O'HANLON, DEMERATH & CASTILLO
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426 W. Caffery Ave.
Pharr, Texas 78577

San Antonio Office
117 W. Craig Place
San Antonio, Texas 78212

December 19, 2022

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

RE: Value Limitation Agreement between Calallen Independent School District and Equistar Chemicals LP (#1777)

To the Local Government Assistance & Economic Analysis Division:

Enclosed please find a final copy of each of the materials submitted to, and approved by, the Calallen ISD Board of Trustees on December 12, 2022. The package contains a copy of each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston

William Eggleston
Legal Assistant to Kevin O'Hanlon

FINDINGS OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY EQUISTAR CHEMICALS LP (#1777)

December 12, 2022

FINDINGS OF THE
CALALLEN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
EQUISTAR CHEMICALS LP (#1777)

DECEMBER 12, 2022

FINDINGS OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY EQUISTAR CHEMICALS LP (#1777)

STATE OF TEXAS §

COUNTY OF NUECES §

On December 12, 2022, a public meeting of the Board of Trustees of the Calallen Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Equistar Chemicals LP ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On April 11, 2022, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application, including all amendments and supplements thereto, was determined to be complete as of June 1, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 17605504814), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

The Board of Trustees acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(a-1). A copy of the Application was delivered to the Nueces Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.025(d), and a Comptroller Certificate was issued on August 26, 2022, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

The Board of Trustees has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment E**.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F.**

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in

accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

> **The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.**

Both Section 6 of the Application, **Attachment A**, and the Comptroller's Certificate, Attachment C, establish that the property described by the Applicant is eligible for a limitation under §313.024.

Board Finding Number 2.

> **The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).**

Board Finding Number 3.

> **Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).**

Board Finding Number 4.

> **The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.**

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at **Attachment A**, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

> **Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A and Attachment C, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.**

The review of the Application by the Comptroller's Office indicated that the number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C**. This amount is determined to be $80,965 annually. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

(A) requires at least 1,600 hours of work a year;

(B) is not transferred from one area in this state to another area in this state;

(C) is not created to replace a previous employee;

(D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Based on its Application, the Company proposes to create ten (10) qualifying jobs, which meets the statutory requirements.

Board Finding Number 6.

> **Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in the Texas Tax Code was applied, for the size and scope of the project described in the Application, the required number of jobs meets**

or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding 7.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, the Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be $52,078 annually.

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved could be significant in the long-term, with special reference to revenues used for supporting school district debt.

In support of this finding, the analysis prepared by MoakCasey projects that the project would initially add $760.6 million to the tax base that would be available for debt service purposes at the peak investment level for the 2030-31 school year. The District currently levies a $0.2430 per $100 I&S tax for voter-approved debt. An expansion of the I&S tax base could benefit local taxpayers since the District is ineligible for state facilities support. This issue is addressed in the attached Finance Report. **(See Attachment D.)**

Board Finding Number 9.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.

This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

> **The Board finds that it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

Board Finding Number 11.

> **The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.**

The Board has developed a policy which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultant has prepared a signed statement that the consultant has reviewed and verified the contents of the Application and has determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultant upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year **(Attachment E)**. The District is categorized as Subchapter C district, which applies only to a school district that meets certain demographic characteristics or has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 2000 to 2010, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its location in a Strategic Investment Area. Given that the value of industrial property for 2021 is $1.0 billion, which is more than $200 million, it is classified as a Category I district, which can offer a minimum value limitation of $30 million.

Board Finding Number 13.

> **The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.**

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 14.

> **The Applicant (Taxpayer No. 17605504814) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 17605504814), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

> **The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.**

Board Finding Number 16.

> **The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.**

In support of this finding, the finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. With this Agreement, the

negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

> **The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.**

Board Finding Number 18.

> **The Board finds that there are no conflicts of interest at the time of considering the agreement.**

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at https://pol.tasb.org/PolicyOnline/PolicyDetails?key=947&code=BBFA and https://pol.tasb.org/PolicyOnline/PolicyDetails?key=947&code=BBFB that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that

such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

> **The Board directs that a link on its website be established to the Comptroller's Office Website where appraisal-limitation-related documents are made available to the public.**

Board Finding Number 20.

> **Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.**

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and herby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting and maintained in the permanent records of the Board of Trustees of the District.

Dated the 12th day of December 2022.

CALALLEN INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees

Attachment A

Application

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
PHONE: (512) 494-9949
FAX: (512) 494-9919

KEVIN O'HANLON
kohanlon@808west.com

Rio Grande Valley Office
426 W. Caffery Ave.
Pharr, Texas 78577

San Antonio Office
117 W. Craig Place
San Antonio, Texas 78212

April 15, 2022

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

RE: Application to the Calallen Independent School District from Equistar Chemicals LP

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Calallen Independent School District is notifying Equistar Chemicals LP of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on April 11, 2022. The Board voted to accept the application on April 11, 2022. The application has been determined complete as of April 15, 2022.

A copy of the application will be submitted to the Nueces County Appraisal District.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Nueces CAD
Equistar Chemicals LP

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS	
	ATTACHMENT
1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation *(if applicable)*
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property *(if applicable)*
11	Maps that clearly show: a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size **Note:** Maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact *(if applicable)*
15	Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative *(applicant)*

TAB 1

Pages 1 through 9 of 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/. 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

April 11, 2022
Date Application Received by District

Emily
First Name

Lorenz
Last Name

Superintendent
Title

Calallen Independent School District
School District Name

4205 Wildcat Drive
Street Address

4205 Wildcat Drive
Mailing Address

Corpus Christi
City

TX
State

78410
ZIP

361-242-5600
Phone Number

362-242-5620
Fax Number

N/A
Mobile Number (optional)

elorenz@calallen.org
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
First Name

Casey
Last Name

Partner
Title

Moak casey & Associates
Firm Name

512-485-7878
Phone Number

512-485-7888
Fax Number

N/A
Mobile Number *(optional)*

dcasey@moakcasey.com
Email Address

4. On what date did the district determine this application complete? ..... April 15, 2022

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Kirkmichael
First Name

Moore
Last Name

Assistant Secretary
Title

Equistar Chemicals LP
Organization

1221 McKinney Street, Suite 300
Street Address

1221 McKinney Street, Suite 300
Mailing Address

Houston
City

TX
State

77010
ZIP

713-309-7200
Phone Number

N/A
Fax Number

N/A
Mobile Number *(optional)*

kirkmichael.moore@lyondellbasell.com
Business Email Address

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.

Angela
First Name

Gonzalez
Last Name

Associate Director, Global Tax Planning
Title

Equistar Chemicals LP
Organization

1221 McKinney Street, Suite 300
Street Address

1221 McKinney Street, Suite 300
Mailing Address

Houston
City

TX
State

77010
ZIP

713-309-7200
Phone Number

N/A
Fax Number

N/A
Mobile Number *(optional)*

angela.gonzalez@lyondellbasell.com
Business Email Address

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)*

Greg
First Name

Maxim
Last Name

Partner
Title

Cummings Westlake LLC
Firm Name

(713) 266-4456
Phone Number

N/A
Fax Number

gmaxim@cwlp.net
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
Payment Amount

Check
Transaction Type

Lyondell Chemical Company
Payor

Calallen ISD
Payee

3/30/2022
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? Equistar Chemicals LP
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 17605504814
3. Parent Company Name N/A
4. Parent Company Tax ID N/A
5. NAICS code 325100
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

Application 244 (2012), 245(2012), 2469(2012) Brazosport ISD (224 & 225 Amended 2014), Application 1098 (2015 withdrawn and replaced with this Application)

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Partnership
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

Equistar Chemicals LP

2c. Reporting Entity Taxpayer Number

17605504814

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: September 2022
2. Estimated commencement of construction: January 1, 2027
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2026
4. First year of limitation (YYYY): January 1, 2029

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: December 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Nueces County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Nueces CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Calallen ISD; 100%; $0.9896 *(Name, tax rate and percent of project)*

I&S (ISD): Calallen ISD; 100%; $0.24300 *(Name, tax rate and percent of project)*

County: Nueces County; 100%; $0.310445 *(Name, tax rate and percent of project)*

City: N/A *(Name, tax rate and percent of project)*

Hospital District: Nueces County Hosp. Dist; 100%; $0.111502 *(Name, tax rate and percent of project)*

Water District: N/A *(Name, tax rate and percent of project)*

Other *(describe)*: Del Mar College; 100%; $0.28334 *(Name, tax rate and percent of project)*

Other *(describe)*: Emergency Service #1; 100%; $0.10000 *(Name, tax rate and percent of project)*

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: N/A *(Incentive type, percentage, start and end year)*

City: N/A *(Incentive type, percentage, start and end year)*

Hospital District: N/A *(Incentive type, percentage, start and end year)*

Water District: N/A *(Incentive type, percentage, start and end yeart)*

Other *(describe)*: N/A *(Incentive type, percentage, start and end year)*

Other *(describe)*: N/A *(Incentive type, percentage, start and end year)*

6. Is the project located entirely within the ISD listed in Section 1? ☑ Yes ☐ No

   6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7** and **8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☑ No

   7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

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, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at **comptroller.texas.gov/economy/local/ch313/**.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? $30,000,000

2. What is the amount of appraised value limitation for which you are applying? $30,000,000

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☑ Yes ☐ No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☑ Yes ☐ No

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 as defined by Tax Code §313.021 (**Tab 8**);
   1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
   1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
   1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ☐ Yes ☑ 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 and will not be eligible for a limitation. See TAC §9.1051(16).

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? June 2022

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? 10
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☑ No

   3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note**: If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.

   a. Non-qualified job wages
   - average weekly wage for all jobs (all industries) in the county is ..... $ 989.75

   b. Qualifying job wage minimum option §313.021(5)(A)
   -110% of the average weekly wage for manufacturing jobs in the county is ..... $ 1,896.13

   c. Qualifying job wage minimum option §313.021(5)(B)
   -110% of the average weekly wage for manufacturing jobs in the region is ..... $ 80,963.30

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? ..... $ 80,963.30
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... $ 80,965.00
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 Application Fee

Please find on the attached page, copy of the check for the $75,000 application fee to Calallen Independent School District.

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)

See Attached

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

TAB 4

Detailed Description of the Project

Provide 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.

Equistar Chemicals, LP proposes to construct a new world scale polyethylene unit at its McKinzie Road manufacturing facility near Corpus Christi in Nueces County, Texas. The plant will manufacture polyethylene resin which is used in products such as plastic pipe, merchandise bags, milk jugs, food and beverage containers, household chemical and detergent bottles, pails and drums.

Construction is proposed to commence in Q1 2027 with completion estimated in 4Q 2028. The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process infrastructure and auxiliary equipment, including:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers

- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins,
- upgrades and revamps to existing facilities
- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

Any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions, upgrades and modifications related to the polyethylene unit.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

Equistar Chemicals LP's parent company -- LyondellBasell Industries N.V. ("LyondellBasell") -- is one of the world's largest chemical companies with 2021 revenues of over $46 billion. LyondellBasell has more than 100 manufacturing sites and joint ventures in 21 countries, with the principal manufacturing sites being in the United States, Germany, Italy, the Netherlands, France, and Spain. LyondellBasell has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital are near the company's facilities in Louisiana. The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board prior to a final determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Calallen ISD is less attractive.

TAB 6

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

		Tax Rate
Nueces County	100%	$0.310445
Hospital District	100%	$0.111502
Del Mar College	100%	$0.283340
Emergency Service #1	100%	$0.100000
Calallen ISD	100%	$1.232600

TAB 7

Description of Qualified Investment

Qualified Investment consists of:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins,
- upgrades and revamps to existing facilities

- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

Any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions, upgrades and modifications related to the polyethylene unit.

