



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

July 15, 2021

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

RE: *Chapter 313 Application Submitted to the McGregor Independent School District from Project Rodeo (Knauf Insulation Inc.)*

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter forwarding this application for review to the Comptroller's Office, the McGregor Independent School District is notifying Project Rodeo (Knauf Insulation Inc.) of its intent to consider the Chapter 313 application for appraised value limitation on qualified property, should a positive certificate be issued by the Comptroller. The Applicant submitted the Application to the School District on June 24, 2021. The Board voted to accept the application on June 24, 2021. A poll of the Board was taken and no member indicated a conflict of interest. The application has been determined complete as of July 15, 2021. We request that the Comptroller's Office prepare the economic impact analysis for this application.

The Applicant has provided the schedules in electronic format. A copy of the application will be submitted to the McLennan County Appraisal District.

Thank you for your assistance in this matter. If you have any questions or need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Daniel T. Casey". The signature is fluid and cursive, with a large loop at the end of the last name.

Dan Casey,  
School District Consultant

cc: Mr. Joe Bobbitt, Chief Appraiser, McLennan County Appraisal District  
Mr. Jeff Brisley, Senior VP, Strategic Business & Partnership Development, Knauf Insulation, Inc.  
Mr. Mike Butler, Director, ADP  
Mr. James Lenamon, Superintendent, McGregor ISD

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# **Project Rodeo**

Knauf Insulation, Inc.

Chapter 313 Application to the  
McGregor Independent School District

June 14, 2021

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE  
LIMITATION ON QUALIFIED PROPERTY BY KNAUF  
INSULATION, INC TO MCGREGOR ISD

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# Tab 1

Pages 1-8 of the Application

# Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Texas Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the completed application to the Comptroller, separating each section of the documents. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller’s rules. For more information, see guidelines on Comptroller’s website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller’s rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project and issue a certificate for a limitation on appraised value to the school board regarding the application by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete by the Comptroller), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller’s website to find out more about the program at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

June 24, 2021

Date Application Received by District

James Lenamon

First Name Last Name

Superintendent

Title

McGregor Independent School District

School District Name

525 Bluebonnet Parkway

Street Address

P.O. Box 356

Mailing Address

McGregor TX 76657

City State ZIP

(254) 840-2828 (254) 840-4077

Phone Number Fax Number

jlenamon@mcgregor-isd.org

Mobile Number (optional) Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?  Yes  No

**SECTION 1: School District Information (continued)**

**3. Authorized School District Consultant (If Applicable)**

Dan <small>First Name</small> Partner <small>Title</small> Moak, Casey & Associates <small>Firm Name</small> (512) 485-7878 <small>Phone Number</small>  Mobile Number (optional)	Casey <small>Last Name</small>  (512) 485-7888 <small>Fax Number</small> dcasey@moakcasey.com <small>Email Address</small>
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4. On what date did the district determine this application complete? ..... July 15, 2021

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

Jeff <small>First Name</small> Senior VP, Strategic Business & Partnership Development <small>Title</small> One Knauf Drive <small>Street Address</small>  Shelbyville <small>City</small> (317) 421-8555 <small>Phone Number</small>  Mobile Number (optional)	Brisley <small>Last Name</small> Knauf Insulation, Inc <small>Organization</small>  IN <small>State</small> (317) 421-3026 <small>Fax Number</small> jeff.brisley@knaufinsulation.com <small>Business Email Address</small>	46176 <small>ZIP</small>
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2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No

2a. If yes, please fill out contact information for that person.

_____ <small>First Name</small>	_____ <small>Last Name</small>	
_____ <small>Title</small>	_____ <small>Organization</small>	
_____ <small>Street Address</small>		
_____ <small>Mailing Address</small>		
_____ <small>City</small>	_____ <small>State</small>	_____ <small>ZIP</small>
_____ <small>Phone Number</small>	_____ <small>Fax Number</small>	
_____ <small>Mobile Number (optional)</small>	_____ <small>Business Email Address</small>	

3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....  Yes  No

**SECTION 2: Applicant Information (continued)**

**4. Authorized Company Consultant (If Applicable)**

Mike First Name	Butler Last Name
Director Title	
ADP Firm Name	
734-354-1931 Phone Number	(609) 819-8065 Fax Number
mike.butler@adp.com Business Email Address	

**SECTION 3: Fees and Payments**

1. Has an application fee been paid to the school district?  Yes  No

The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$ 75,000.00 Payment Amount	Check Transaction Type
Knauf Insulation, Inc. Payor	McGregor Independent School Distr. Payee
9/11/2019 Date transaction was processed	

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A

**SECTION 4: Business Applicant Information**

1. What is the legal name of the applicant under which this application is made? Knauf Insulation, Inc
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13825607230
3. Parent Company Name Knauf Insulation GmbH
4. Parent Company Tax ID 35-1417383
5. NAICS code 327993
6. Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No
- 6a. If yes, please list application number, name of school district and year of agreement

**SECTION 5: Applicant Business Structure**

1. Business Organization of Applicant (corporation, limited liability corporation, etc) C-corporation, privately held
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)?  Yes  No
- 2a. If yes, attach in **Tab 3** a copy of the most recently submitted Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

**SECTION 5: Applicant Business Structure (continued)**

2b. Texas Franchise Tax Reporting Entity Taxpayer Name  
Knauf Insulation, Inc.

2c. Reporting Entity Taxpayer Number  
13825607230

3. Is the applicant current on all tax payments due to the State of Texas?  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  Yes  No  N/A

**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

\*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

**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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- Land has no existing improvements  Land has existing improvements (complete Section 13)
  - Expansion of existing operation on the land (complete Section 13)  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.

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 ..... Q4 2021
- 2. Estimated commencement of construction ..... 8/15/2021
- 3. Beginning of qualifying time period (MM/DD/YYYY) ..... 8/1/2021
- 4. First year of limitation (YYYY) ..... 1/1/2024
- 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 ..... Whs Q3 22, Plant Q3 23

SECTION 10: The Property

- 1. County or counties in which the proposed project will be located ..... McLennan
- 2. Central Appraisal District (CAD) that will be responsible for appraising the property ..... McLennan County Appraisal District
- 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>McGregor ISD, 0.937500 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>McGregor ISD, 0.229780 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>McLennan, 0.468719, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>McGregor, 0.578954, 100%</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</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>McLennan Comm. College, 0.149782,</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 10: The Property (continued)

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: 10 Yr PP Abate, 75% 2024-28, 50% 2029-33
City: 10 Yr PP Abate, 75% 2024-28, 50% 2029-33
Hospital District: N/A
Water District: N/A
Other (describe): CC -10 Yr PP Abate, same sched
Other (describe): TIF - Real Property, 100%, 2022 - 2031

- 6. Is the project located entirely within the ISD listed in Section 1? [X] Yes [ ] No
6a. If no, attach in Tab 6 maps of the entire project...
7. Did you receive a determination from the Texas Economic Development and Tourism Office... [ ] Yes [X] No
7a. If yes, attach in Tab 6 supporting documentation...

SECTION 11: Texas Tax Code 313.021(1) Qualified 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...

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$ 40,000,000.00
2. What is the amount of appraised value limitation for which you are applying? \$ 40,000,000.00

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)? [X] 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...
b. a description of any new buildings, proposed new improvements or personal property...
c. a detailed map of the qualified investment showing location of tangible personal property...
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023... [X] Yes [ ] No

SECTION 12: Texas Tax Code 313.021(2) Qualified Property

- 1. Attach a detailed description of the qualified property. [See §313.021(2).] The description must include:
1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation...
1b. a description of any new buildings, proposed new improvements or personal property...
1c. a map or site plan of the proposed qualified property showing the location of the new buildings...
1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings... [ ] Yes [X] No
Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property...

**SECTION 12: Texas Tax Code 313.021(2) Qualified Property (continued)**

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)?  Yes  No
- 2a. If yes, attach complete documentation including:
- a. legal description of the land (Tab 9);
  - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
  - c. owner (Tab 9);
  - d. the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and
  - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303?  Yes  No
- 3a. If yes, attach the applicable supporting documentation:
- a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
  - b. legal description of reinvestment zone (Tab 16);
  - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
  - d. guidelines and criteria for creating the zone (Tab 16); and
  - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
- 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
- What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? \_\_\_\_\_

**SECTION 13: Information on Property Not Eligible to Become Qualified Property**

1. In Tab 10, attach a specific and detailed description of all **existing property within the project boundary**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property within the project boundary that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (statement 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property within the project boundary in response to statements 1 and 2 of this section, provide the following supporting information in Tab 10:
- a. maps and/or detailed site plan;
  - b. surveys;
  - c. appraisal district values and parcel numbers;
  - d. inventory lists;
  - e. existing and proposed property lists;
  - f. model and serial numbers of existing property; or
  - g. other information of sufficient detail and description.
4. Total estimated market value of existing property within the project boundary (that property described in response to statement 1): ..... \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to statement 2): ..... \$ 0.00

**Note:** Investment for the property listed in statement 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property **cannot** become qualified property on Schedule B.

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)) ..... 126
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 ..... \$ 966.75
  - b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is ..... \$ 1,465.20
  - c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is ..... \$ 986.07
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? ..... \$ 51,275.40
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 51,275.40
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**.

# Tab 2

Proof of Payment  
of the Application Fee

Proof of payment of filing fee received by the  
Comptroller of Public Accounts per TAC Rule  
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of  
Public Accounts)*

## Tab 3

Documentation of Combined Group membership  
under Texas *Tax Code 171.0001(7)*,  
history of tax default,  
delinquencies and/or  
material litigation (if applicable)

**Response to Section 5 question 2a.,  
documentation of combined group  
membership, received by CPA**

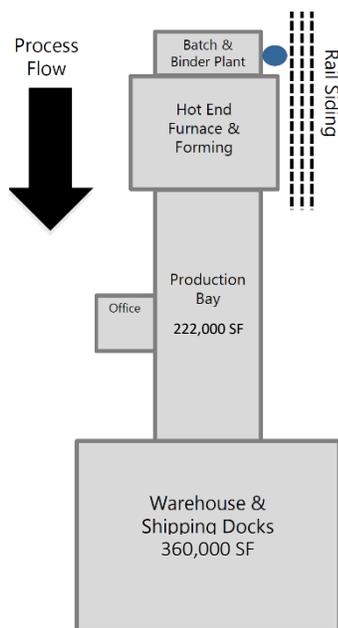
# Tab 4

Detailed description of the Project

# Project Rodeo

## Project Description

- Since early 2018, the company has been evaluating locations to establish a new facility to produce fiberglass insulation products including batts, blankets and loose fill insulation. The project was put on temporary hold due to the Covid-19 health crisis and other business factors, but the last stages of the location selection process were re-initiated in March 2021. A final location selection and Board approval of the project is expected in early July 2021.
- The project will be built as quickly as permitting allows. Warehouse construction is expected to start in August 2021; warehouse operations should start in mid-2022. Plant construction is expected to start in June 2022 with completion in mid-2023. Plant commissioning is targeted for August 2023.
- Initial plans include construction of an approximately 582,000 square foot glass mineral wool insulation manufacturing (222,000 sq. ft.) and distribution facility (360,000 sq. ft.):



- A batch and binder plant with related equipment will be at one end of the facility where raw material will be received by rail.
- Following the batch area is the hot end furnace and forming area.
- The hot end is followed by the production bay from which the finished product moves in the warehouse and shipping area.
- The plant will be a 24/7 continuous operation with significant utility requirements (particularly electric and natural gas) and substantial transportation needs (rail and highway). Thus, site development includes major infrastructure improvements in cooperation with the City of McGregor, Burlington Northern Santa Fe (BNSF) and other entities.

- The proposed plant anticipates hiring approximately 151 employees starting in Q1 2021 and ramping up through Q2 2023. 25 of these positions will meet or exceed 110% of the average weekly wage for manufacturing positions in the region.
- Capital investment will total in excess of \$210 million, including approximately \$1,700,000 in land acquisition, \$47,800,000 in building, \$27,800,000 in site preparation and \$133,000,000 in business personal property.
- This project will require robust transportation infrastructure and significant utility capacity. These include at a minimum access to a 4-lane divided highway, proximity to an Interstate, rail access and transmission-grade electricity and natural gas service.

# Tab 5

Documentation to assist in determining  
if Limitation is a Determining Factor

# Determining Factor

## Discussion

- The top two finalist locations for Project Rodeo include McGregor, TX and a location in Oklahoma.
- To date, the project team has completed a comparison of operating costs and conditions for these locations. Each location has unique advantages and disadvantages.
  - The site in Oklahoma is nearly ready to go from an infrastructure perspective (rail, electricity, natural gas, water and sewer). Since this project is a significant utility user and requires rail, the readiness of the **Oklahoma site lowers the risk** to the company; in McGregor, a great deal of costly infrastructure development must happen relatively quickly so the plant can be operational in 2023.
  - Overall costs, including site acquisition and development, geographically variable operating costs (freight, labor, utilities, taxes) and the impact of estimated incentives have been identified.
    - **Before considering the impact of incentives, the Oklahoma location is significantly less costly than McGregor on a 10-year and 20-year NPV basis.**

<u>Cost Factor</u>	<u>TX</u>	<u>OK</u>
<b>Freight</b>	↑	↓
<b>Labor</b>	↔	↔
<b>Utilities</b>	↓	↑
<b>Taxes</b>	↓	↑

### **Advantage: Oklahoma**

*After incentives, assuming Chapter 313 benefits and property tax abatement in McGregor, the Oklahoma advantage is lessened.*

- Transportation costs are lower in McGregor based on current estimates and market forecasts.
- Labor costs for the operation are expected to be comparable in both locations.
- McGregor has higher utility rates, notably electric and water, both significant for this operation.
- McGregor has higher tax costs, notably property taxes which are almost three times higher than in the competing location.

- **After including the estimated impact of incentives in both locations, the cost disadvantage in McGregor is lessened.** However, assumed in this analysis is that Chapter 313 benefits are approved in McGregor. If not, the McGregor cost disadvantage including incentives would widen compared to the competing Oklahoma alternative.

