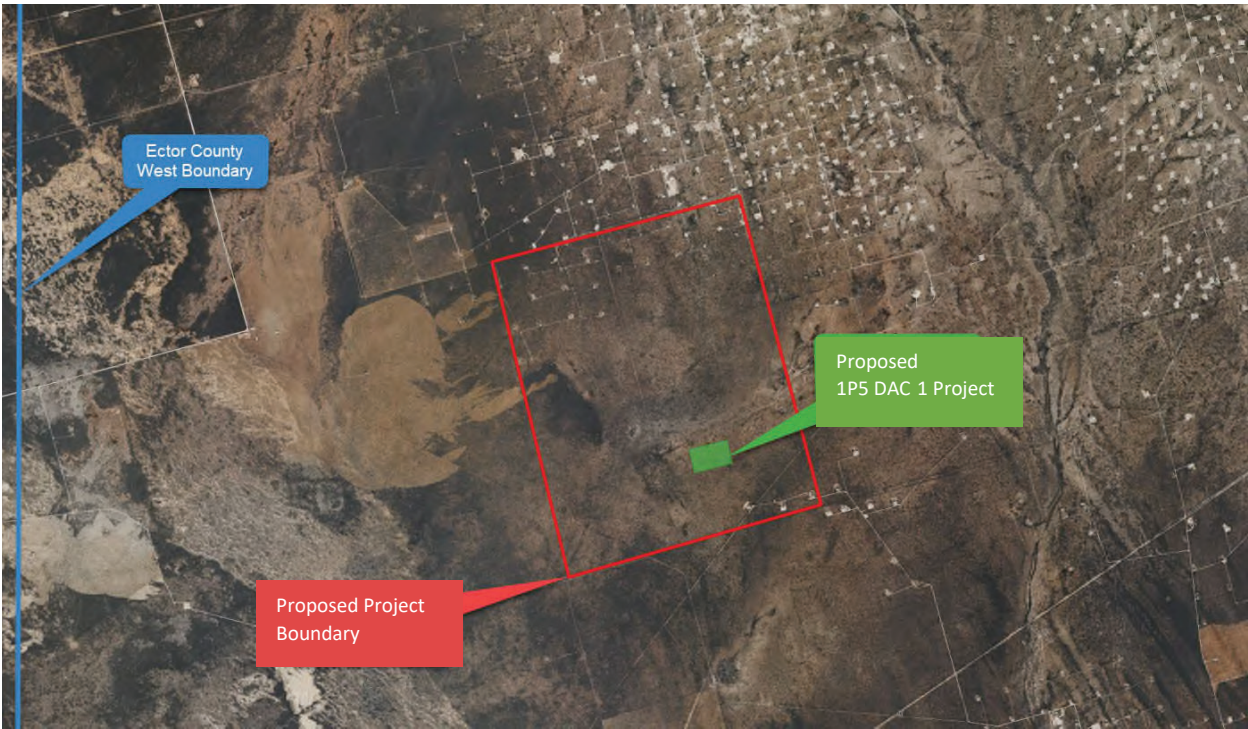
Eligible ancillary and necessary equipment would include the following:

- | | |
|---|--|
| • Pellet Separator and Washing | • Pumps |
| • Pellet Dryer | • Electrical and Instrumentation Controls |
| • CO ₂ Purifier and Compressor | • New Piping |
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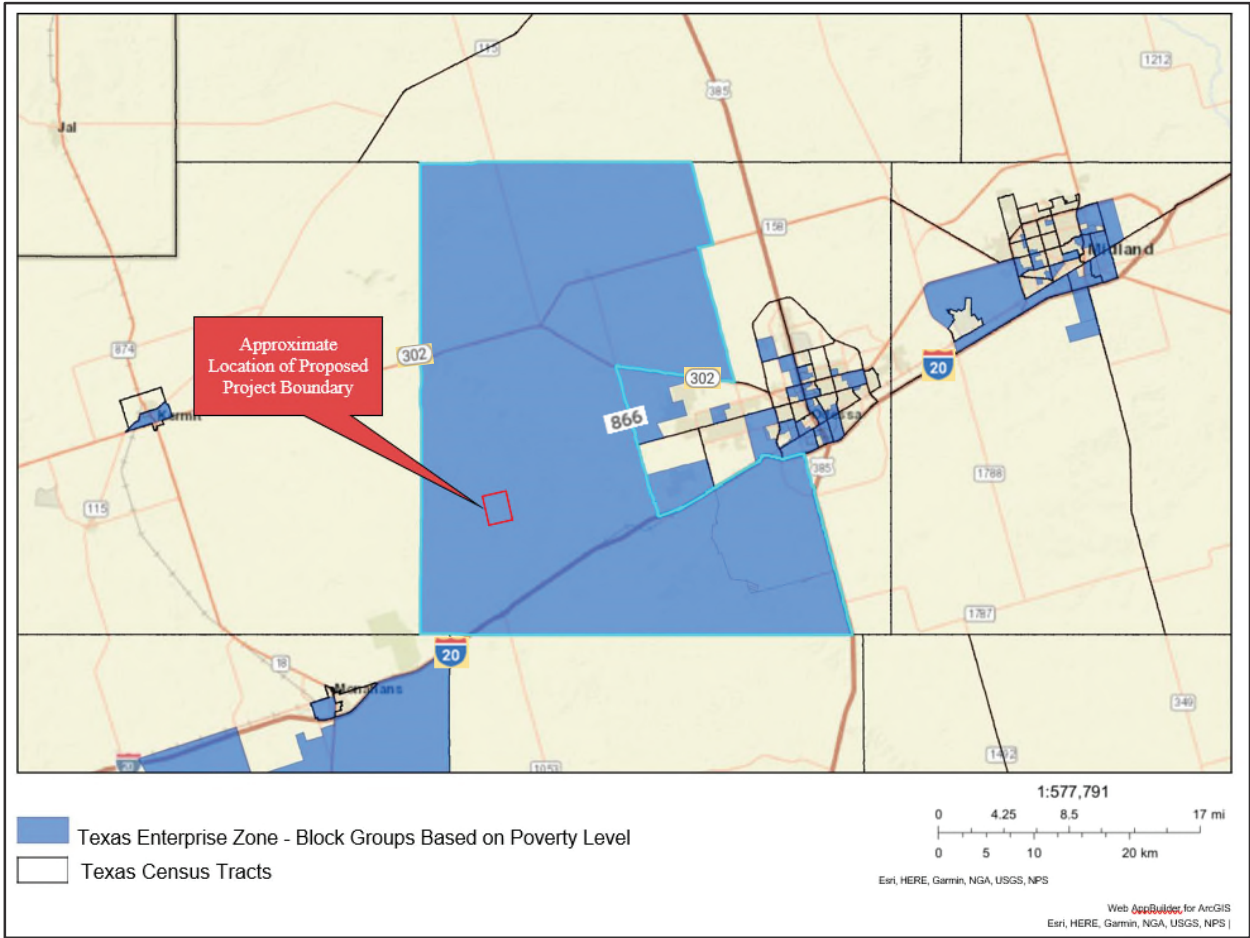
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1PointFive P1, LLC
Ch. 313 Application
Ector County ISD
3/30/21



1PointFive P1, LLC
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Tab 13

**Calculation of non-qualifying wage target and two possible qualifying job wage requirements with
TWC documentation****Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)**

County	Year	Quarter	Ownership	Avg. Weekly Wage
Ector County	2019	4	Total All	1,275
Ector County	2020	1	Total All	1,249
Ector County	2020	2	Total All	1,134
Ector County	2020	3	Total All	1,093
Sum Last 4 Quarters				\$ 4,751
Average Weekly Wage				\$ 1187.75

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

County	Year	Quarter	Ownership	Avg. Weekly Wage
Ector County	2019	4	Private	\$ 1,546
Ector County	2020	1	Private	\$ 1,466
Ector County	2020	2	Private	\$ 1,348
Ector County	2020	3	Private	\$ 1,284
Sum Last 4 Quarters				\$ 5,644
Average Weekly Wage				\$ 1,411
110 % Average Weekly Wage				\$ 1,552.10

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

COG Region	Year	Hourly	Annual	Avg. Weekly Wage
Permian Basin	2019	\$ 21.87	\$ 45,499	\$ 874.98
110 % Average Weekly Wage				\$ 962.48

*Backup documentation provided in following pages

Schedule C: Employment Information

Date 3/30/2021
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	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)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP 1	2022-2023	2022	1000	\$50,000	0	0	\$0
	QTP 2	2023-2024	2023	1000	\$50,000	0	0	\$0
	Gap Year	2024-2025	2024	1000	\$50,000	0	0	\$0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2025-2026	2025	0	\$0	0	25	\$50,048.90
	2	2026-2027	2026	0	\$0	0	25	\$50,048.90
	3	2027-2028	2027	0	\$0	0	25	\$50,048.90
	4	2028-2029	2028	0	\$0	0	25	\$50,048.90
	5	2029-2030	2029	0	\$0	0	25	\$50,048.90
	6	2030-2031	2030	0	\$0	0	25	\$50,048.90
	7	2031-2032	2031	0	\$0	0	25	\$50,048.90
	8	2032-2033	2032	0	\$0	0	25	\$50,048.90
	9	2033-2034	2033	0	\$0	0	25	\$50,048.90
	10	2034-2035	2034	0	\$0	0	25	\$50,048.90
Years Following Value Limitation Period	11 through 25	2035-2050	2049	0	\$0	0	25	\$50,048.90

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

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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

Scott Muri

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

4-1-21

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

Derek Willis

Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary

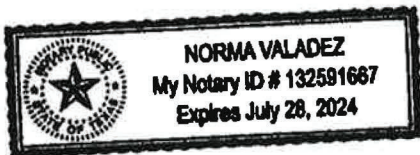
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

3/30/21



(Notary Seal)

GIVEN under my hand and seal of office this, the

30th day of March, 2021

Norma Valadez

Notary Public in and for the State of Texas

My Commission expires: 7/28/2024

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.