TAB 8

Description of Qualified Property

Qualified Property consists of :

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins,
- upgrades and revamps to existing facilities

- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

Any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions, upgrades and modifications related to the polyethylene unit.

TAB 9

Description of Land

Not applicable. The land on which the new buildings and new improvements will be built, is not being claimed as part of the qualified property described by §313.021(2)(A).

TAB 10

Description of all property not eligible to become qualified property (if applicable)

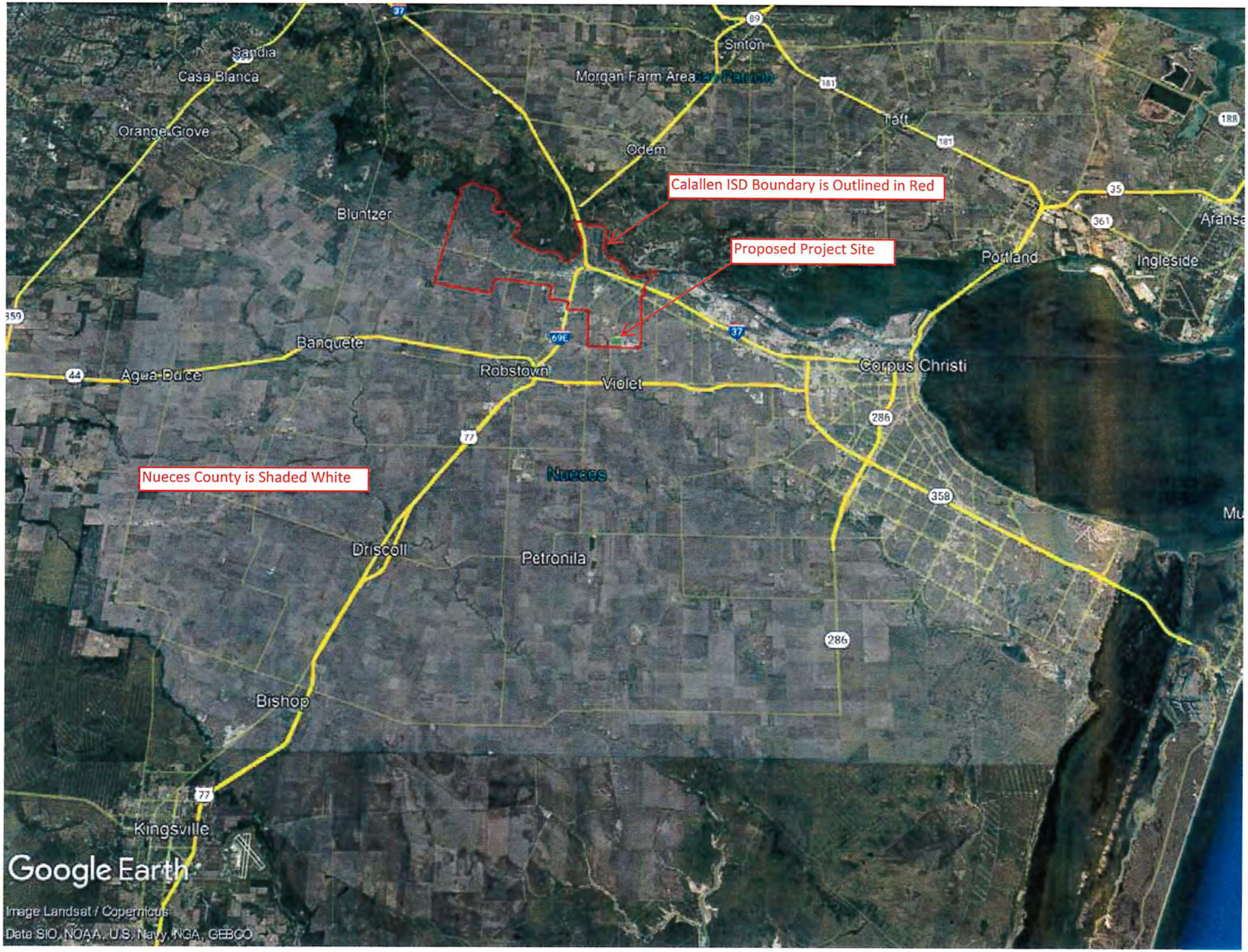
Not Applicable

TAB 11

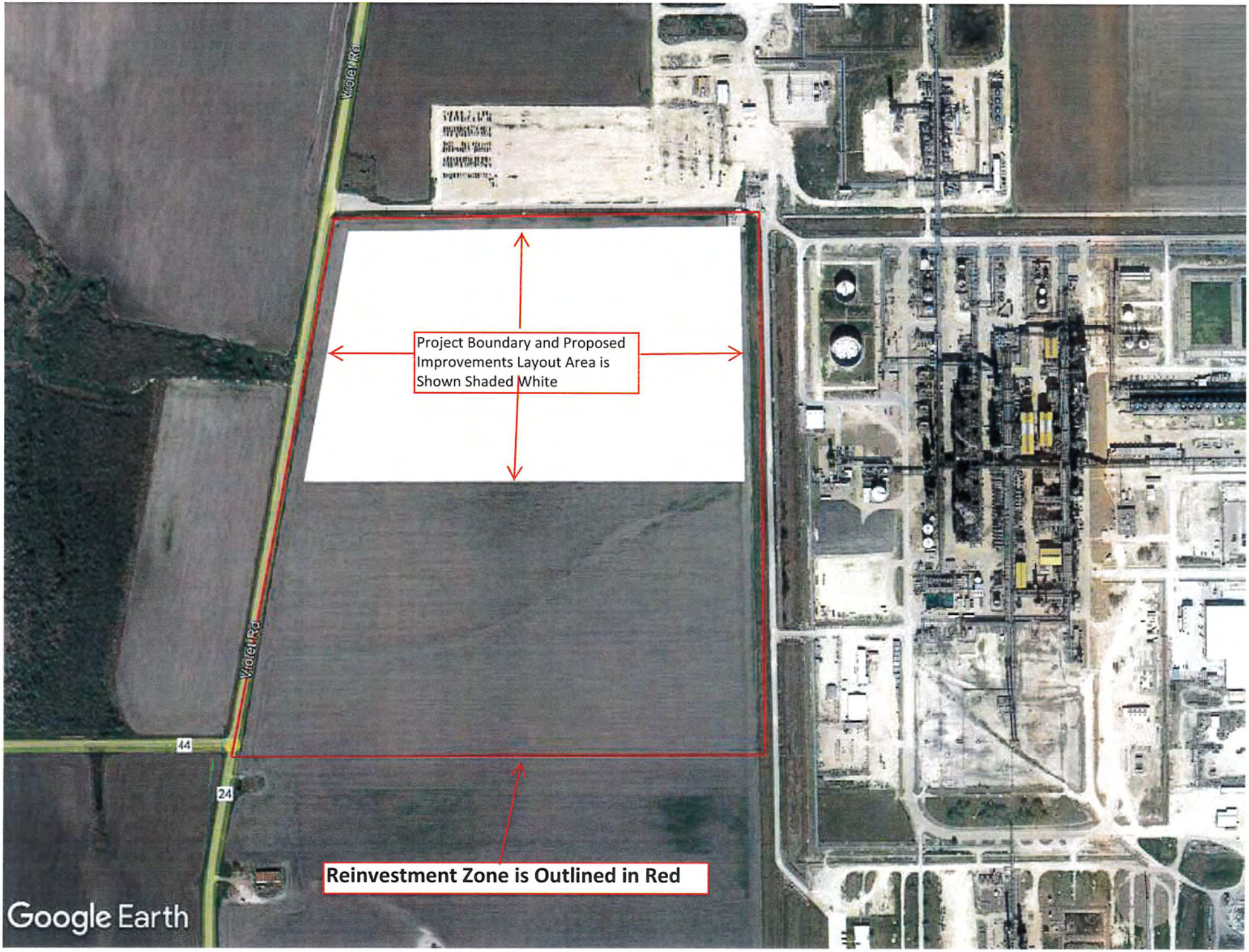
Maps that clearly show:

a) *Project vicinity*
b) *Qualified investment including location of new building or new improvements*
c) *Qualified property including location of new building or new improvements*
d) *Existing property*
e) *Land location within vicinity map*
f) *Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size*

Austin
Spring
Beaumo
Katy
Houston
Sugar Land
San Antonio
Galveston
Victoria
Proposed Project Site
Corpus Christi
Laredo
10
35
37
Google Earth
Data LDEO-Columbia, NSF, NOAA
Image Landsat / Copernicus
Data SIO, NOAA, U.S. Navy, NGA, GEBCO


Calallen ISD Boundary is Outlined in Red
Proposed Project Site
Nueces County is Shaded White
Sandia
Casa Blanca
Orange Grove
Morgan Farm Area
Sinton
Taft
Odem
Bluntzer
Portland
Ingleside
Aransas
Banquete
Agua Dulce
Robstown
Violet
Corpus Christi
Nueces
Driscoll
Petronila
Bishop
Kingsville
Google Earth
Image Landsat / Copernicus
Data SIO, NOAA, U.S. Navy, NGA, GEBCO

Calallen ISD is Shown Outlined in Blue
Odem-edroy Independent School District
Calallen Independent School District
Captured Moments by Jessica
Hazel Bazemore County Park
CALALLEN
H-E-B
Memorial Park
Project Boundary is Shown Shaded White
The Church of Jesus Christ of Latter...
Nueces County North Park
North San Pedro
Robstown Early College High School
E Ave J
Reinvestment Zone is Shown Outlined in Red.
Google Earth


Violet Rd
Violet Rd
44
24
Project Boundary and Proposed Improvements Layout Area is Shown Shaded White
Reinvestment Zone is Outlined in Red
Google Earth

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

Not Applicable

TAB 13

Calculation of three possible wage requirements with TWC documentation

1) Nueces County average weekly wage for all jobs (all industries)

2) Nueces County average weekly wage for all jobs (manufacturing)

3) See attached Council of Governments Regional Wage Calculation and Documentation

EQUISTAR CHEMICALS LP
TAB 13 TO CHAPTER 313 APPLICATION

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2020	$ 1,051	$ 54,652
FIRST	2021	$ 957	$ 49,764
SECOND	2021	$ 961	$ 49,972
THIRD	2021	$ 990	$ 51,480
	AVERAGE	$ 989.75	$ 51,467.00

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2020	$ 1,734	$ 90,168
FIRST	2021	$ 1,910	$ 99,320
SECOND	2021	$ 1,572	$ 81,744
THIRD	2021	$ 1,679	$ 87,308
	AVERAGE	$ 1,724	$ 89,635
	X	110%	110%
		$ 1,896.13	$ 98,598.50

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
CENTRAL TEXAS	2020	$ 1,415.44	$ 73,603
	X	110%	110%
		$ 1,556.99	$ 80,963.30

** SEE ATTACHED TWC DOCUMENTATION*

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	04	Nueces	Total All	10	Total, All Industries	0	1,051
2021	01	Nueces	Total All	10	Total, All Industries	0	957
2021	02	Nueces	Total All	10	Total, All Industries	0	961
2021	03	Nueces	Total All	10	Total, All Industries	0	990

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	04	Nueces	Private	31-33	Manufacturing	2	1,734
2021	01	Nueces	Private	31-33	Manufacturing	2	1,910
2021	02	Nueces	Private	31-33	Manufacturing	2	1,572
2021	03	Nueces	Private	31-33	Manufacturing	2	1,679

2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	$23.32	$48,501
South Plains Association of Governments	2	$20.42	$42,473
NORTEX Regional Planning Commission	3	$20.64	$42,928
North Central Texas Council of Governments	4	$32.34	$67,261
Ark-Tex Council of Governments	5	$21.30	$44,299
East Texas Council of Governments	6	$29.28	$60,904
West Central Texas Council of Governments	7	$21.54	$44,797
Rio Grande Council of Governments	8	$19.02	$39,552
Permian Basin Regional Planning Commission	9	$22.57	$46,945
Concho Valley Council of Governments	10	$27.28	$56,739
Heart of Texas Council of Governments	11	$23.41	$48,696
Capital Area Council of Governments	12	$29.96	$62,326
Brazos Valley Council of Governments	13	$18.41	$38,286
Deep East Texas Council of Governments	14	$21.07	$43,829
South East Texas Regional Planning Commission	15	$27.38	$56,957
Houston-Galveston Area Council	16	$29.83	$62,050
Golden Crescent Regional Planning Commission	17	$22.09	$45,945
Alamo Area Council of Governments	18	$27.45	$57,101
South Texas Development Council	19	$19.20	$39,945
Coastal Bend Council of Governments	20	$35.39	$73,603
Lower Rio Grande Valley Development Council	21	$20.70	$43,056
Texoma Council of Governments	22	$19.18	$39,897
Central Texas Council of Governments	23	$21.34	$44,390
Middle Rio Grande Development Council	24	$22.98	$47,809
Texas		$28.00	$58,233

110% X $73,603 = $80,963.30

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: August 2021.
Data published annually, next update will likely be July 31, 2022
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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.
Data intended only for use implementing Chapter 313, Texas Tax Code.