# Tab 6

## *Not Applicable*

Description of how project is located in more than one district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

The project and all qualified property / investment will be located within the McGregor Independent School District with the following tax rates applicable:

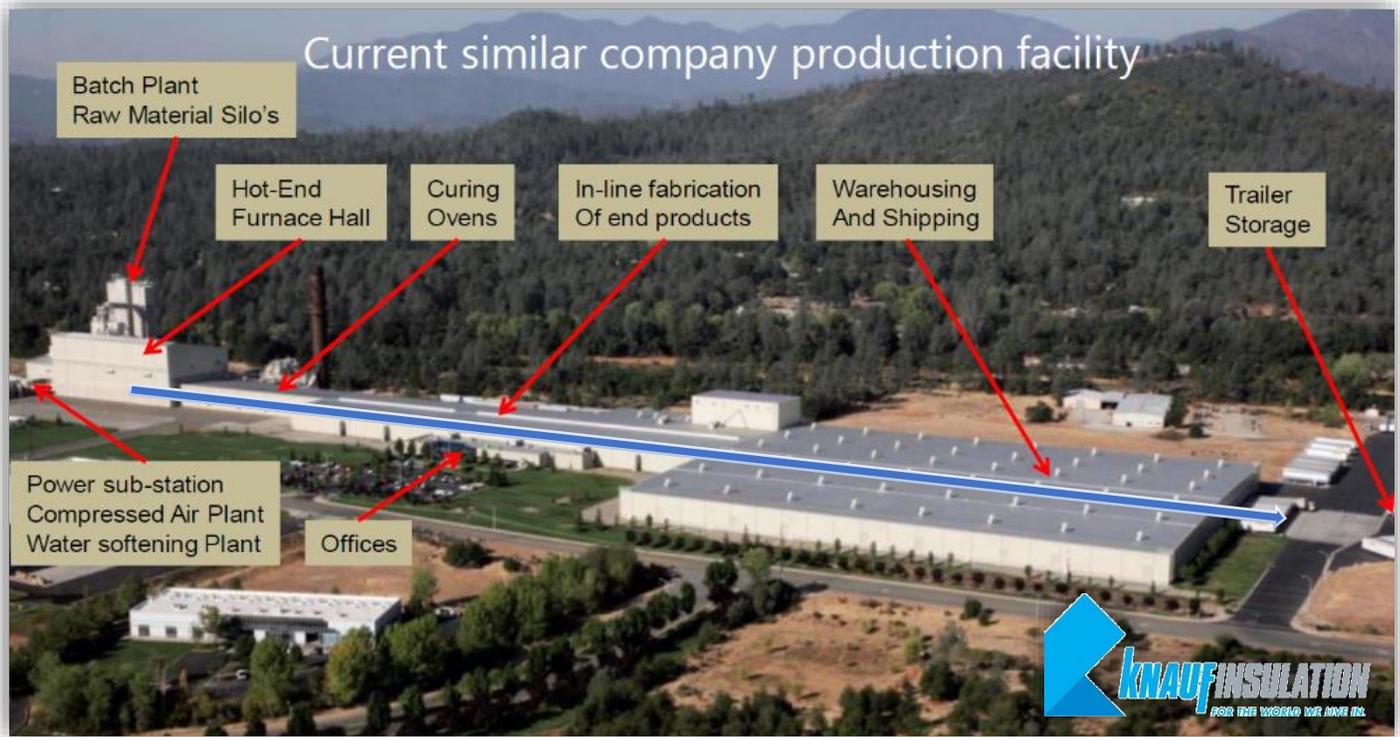
		<u>2020 Tax Rate</u>
City of McGregor	100%	\$0.578954
McLennan County	100%	\$0.468719
McGregor ISD		
- M&O	100%	\$0.937500
- I&S	100%	\$0.229780
McLennan Community College	100%	\$0.149782
<b>Total</b>	<b>100%</b>	<b>\$2.364735</b>

# Tab 7

## Description of Qualified Investment

# Project Rodeo

## Qualified Investment Overview

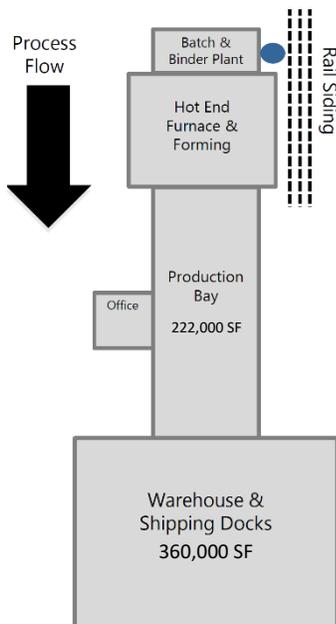


Qualified investment will include:

Category	Description	Value
<b>Site Preparation</b>	Extensive site work required prior to construction	\$27,800,000
<b>Building</b>	582,000 sq. ft. facility (222,000 sq. ft. production and 360,000 sq. ft. warehouse) for the manufacture and distribution of fiberglass insulation products	\$47,800,000
<b>Production Equipment</b>	Process equipment	\$119,100,000
<b>Pollution Control Equipment</b>	Air and water pollution control equipment	\$13,900,000
<b>Total:</b>		<b>\$208,600,000</b>

## Qualified Investment Detail

- Since early 2018, the company has been evaluating locations to establish a new facility to produce fiberglass insulation products including batts, blankets and loose fill insulation. The project was put on temporary hold due to the Covid-19 health crisis and other business factors, but the last stages of the location selection process were re-initiated in March 2021 given the continuing high demand for insulation to support residential and commercial construction. A final location selection and Board approval of the project is expected in early July 2021.
- The project will be built as quickly as permitting allows. Warehouse construction is expected to start in August 2021; warehouse operations should start in mid-2022. Plant construction is expected to start in June 2022 with completion in mid-2023. Plant commissioning is targeted for August 2023.
- Initial plans include construction of an approximately 582,000 square foot glass mineral wool insulation manufacturing (222,000 sq. ft.) and distribution facility (360,000 sq. ft.):



- A batch and binder plant with related equipment will be at one end of the facility where raw material will be received by rail.
- Following the batch area is the hot end furnace and forming area.
- The hot end is followed by the production bay from which the finished product moves in the warehouse and shipping area.
- The plant will be a 24/7 continuous operation with significant utility requirements (particularly electric and natural gas) and substantial transportation needs (rail and highway). Thus, site development includes major infrastructure improvements in cooperation with the City of McGregor, Burlington Norther Santa Fe (BNSF) and other entities.

- The proposed plant anticipates hiring approximately 151 employees starting in Q1 2021 and ramping up through Q2 2023.
- Capital investment will total in excess of \$210 million, including approximately \$1,700,000 in land acquisition, \$47,800,000 in building, \$27,800,000 in site preparation and \$133,000,000 in business personal property.
- This project will require robust transportation infrastructure and significant utility capacity. These include at a minimum access to a 4-lane divided highway, proximity to an interstate, rail access and transmission-grade electricity and natural gas service.

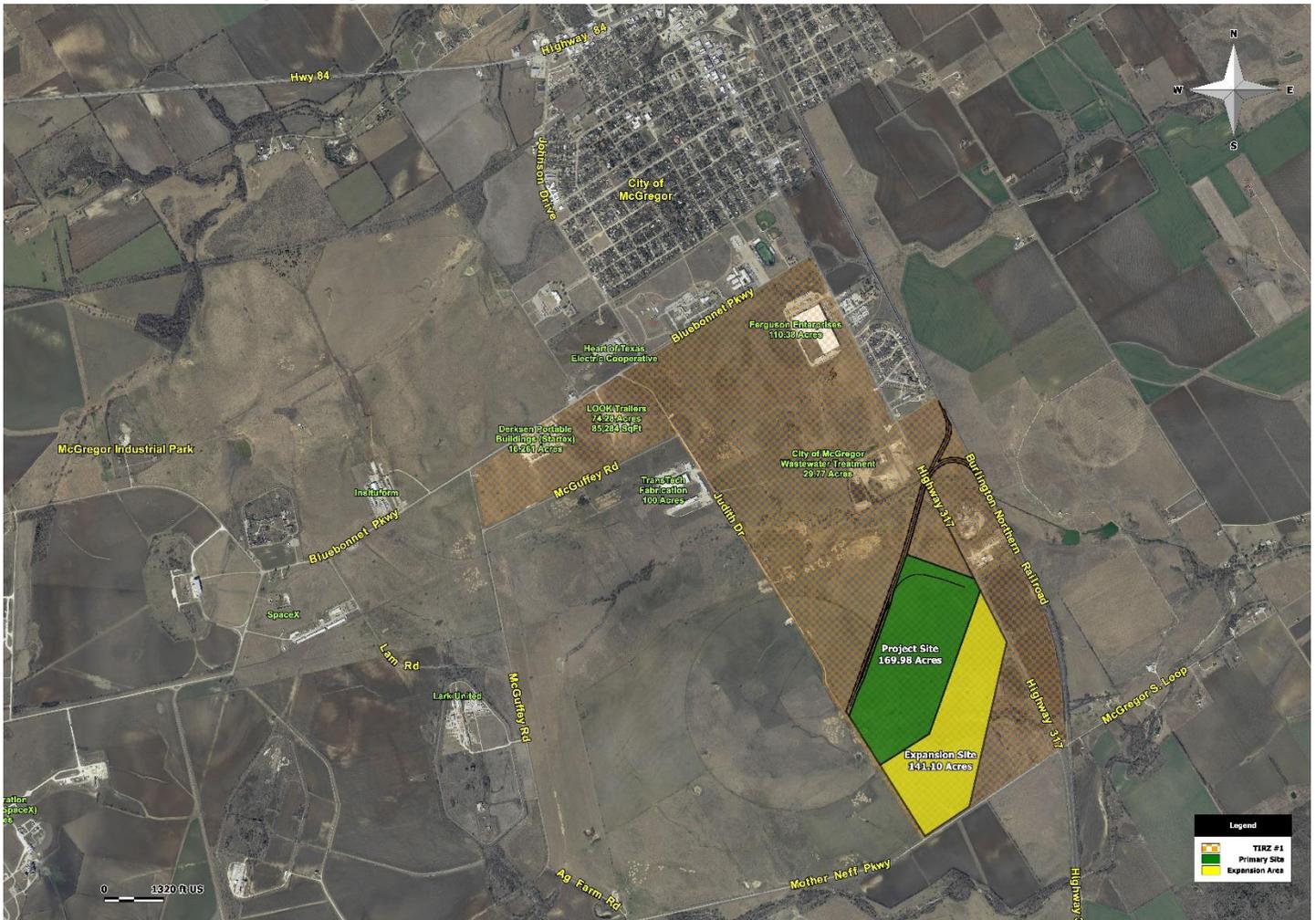
A Chapter 313 Value Limitation Agreement is essential to the competitive commercialization of the project and is requested on all of the proposed real property and improvements and fixed equipment associated with this project as described above.

# Tab 8

## Description of Qualified Property

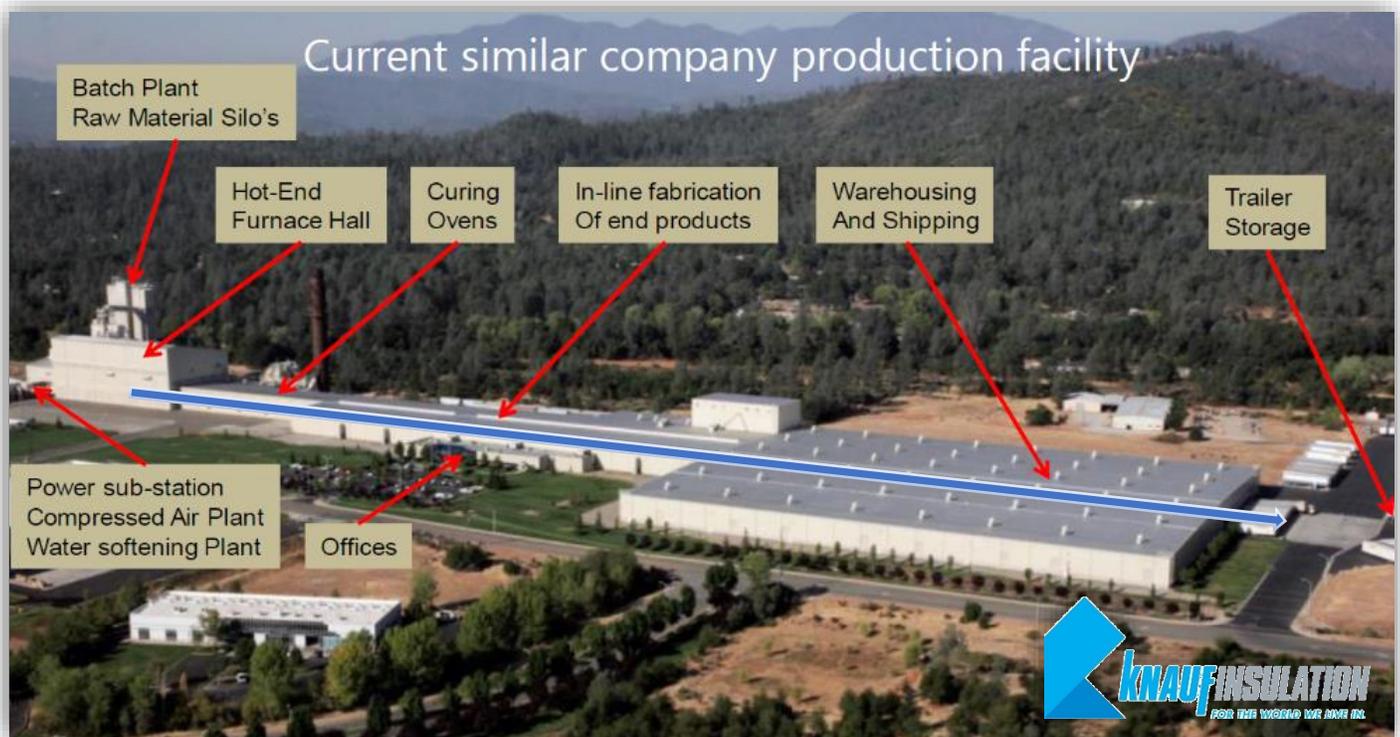
# Project Rodeo

## Qualified Property - Land



Land included in the qualified property includes the project site of 170 acres +/- valued at \$10,000 per acre for a total of \$1,700,000. Additional property adjacent to the project site will be optioned by the company for future expansion.