TAB 14

Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, and C

Date 3/16/2022

Applicant Name EQUISTAR CHEMICALS LP

ISD Name CALALLEN ISD

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

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 not 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)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application	–			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	0	0	0	0
			2024	57,000,000	0	0	0	0
			2025	65,000,000	0	0	0	0
	QTP1	2026-2027	2026	197,000,000	0	0	0	197,000,000
	QTP2	2027-2028	2027	262,000,000	0	0	0	262,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				581,000,000	0	0	0	581,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				459,000,000				

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 3/16/2022

Applicant Name EQUISTAR CHEMICALS LP

ISD Name CALALLEN ISD

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 **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not 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		Enter amounts from TOTAL row in Schedule A1 in the row below				
				581,000,000	0	$0	0	581,000,000
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2028-2029	2028	$236,000,000	$0	$0	$0	$236,000,000
Value limitation period***	1	2029-2030	2029		$0	$0	$0	$0
	2	2030-2031	2030	$0	$0	$0	$0	$0
	3	2031-2032	2031	$0	$0	$0	$0	$0
	4	2032-2033	2032	$0	$0	$0	$0	$0
	5	2033-2034	2033	$0	$0	$0	$0	$0
	6	2034-2035	2034	$0	$0	$0	$0	$0
	7	2035-2036	2035	$0	$0	$0	$0	$0
	8	2036-2037	2036	$0	$0	$0	$0	$0
	9	2037-2038	2037	$0	$0	$0	$0	$0
	10	2038-2039	2038	$0	$0	$0	$0	$0
Total Investment made through limitation				$236,000,000	$0	$0	$0	$236,000,000
Continue to maintain viable presence	11	2039-2040	2039	[redacted]	[redacted]	$0	[redacted]	$0
	12	2040-2041	2040	[redacted]	[redacted]	$0	[redacted]	$0
	13	2041-2042	2041	[redacted]	[redacted]	$0	[redacted]	$0
	14	2042-2043	2042	[redacted]	[redacted]	$0	[redacted]	$0
	15	2043-2044	2043	[redacted]	[redacted]	$0	[redacted]	$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044	[redacted]	[redacted]	$0	[redacted]	$0
	17	2045-2046	2045	[redacted]	[redacted]	$0	[redacted]	$0
	18	2046-2047	2046	[redacted]	[redacted]	$0	[redacted]	$0
	19	2047-2048	2047	[redacted]	[redacted]	$0	[redacted]	$0
	20	2048-2049	2048	[redacted]	[redacted]	$0	[redacted]	$0
	21	2049-2050	2049	[redacted]	[redacted]	$0	[redacted]	$0
	22	2050-2051	2050	[redacted]	[redacted]	$0	[redacted]	$0
	23	2051-2052	2051	[redacted]	[redacted]	$0	[redacted]	$0
	24	2052-2053	2052	[redacted]	[redacted]	$0	[redacted]	$0
	25	2053-2054	2053	[redacted]	[redacted]	$0	[redacted]	$0

* 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 3/16/2022

Applicant Name EQUISTAR CHEMICALS LP

ISD Name CALALLEN ISD

Form 50-296A

Revised October 2020

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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"	TCEQ	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 *Insert as many rows as necessary*	0	2024-2025	2024		$0	$0	$0	$0	$0	$0
	0	2025-2026	2025		$0	$3,990,000	$200,000	$3,790,000	$3,790,000	$3,790,000
	0	2026-2027	2026		$0	$18,300,000	$915,000	$17,385,000	$17,385,000	$17,385,000
	0	2027-2028	2027		$0	$124,410,000	$6,221,000	$118,189,000	$118,189,000	$118,189,000
		2028-2029	2028		$0	$418,320,000	$20,916,000	$397,404,000	$397,404,000	$397,404,000
Value Limitation Period	1	2029-2030	2029		$0	$737,342,500	$36,867,000	$700,475,500	$700,475,500	$30,000,000
	2	2030-2031	2030		$0	$800,660,000	$40,033,000	$760,627,000	$760,627,000	$30,000,000
	3	2031-2032	2031		$0	$760,627,000	$38,031,000	$722,596,000	$722,596,000	$30,000,000
	4	2032-2033	2032		$0	$722,596,000	$36,130,000	$686,466,000	$686,466,000	$30,000,000
	5	2033-2034	2033		$0	$686,466,000	$34,323,000	$652,143,000	$652,143,000	$30,000,000
	6	2034-2035	2034		$0	$652,143,000	$32,607,000	$619,536,000	$619,536,000	$30,000,000
	7	2035-2036	2035		$0	$619,536,000	$30,977,000	$588,559,000	$588,559,000	$30,000,000
	8	2036-2037	2036		$0	$588,559,000	$29,428,000	$559,131,000	$559,131,000	$30,000,000
	9	2037-2038	2037		$0	$559,131,000	$27,957,000	$531,174,000	$531,174,000	$30,000,000
	10	2038-2039	2038		$0	$531,174,000	$26,559,000	$504,615,000	$504,615,000	$30,000,000
Continue to maintain viable presence	11	2039-2040	2039		$0	$504,615,000	$25,231,000	$479,384,000	$479,384,000	$479,384,000
	12	2040-2041	2040		$0	$479,384,000	$23,969,000	$455,415,000	$455,415,000	$455,415,000
	13	2041-2042	2041		$0	$455,415,000	$22,771,000	$432,644,000	$432,644,000	$432,644,000
	14	2042-2043	2042		$0	$432,644,000	$21,632,000	$411,012,000	$411,012,000	$411,012,000
	15	2043-2044	2043		$0	$411,012,000	$20,551,000	$390,461,000	$390,461,000	$390,461,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044		$0	$390,461,000	$19,523,000	$370,938,000	$370,938,000	$370,938,000
	17	2045-2046	2045		$0	$370,938,000	$18,547,000	$352,391,000	$352,391,000	$352,391,000
	18	2046-2047	2046		$0	$352,391,000	$17,620,000	$334,771,000	$334,771,000	$334,771,000
	19	2047-2048	2047		$0	$334,771,000	$16,739,000	$318,032,000	$318,032,000	$318,032,000
	20	2048-2049	2048		$0	$318,032,000	$15,902,000	$302,130,000	$302,130,000	$302,130,000
	21	2049-2050	2049		$0	$302,130,000	$15,107,000	$287,023,000	$287,023,000	$287,023,000
	22	2050-2051	2050		$0	$287,024,000	$14,351,000	$272,673,000	$272,673,000	$272,673,000
	23	2051-2052	2051		$0	$272,673,000	$13,634,000	$259,039,000	$259,039,000	$259,039,000
	24	2052-2053	2052		$0	$259,039,000	$12,952,000	$246,087,000	$246,087,000	$246,087,000
	25	2053-2054	2053		$0	$246,087,000	$12,304,000	$233,783,000	$233,783,000	$233,783,000

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 3/16/2022

Applicant Name EQUISTAR CHEMICALS LP

ISD Name CALALLEN ISD

Form 50-296A

Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
	0	2024-20025	20024	750 FTE	$ 60,000	0	0	0
	0	2025-2026	2025	750 FTE	$ 60,000	0	0	0
	0	2026-2027	2026	750 FTE	$ 60,000	0	0	0
	0	2027-2028	2027	750 FTE	$ 60,000	0	0	0
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2029-2030	2029	N/A	N/A	0	25	80,965
	2	2030-2031	2030	N/A	N/A	0	25	80,965
	3	2031-2032	2031	N/A	N/A	0	25	80,965
	4	2032-2033	2032	N/A	N/A	0	25	80,965
	5	2033-2034	2033	N/A	N/A	0	25	80,965
	6	2034-2035	2034	N/A	N/A	0	25	80,965
	7	2035-2036	2035	N/A	N/A	0	25	80,965
	8	2036-2037	2036	N/A	N/A	0	25	80,965
	9	2037-2038	2037	N/A	N/A	0	25	80,965
	10	2038-2039	2038	N/A	N/A	0	25	80,965
Years Following Value Limitation Period	11 through 25	2039-2054	2039-2053	N/A	N/A	0	25	80,965

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

TAB 15

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

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

a) *Evidence that the area qualifies as an enterprise zone as defined by the Governor's office*
b) *Legal description of reinvestment zone**
c) *Order, resolution, or ordinance established the* reinvestment zone*
d) *Guidelines and criteria for creating the zone**

a) Not applicable
b) Nueces County CAD Parcel ID 186131, Assessors Map 139 131.49 ACS OUT OF TR 4
c) Will be submitted once Calallen ISD creates the Reinvestment Zone
d) See Attached

CALALLEN INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING EQUISTAR_2022 REINVESTMENT ZONE NO. 1

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Calallen Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Nueces County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CALALLEN INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Calallen Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on the adoption of the *Equistar_2022 Reinvestment Zone No. 1* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,

(b) That the boundaries of *Equistar_2022 Reinvestment Zone No. 1* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "**Exhibit A**"; and,

(c) That the map attached hereto as "**Exhibit B**" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *Equistar_2022 Reinvestment Zone No. 1* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,

(d) That creation of *Equistar_2022 Reinvestment Zone No. 1* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Calallen Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,

(e) That the *Equistar_2022 Reinvestment Zone No. 1* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Calallen Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Calallen Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B,** and such reinvestment zone is hereby designated and shall hereafter be referred to as *Equistar_2022 Reinvestment Zone No. 1.*

SECTION 4. That the existence of the *Equistar_2022 Reinvestment Zone No. 1* shall first take effect upon, XXXX XX, 2022, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Calallen Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Nueces County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this XX day of XXXX 2022.