# Qualified Property Plant Overview

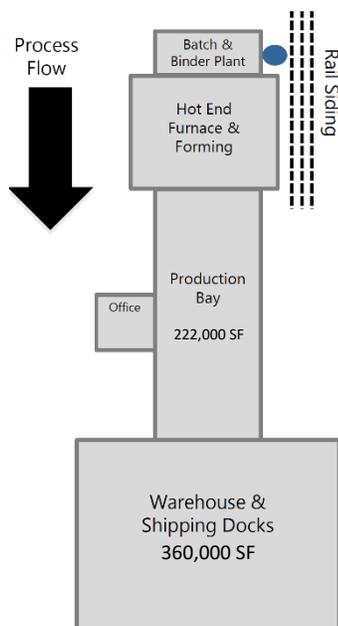


Qualified property will include:

Category	Description	Value
Site	170 acres on Hwy 317 with rail access	\$1,700,000
Site Preparation	Extensive site work required prior to construction	\$27,800,000
Building	582,000 sq. ft. (222,000 sq. ft. production and 360,000 sq. ft. warehouse) facility for the manufacture and distribution of fiberglass insulation products	\$47,800,000
Production Equipment	Process equipment	\$119,100,000
Pollution Control Equipment	Air and water pollution control equipment	\$13,900,000
<b>Total:</b>		<b>\$210,300,000</b>

## Qualified Property Detail

- Since early 2018, the company has been evaluating locations to establish a new facility to produce fiberglass insulation products including batts, blankets and loose fill insulation. The project was put on temporary hold due to the Covid-19 health crisis and other business factors, but the last stages of the location selection process were re-initiated in March 2021 given the continuing high demand for insulation to support residential and commercial construction. A final location selection and Board approval of the project is expected in early July 2021.
- The project will be built as quickly as permitting allows. Warehouse construction is expected to start in August 2021; warehouse operations should start in mid-2022. Plant construction is expected to start in June 2022 with completion in mid-2023. Plant commissioning is targeted for August 2023.
- Initial plans include construction of an approximately 582,000 square foot glass mineral wool insulation manufacturing (222,000 sq. ft.) and distribution facility (360,000 sq. ft.):



- A batch and binder plant with related equipment will be at one end of the facility where raw material will be received by rail.
- Following the batch area is the hot end furnace and forming area.
- The hot end is followed by the production bay from which the finished product moves in the warehouse and shipping area.
- The plant will be a 24/7 continuous operation with significant utility requirements (particularly electric and natural gas) and substantial transportation needs (rail and highway). Thus, site development includes major infrastructure improvements in cooperation with the City of McGregor, Burlington Northern Santa Fe (BNSF) and other entities.

- Capital investment will total in excess of \$210 million, including approximately \$1,700,000 in land acquisition, \$47,800,000 in building, \$27,800,000 in site preparation and \$133,000,000 in business personal property.
- This project will require robust transportation infrastructure and significant utility capacity. These include at a minimum access to a 4-lane divided highway, proximity to an interstate, rail access and transmission-grade electricity and natural gas service.

A Chapter 313 Value Limitation Agreement is essential to the competitive commercialization of the project and is requested on all of the proposed real property and improvements and fixed equipment associated with this project as described above.

# Tab 9

## Description of Land

# Project Rodeo

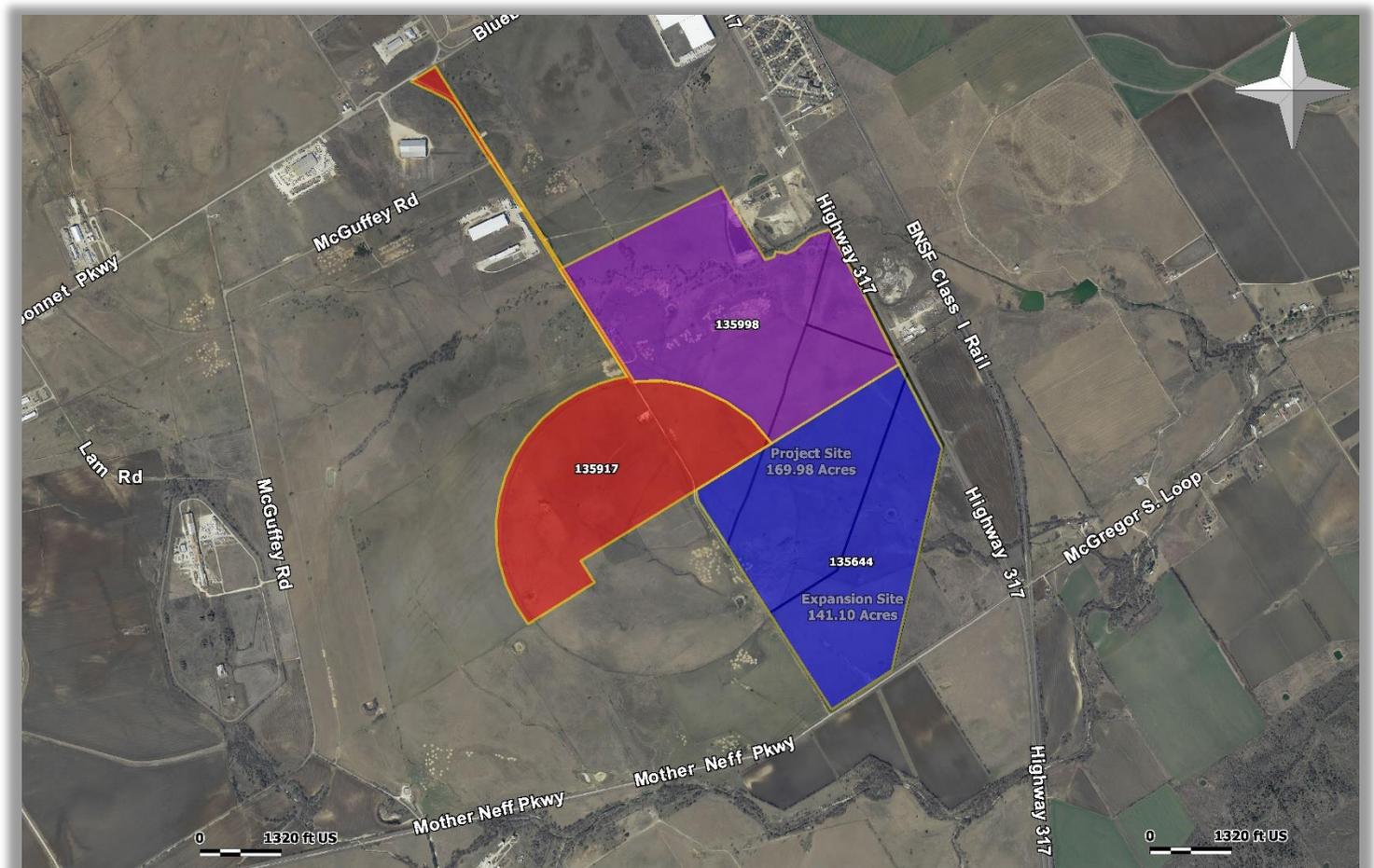
## Site

**Legal Description** of the Property and each existing **appraisal parcel number** of the land on which the new improvements will be constructed, regardless of whether the land described in the current parcel will become qualified property:

- 135644: Johnson J L Acres 487.79, (Areas 'Q' and 'S')
- 135917: Russell J Tract Area 'D' 'E' 'F' Acres 3051.045, (Areas 'D' 'E' and 'F')
- 135998: Walters B C Acres 48.996, (Area 'Q')

**Owner:** City of McGregor (All)

**Taxable Value (Estimated):** \$513,409 (at average of \$3,020.41 / Acre)



**Note:** 169.98-acre Project Site and 141.1 acre Expansion Site are located entirely within these three parcels (135644, 135917 and 135998), and all project acreage is located within TIRZ #1.

# Details ([www.mclennadcad.org](http://www.mclennadcad.org))

## 135644: Johnson J L Acres 487.79, (Areas 'Q' and 'S')

Property Search | Map Search
**McLennan CAD**

Property Search > 135644 CITY OF MCGREGOR for Year 2021
Tax Year: 2021

Details | Map
Click on a title bar to expand or collapse the information.

**Property**

**Account**

Property ID: 135644	Legal Description: JOHNSON J L Acres 487.79, (AREAS 'Q' AND 'S')
Geographic ID: 34048400001006	Zoning: R
Type: Real	Agent Code:
Property Use Code:	
Property Use Description:	

**Protest**

Protest Status:  
Informal Date:  
Formal Date:

**Location**

Address: MOTHER NEFF PKWY MCGREGOR, TX 76657	Mapcco: 384
Neighborhood: M - R VACANT - 2	Map ID: 78A
Neighborhood CD: 34890.1	

**Owner**

Name: CITY OF MCGREGOR	Owner ID: 21918
Mailing Address: PO BOX 192 MC GREGOR, TX 76657-0192	% Ownership: 100.000000000000%
	Exemptions: EX-XV

**Values**

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$1,373,260	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(-) Market Value:	=	\$1,373,260	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$1,373,260	
(-) HS Cap:	-	\$0	
<hr/>			
(-) Assessed Value:	=	\$1,373,260	

**Taxing Jurisdiction**

Owner: CITY OF MCGREGOR  
% Ownership: 100.000000000000%  
Total Value: \$1,373,260

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
00	MCLENNAN COUNTY	0.468719	\$1,373,260	\$0	\$0.00
34	MCGREGOR ISD	1.167280	\$1,373,260	\$0	\$0.00
68	MCGREGOR, CITY OF	0.578954	\$1,373,260	\$0	\$0.00
86	MCLENNAN COMMUNITY COLLEGE	0.149782	\$1,373,260	\$0	\$0.00
CAD	MCLENNAN CAD	0.000000	\$1,373,260	\$0	\$0.00
Total Tax Rate:		2.364735			
				Taxes w/Current Exemptions:	\$0.00
				Taxes w/o Exemptions:	\$32,473.96

**Improvement / Building**

No improvements exist for this property.

**Land**

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	Acres	487.7900	21248132.40	0.00	0.00	\$1,373,260	\$0

**Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	\$0	\$1,373,260	0	1,373,260	\$0	\$1,373,260
2020	\$0	\$1,348,870	0	1,348,870	\$0	\$1,348,870
2019	\$0	\$1,251,460	0	1,251,460	\$0	\$1,251,460
2018	\$0	\$1,226,920	0	1,226,920	\$0	\$1,226,920
2017	\$0	\$831,480	0	831,480	\$0	\$831,480
2016	\$0	\$831,480	0	831,480	\$0	\$831,480
2015	\$0	\$831,480	0	831,480	\$0	\$831,480
2014	\$0	\$831,480	0	831,480	\$0	\$831,480
2013	\$0	\$722,130	0	722,130	\$0	\$722,130
2012	\$0	\$722,129	0	722,129	\$0	\$722,129

**Deed History - (Last 3 Deed Transactions)**

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	10/26/2006	QCD	Quit Claim Deed	U S GOVERNMENT PROPERTY	CITY OF MCGREGOR			2006043159

**Tax Due**

Property Tax Information as of 06/08/2021

Amount Due if Paid on:

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.								

Questions Please Call (254) 752-9864

Website version: 1.22.33 Database last updated on: 6/7/2021 10:43 PM © N. Harris Computer Corporation

# 135917: Russell J Tract Area 'D' 'E' 'F' Acres 3051.045, (Areas 'D' 'E' and 'F')

McLennan CAD Property Search Map Search

Property Search > 135917 CITY OF MCGREGOR for Year 2021 Tax Year: 2021

[Details](#) [Map](#) [Collapse All](#)

Click on a title bar to expand or collapse the information.

**Property**

**Account**

Property ID:	135917	Legal Description:	RUSSELL J Tract AREA 'D' 'E' 'F' Acres 3051.045, (AREAS 'D' 'E' AND 'F')
Geographic ID:	340743000007002	Zoning:	R
Type:	Real	Agent Code:	
Property Use Code:	600		
Property Use Description:	Vacant Exempt Land		

**Protest**

Protest Status:  
Informal Date:  
Formal Date:

**Location**

Address:	10580 BLUEBONNET PKWY 10999 MCGREGOR, TX 76657	Mapsc0:	383
Neighborhood:	Com West of 317-Main McGregor City	Map ID:	778
Neighborhood CD:	34950.1		

**Owner**

Name:	CITY OF MCGREGOR	Owner ID:	21918
Mailing Address:	PO BOX 192 MC GREGOR, TX 76657-0192	% Ownership:	100.000000000000%
		Exemptions:	EX-XV

**Values**

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$7,278,730	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(-) Market Value:	=	\$7,278,730	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(-) Appraised Value:	=	\$7,278,730	
(-) HS Cap:	-	\$0	
<hr/>			
(-) Assessed Value:	=	\$7,278,730	

**Taxing Jurisdiction**

Owner: CITY OF MCGREGOR  
% Ownership: 100.000000000000%  
Total Value: \$7,278,730

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
00	McLENNAN COUNTY	0.468719	\$7,278,730	\$0	\$0.00
34	MCGREGOR ISD	1.167280	\$7,278,730	\$0	\$0.00
68	MCGREGOR, CITY OF	0.578954	\$7,278,730	\$0	\$0.00
86	McLENNAN COMMUNITY COLLEGE	0.149782	\$7,278,730	\$0	\$0.00
CAD	McLENNAN CAD	0.000000	\$7,278,730	\$0	\$0.00
Total Tax Rate:		2.364735			
Taxes w/Current Exemptions:					\$0.00
Taxes w/o Exemptions:					\$172,122.68

**Improvement / Building**

No improvements exist for this property.

**Land**

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	Acres	3051.0450	132903520.20	0.00	0.00	\$7,278,730	\$0

**Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	\$0	\$7,278,730	0	7,278,730	\$0	\$7,278,730
2020	\$0	\$7,072,790	0	7,072,790	\$0	\$7,072,790
2019	\$0	\$6,611,680	0	6,611,680	\$0	\$6,611,680
2018	\$0	\$6,482,010	0	6,482,010	\$0	\$6,482,010
2017	\$0	\$5,658,230	0	5,658,230	\$0	\$5,658,230
2016	\$0	\$5,658,230	0	5,658,230	\$0	\$5,658,230
2015	\$0	\$4,208,390	0	4,208,390	\$0	\$4,208,390
2014	\$0	\$4,208,390	0	4,208,390	\$0	\$4,208,390
2013	\$0	\$4,137,580	0	4,137,580	\$0	\$4,137,580
2012	\$0	\$4,137,575	0	4,137,575	\$0	\$4,137,575

**Deed History - (Last 3 Deed Transactions)**

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	10/26/2006	QCD	Quit Claim Deed	U S GOVERNMENT PROPERTY	CITY OF MCGREGOR			2006043159

**Tax Due**

Property Tax Information as of 06/08/2021

Amount Due If Paid on:

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.



# 135998: Walters B C Acres 48.996, (Area 'Q')

McLennan CAD Property Search Map Search

Property Search Results > 135998 CITY OF MCGREGOR for Year 2021 Tax Year: 2021  New Search

[Details](#) [Map](#) [Collapse All](#)

Click on a title bar to expand or collapse the information.

**Property**

**Account**

Property ID:	135998	Legal Description:	WALTERS B C Acres 48.996, (AREA 'Q')
Geographic ID:	340892000012001	Zoning:	R
Type:	Real	Agent Code:	
Property Use Code:	600		
Property Use Description:	Vacant Exempt Land		

**Protest**

Protest Status:  
Informal Date:  
Formal Date:

**Location**

Address:	S HWY 317 MCGREGOR, TX 76657	Mapco:	384
Neighborhood:	Main Strip RR Spur to Mother Neff	Map ID:	77A
Neighborhood CD:	34917.6		

**Owner**

Name:	CITY OF MCGREGOR	Owner ID:	21918
Mailing Address:	PO BOX 192 MC GREGOR, TX 76657-0192	% Ownership:	100.0000000000%
		Exemptions:	EX-XV

**Values**

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$189,140	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
-----			
(=) Market Value:	=	\$189,140	
(-) Ag or Timber Use Value Reduction:	-	\$0	
-----			
(=) Appraised Value:	=	\$189,140	
(-) HS Cap:	-	\$0	
-----			
(=) Assessed Value:	=	\$189,140	

**Taxing Jurisdiction**

Owner: CITY OF MCGREGOR  
% Ownership: 100.0000000000%  
Total Value: \$189,140

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
00	McLENNAN COUNTY	0.468719	\$189,140	\$0	\$0.00
34	McGREGOR ISD	1.167280	\$189,140	\$0	\$0.00
68	McGREGOR, CITY OF	0.578954	\$189,140	\$0	\$0.00
86	McLENNAN COMMUNITY COLLEGE	0.149782	\$189,140	\$0	\$0.00
CAD	McLENNAN CAD	0.000000	\$189,140	\$0	\$0.00
Total Tax Rate:		2.364735			
Taxes w/Current Exemptions:					\$0.00
Taxes w/o Exemptions:					\$4,472.66

**Improvement / Building**

No improvements exist for this property.