CALALLEN INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

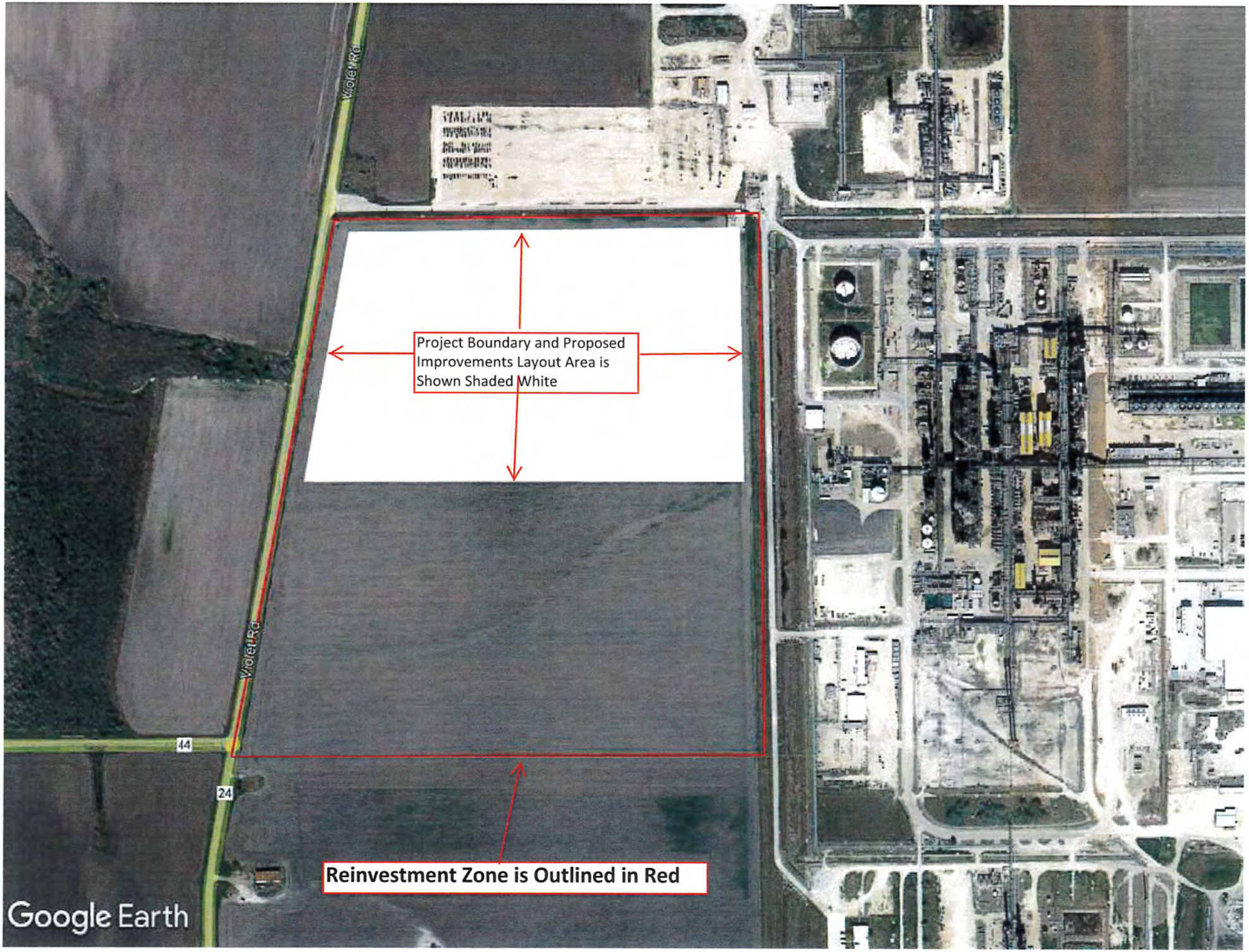
EXHIBIT A

LEGAL DESCRIPTION OF EQUISTAR_2022 REINVESTMENT ZONE NO. 1

EQUISTAR_2022 REINVESTMENT ZONE NO. 1

EXHIBIT B

SURVEY MAPS OF EQUISTAR_2022 REINVESTMENT ZONE NO. 1


Violet Rd
Violet Rd
Project Boundary and Proposed Improvements Layout Area is Shown Shaded White
44
24
Reinvestment Zone is Outlined in Red
Google Earth

TAB 17

Signature and Certification Page; signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

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 Emily Lorenz
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

4/11/2022
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 Kirkmichael Moore
Print Name *(Authorized Company Representative (Applicant))*

Assistant Secretary
Title

sign here
Signature *(Authorized Company Representative (Applicant))*

4 April 2022
Date

CHARLENE FASSY
Notary Public, State of Texas
Comm. Expires 07-13-2023
Notary ID 13029311-8

(Notary Seal)

GIVEN under my hand and seal of office this, the

4th day of APRIL, 2022

Charlene Fassy
Notary Public in and for the State of Texas

My Commission expires: 7-13-2023

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.

CUMMINGS WESTLAKE

PROPERTY TAX ADVISORS

May 17, 2022

Emily Lorenz
Superintendent, Calallen ISD
4205 Wildcat Drive
Corpus Christi, Texas 78410

Superintendent Lorenz,

Attached please find the Amended Application pages for Equistar Chemicals, LP (Application # 1777 in Calallen ISD).

The amended pages are itemized below:

Section 4, Page 3

- Question: The NAICS code listed for Q5 is 325100. When I conducted a search of that code it came up as an invalid number. Please list a valid number.
  - *Answer: NAICS has been corrected to be 325211.*
- Question: As follow-up to Q6a it appears #305 Calallen ISD – Equistar Chemicals LP was left off. As for the note - Application 1098 (2015 withdrawn and replaced with this application.) I searched for #1098 and it came up as #1098 Brazosport ISD – Freeport LNG Development LP. Is it possible it is another application number? If so please list the other app#.
  - *Answer: Statement has been changed as follows: Callallen ISD: Application #305 (2013)*

Section 14, Page 8/Tab 13/Schedule C

- Please be mindful 4th Quarter 2021 QCEW wages will be released sometime this month – May 2021.
- If the response has not been submitted at that time, please update Section 14 and redo calculations in Tab 13.
- Based on Q1 it indicates the applicant is committed to creating 10QJs; according to Schedule C the applicant is committed to creating 25QJs.
- Question: Which one is correct? Please correct either Section 14 or Schedule C accordingly
  - *Answer: Section 14 is correct – 10QJs.*
- Question: With regards to Q4c an annual wage is listed. We need the weekly COG listed. Please update Q4c.
  - *Answer: Schedule C has been corrected to 10QJs.*

Section 9, Page 5, Tab 4 and Schedule C

- Question: The timeline lists the estimated commencement of construction as January 1, 2027. Tab 4 states construction is proposed to commence in Q1 2027. Yet if you refer to Schedule C construction begins in 2024. There should be consistency. The timeline and Schedule must match.
  - If Schedule C is incorrect please update with the correct year. If the timeline and thereby Tab 4 are incorrect please update accordingly.
  - *Answer: Section 9 and TAB 4 has been corrected to Q1 2024.*

16410 N Eldridge Pkwy | Tomball, Texas 77377

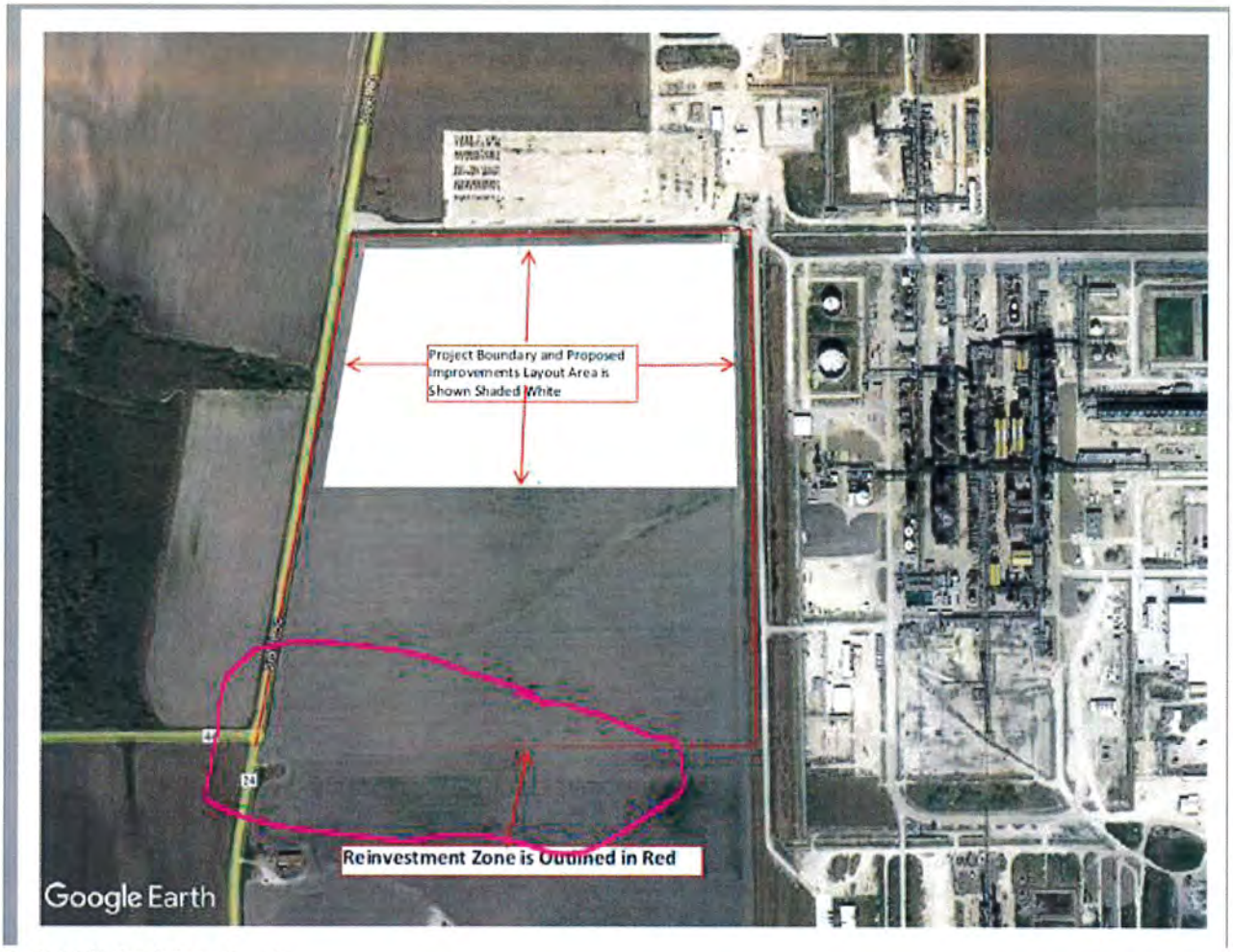
P: 713.266.4456 W: cwlp.net

Tabs 4, 7 and 8

- Question: Under equipment, qualified investment and qualified property one of the bulleted items is "upgrades and revamps to existing facilities." In addition the following statement is included as the last paragraph "Any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the polyethylene unit and any other infrastructure additions, upgrades and modifications related to the polyethylene unit."
    - *Answer: This has been removed from TABs 4, 7 and 8.*
- Question: Upgrades and revamps to existing facilities does not meet the statutory definition of new buildings or new improvements in Tax Code 313.021(2) and TAC §9.1051 (16). Please remove those items from Tabs 4, 7 and 8.
    - *Answer: This has been removed from TABs 4, 7 and 8.*
- We also ask that the last paragraph be removed to not lead to any further confusion since it also lists "upgrades" and modifications."
    - *Answer: Last paragraph has been removed from TABs 4, 7 and 8.*
- Question: All three descriptions list inter-plant piping and utilities and tie-ins. Please make a note that these items are for the exclusive use of the proposed project.
    - *Answer: Last paragraph has been removed from TABs 4, 7 and 8.*
- Tab 4 states the applicant plans to construct a new world scale polyethylene unit at its McKinzie Road manufacturing facility near Corpus Christi in Nueces County, Texas.
- Question: Given the proposed project is next to the applicant's existing facilities does the proposed project require dependence and or integration with existing property/existing facilities to operate.
    - *Answer: No required dependence on existing site and its ability to operate.*
- Question: If so, please provide information regarding possible interconnections with operations at or near the site that may impact the proposed project. Also please speak to any connecting infrastructure that will be used to link components of the project to the surrounding operation site and other existing assets nearby. Please include response in revised Tabs 4, 7 and 8.
    - *Answer: No required dependence on existing site and its ability to operate.*
- Question: Please note Tabs 7 and 8 lack a specific and detailed description of the property. Given the fact Tabs 7 and 8 will appear in the agreement we ask for more detailed descriptions.
    - *Answer: Itemized list of equipment has been provided.*

Tab 11

- Question: Please provide a clearly delineated project boundary on the third and fourth maps provided under Tab 11.
    - *Answer: Black line has been added around project boundary.*
- Question: The reinvestment zone boundary on fourth map fades out at the bottom. Please fix.
    - *Answer: map has been corrected.*
- Question: If possible map the proposed project and Equistar's existing facilities and note any interconnections on the map.
    - *Answer: No interconnections as stated above.*



Tab 14/Schedules A1 – C

- Question: In Schedule A1 the values that appear in Column A (Cells F12, F13) should also appear in the total Column E (Cells J12, J13). Please fix.
  - *Answer: Schedule A1 has been corrected.*
- In Schedule A2 you must add the total investment from Schedule A1 and add it with the investment listed in tax year 2028 and come to a new total investment made through the limitation listed in Column E (Cell J22) - $817 Million. Please fix
  - *Answer: Schedule A2 has been corrected.*
- Schedule C is missing Tax Year 2028. Please insert the year In a revised Schedule C
  - *Answer: Schedule C has been corrected.*

Signature Page

- Please include a new signature page. On an application amendment, we do not need an original copy.

Please let me know if you have questions or need additional information.

Sincerely,
Greg Maxim
Partner

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant *(If Applicable)*

Greg	Maxim
First Name	Last Name
Partner	
Title	
Cummings Westlake LLC	
Firm Name	
(713) 266-4456	N/A
Phone Number	Fax Number
gmaxim@cwlp.net	
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	Check
Payment Amount	Transaction Type
Lyondell Chemical Company	Calallen ISD
Payor	Payee
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? Equistar Chemicals LP
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 17605504814
3. Parent Company Name N/A
4. Parent Company Tax ID N/A
5. NAICS code 325211
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

Calallen ISD: Application 305 (2013) 1139-Deer Park (2016); 262-La Porte (2013); 259-Sheldon (2012))

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Partnership
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 8: Limitation as Determining Factor

1.	Does the applicant currently own the land on which the proposed project will occur?	☑ Yes	☐ No
2.	Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?	☐ Yes	☑ No
3.	Does the applicant have current business activities at the location where the proposed project will occur?	☐ Yes	☑ No
4.	Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?	☐ Yes	☑ No
5.	Has the applicant received any local or state permits for activities on the proposed project site?	☐ Yes	☑ No
6.	Has the applicant received commitments for state or local incentives for activities at the proposed project site?	☐ Yes	☑ No
7.	Is the applicant evaluating other locations not in Texas for the proposed project?	☑ Yes	☐ No
8.	Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?	☐ Yes	☑ No
9.	Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?	☐ Yes	☑ No
10.	Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?	☑ Yes	☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

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

1. Estimated school board ratification of final agreement: September 2022
2. Estimated commencement of construction: Q1 2024
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2026
4. First year of limitation (YYYY): January 1, 2029

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: December 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Nueces County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Nueces CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD):	Calallen ISD; 100%; $0.9896 *(Name, tax rate and percent of project)*	I&S (ISD):	Calallen ISD; 100%; $0.24300 *(Name, tax rate and percent of project)*
County:	Nueces County; 100%; $0.310445 *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	Nueces County Hosp. Dist; 100%; $0.111502 *(Name, tax rate and percent of project)*	Water District:	N/A *(Name, tax rate and percent of project)*
Other *(describe)*:	Del Mar College; 100%; $0.28334 *(Name, tax rate and percent of project)*	Other *(describe)*:	Emergency Service #1; 100%; $0.10000 *(Name, tax rate and percent of project)*

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 10
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☑ No

   3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note**: If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.

   a. Non-qualified job wages
   - average weekly wage for all jobs (all industries) in the county is ..... $ 1,001.75

   b. Qualifying job wage minimum option §313.021(5)(A)
   -110% of the average weekly wage for manufacturing jobs in the county is ..... $ 1,942.33

   c. Qualifying job wage minimum option §313.021(5)(B)
   -110% of the average weekly wage for manufacturing jobs in the region is ..... $ 1,556.99

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? ..... $ 80,963.30
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... $ 80,965.00
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 4

Detailed Description of the Project

Provide 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.

Equistar Chemicals, LP proposes to construct a new world scale polyethylene unit at its McKinzie Road manufacturing facility near Corpus Christi in Nueces County, Texas. The plant will manufacture polyethylene resin which is used in products such as plastic pipe, merchandise bags, milk jugs, food and beverage containers, household chemical and detergent bottles, pails and drums.

Construction is proposed to commence in Q1 2024 with completion estimated in 4Q 2028. The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process infrastructure and auxiliary equipment, including:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers

- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*
- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

TAB 7

Description of Qualified Investment

The application covers all qualified property in the reinvestment zone and project boundary within Calallen ISD necessary for the commercial operations of the proposed manufacturing facility. Qualified Investment consists of:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*

- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

TAB 8

Description of Qualified Property

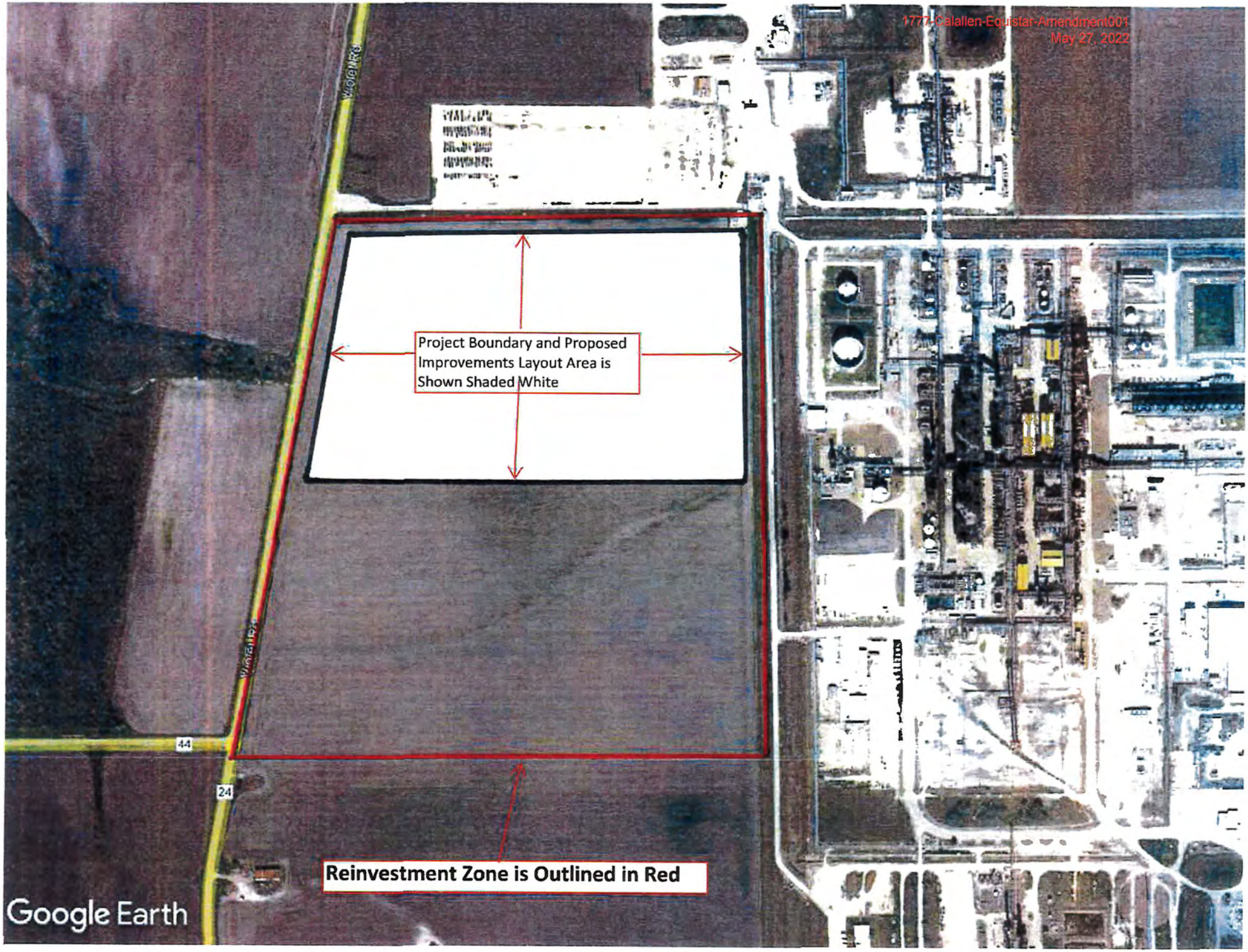
The application covers all qualified property in the reinvestment zone and project boundary within Calallen ISD necessary for the commercial operations of the proposed manufacturing facility. Qualified Investment consists of:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*

- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

1777-Calallen-Equidar-Amendment001
May 27, 2022
Calallen ISD is Shown Outlined in Blue
Odem
Odem-Edroy Independent School District
Calallen Independent School District
Captured Moments by Jessica
Hazel Bazemore County Park
CALALLEN
H-E-B
Memorial Park
Project Boundary is Shown Shaded White
Roy's Firework
The Church of Jesus Christ of Latter
Violet Rd
Nueces County North Park
North San Pedro
Robstown Early College High School
E Ave J
Reinvestment Zone is Shown Outlined in Red.
Google Earth


1777-Calallen-Equistar-Amendment001
May 27, 2022
Project Boundary and Proposed Improvements Layout Area is Shown Shaded White
Reinvestment Zone is Outlined in Red
Google Earth

EQUISTAR CHEMICALS LP
TAB 13 TO CHAPTER 313 APPLICATION

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2021	$ 957	$ 49,764
SECOND	2021	$ 961	$ 49,972
THIRD	2021	$ 990	$ 51,480
FOURTH	2021	$ 1,099	$ 57,148
	AVERAGE	$ 1,001.75	$ 52,091.00

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2021	$ 1,910	$ 99,320
SECOND	2021	$ 1,572	$ 81,744
THIRD	2021	$ 1,679	$ 87,308
FOURTH	2021	$ 1,902	$ 98,904
	AVERAGE	$ 1,766	$ 91,819
	X	110%	110%
		$ 1,942.33	$ 101,000.90

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
CENTRAL TEXAS	2020	$ 1,415.44	$ 73,603
	X	110%	110%
		$ 1,556.99	$ 80,963.30

** SEE ATTACHED TWC DOCUMENTATION*

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2021	01	Nueces	Private	31-33	Manufacturing	2	1,910
2021	02	Nueces	Private	31-33	Manufacturing	2	1,572
2021	03	Nueces	Private	31-33	Manufacturing	2	1,679
2021	04	Nueces	Private	31-33	Manufacturing	2	1,902