**Land**

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	Acres	48.9960	2134265.76	0.00	0.00	\$189,140	\$0

**Roll Value History**

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021		\$0	\$189,140	0	\$189,140	\$189,140
2020		\$0	\$186,610	0	\$186,610	\$186,610
2019		\$0	\$177,420	0	\$177,420	\$177,420
2018		\$0	\$173,950	0	\$173,950	\$173,950
2017		\$0	\$139,160	0	\$139,160	\$139,160
2016		\$0	\$139,160	0	\$139,160	\$139,160
2015		\$0	\$139,160	0	\$139,160	\$139,160
2014		\$0	\$139,160	0	\$139,160	\$139,160
2013		\$0	\$100,780	0	\$100,780	\$100,780
2012		\$0	\$100,779	0	\$100,779	\$100,779

**Deed History - (Last 3 Deed Transactions)**

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	10/26/2006	QCD	Quit Claim Deed	U S GOVERNMENT	CITY OF MCGREGOR			2006043159
2				CITY OF MCGREGOR	U S GOVERNMENT			0

**Tax Due**

Property Tax Information as of 06/08/2021

Amount Due If Paid on:  [Recalculate](#)

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.



# Tab 10

*Not Applicable*

Description of all property not eligible  
to become Qualified Property

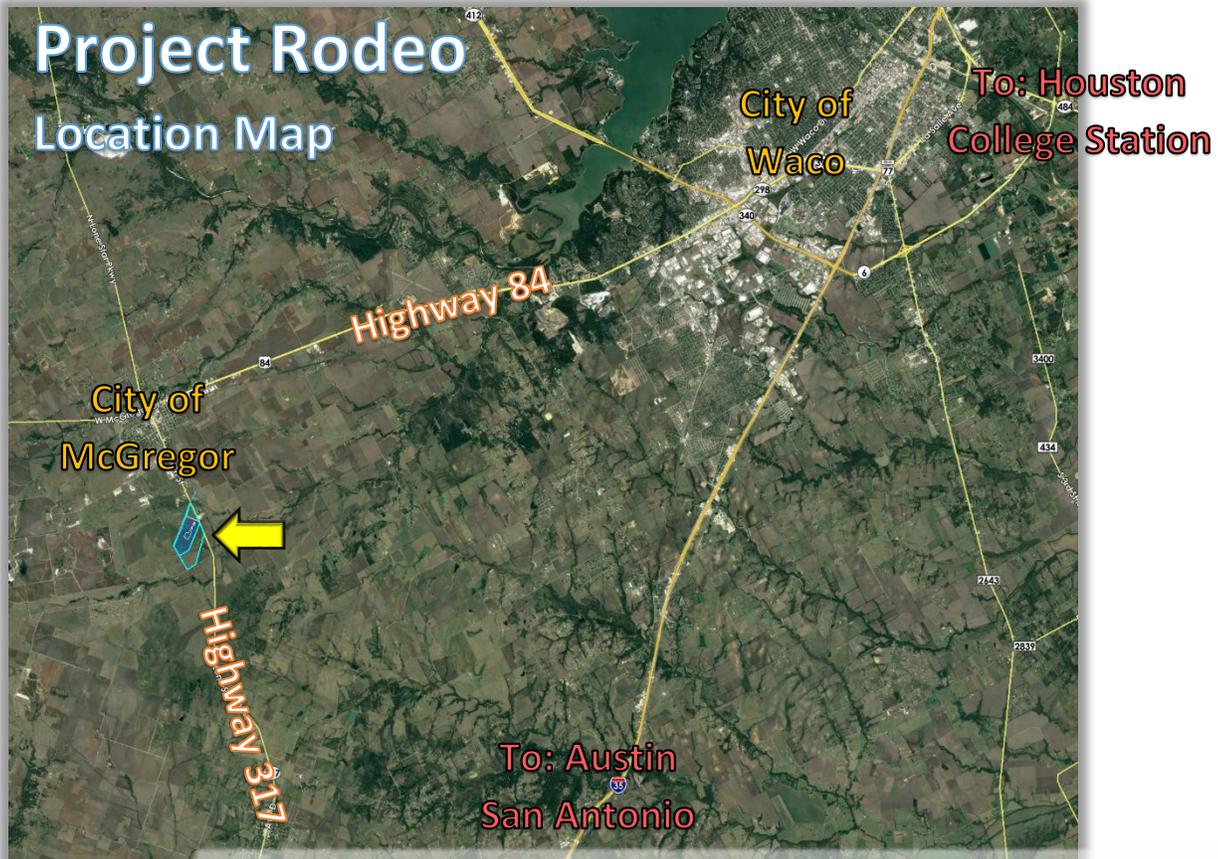
# Tab 11

Maps

# Project Rodeo

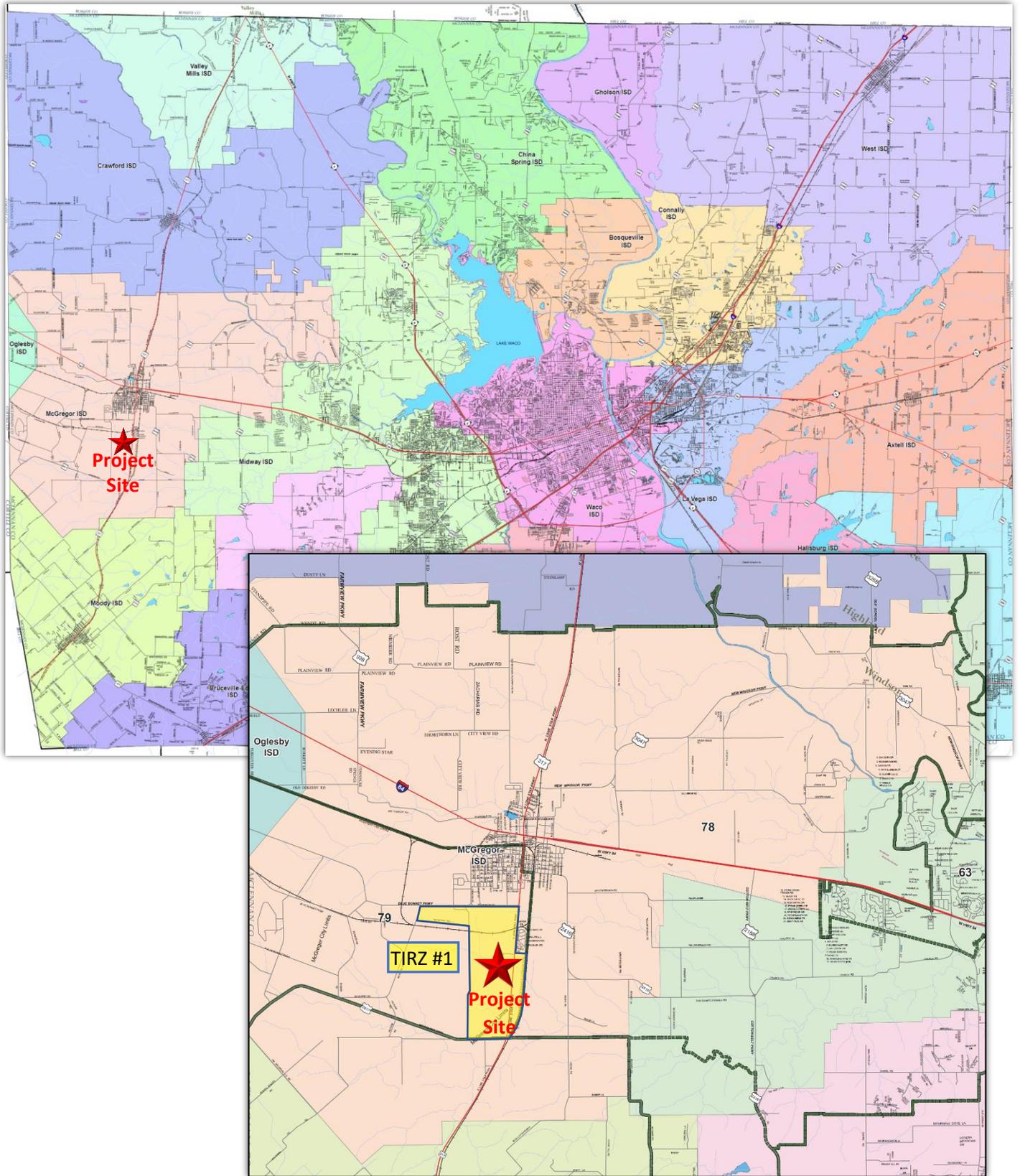
## Site Location - Area Map

Project site is located south of McGregor on TX-317

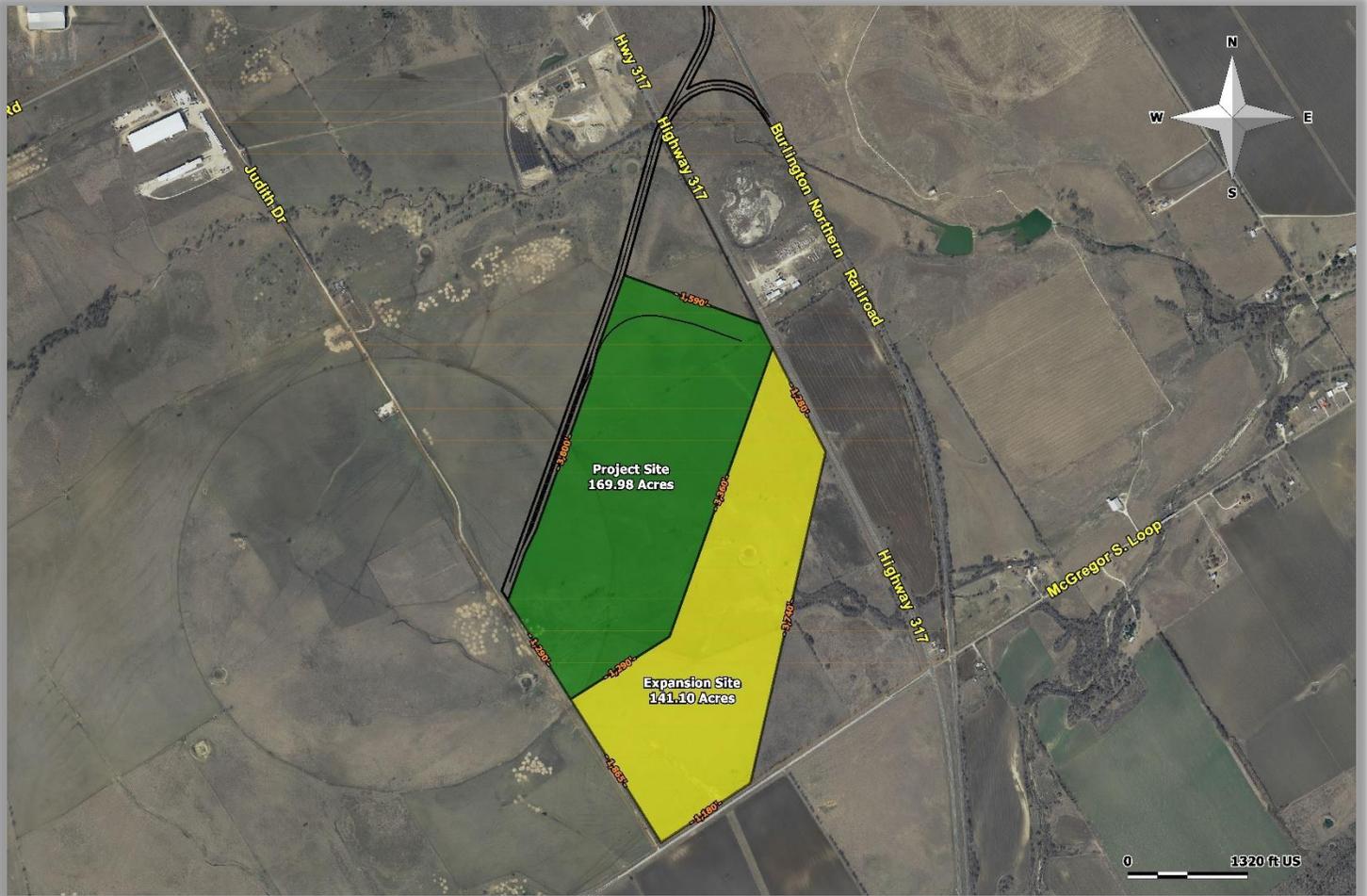


# Site Location – School District Map

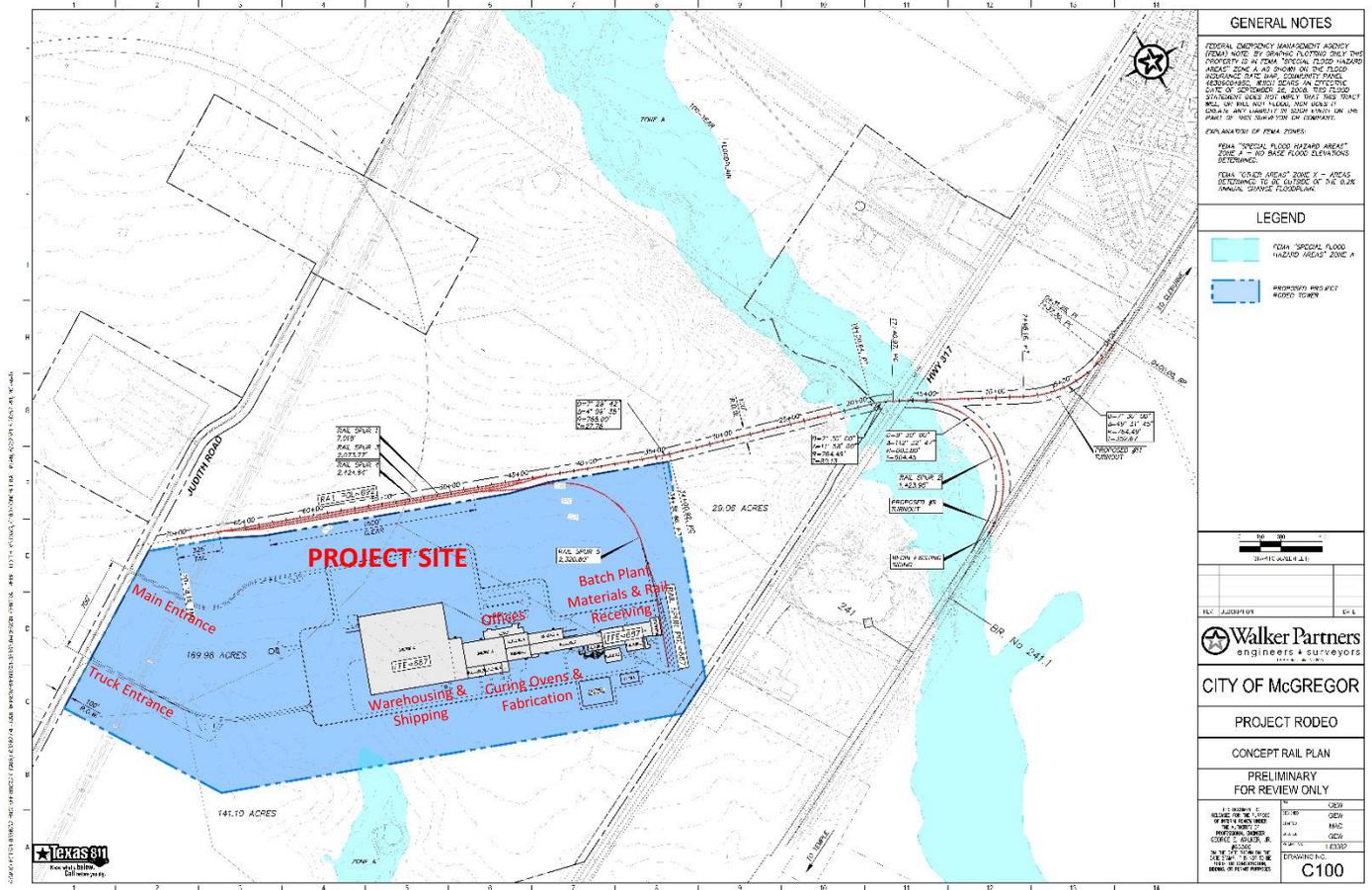
## McLennan County School District Map (Partial)



# Site Boundaries Map

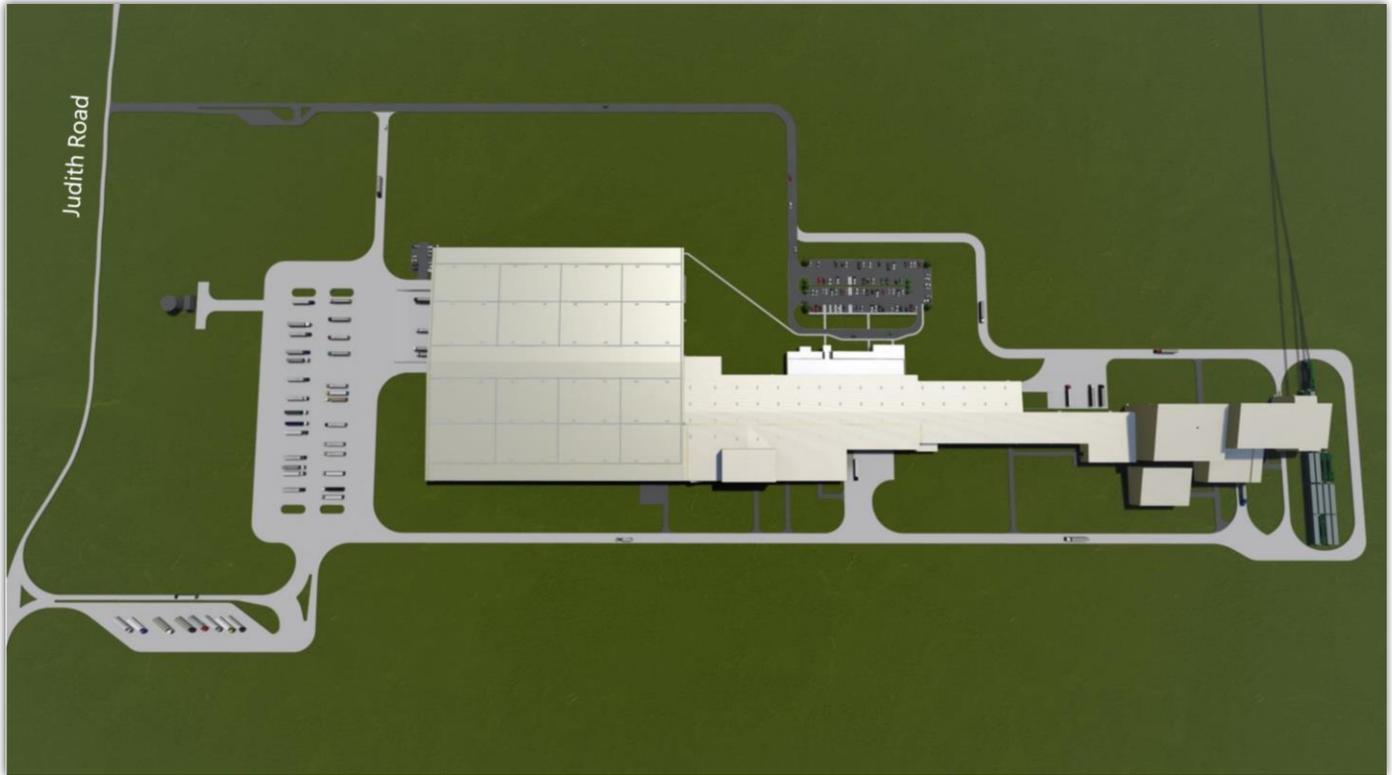


# Site Plan

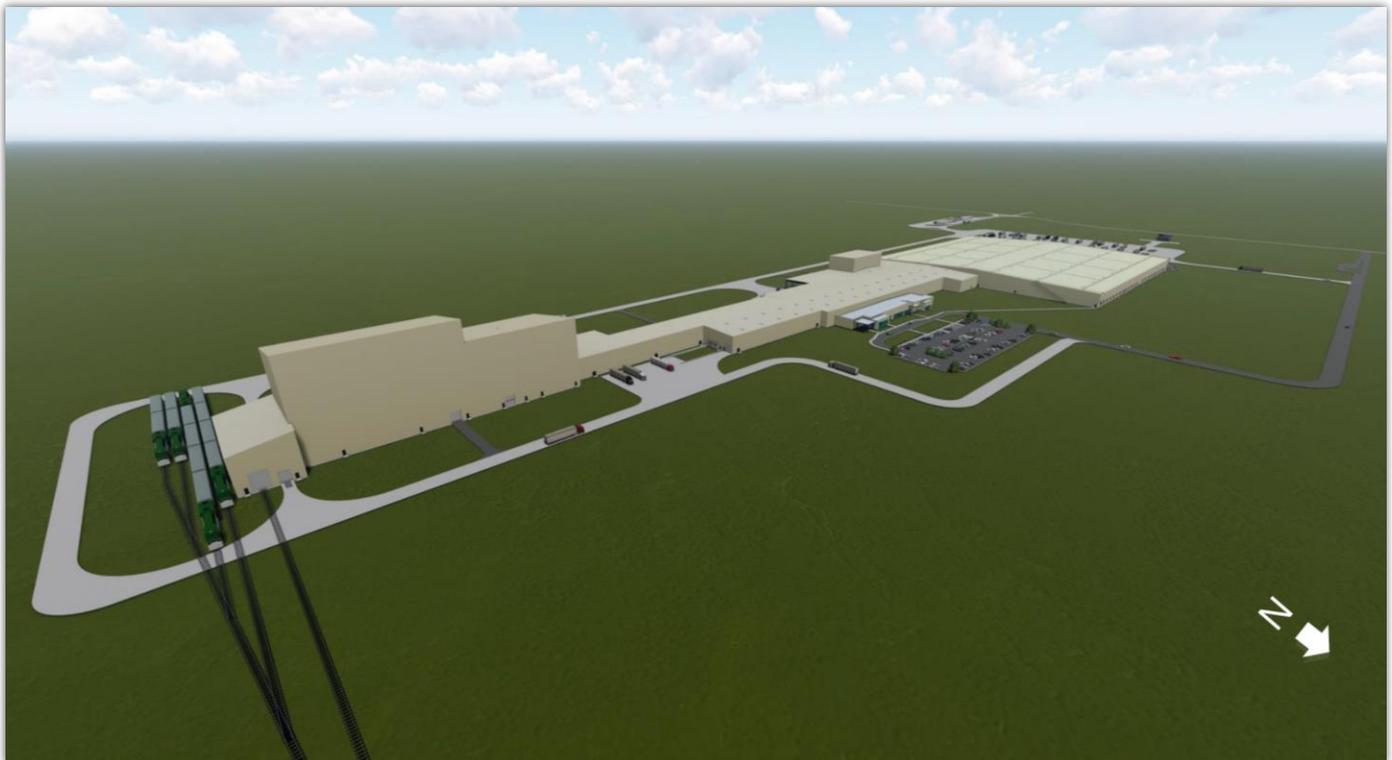


**\*Note:** Site plan is limited to project site / project area and located entirely within TIRZ #1.

## Site Layout: Rendering 1

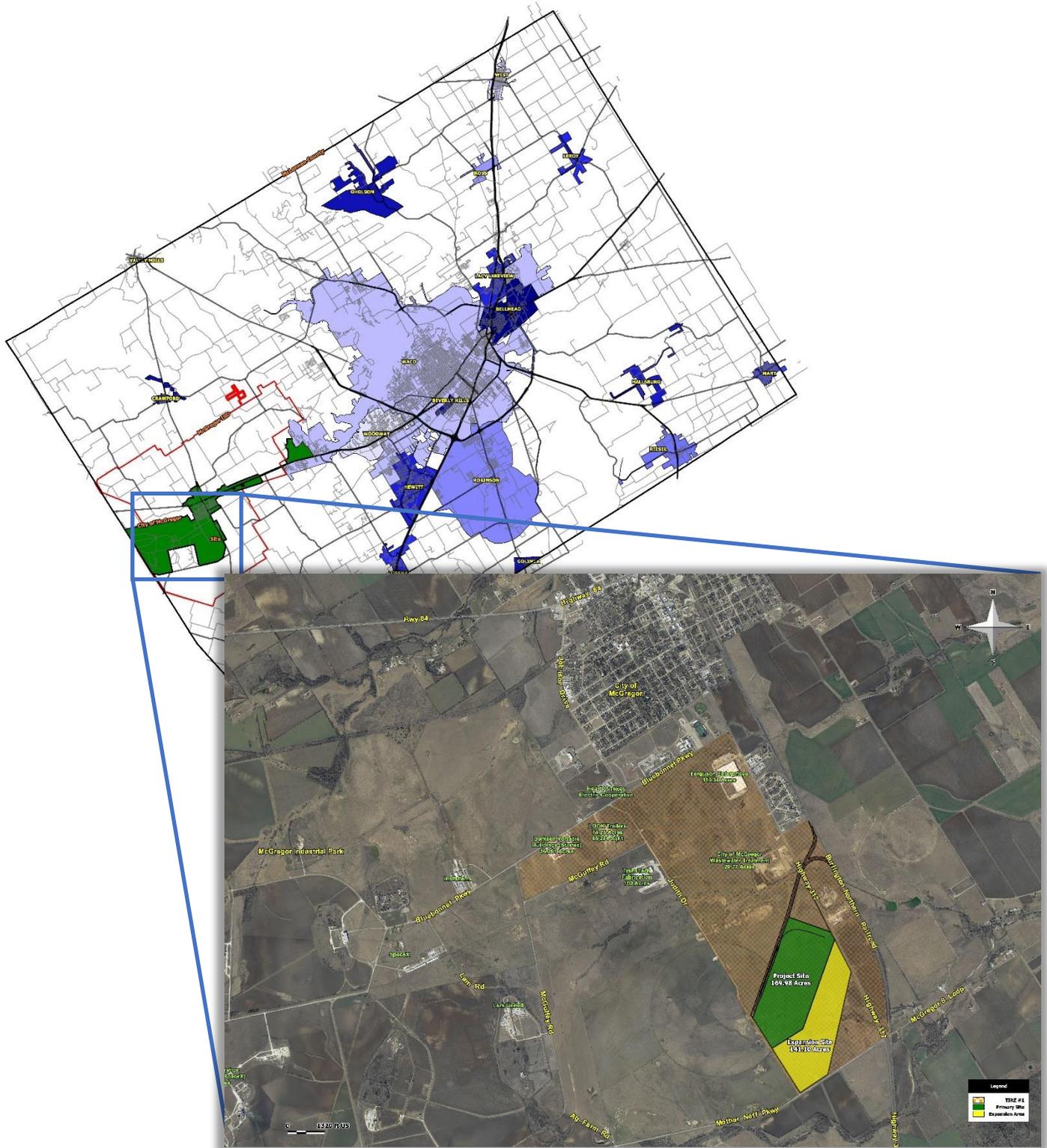


## Site Layout: Rendering 2



# Zone Boundaries Map

The Project Site is located entirely within the zone boundaries and entirely within McGregor ISD



# Tab 12

*Not Applicable*

Request for waiver of Job Creation requirement  
and Supporting Information (if applicable)

# Tab 13

Calculation of three possible wage requirements  
with TWC documentation

# Wage Requirements – Qualifying Employees

## Qualifying Employees - Average Weekly Wage Manufacturing (McLennan County)

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Employment	Average Weekly Wage
2020	04	McLennan	Private	31-33	Manufacturing	2	14,732	1,421