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2021	01	Nueces	Total All	10	Total, All Industries	0	957
2021	02	Nueces	Total All	10	Total, All Industries	0	961
2021	03	Nueces	Total All	10	Total, All Industries	0	989
2021	04	Nueces	Total All	10	Total, All Industries	0	1,099

2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	$23.32	$48,501
South Plains Association of Governments	2	$20.42	$42,473
NORTEX Regional Planning Commission	3	$20.64	$42,928
North Central Texas Council of Governments	4	$32.34	$67,261
Ark-Tex Council of Governments	5	$21.30	$44,299
East Texas Council of Governments	6	$29.28	$60,904
West Central Texas Council of Governments	7	$21.54	$44,797
Rio Grande Council of Governments	8	$19.02	$39,552
Permian Basin Regional Planning Commission	9	$22.57	$46,945
Concho Valley Council of Governments	10	$27.28	$56,739
Heart of Texas Council of Governments	11	$23.41	$48,696
Capital Area Council of Governments	12	$29.96	$62,326
Brazos Valley Council of Governments	13	$18.41	$38,286
Deep East Texas Council of Governments	14	$21.07	$43,829
South East Texas Regional Planning Commission	15	$27.38	$56,957
Houston-Galveston Area Council	16	$29.83	$62,050
Golden Crescent Regional Planning Commission	17	$22.09	$45,945
Alamo Area Council of Governments	18	$27.45	$57,101
South Texas Development Council	19	$19.20	$39,945
Coastal Bend Council of Governments	20	$35.39	$73,603
Lower Rio Grande Valley Development Council	21	$20.70	$43,056
Texoma Council of Governments	22	$19.18	$39,897
Central Texas Council of Governments	23	$21.34	$44,390
Middle Rio Grande Development Council	24	$22.98	$47,809
Texas		$28.00	$58,233

110% X $73,603 = $80,963.30

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: August 2021.
Data published annually, next update will likely be July 31, 2022
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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.
Data intended only for use implementing Chapter 313, Texas Tax Code.

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

Date 3/16/2022
Applicant Name EQUISTAR CHEMICALS LP
ISD Name CALALLEN ISD

Form 50-296A
Revised October 2020

1777-Calallen-Equistar-Amendment001
May 27, 2022

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 not 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)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				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	0	0	0	0
			2024	57,000,000	0	0	0	0
			2025	65,000,000	0	0	0	0
	QTP1	2026-2027	2026	197,000,000	0	0	0	197,000,000
	QTP2	2027-2028	2027	262,000,000	0	0	0	262,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				581,000,000	0	0	0	581,000,000
								Enter amounts from TOTAL row above in Schedule A2
Total Qualified Investment (sum of green cells)				459,000,000				

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.

Date 3/16/2022
Applicant Name EQUISTAR CHEMICALS LP
ISD Name CALALLEN ISD

1777-Calallen-Equistar-Amendment001
May 27, 2022

Form 50-296A
Revised October 2020

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

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not 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**		Enter amounts from TOTAL row in Schedule A1 in the row below				
				581,000,000	0	$0	0	581,000,000
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2028-2029	2028	$236,000,000	$0	$0	$0	$236,000,000
Value limitation period***	1	2029-2030	2029		$0	$0	$0	$0
	2	2030-2031	2030	$0	$0	$0	$0	$0
	3	2031-2032	2031	$0	$0	$0	$0	$0
	4	2032-2033	2032	$0	$0	$0	$0	$0
	5	2033-2034	2033	$0	$0	$0	$0	$0
	6	2034-2035	2034	$0	$0	$0	$0	$0
	7	2035-2036	2035	$0	$0	$0	$0	$0
	8	2036-2037	2036	$0	$0	$0	$0	$0
	9	2037-2038	2037	$0	$0	$0	$0	$0
	10	2038-2039	2038	$0	$0	$0	$0	$0
Total Investment made through limitation				$817,000,000	$0	$0	$0	$817,000,000
Continue to maintain viable presence	11	2039-2040	2039	[redacted]	[redacted]	$0	[redacted]	$0
	12	2040-2041	2040	[redacted]	[redacted]	$0	[redacted]	$0
	13	2041-2042	2041	[redacted]	[redacted]	$0	[redacted]	$0
	14	2042-2043	2042	[redacted]	[redacted]	$0	[redacted]	$0
	15	2043-2044	2043	[redacted]	[redacted]	$0	[redacted]	$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044	[redacted]	[redacted]	$0	[redacted]	$0
	17	2045-2046	2045	[redacted]	[redacted]	$0	[redacted]	$0
	18	2046-2047	2046	[redacted]	[redacted]	$0	[redacted]	$0
	19	2047-2048	2047	[redacted]	[redacted]	$0	[redacted]	$0
	20	2048-2049	2048	[redacted]	[redacted]	$0	[redacted]	$0
	21	2049-2050	2049	[redacted]	[redacted]	$0	[redacted]	$0
	22	2050-2051	2050	[redacted]	[redacted]	$0	[redacted]	$0
	23	2051-2052	2051	[redacted]	[redacted]	$0	[redacted]	$0
	24	2052-2053	2052	[redacted]	[redacted]	$0	[redacted]	$0
	25	2053-2054	2053	[redacted]	[redacted]	$0	[redacted]	$0

* 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)

1777-Calallen-Equistar-Amendment001
May 27, 2022

Form 50-296A

Revised October 2020

Date 3/16/2022

Applicant Name EQUISTAR CHEMICALS LP

ISD Name CALALLEN ISD

				Qualified Property				Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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"	TCEQ	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 *Insert as many rows as necessary*	0	2024-2025	2024		$0	$0	$0	$0	$0	$0
	0	2025-2026	2025		$0	$3,990,000	$200,000	$3,790,000	$3,790,000	$3,790,000
	0	2026-2027	2026		$0	$18,300,000	$915,000	$17,385,000	$17,385,000	$17,385,000
	0	2027-2028	2027		$0	$124,410,000	$6,221,000	$118,189,000	$118,189,000	$118,189,000
	0	2028-2029	2028		$0	$418,320,000	$20,916,000	$397,404,000	$397,404,000	$397,404,000
Value Limitation Period	1	2029-2030	2029		$0	$737,342,500	$36,867,000	$700,475,500	$700,475,500	$30,000,000
	2	2030-2031	2030		$0	$800,660,000	$40,033,000	$760,627,000	$760,627,000	$30,000,000
	3	2031-2032	2031		$0	$760,627,000	$38,031,000	$722,596,000	$722,596,000	$30,000,000
	4	2032-2033	2032		$0	$722,596,000	$36,130,000	$686,466,000	$686,466,000	$30,000,000
	5	2033-2034	2033		$0	$686,466,000	$34,323,000	$652,143,000	$652,143,000	$30,000,000
	6	2034-2035	2034		$0	$652,143,000	$32,607,000	$619,536,000	$619,536,000	$30,000,000
	7	2035-2036	2035		$0	$619,536,000	$30,977,000	$588,559,000	$588,559,000	$30,000,000
	8	2036-2037	2036		$0	$588,559,000	$29,428,000	$559,131,000	$559,131,000	$30,000,000
	9	2037-2038	2037		$0	$559,131,000	$27,957,000	$531,174,000	$531,174,000	$30,000,000
	10	2038-2039	2038		$0	$531,174,000	$26,559,000	$504,615,000	$504,615,000	$30,000,000
Continue to maintain viable presence	11	2039-2040	2039		$0	$504,615,000	$25,231,000	$479,384,000	$479,384,000	$479,384,000
	12	2040-2041	2040		$0	$479,384,000	$23,969,000	$455,415,000	$455,415,000	$455,415,000
	13	2041-2042	2041		$0	$455,415,000	$22,771,000	$432,644,000	$432,644,000	$432,644,000
	14	2042-2043	2042		$0	$432,644,000	$21,632,000	$411,012,000	$411,012,000	$411,012,000
	15	2043-2044	2043		$0	$411,012,000	$20,551,000	$390,461,000	$390,461,000	$390,461,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044		$0	$390,461,000	$19,523,000	$370,938,000	$370,938,000	$370,938,000
	17	2045-2046	2045		$0	$370,938,000	$18,547,000	$352,391,000	$352,391,000	$352,391,000
	18	2046-2047	2046		$0	$352,391,000	$17,620,000	$334,771,000	$334,771,000	$334,771,000
	19	2047-2048	2047		$0	$334,771,000	$16,739,000	$318,032,000	$318,032,000	$318,032,000
	20	2048-2049	2048		$0	$318,032,000	$15,902,000	$302,130,000	$302,130,000	$302,130,000
	21	2049-2050	2049		$0	$302,130,000	$15,107,000	$287,023,000	$287,023,000	$287,023,000
	22	2050-2051	2050		$0	$287,024,000	$14,351,000	$272,673,000	$272,673,000	$272,673,000
	23	2051-2052	2051		$0	$272,673,000	$13,634,000	$259,039,000	$259,039,000	$259,039,000
	24	2052-2053	2052		$0	$259,039,000	$12,952,000	$246,087,000	$246,087,000	$246,087,000
	25	2053-2054	2053		$0	$246,087,000	$12,304,000	$233,783,000	$233,783,000	$233,783,000

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 3/16/2022
Applicant Name EQUISTAR CHEMICALS LP
ISD Name CALALLEN ISD

Form 50-296A
Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
	0	2024-2025	2024	750 FTE	$ 60,000	0	0	0
	0	2025-2026	2025	750 FTE	$ 60,000	0	0	0
	0	2026-2027	2026	750 FTE	$ 60,000	0	0	0
	0	2027-2028	2027	750 FTE	$ 60,000	0	0	0
	0	2028-2029	2028	751 FTE	$ 60,000	0	0	0
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2029-2030	2029	N/A	N/A	0	10	80,965
	2	2030-2031	2030	N/A	N/A	0	10	80,965
	3	2031-2032	2031	N/A	N/A	0	10	80,965
	4	2032-2033	2032	N/A	N/A	0	10	80,965
	5	2033-2034	2033	N/A	N/A	0	10	80,965
	6	2034-2035	2034	N/A	N/A	0	10	80,965
	7	2035-2036	2035	N/A	N/A	0	10	80,965
	8	2036-2037	2036	N/A	N/A	0	10	80,965
	9	2037-2038	2037	N/A	N/A	0	10	80,965
	10	2038-2039	2038	N/A	N/A	0	10	80,965
Years Following Value Limitation Period	11 through 25	2039-2054	2039-2053	N/A	N/A	0	10	80,965

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

Texas Comptroller of Public Accounts

Data Analysis and Transparency
Form 50-296-A

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 Emily Lorenz
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here
Signature *(Authorized School District Representative)*

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Kirkmichael Moore
Print Name *(Authorized Company Representative (Applicant))*

Assistant Secretary
Title

sign here
Signature *(Authorized Company Representative (Applicant))*

18 May 2022
Date

NOTARY PUBLIC STATE OF TEXAS
BRIANNA L DAVIS
NOTARY PUBLIC, STATE OF TEXAS
MY COMM. EXP. 02/19/2025
NOTARY ID 12931597-1

(Notary Seal)

GIVEN under my hand and seal of office this, the

18th day of May, 2022

Notary Public in and for the State of Texas

My Commission expires: 2-19-25

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.

Attachment B

Franchise Tax Account Status

Franchise Tax Account Status

As of : 12/06/2022 17:46:43

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

EQUISTAR CHEMICALS, LP	
Texas Taxpayer Number	17605504814
Mailing Address	1221 MCKINNEY ST STE 300 HOUSTON, TX 77010-2036
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/04/1997
Texas SOS File Number	0010258111
Registered Agent Name	CT CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

August 26, 2022

Emily Lorenz
Superintendent
Calallen Independent School District
4205 Wildcat Drive
Corpus Christi, Texas 78410

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Calallen Independent School District and Equistar Chemicals LP, Application 1777

Dear Superintendent Lorenz:

On June 1, 2022, the Comptroller issued written notice that Equistar Chemicals LP (applicant) submitted a completed application (Application 1777) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on April 11, 2022, to the Calallen Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

[1] All Statutory references are to the Texas Tax Code, unless otherwise noted.

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1777.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022.**

Note that any building or improvement existing as of the application review start date of June 1, 2022, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:
Lisa Craven
11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Equistar Chemicals, LP (project) applying to Calallen Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Equistar Chemicals, LP.

Applicant	Equistar Chemicals, LP
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Calallen ISD
2020-2021 Average Daily Attendance	3,763
County	Nueces
Proposed Total Investment in District	$817,000,000
Proposed Qualified Investment	$459,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2026-2027
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,557.02
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,556.99
Minimum annual wage committed to by applicant for qualified jobs	$80,965.00
Minimum weekly wage required for non-qualifying jobs	$1,001.50
Minimum annual wage required for non-qualifying jobs	$52,078.00
Investment per Qualifying Job	$81,700,000
Estimated M&O levy without any limit (15 years)	$84,058,984
Estimated M&O levy with Limitation (15 years)	$24,432,393
Estimated gross M&O tax benefit (15 years)	$59,626,591

Table 2 is the estimated statewide economic impact of Equistar Chemicals, LP (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	750	686	1,436	$45,000,000	$68,403,320	$113,403,320
2025	750	729	1479	$45,000,000	$82,807,617	$127,807,617
2026	750	727	1477	$45,000,000	$91,962,891	$136,962,891
2027	750	699	1449	$45,000,000	$98,310,547	$143,310,547
2028	750	656	1406	$45,000,000	$101,728,516	$146,728,516
2029	10	41	51	$809,550	$30,440,450	$31,250,000
2030	10	(33)	-23	$809,550	$17,500,997	$18,310,547
2031	10	(63)	-53	$809,550	$9,444,356	$10,253,906
2032	10	(59)	-49	$809,550	$5,293,966	$6,103,516
2033	10	(45)	-35	$809,550	$4,073,263	$4,882,813
2034	10	(20)	-10	$809,550	$5,293,966	$6,103,516
2035	10	8	18	$809,550	$6,758,809	$7,568,359
2036	10	33	43	$809,550	$9,200,216	$10,009,766
2037	10	64	74	$809,550	$11,885,763	$12,695,313
2038	10	74	84	$809,550	$15,303,731	$16,113,281
2039	10	82	92	$809,550	$16,768,575	$17,578,125
2040	10	84	94	$809,550	$16,036,153	$16,845,703
2041	10	92	102	$809,550	$18,721,700	$19,531,250
2042	10	97	107	$809,550	$21,651,388	$22,460,938
2043	10	103	113	$809,550	$23,604,513	$24,414,063

Source: CPA REMI, Equistar Chemicals, LP

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Calallen ISD I&S Tax Levy	Calallen ISD M&O Tax Levy	Calallen ISD M&O and I&S Tax Levies	Nueces County Tax Levy	Nueces County Hospital District Tax Levy	Del Mar College District Tax Levy	Nueces County Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2430	0.9896		0.3104	0.1115	0.2833	0.1000	
2029	$700,475,500	$700,475,500		$1,702,155	$6,931,906	$8,634,061	$2,174,591	$781,044	$1,984,727	$700,476	$14,274,899
2030	$760,627,000	$760,627,000		$1,848,324	$7,527,165	$9,375,488	$2,361,328	$848,114	$2,155,161	$760,627	$15,500,719
2031	$722,596,000	$722,596,000		$1,755,908	$7,150,810	$8,906,718	$2,243,263	$805,709	$2,047,404	$722,596	$14,725,690
2032	$686,466,000	$686,466,000		$1,668,112	$6,793,268	$8,461,380	$2,131,099	$765,423	$1,945,033	$686,466	$13,989,401
2033	$652,143,000	$652,143,000		$1,584,707	$6,453,607	$8,038,315	$2,024,545	$727,152	$1,847,782	$652,143	$13,289,937
2034	$619,536,000	$619,536,000		$1,505,472	$6,130,928	$7,636,401	$1,923,319	$690,795	$1,755,393	$619,536	$12,625,444
2035	$588,559,000	$588,559,000		$1,430,198	$5,824,380	$7,254,578	$1,827,152	$656,255	$1,667,623	$588,559	$11,994,167
2036	$559,131,000	$559,131,000		$1,358,688	$5,533,160	$6,891,849	$1,735,794	$623,442	$1,584,242	$559,131	$11,394,458
2037	$531,174,000	$531,174,000		$1,290,753	$5,256,498	$6,547,251	$1,649,003	$592,270	$1,505,028	$531,174	$10,824,726
2038	$504,615,000	$504,615,000		$1,226,214	$4,993,670	$6,219,884	$1,566,552	$562,656	$1,429,776	$504,615	$10,283,483
2039	$479,384,000	$479,384,000		$1,164,903	$4,743,984	$5,908,887	$1,488,224	$534,523	$1,358,287	$479,384	$9,769,304
2040	$455,415,000	$455,415,000		$1,106,658	$4,506,787	$5,613,445	$1,413,813	$507,797	$1,290,373	$455,415	$9,280,843
2041	$432,644,000	$432,644,000		$1,051,325	$4,281,445	$5,332,770	$1,343,122	$482,407	$1,225,854	$432,644	$8,816,796
2042	$411,012,000	$411,012,000		$998,759	$4,067,375	$5,066,134	$1,275,966	$458,287	$1,164,561	$411,012	$8,375,960
2043	$390,461,000	$390,461,000		$948,820	$3,864,002	$4,812,822	$1,212,167	$435,372	$1,106,332	$390,461	$7,957,154
			Total	$20,641,000	$84,058,984	$104,699,984	$26,369,939	$9,471,246	$24,067,575	$8,494,239	$173,102,982

Source: CPA, Equistar Chemicals, LP
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Nueces County, Nueces County Hospital District, Del Mar College District and Nueces County Emergency Services District, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Calallen ISD I&S Tax Levy	Calallen ISD M&O Tax Levy	Calallen ISD M&O and I&S Tax Levies	Nueces County Tax Levy	Nueces County Hospital District Tax Levy	Del Mar College District Tax Levy	Nueces County Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2430	0.9896		0.3104	0.1115	0.2833	0.1000	
2029	$700,475,500	$30,000,000		$1,702,155	$296,880	$1,999,035	$2,174,591	$781,044	$1,984,727	$700,476	$7,639,874
2030	$760,627,000	$30,000,000		$1,848,324	$296,880	$2,145,204	$2,361,328	$848,114	$2,155,161	$760,627	$8,270,434
2031	$722,596,000	$30,000,000		$1,755,908	$296,880	$2,052,788	$2,243,263	$805,709	$2,047,404	$722,596	$7,871,760
2032	$686,466,000	$30,000,000		$1,668,112	$296,880	$1,964,992	$2,131,099	$765,423	$1,945,033	$686,466	$7,493,014
2033	$652,143,000	$30,000,000		$1,584,707	$296,880	$1,881,587	$2,024,545	$727,152	$1,847,782	$652,143	$7,133,210
2034	$619,536,000	$30,000,000		$1,505,472	$296,880	$1,802,352	$1,923,319	$690,795	$1,755,393	$619,536	$6,791,395
2035	$588,559,000	$30,000,000		$1,430,198	$296,880	$1,727,078	$1,827,152	$656,255	$1,667,623	$588,559	$6,466,667
2036	$559,131,000	$30,000,000		$1,358,688	$296,880	$1,655,568	$1,735,794	$623,442	$1,584,242	$559,131	$6,158,178
2037	$531,174,000	$30,000,000		$1,290,753	$296,880	$1,587,633	$1,649,003	$592,270	$1,505,028	$531,174	$5,865,108
2038	$504,615,000	$30,000,000		$1,226,214	$296,880	$1,523,094	$1,566,552	$562,656	$1,429,776	$504,615	$5,586,693
2039	$479,384,000	$479,384,000		$1,164,903	$4,743,984	$5,908,887	$1,488,224	$534,523	$1,358,287	$479,384	$9,769,304
2040	$455,415,000	$455,415,000		$1,106,658	$4,506,787	$5,613,445	$1,413,813	$507,797	$1,290,373	$455,415	$9,280,843
2041	$432,644,000	$432,644,000		$1,051,325	$4,281,445	$5,332,770	$1,343,122	$482,407	$1,225,854	$432,644	$8,816,796
2042	$411,012,000	$411,012,000		$998,759	$4,067,375	$5,066,134	$1,275,966	$458,287	$1,164,561	$411,012	$8,375,960
2043	$390,461,000	$390,461,000		$948,820	$3,864,002	$4,812,822	$1,212,167	$435,372	$1,106,332	$390,461	$7,957,154
			Total	$20,641,000	$24,432,393	$45,073,392	$26,369,939	$9,471,246	$24,067,575	$8,494,239	$113,476,391
			Diff	$0	$59,626,591	$59,626,591	$0	$0	$0	$0	$59,626,591
Assumes School Value Limitation.											

Source: CPA, Equistar Chemicals, LP
*Tax Rate per $100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Equistar Chemicals, LP (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2026	$172,042	$172,042	$0	$0
	2027	$1,169,598	$1,341,640	$0	$0
	2028	$3,932,710	$5,274,350	$0	$0
Limitation Period (10 Years)	2029	$296,880	$5,571,230	$6,635,026	$6,635,026
	2030	$296,880	$5,868,110	$7,230,285	$13,865,310
	2031	$296,880	$6,164,990	$6,853,930	$20,719,240
	2032	$296,880	$6,461,870	$6,496,388	$27,215,628
	2033	$296,880	$6,758,750	$6,156,727	$33,372,355
	2034	$296,880	$7,055,630	$5,834,048	$39,206,403
	2035	$296,880	$7,352,510	$5,527,500	$44,733,903
	2036	$296,880	$7,649,390	$5,236,280	$49,970,184
	2037	$296,880	$7,946,270	$4,959,618	$54,929,801
	2038	$296,880	$8,243,150	$4,696,790	$59,626,591
Maintain Viable Presence (5 Years)	2039	$4,743,984	$12,987,134	$0	$59,626,591
	2040	$4,506,787	$17,493,921	$0	$59,626,591
	2041	$4,281,445	$21,775,366	$0	$59,626,591
	2042	$4,067,375	$25,842,741	$0	$59,626,591
	2043	$3,864,002	$29,706,743	$0	$59,626,591
Additional Years as Required by 313.026(c)(1) (10 Years)	2044	$3,670,802	$33,377,545	$0	$59,626,591
	2045	$3,487,261	$36,864,807	$0	$59,626,591
	2046	$3,312,894	$40,177,701	$0	$59,626,591
	2047	$3,147,245	$43,324,945	$0	$59,626,591
	2048	$2,989,878	$46,314,824	$0	$59,626,591
	2049	$2,840,380	$49,155,203	$0	$59,626,591
	2050	$2,698,372	$51,853,575	$0	$59,626,591
	2051	$2,563,450	$54,417,025	$0	$59,626,591
	2052	$2,435,277	$56,852,302	$0	$59,626,591
	2053	$2,313,517	$59,165,819	$0	$59,626,591
		$59,165,819	is less than	**$59,626,591**	

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.
Source: CPA, Equistar Chemicals, LP