2020	03	McLennan	Private	31-33	Manufacturing	2	14,623	1,255
2020	02	McLennan	Private	31-33	Manufacturing	2	14,603	1,196
2020	01	McLennan	Private	31-33	Manufacturing	2	14,973	1,456
							<b>Average</b>	<b>\$1,332.00</b>
							<b>110% of Average</b>	<b>\$1,465.20</b>
							<b>Annual</b>	<b>\$76,190.40</b>

## Qualifying Employees - Average Weekly Wage Manufacturing (Heart of Texas Council of Governments Region)

2019 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
<a href="#">Panhandle Regional Planning Commission</a>	1	\$22.31	\$46,399
<a href="#">South Plains Association of Governments</a>	2	\$18.97	\$39,448
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.38	\$42,395
<a href="#">North Central Texas Council of Governments</a>	4	\$32.92	\$68,476
<a href="#">Ark-Tex Council of Governments</a>	5	\$20.09	\$41,780
<a href="#">East Texas Council of Governments</a>	6	\$28.95	\$60,211
<a href="#">West Central Texas Council of Governments</a>	7	\$21.83	\$45,406
<a href="#">Rio Grande Council of Governments</a>	8	\$18.15	\$37,749
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$21.87	\$45,499
<a href="#">Concho Valley Council of Governments</a>	10	\$26.74	\$55,625
<a href="#">Heart of Texas Council of Governments</a>	11	\$22.41	\$46,614
<a href="#">Capital Area Council of Governments</a>	12	\$29.37	\$61,091
<a href="#">Brazos Valley Council of Governments</a>	13	\$17.60	\$36,613
<a href="#">Deep East Texas Council of Governments</a>	14	\$21.06	\$43,796
<a href="#">South East Texas Regional Planning Commission</a>	15	\$25.52	\$53,079
<a href="#">Houston-Galveston Area Council</a>	16	\$28.85	\$60,015
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$21.43	\$44,565
<a href="#">Alamo Area Council of Governments</a>	18	\$26.64	\$55,401
<a href="#">South Texas Development Council</a>	19	\$18.70	\$38,889
<a href="#">Coastal Bend Council of Governments</a>	20	\$34.94	\$72,668
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$20.05	\$41,698
<a href="#">Texoma Council of Governments</a>	22	\$18.40	\$38,280
<a href="#">Central Texas Council of Governments</a>	23	\$21.07	\$43,821
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.74	\$47,296
<b>Texas</b>		\$27.25	\$56,673



110% of \$46,614 is \$52,275.40

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

Annual Wage Figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use implementing Chapter 313, Texas Tax Code.

# Wage Requirements

## Non-Qualifying Employees

### Non-qualifying Employees - Average Weekly Wage Total, All Industries (McLennan County)

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Employment	Average Weekly Wage
2020	01	McLennan	Total All	10	Total, All Industries	0	114,135	\$925.00
2020	02	McLennan	Total All	10	Total, All Industries	0	107,919	\$945.00
2020	03	McLennan	Total All	10	Total, All Industries	0	111,611	\$947.00
2020	04	McLennan	Total All	10	Total, All Industries	0	113,516	\$1,050.00
							<b>Average</b>	<b>\$966.75</b>
							<b>Annual</b>	<b>\$50,271.00</b>

# Tab 14

Schedules A1, A2, B, and C

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

Date June 8, 2021  
 Applicant Name Project Rodeo  
 ISD Name McGregor

Form 50-296A  
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2021	Not eligible to become Qualified Property		\$0	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$0
Investment made after filing complete application with district, but before final board approval of application	--			\$0	\$0	\$0	\$0	\$0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$0	\$16,175,000	\$0	\$0	\$16,175,000
Complete tax years of qualifying time period	QTP1		2022	\$33,250,000	\$38,200,000	\$0	\$0	\$71,450,000
	QTP2		2023	\$99,750,000	\$21,225,000	\$0	\$0	\$120,975,000
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				\$133,000,000	\$75,600,000	\$0	\$0	\$208,600,000
<b>Total Qualified Investment (sum of green cells)</b>				\$208,600,000 <i>Note: Total excludes 170 acres of land valued at \$1,700,000</i>				

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)

Date June 8, 2021  
 Applicant Name Project Rodeo  
 ISD Name McGregor

Form 50-296A  
 Revised October 2020

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 <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <b>not</b> 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		\$133,000,000	\$75,600,000	\$0	\$0	\$208,600,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021 - 2022	2021	\$0	\$16,175,000	\$0	\$0	\$16,175,000
	0	2022 - 2023	2022	\$33,250,000	\$38,200,000	\$0	\$0	\$71,450,000
	0	2023 - 2024	2023	\$99,750,000	\$21,225,000	\$0	\$0	\$120,975,000
Value limitation period***	1	2024 - 2025	2024	\$0	\$0	\$0	\$0	\$0
	2	2025 - 2026	2025	\$0	\$0	\$0	\$0	\$0
	3	2026 - 2027	2026	\$0	\$0	\$0	\$0	\$0
	4	2027 - 2028	2027	\$0	\$0	\$0	\$0	\$0
	5	2028 - 2029	2028	\$0	\$0	\$0	\$0	\$0
	6	2029 - 2030	2029	\$0	\$0	\$0	\$0	\$0
	7	2030 - 2031	2030	\$0	\$0	\$0	\$0	\$0
	8	2031 - 2032	2031	\$0	\$0	\$0	\$0	\$0
	9	2032 - 2033	2032	\$0	\$0	\$0	\$0	\$0
	10	2033 - 2034	2033	\$0	\$0	\$0	\$0	\$0
<b>Total Investment made through limitation</b>				\$133,000,000	\$75,600,000	\$0	\$0	\$208,600,000
Continue to maintain viable presence	11	2034 - 2035	2034					
	12	2035 - 2036	2035					
	13	2036 - 2037	2036					
	14	2037 - 2038	2037					
	15	2038 - 2039	2038					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039 - 2040	2039					
	17	2040 - 2041	2040					
	18	2041 - 2042	2041					
	19	2042 - 2043	2042					
	20	2043 - 2044	2043					
	21	2044 - 2045	2044					
	22	2045 - 2046	2045					
	23	2046 - 2047	2046					
	24	2047 - 2048	2047					
	25	2048 - 2049	2048					

\* 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)**

Date **June 8, 2021**  
 Applicant Name **Project Rodeo**  
 ISD Name **McGregor**

**Form 50-296A**  
 Revised October 2020

	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	2021 - 2022	2021	\$0	\$0	\$0	\$0	\$0	\$0
	0	2022 - 2023	2022	\$1,700,000	\$16,175,000	\$0	\$0	\$16,175,000	\$16,175,000
	0	2023 - 2024	2023	\$1,700,000	\$54,375,000	\$30,257,500	\$30,257,500	\$86,332,500	\$86,332,500
Value Limitation Period	1	2024 - 2025	2024	\$1,700,000	\$75,600,000	\$118,037,500	\$105,388,500	\$182,688,500	\$40,000,000
	2	2025 - 2026	2025	\$1,700,000	\$75,600,000	\$106,067,500	\$94,669,500	\$171,969,500	\$40,000,000
	3	2026 - 2027	2026	\$1,700,000	\$75,600,000	\$94,097,500	\$83,950,500	\$161,250,500	\$40,000,000
	4	2027 - 2028	2027	\$1,700,000	\$75,600,000	\$82,127,500	\$73,231,500	\$150,531,500	\$40,000,000
	5	2028 - 2029	2028	\$1,700,000	\$75,600,000	\$70,157,500	\$62,512,500	\$139,812,500	\$40,000,000
	6	2029 - 2030	2029	\$1,700,000	\$75,600,000	\$58,187,500	\$51,793,500	\$129,093,500	\$40,000,000
	7	2030 - 2031	2030	\$1,700,000	\$75,600,000	\$46,217,500	\$41,074,500	\$118,374,500	\$40,000,000
	8	2031 - 2032	2031	\$1,700,000	\$75,600,000	\$34,247,500	\$30,355,500	\$107,655,500	\$40,000,000
	9	2032 - 2033	2032	\$1,700,000	\$75,600,000	\$22,277,500	\$19,636,500	\$96,936,500	\$40,000,000
	10	2033 - 2034	2033	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$40,000,000
Continue to maintain viable presence	11	2034 - 2035	2034	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	12	2035 - 2036	2035	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	13	2036 - 2037	2036	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	14	2037 - 2038	2037	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	15	2038 - 2039	2038	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2039 - 2040	2039	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	17	2040 - 2041	2040	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	18	2041 - 2042	2041	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	19	2042 - 2043	2042	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	20	2043 - 2044	2043	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	21	2044 - 2045	2044	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	22	2045 - 2046	2045	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	23	2046 - 2047	2046	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	24	2047 - 2048	2047	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000
	25	2048 - 2049	2048	\$1,700,000	\$75,600,000	\$13,300,000	\$11,910,000	\$89,210,000	\$89,210,000

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 **June 8, 2021**  
 Applicant Name **Project Rodeo**  
 ISD Name **McGregor**

**Form 50-296A**  
 Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's	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 Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021 - 2022	2021	410	\$42,880	36	25	\$51,275.40
	0	2022 - 2023	2022	346	\$44,166	126	25	\$51,275.40
	0	2023 - 2024	2023	187	\$45,491	126	25	\$51,275.40
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2024 - 2025	2024	0	\$0	126	25	\$51,275.40
	2	2025 - 2026	2025	0	\$0	126	25	\$51,275.40
	3	2026 - 2027	2026	0	\$0	126	25	\$51,275.40
	4	2027 - 2028	2027	0	\$0	126	25	\$51,275.40
	5	2028 - 2029	2028	0	\$0	126	25	\$51,275.40
	6	2029 - 2030	2029	0	\$0	126	25	\$51,275.40
	7	2030 - 2031	2030	0	\$0	126	25	\$51,275.40
	8	2031 - 2032	2031	0	\$0	126	25	\$51,275.40
	9	2032 - 2033	2032	0	\$0	126	25	\$51,275.40
	10	2033 - 2034	2033	0	\$0	126	25	\$51,275.40
Years Following Value Limitation Period	11 through 25	2034 - 2035	2034	0	\$0	126	25	\$51,275.40

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

# Tab 15

***Not Applicable***

Economic Impact Analysis,  
other payments made in the State or  
other economic information (if applicable)

# Tab 16

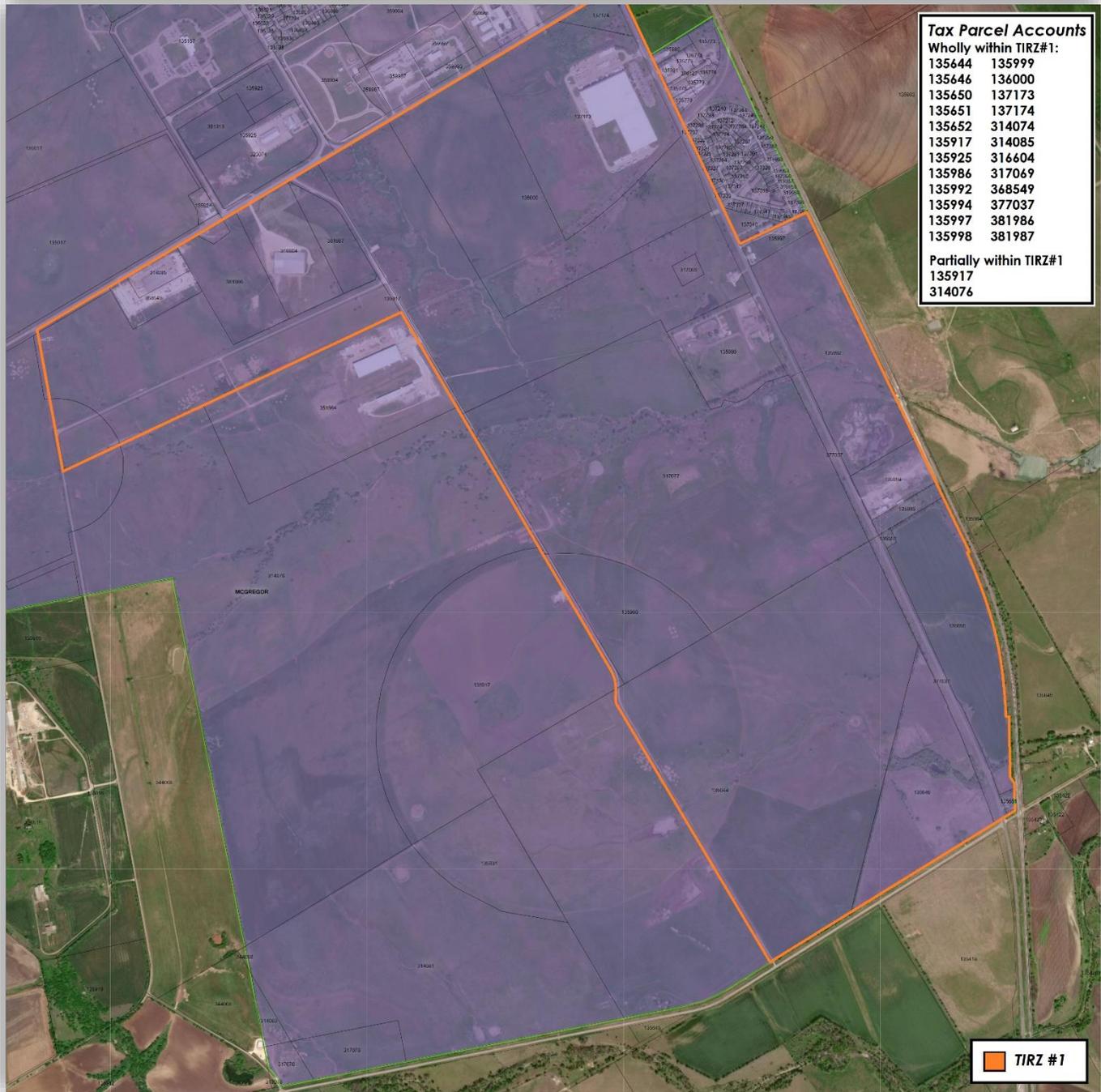
Description of Reinvestment or  
Enterprise Zone

# Reinvestment Zone

## Location and Legal Descriptions of Properties

Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office - Not Applicable

### Legal Description of Parcels Affected by Reinvestment Zone



## Reinvestment Zone Number One, City of McGregor (TIRZ#1)

### LEGAL DESCRIPTION

BOUNDS DESCRIPTION OF AN APPROXIMATE 1,600 ACRE TAX INCREMENT  
REFINANCE ZONE TRACT

LOCATED IN THE H. & W. R. HANDLEY SURVEY, ABSTRACT 1029, THE JESSIE RUSSEL,  
SR. SURVEY, ABSTRACT 743 AND THE B.C. WALTERS, JR. SURVEY, ABSTRACT 892,  
AND THE JOHN L. JOHNSTON SURVEY, ABSTRACT 484, IN THE CITY OF MCGREGOR,  
MCLENNAN COUNTY, TEXAS.

**BEGINNING** AT A POINT AT THE WEST END OF A CUT-BACK LINE IN THE WEST RIGHT-  
OF-WAY LINE OF STATE HIGHWAY 317 (SOUTH MAIN STREET) AT ITS INTERSECTION  
WITH THE NORTH RIGHT-OF-WAY LINE OF WEST BLUEBONNET PARKWAY;

**THENCE** AN APPROXIMATE DISTANCE OF 8,900 FEET IN A WESTERLY DIRECTION WITH  
THE NORTH RIGHT-OF-WAY LINE OF WEST BLUEBONNET PARKWAY, PASSING  
JOHNSON DRIVE AND JUDITH LANE TO A POINT AT THE NORTHERLY PROJECTION OF  
THE WEST OCCUPATION LINE OF AN OLD PAVED ROAD AND ENTRANCE TO CITY OF  
MCGREGOR WATER WELL NO. 2-B FOR THE NORTHWEST CORNER OF THE HEREIN  
DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 2,000 FEET IN A SOUTHERLY DIRECTION  
PARTWAY WITH THE SAID WEST OCCUPATION LINE OF THE OLD PAVED ROAD AND  
PARTWAY WITH THE WEST OCCUPATION LINE OF MCGUFFEY ROAD TO A POINT IN  
THE SOUTH RIGHT-OF-WAY LINE OF THE OLD GULF, COLORADO AND SANTA FE  
RAILWAY COMPANY AND ST. LOIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS  
RECORDED IN VOLUME 628, PAGE 133 OF THE DEED RECORDS OF MCLENNAN  
COUNTY, TEXAS FOR A CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 5,100 FEET IN AN EASTERLY DIRECTION  
WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID RAILWAY TRACT TO A POINT 50 FEET  
WEST OF THE CENTER OF JUDITH DRIVE FOR A CORNER OF THE HEREIN DESCRIBED  
TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 10,000 IN A SOUTHERLY DIRECTION ALONG  
A LINE 50 FEET WEST OF AND PARALLEL WITH THE CENTER OF JUDITH DRIVE TO A  
POINT IN THE PRESENT CITY LIMIT LINE OF MCGREGOR ALONG FARM-TO-MARKET  
ROAD 2671 (MOTHER NEFF PARKWAY) FOR THE SOUTHWEST CORNER OF THE  
HEREIN DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 3,900 FEET IN AN EASTERLY DIRECTION  
WITH SAID CITY LIMIT LINE, PARTWAY WITH FARM-TO-MARKET ROAD 2671, PASSING  
STATE HIGHWAY 317 AND CONTINUING WITH MCGREGOR SOUTH LOOP TO A POINT IN  
THE WEST RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN & SANTA FE  
RAILROAD FOR A CORNER OF THE CITY LIMIT AND THE MOST SOUTHERLY  
SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 8,500 FEET IN A NORTHERLY DIRECTION  
WITH THE EXISTING CITY LIMIT LINE, SAME BEING THE WEST RIGHT-OF-WAY LINE OF  
THE BURLINGTON NORTHERN & SANTA FE RAILROAD TO A POINT FOR THE  
SOUTHEAST CORNER OF MCGINLEY ADDITION FOR A CORNER OF THE HEREIN  
DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 1,000 FEET IN A WESTERLY DIRECTION WITH  
THE SOUTH LINE OF THE MCGINLEY ADDITION TO A POINT IN THE EAST RIGHT-OF-  
WAY LINE OF STATE HIGHWAY 317 FOR THE SOUTHWEST CORNER OF THE MCGINLEY  
ADDITION AND THE HEREIN DESCRIBED TRACT;

**THENCE** AN APPROXIMATE DISTANCE OF 3,900 FEET IN A NORTHERLY DIRECTION  
WITH THE EAST RIGHT-OF-WAY LINE OF STATE HIGHWAY 317 TO A POINT FOR THE  
NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

**THENCE** IN A WESTERLY DIRECTION CROSSING STATE HIGHWAY 317 ALONG THE  
PROJECTED NORTH RIGHT-OF-WAY LINE OF WEST BLUE BONNET PARKWAY,  
RETURNING TO THE POINT OF BEGINNING AND CONTAINING APPROXIMATELY 1,600  
ACRES OF LAND. THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT  
REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO  
CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND  
INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF  
THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED. ALL  
DISTANCES CITED WITHIN THIS DESCRIPTION WERE SCALED FROM AERIAL  
IMAGERY AND ARE CONSIDERED APPROXIMATE

**RESOLUTION R-10-19**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MCGREGOR, TEXAS  
APPROVING AND ADOPTING A PRELIMINARY REINVESTMENT ZONE  
PROJECT AND FINANCING PLAN**

WHEREAS, the adoption of a preliminary reinvestment zone financing plan is a prerequisite to the creation of a reinvestment zone for tax increment financing purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS AS FOLLOWS:

Section 1. That the document attached hereto and marked as **Exhibit "A"** which is identified as MCGREGOR TAX INCREMENT REINVESTMENT ZONE (TIRZ) #1, PRELIMINARY PROJECT AND FINANCING PLAN is hereby adopted by the City Council of the City of McGregor.

PASSED on this the 18<sup>th</sup> day of November, 2019.

CITY OF MCGREGOR, TEXAS

By:  \_\_\_\_\_  
Jim Hering, Mayor

ATTEST:

  
City Secretary



**PRELIMINARY REINVESTMENT ZONE NUMBER ONE  
McGREGOR, TEXAS**

**McGREGOR TAX INCREMENT REINVESTMENT  
ZONE (TIRZ#1)  
*PRELIMINARY PROJECT AND  
FINANCING PLAN***

November 14, 2019

**REINVESTMENT ZONE NUMBER ONE  
CITY OF MCGREGOR, TEXAS**

**McGREGOR TAX INCREMENT REINVESTMENT ZONE #1**

**Preliminary Project Plan and Reinvestment Zone Financing Plan**

**I  
INTRODUCTION**

The purpose of the Preliminary Project Plan and Reinvestment Zone Financing Plan (the “Plan”) for Reinvestment Zone Number One, City of McGregor, Texas known as the McGREGOR TAX INCREMENT REINVESTMENT ZONE #1 (“McGregor TIRZ#1” or the “TIRZ”) is to establish a project and financing plan to facilitate the development of an approximately 1,600 acre industrial park which is part of a larger 8,000 acre city owned industrial park. The City initially acquired approximately 9,000 acres which was a former military base in 1997. Over the last 22 years, the City has been working with developments to facilitate construction of new industries and educational facilities within the Industrial Park. The intent of the Plan is to ensure that the redevelopment of the area and accompanying improvements will result in the long-term stability and viability of the area.

**II  
OVERVIEW**

Reinvestment Zone Number One, City of McGregor, Texas, also known as McGregor TIRZ#1 will be created by City Ordinance for the purposes of revitalization and development of the area. This approximate 8,000-acre City owned industrial park is large geographically, and there are areas within the boundary that are underdeveloped, or vacant. Of the 1600 acres to be included in the TIRZ boundary, approximately 1261 acres is vacant, underdeveloped land or under-utilized industrial property which impairs the redevelopment of the area for additional commercial uses. Creating the TIRZ will provide a tool that can be used to attract development to the area and turn around the decades of vacant underdeveloped properties while also facilitating new infrastructure, roads and thereby creating jobs and enhancing the quality of development for the area in a timely manner.

This Project Plan and Reinvestment Zone Financing Plan is required as a part of the TIRZ creation process. Consistent with the Project and Financing Plan, the TIRZ may facilitate redevelopment of blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed real property or other property in a blighted area, the provision of public works or public facilities, or other public purposes; and/or acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, or other lawful City of McGregor facilities to support the eligible items listed in Chapter 311 of the Texas Tax Code, which may be amended from time to time.

Multiple public partners are anticipated to participate in the TIRZ. The public partners will include McLennan County and McLennan Community College District. Their tentative participating levels are projected at 75% of the increased tax values and revenues and the partners will retain 25% of the revenues that would not be created without the TIRZ. The City is planning on participating at 75%. **The financing of the project will be based on the participation levels and developer agreements at the time they are executed.**

The proposed zone will encompass an estimated 1600 acres located west of Main Street (SH317), South of Bluebonnet Plant Road, East of Judith Road and north of Mother Neff Parkway (FM2671). (See Exhibit “3” McGregor TIRZ#1 Boundary and Vicinity Map)

### **Section 2.01 Criteria for Designation of a Reinvestment Zone**

Based upon an assessment of the area, there is approximately 1600 acres of vacant, undeveloped, or underdeveloped land. “**But For**” the creation of the TIRZ the area may continue to lag in development for the foreseeable future. The property is located within the City of McGregor Industrial Park. The TIRZ area meets the requirements stated in Chapter 311.005 of the Texas Tax Code, for the following reasons:

- a) The area substantially arrests or impairs the sound growth of the City of McGregor, and is menace to the public health, safety, morals, or welfare in its present condition and use because of the scale of vacant, undeveloped or underdeveloped properties, lack of infrastructure and facilities in the area limits the ability to provide municipal services in an efficient and effective manner.
- b) Development will not occur in the area solely through private investment in the reasonably foreseeable future, and the infrastructure improvements necessary to serve development in the area are needed to attract development and significantly enhance the value of all the taxable real property in the zone

### **Section 2.02 Preliminary Project Plan Summary**

The Preliminary Project Plan contemplates redevelopment and development within the zone as a result of the creation of the TIRZ Zone. The Preliminary Project Plan currently estimates a conservative Captured Appraised Value (“CAV”) over the next 30 years based on a 2% growth in real property values. This projected new CAV is based on a conservative projection of appreciation; however, the actual real property revenue growth will be used to finance project improvements.

- a) Of the estimated 1600 acres within the proposed TIRZ boundary, there are approximately 1261 acres of vacant, underdeveloped land that provide an opportunity for revitalization of those tracts.
- b) The 2019 base year value for the zone, based on County Appraisal District Pre-Certified Tax Rolls is estimated at \$51 million. There is public owned and privately-owned property proposed within the Zone boundaries. The publicly owned property includes 1160 acres and is currently tax exempt but conservatively estimated to be \$28 million in value. The private owned property includes 391 acres and is on the tax rolls at an estimated \$23 million. The estimated base year value is \$51 million and is subject to further appraisal district review.

- c) This Project Plan assumes a very conservative development projection, based on 2% annual appreciation over the life of the zone.

### **Section 2.03 Public Works**

The Zone desires to acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements, including utilities, streets, paving, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities, but not including educational facilities;

### **Section 2.04 Cultural and Public Facilities**

The Zone desires to promote the development of all lawful eligible public improvements for the economic development of the area under Chapter 311 of the Texas Tax Code. The Zone and the City may use any available legal authority to facilitate the purchase and assembly of property to accomplish the development of such public facilities and economic development in the area surrounding such facilities.

### **Section 2.05 Existing Land Use and Zoning Within the Zone**

Exhibit 4 is a map of existing land uses within the Zone boundary. Exhibit 5 is the existing zoning designation pursuant to Chapter 311.011(b) (1) of the Texas Tax Code.

### **Section 2.06 Estimated Non-Project Cost Items**

The City is also creating a Tax Abatement District Boundary covering 215 acres in support relief for the Personal Property of the proposed development within the Zone.

The City is also considering creating an overlapping “Chapter 380/381” District Boundary that could be used for financing non-public works projects essential to the creation of the Zone.

### **Section 2.07 Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and other Municipal Ordinance**

The current Zoning designation are shown in Exhibit 5, Existing Zoning and is predominantly industrial of some type. The development proposed within the TIRZ #1 Boundaries will comply with the Zoning Ordinance, the Comprehensive Plan and Building Codes.

### **Section 2.08 Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Plan**

It is not anticipated that residents will be displaced by any of the projects to be undertaken by the Zone.

### III FINANCING PLAN

#### **Section 3.01 Estimated Project Costs**

Exhibit 1 is a detailed listing of the proposed Project Costs including administrative and non-project costs. The budget for the Financing Plan will be adjusted annually according to the Engineering News Record Construction Cost Index (ENR Index) on an annual basis. Revenue Projections **Estimated Revenue Schedule**

Exhibit 2 is the Revenue Schedule for the Zone area. The estimate details the expected total appraised value, the CAV and the net revenue from each taxing entity participating in the zone over the life of the zone.

#### **Section 3.03 Bond Indebtedness/Methods of Financing**

2020-2025 preliminary project costs are estimated at \$45.7 million plus financing costs. Bonds may be required to implement the Project and Financing Plan over the next 30 years. Any associated costs of issuance will be determined at the time of the actual transaction(s). Bond financing is anticipated throughout the term of the Zone.

#### **Section 3.04 Economic Feasibility Study**

Exhibit 7 is the Market and Economic Analysis for the Zone produced by the Greater Waco Chamber of Commerce. The Economic Impact of the Proposed Project prepared by the Greater Waco Chamber of Commerce using Total Impact DataSource projects:

- a) The Project's operations are projected to support employment and other economic impacts in the community. The 164.0 workers directly employed by the Project will earn approximately \$54,000 per year on average over the next 10 years. This direct activity will support 167.2 indirect and induced workers in the community earning \$47,000 on average over the next 10 years.
- b) The total additional payroll or workers' earnings associated with the Project is estimated to be approximately \$152.0 million over the next 10 years. Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the community, the Project is estimated to support approximately \$85.2 million in taxable sales over the next 10 years.
- c) The Project's operations will support employment and other economic impacts in the community. The 164.0 workers directly employed by the Project will earn approximately \$54,000 per year on average over the next 10 years. This direct activity will support 167.2 indirect and induced workers in the community earning \$47,000 on average over the next 10 years. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately \$152.0 million over the next 10 years.
- d) Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the community, the Project is estimated to support approximately \$85.2 million in taxable sales over the next 10 years.

- e) The proposed project will act as another catalytic project for this unique former military installation. The proposed project will also attract additional industries to the 1600 acres of vacant or underdeveloped tracts of land. In addition, the proposed improvements outlined in the TIRZ Budget will also facilitate additional rail served and truck served industries.
- f) The proposed project investment in years 2020 to 2023 is estimated to be \$220 million in real property.

**Section 3.05 Reinvestment Zone Duration**

The Zone will be created for a period expiring on December 31, 2050 or upon completion of the Project and Financing Plan.

**Section 3.06 Project Public Improvements Statement**

Exhibit 1 is a statement listing the kind, number and location of all project public improvements pursuant to Section 311.011(c)(2) of the Texas Tax Code.

**Section 3.07 Appraised and Assessed Value**

Current total appraised value and estimated current assessed value are provided pursuant to Section 311.011(c) (7-8) of the Texas Tax Code and shown in Exhibit 2.

**ORDINANCE O-21-19**

**AN ORDINANCE OF THE CITY OF MCGREGOR, TEXAS  
ADOPTING TAX ABATEMENT GUIDELINES AND  
ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, notice of a public hearing on the adoption of property tax abatement guidelines was duly given, and a public hearing was held at which persons were given the opportunity speak for or against tax abatement and the tax abatement guidelines; and

**WHEREAS**, the City of McGregor has elected to become eligible to participate in tax abatement under Chapter 312 of the Tax Code; and

**WHEREAS**, Chapter 312 of the Tax Code contains various requirements relating to municipal tax abatement; and

**WHEREAS**, Chapter 312 of the Tax Code also requires that a municipality participating in tax abatement must adopt guidelines and criteria governing tax abatement agreements entered into by the municipality; and

**WHEREAS**, the City Council finds it necessary and proper to adopt guidelines which both serve as a guide to the legal requirements for tax abatement and establish criteria and requirements for tax abatement.

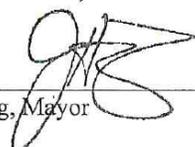
**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCGREGOR, TEXAS AS FOLLOWS:**

**Section 1.** The “City of McGregor Tax Abatement Guidelines” attached hereto as **Exhibit “A”**, and incorporated by reference herein, are ADOPTED and shall govern the City’s participation in tax abatement under Chapter 312 of the Texas Property Tax Code.

**Section 2.** This Ordinance [and the Tax Abatement Guidelines adopted hereby] is effective on passage.

PASSED on this the 18<sup>th</sup> day of November, 2019.

CITY OF MCGREGOR, TEXAS

By:   
Jim Hering, Mayor

ATTEST:  
  
City Secretary



## Tax Abatement Guidelines

### CITY OF MCGREGOR, TEXAS TAX ABATEMENT GUIDELINES

1. Purpose. To serve as a guide to City Staff in complying with the required procedures for participation in tax abatement under Chapter 312 of the Tax Code and to establish criteria and standards for tax abatement agreements entered into by the City.

2. Reinvestment Zones.

2.1 General. Tax abatement can ONLY be granted with regard to property located within a properly designated Reinvestment Zone. Thus, as an initial matter it must be confirmed that the property is within a Reinvestment Zone previously designated by the City. If it is not, a Reinvestment Zone must be created before any tax abatement agreement is reached.

2.2 Criteria for Reinvestment Zone. The statutory criteria for an area to be designated as a Reinvestment Zone are listed in Section 312.202 of the Tax Code. The listed criteria that will normally be applicable is that the area must “be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality.” However, in some cases other criteria may be applicable, such as the area being in need of Reinvestment due to urban blight. Residential tax abatement is also provided for in Chapter 312 under certain conditions. The term “reinvestment zone” includes an “enterprise zone” designated under Chapter 2303 of the Government Code.

2.3 Process for Designating a Reinvestment Zone.

A. Designation of a Reinvestment Zone is by Ordinance. The ordinance designating a reinvestment zone must: Describe the boundaries of the zone; Find that the property meets the criteria for a zone (Section 312.202, Tax Code); State that the property within the zone is eligible for commercial-industrial tax abatement; and Make the findings required to be made after the public hearing (discussed below).

The property description must be a legal description. In most cases a zone will be designated that is coextensive with the property for which tax abatement is sought rather than designating an area wherein multiple properties are located.

The specific criteria under which the zone is being created must be stated.

B. Published Notice and Public Hearing Required. To be eligible for designation as a reinvestment zone, the City Council must hold a public hearing on the designation. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. See § 312.201, Property Tax Code. Not later than the 7<sup>th</sup> day before the date of the hearing, notice of the hearing must be published in a newspaper of general circulation in the municipality; written notice must be given to the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

Notice to the presiding officer of the governing body is considered notice to the governing body. After holding the public hearing, the City Council must make a finding that the improvements sought are feasible and practical and would be a benefit to the land included in the zone and to the City after the expiration of any tax abatement agreement. This finding will be contained in the Designation Ordinance.

3. Tax Abatement. Tax abatement can only be granted to an eligible property under a written Tax Abatement Agreement approved by the City Council. The abatement granted is only with regard to a percentage of the added taxable value (per the appraised value assigned by the McLennan County Appraisal District) created by the real property improvements and/or personal property additions on the land within the zone. The increase is calculated by reference to the Base Year, which is the year in which the Tax Abatement Agreement is entered into by the City and the Owner. The Base Year Value is based on the appraised value assigned by the McLennan County Appraisal District. Tax abatement is available with regard to qualifying projects for both new facilities and structures and for the expansion or modernization of existing facilities and structures. The term of a Tax Abatement Agreement cannot exceed 10 years. The City can provide tax abatement for the value of personal property, equipment or fixtures on Owned by the Lessee of the property upon which the personal property, equipment or fixtures are located. Abatement is not granted to the owner of the leased property.

#### 4. Application for Tax Abatement

4.1 The property owner must generally file an application for tax abatement with the City Manager for a tax abatement to be considered by the City Council.

4.1.1 Exception. The City Council may consider as a tax abatement application a submittal which contains a description of the property, the proposed improvements and additions, any employment positions to be created or maintained, abatement terms, percentages and conditions, and other information included therein based on negotiations by City officials and legal counsel with the business, in lieu of requiring an application.

4.1.3 An Application for Tax Abatement must include the following:

- a. a legal description and common description of the real property for which tax abatement is sought;
- b. a description of any personal property for which tax abatement is sought;
- c. the proposed capital improvements to the property and any proposed additions of personal property thereon over and above what exists on the property at the date of the Application and any proposed increases in employment or retention of jobs which the Applicant is proposing as incentive for the grant of the tax abatement. This shall include the number of jobs, average wage of jobs, employment benefits to be provided, and a commitment to retain the jobs throughout the abatement period;

- d. the name, address, and telephone number of the applicant;
- e. if the applicant is other than a natural person, identification of the form of the entity and a copy of the articles of incorporation, partnership agreement, or other document establishing the entity must be provided. Where the applicant is other than a natural person, a certificate of good standing from the State Comptroller shall be provided, and a verification of the entity's status from the State Secretary of State shall be provided where applicable;
- f. the applicant must provide a current tax certificate showing that all property taxes due on the property have been paid;
- g. the applicant must provide a statement of the taxable value of the property and personal property thereon as shown on the assessment for the year of the application, and must state the estimated increase in the taxable value from its project;
- h. the Application must disclose any discharges of pollutants which are expected to accompany the Applicant's operations on the property; and
- i. the applicant shall provide a map showing the property, and the location of proposed improvements.; and
- j. estimated water and sewer requirements for the project shall be identified.

5. Tax Abatement Agreements

5.1 Tax Abatement Agreements must, by statute, contain the following terms and conditions:

- (a) list the kind, number, and location of all proposed improvements of the property;
- (b) provide access to and authorize inspection of the property by City employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- (c) limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- (d) provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
- (e) contain each term agreed to by the owner of the property;
- (f) require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and

(g) provide that the governing body of the City may cancel or modify the agreement if the property owner fails to comply with the agreement.

See §§312.205 and 312.206, Tax Code. See Also §312.402, Tax Code. In addition, all Tax Abatement Agreements shall require compliance of the Project with applicable federal, state and local laws; including municipal zoning. The Owner must also certify that entering into the Tax Abatement Agreement will not conflict with any other binding Agreement to which the Owner is a party. If an existing development agreement exists between the Owner and the City for the Property, it is modified by operation of these Guidelines to allow for the operations and facilities contemplated herein.

5.2 An Owner must stay current on the unabated portions of property taxes on the property. Failure to do so may result in termination of the Tax Abatement Agreement.

5.3 The Tax Abatement Agreement will contain other provisions as required by the City or its legal counsel.

5.4 The duration of a tax abatement shall not exceed ten (10) years.

5.4 The Base Year Value of the property, the percentage of abatement, and the length of abatement shall be clearly set forth in the Agreement.

5.4 The “Base Year Value” is the taxable value of the property for the tax year in which the Agreement is executed.

5.5 The abatement provided by a Tax Abatement Agreement is only for the increase of the taxable value over the Base Year Value caused by the improvements and additions made by the property owner to the property which are specifically set forth in the Agreement. The abatement shall not be applied to improvements or personal property located on the property before the Tax Abatement Agreement is executed, or which are not included in the improvements or additions expressly described in the Tax Abatement Agreement. The abatement provided by the Tax Abatement Agreement shall not apply to inventory or supplies.

5.6 A Tax Abatement Agreement will generally take effect on January 1 of the next year after the improvements and/or additions are completed. A certificate of completion must be provided to the City Judge upon (or the entity administering compliance) completion of the improvements/additions. “Completion” is subject to independent verification of completion by the City (and the municipality if in a municipal reinvestment zone).

5.7 The Abatement Period may be started during construction if the parties so agree in the Tax Abatement Agreement.

5.8 The start of the Abatement Period may be deferred to a later year if the parties agree to such in the Tax Abatement Agreement.

5.9 All Tax Abatement Agreements must be approved by the City Attorney.

## 6. Guidelines of General Application

6.1 No member of the City Council may have an interest in property to be included in a reinvestment zone, or property for which a tax abatement is granted by the City.

6.2 No tax abatement agreement is effective until formally approved by the City Council and fully executed by all parties. NO TAX ABATEMENT CAN BE GRANTED FOR PROPERTY THAT IS NOT LOCATED WITHIN A PROPERLY ESTABLISHED REINVESTMENT ZONE.

6.3 Tax abatement will only be granted for increases in the taxable value of the property over the Base Year Value as defined in these Guidelines, and only for increases in value caused by improvements/additions identified in the applicable tax abatement agreement. The term improvements/additions include both new structures and facilities and the expansion and modernization of existing structures or facilities. In some situations, involving leases—the applicable Base Year value may be zero. According to Section 312.402 (a-3) of the Tax Code the value of fixtures and personal property placed on the leased property is what is considered for abatement.

6.4 There can be no implied promise to grant tax abatement, and tax abatement may only be granted by the City Council by formal action, taken by the City Council as a body, which approves the same.

6.5 Meetings at which a tax abatement is considered by the City Council must be posted and held in accordance with the Open Meetings Act (Chapter 551 of the Government Code). (added by H.B. 3143, 2019) The City Council must give the public notice of the meeting at which the City Council will consider approval of a Tax Abatement Agreement. The notice is posted for the meeting in the manner required by the Texas Open Meetings Act (Ch. 551, Texas Government Code) at least 30 days before the time of the meeting scheduled to consider the Tax Abatement Agreement. The Notice must contain:

- 1) The name of the property owner and the name of the applicant for the Tax Abatement Agreement;
- 2) The name and location of the Reinvestment Zone where the subject property is located;
- 3) A general description of the improvements or repairs required to be made under the Tax Abatement Agreement; and
- 4) The estimated cost of the improvements or repairs.

6.6 The conflict of interest provisions of Chapter 171 of the Local Government Code apply to actions taken by the City Council on any tax abatement.

6.7 The term and percentages of tax abatement for a project are based on rational review of the economic development benefits received, and other factors.

The proposed term/percentages should primarily be a function of the level of improvements/additions and job creation/retention. Proposals which include significant job creation/retention shall generally have priority over those which involve only improvements/additions to property. Another factor shall be the quality of the jobs proposed. Generally, a proposed abatement involving creation of near minimum wage jobs should be accorded less favorable abatement than one involving provision of jobs having more attractive wages and benefits.

Development in the McGregor Industrial Park is favored; as is the fact that such places the land back on the tax rolls. Projects that serve targeted development goals of the City are accorded more favorable treatment.

Other matters, such as whether the project will serve as an anchor for other development or is likely to create additional development are important factors. Whether the Project and potential other development stimulated by the project serves the City's growth plan. Generation of sales tax revenues and the levels thereof are a consideration.

Businesses having a regional or national impact will generally be given greater consideration. These are businesses that ship most of their production outside of the City.

When a project provides for little job creation but significant capital investment, care must be taken to properly analyze the possible impacts to the tax valuation in the future from factors such as depreciation, market changes, regulatory changes, appraisal methodologies, tax exemptions, and other relevant matters. The percentage and length of tax abatement must be carefully considered in view of the diminishing or fluctuating future value of the project. Rapid depreciation and unpredictable future valuations are factors that will be considered in setting abatement percentages and length on such projects.

Other factors such: as public infrastructure and utility requirements of the development, community impacts, direct and indirect economic impacts, environmental impacts, and the potential for future expansion may also be considered as part of the analysis.

6.8 In accordance with §312.002(d) of the Tax Code, the City's adoption of these Guidelines does not:

- (1) limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;

(2) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or

(3) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

6.9 Sale, Lease or Allocation to Tax Exempt Entity. If a sale, lease, or allocation of the Project or its output is made to an entity exempt from property taxation, and such results in a portion of the Project being exempt from property taxation, the City may terminate the Tax Abatement Agreement and the Abatement granted thereunder. If this occurs, the owner must repay any taxes abated related to the portion of the property that has become exempt from year 1 to when the portion of the property became tax exempt.

6.10 Alternatively, to keep the tax abatement agreement in place for the rest of the property, the Owner shall pay in a lump sum the present value of taxes that will be lost to the City with regard to the exempt portion of the property over the next 20 years using a calculation agreed to by the parties in writing, but if unable to be agreed to, resolved by binding mediation to take place in McLennan County, Texas before a mediator selected by the City from the approved list of mediators maintained by the Federal District Court in Waco..

6.11 In the event of conflict between these Guidelines and a provision of Chapter 312 of the Tax Code, Chapter 312 of the Tax Code shall control.

6.12 These Guidelines must be re-evaluated and re-approved every two years.

## 7. Notice Requirements.

To adopt or amend guidelines, notice of public hearing and public hearing held before adoption.

To designate a Reinvestment zone Published Notice of Public Hearing at least 7 days before hearing [Also sent to the presiding officer of the governing body of each taxing entity that includes boundaries within the reinvestment zone at least 7 days before hearing]. Public hearing held. At the end, after approving the ordinance creating the Reinvestment Zone, approve intent to enter into a proposed tax abatement Agreement. Send copy of notice of Intent and copy of proposed Tax Abatement Agreement to the presiding officer of the governing body of each taxing entity that includes boundaries within the reinvestment zone at least 7 days before meeting at which adopt Tax Abatement Agreement.

The City Council must give the public notice of the meeting at which the City Council will consider approval of a Tax Abatement Agreement. The notice is posted for the meeting in the manner required by the Texas Open Meetings Act (Ch. 551, Texas Government Code) at least 30

days before the time of the meeting scheduled to consider the Tax Abatement Agreement. The Notice must contain:

- 1) The name of the property owner and the name of the applicant for the Tax Abatement Agreement;
  - 2) The name and location of the Reinvestment Zone where the subject property is located;
  - 3) A general description of the improvements or repairs required to be made under the Tax Abatement Agreement; and
  - 4) The estimated cost of the improvements or repairs.
8. Amendment or other Action. (added by H.B. 3143, 2019) An adoption, re-adoption, amendment, repeal, or reauthorization of these Guidelines must only occur after a public hearing is held at which members of the public have the opportunity to be heard.

# Tab 17

Signature and Certification Page

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** → James Lenaman  
Print Name (Authorized School District Representative)

**sign here** → *James Lenaman*  
Signature (Authorized School District Representative)

Superintendent  
Title

7/8/21  
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.

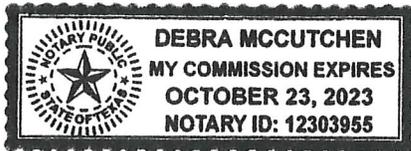
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

**print here** → Jeffrey R. Brisley  
Print Name (Authorized Company Representative (Applicant))

**sign here** → *Jeffrey R. Brisley*  
Signature (Authorized Company Representative (Applicant))

SVP - Strategic Business Development  
Title

6/14/21  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the  
 14<sup>th</sup> day of June, 2021  
*Debra McCutchen*  
 Notary Public in and for the State of Texas  
 My Commission expires: 10-23-2023

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.