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2024	750	686	1,436	$45,000,000	$68,403,320	$113,403,320	5065918	-2723693.8	$7,789,612
2025	750	729	1479	$45,000,000	$82,807,617	$127,807,617	5432128.9	-1708984.4	$7,141,113
2026	750	727	1477	$45,000,000	$91,962,891	$136,962,891	5668640.1	-724792.5	$6,393,433
2027	750	699	1449	$45,000,000	$98,310,547	$143,310,547	5790710.4	190734.9	$5,599,976
2028	750	656	1406	$45,000,000	$101,728,516	$146,728,516	5836486.8	1037597.7	$4,798,889
2029	10	41	51	$809,550	$30,440,450	$31,250,000	1388549.8	4402160.6	-$3,013,611
2030	10	(33)	-23	$809,550	$17,500,997	$18,310,547	1014709.5	4150390.6	-$3,135,681
2031	10	(63)	-53	$809,550	$9,444,356	$10,253,906	770568.8	3807067.9	-$3,036,499
2032	10	(59)	-49	$809,550	$5,293,966	$6,103,516	686645.5	3425598.1	-$2,738,953
2033	10	(45)	-35	$809,550	$4,073,263	$4,882,813	671386.7	3067016.6	-$2,395,630
2034	10	(20)	-10	$809,550	$5,293,966	$6,103,516	625610.4	2738952.6	-$2,113,342
2035	10	8	18	$809,550	$6,758,809	$7,568,359	640869.1	2426147.5	-$1,785,278
2036	10	33	43	$809,550	$9,200,216	$10,009,766	686645.5	2166748	-$1,480,103
2037	10	64	74	$809,550	$11,885,763	$12,695,313	740051.3	1937866.2	-$1,197,815
2038	10	74	84	$809,550	$15,303,731	$16,113,281	717163.1	1762390.1	-$1,045,227
2039	10	82	92	$809,550	$16,768,575	$17,578,125	549316.4	1586914.1	-$1,037,598
2040	10	84	94	$809,550	$16,036,153	$16,845,703	503540	1464843.8	-$961,304
2041	10	92	102	$809,550	$18,721,700	$19,531,250	534057.6	1358032.2	-$823,975
2042	10	97	107	$809,550	$21,651,388	$22,460,938	640869.1	1258850.1	-$617,981
2043	10	103	113	$809,550	$23,604,513	$24,414,063	686645.5	1159668	-$473,023
2044	10	103	113	$809,550	$26,534,200	$27,343,750	747680.7	1144409.2	-$396,729
2045	10	111	121	$809,550	$27,022,481	$27,832,031	732421.9	1014709.5	-$282,288
2046	10	111	121	$809,550	$30,440,450	$31,250,000	823974.6	1007080.1	-$183,106
2047	10	123	133	$809,550	$33,370,138	$34,179,688	900268.6	999450.7	-$99,182
2048	10	119	129	$809,550	$34,346,700	$35,156,250	854492.2	976562.5	-$122,070
2049	10	115	125	$809,550	$35,811,544	$36,621,094	885009.8	938415.5	-$53,406
2050	10	125	135	$809,550	$39,229,513	$40,039,063	946044.9	915527.3	$30,518
2051	10	123	133	$809,550	$41,670,919	$42,480,469	991821.3	907897.9	$83,923
						Total	**$45,532,227**	**$40,687,561**	**$4,844,666**
							$64,010,485	is greater than	**$59,626,591**

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	**Yes**

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that "the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Equistar Chemicals LP's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Equistar Chemicals, LP in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "LyondellBasell has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital are near the company's facilities in Louisiana. The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction."
  B. "In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board prior to a final determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Calallen ISD is less attractive.
- Per Tab 5 of the Application "Equistar Chemicals LP's parent company [is] LyondellBasell Industries N.V."
- Key points of information provided by the Applicant per Tab 4 of the application:
  A. Equistar Chemicals, LP proposes to construct a new world scale polyethylene unit at its McKinzie Road manufacturing facility near Corpus Christi in Nueces County, Texas.
  B. The proposed project is next to the applicant's existing facilities.
  C. The plant will manufacture polyethylene resin which is used in products such as plastic pipe, merchandise bags, milk jugs, food and beverage containers, household chemical and detergent bottles, pails and drums.
- An October 31, 2019 Caller-Times (Corpus-Christi, TX) article reported the following:

A. "Local officials have extended an incentive offer for a potential $1 billion LyondellBasell facility expansion in Corpus Christi, according to Nueces County records. The possible expansion is identified in a letter to the [Nueces County] commissioners court as the project that had previously only been known publicly as 'Two Step.' The document, submitted by the Corpus Christi Regional Economic Development Corp., was posted online as part of CCREDC's presentation to the court Wednesday."
B. LyondellBasell - one of the world's largest plastics, chemical and refining companies - is considering other sites for expansion, the document states, and it's expected a decision would be made by the end of the year. The company is 'looking at several major projects that could expand our U.S. Gulf Coast polyolefins capacity by over1 million metric tons during the next decade,' wrote LyondellBasell spokeswoman Meredith Matthews in an email to the Caller-Times. 'We are still evaluating markets and working through our assessment process.'"
C. "Following the commissioners court meeting, Iain Vasey, executive director of the economic development corporation, said it was 'no secret we would be interested in assisting them to make their expansion decision in Nueces County.'"

- Attached Railroad Commission of Texas Public GIS Viewer map depicting the applicant's ethane pipeline at the project site, map show the project site and existing facilities and map showing the applicant's existing pipelines (in teal) and pipelines (in green) owned by other companies.

Supporting Information

a) Section 8 of the Application for a Limitation on Appraised Value
b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
c) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
d) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 8: Limitation as Determining Factor

1.	Does the applicant currently own the land on which the proposed project will occur?	☑ Yes	☐ No
2.	Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?	☐ Yes	☑ No
3.	Does the applicant have current business activities at the location where the proposed project will occur?	☐ Yes	☑ No
4.	Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?	☐ Yes	☑ No
5.	Has the applicant received any local or state permits for activities on the proposed project site?	☐ Yes	☑ No
6.	Has the applicant received commitments for state or local incentives for activities at the proposed project site?	☐ Yes	☑ No
7.	Is the applicant evaluating other locations not in Texas for the proposed project?	☑ Yes	☐ No
8.	Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?	☐ Yes	☑ No
9.	Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?	☐ Yes	☑ No
10.	Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?	☑ Yes	☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

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

1. Estimated school board ratification of final agreement: September 2022
2. Estimated commencement of construction: Q1 2024
3. Beginning of qualifying time period (MM/DD/YYYY): January 1, 2026
4. First year of limitation (YYYY): January 1, 2029

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: December 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Nueces County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Nueces CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD):	Calallen ISD; 100%; $0.9896 *(Name, tax rate and percent of project)*	I&S (ISD):	Calallen ISD; 100%; $0.24300 *(Name, tax rate and percent of project)*
County:	Nueces County; 100%; $0.310445 *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	Nueces County Hosp. Dist; 100%; $0.111502 *(Name, tax rate and percent of project)*	Water District:	N/A *(Name, tax rate and percent of project)*
Other *(describe)*:	Del Mar College; 100%; $0.28334 *(Name, tax rate and percent of project)*	Other *(describe)*:	Emergency Service #1; 100%; $0.10000 *(Name, tax rate and percent of project)*

Supporting Information

Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

TAB 5

Documentation to assist in determining if limitation is a determining factor.

Equistar Chemicals LP's parent company -- LyondellBasell Industries N.V. ("LyondellBasell") -- is one of the world's largest chemical companies with 2021 revenues of over $46 billion. LyondellBasell has more than 100 manufacturing sites and joint ventures in 21 countries, with the principal manufacturing sites being in the United States, Germany, Italy, the Netherlands, France, and Spain. LyondellBasell has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital are near the company's facilities in Louisiana. The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board prior to a final determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The petrochemicals market is very competitive. Without the Chapter 313 value limitation, siting the project at Calallen ISD is less attractive.

Supporting Information

Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value

TAB 4

Detailed Description of the Project

Provide 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.

Equistar Chemicals, LP proposes to construct a new world scale polyethylene unit at its McKinzie Road manufacturing facility near Corpus Christi in Nueces County, Texas. The plant will manufacture polyethylene resin which is used in products such as plastic pipe, merchandise bags, milk jugs, food and beverage containers, household chemical and detergent bottles, pails and drums.

Construction is proposed to commence in Q1 2024 with completion estimated in 4Q 2028. The proposed improvements for which the tax limitation is sought will include one (1) polyethylene unit along with all process infrastructure and auxiliary equipment, including:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers

- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*
- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Caller Times

LOCAL NEWS

Letter: Incentives offered for $1 billion LyondellBasell expansion in Corpus Christi

Kirsten Crow
Corpus Christi

Published 7:00 a.m. CT Oct. 31, 2019 | Updated 6:07 p.m. CT Oct. 31, 2019

This article has been updated to clarify the name of a polymer in a potential expansion project.

Local officials have extended an incentive offer for a potential $1 billion LyondellBasell facility expansion in Corpus Christi, according to Nueces County records.

The possible expansion is identified in a letter to the commissioners court as the project that had previously only been known publicly as "Two Step."

The document, submitted by the Corpus Christi Regional Economic Development Corp., was posted online as part of CCREDC's presentation to the court Wednesday.

LyondellBasell — one of the world's largest plastics, chemical and refining companies — is considering other sites for expansion, the document states, and it's expected a decision would be made by the end of the year.

The company is "looking at several major projects that could expand our U.S. Gulf Coast polyolefins capacity by over 1 million metric tons during the next decade," wrote LyondellBasell spokeswoman Meredith Matthews in an email to the Caller-Times.

"We are still evaluating markets and working through our assessment process."

Following the commissioners court meeting, Iain Vasey, executive director of the economic development corporation, said it was "no secret we would be interested in assisting them to make their expansion decision in Nueces County."

"It is no secret that CCREDC would be interested in helping any one of our major employers who wants to add jobs and investment into our area," he said.

Details on the incentive offer weren't immediately available — they are still preliminary, Vasey said.

Related: Residents angry over Epic Crude Holding's tank farm going up near houses

Related: LyondellBasell finishes 2017 expansion

Should the deal materialize, it would join a slew of projects for new industrial facilities or expansions of existing facilities that are either proposed or under construction in Nueces and San Patricio counties.

The unprecedented industrial development has been praised as a vehicle for community investment and job creation and also criticized as an increasing threat of irresponsible planning.

Disclosure of the new, large-scale prospect comes amid growing concern among Coastal Bend advocacy groups and environmentalists.

Errol Summerlin, a member of the Coastal Alliance to Protect our Environment, told the Nueces County Commissioners Court on Wednesday that the group does not want to see the area "become the petrochemical center of the world."

There hasn't been an evaluation of the effects of all the industrial operations when they are combined, instead of viewed on a site-by-site basis, advocates have said.

"The cumulative impacts to public health and our delicate ecosystem are still unknown and yet they have been blessed to proceed," Summerlin said.

Vasey has said the economic development corporation is focusing on sustainable growth. In the email to the Caller-Times, Matthews wrote that LyondellBasell "has a relentless focus on the safety of our people, products, operations and the environment."

LyondellBasell completed a separate expansion at its Northwest Corpus Christi location in 2017 that increased its ethylene capacity from 1.7 billion to 2.5 billion pounds per year.

The economic development corporation's Aug. 23 letter —which covers the first half of 2019 — mentions projects other than the new potential expansion at LyondellBasell.

"As you know, the EDC and the Port of Corpus Christi are actively involved in discussions with several extremely large industrial projects that are considering locating at the port including areas of Nueces County, and we anticipate location decisions being made during the second half of 2019," it states.

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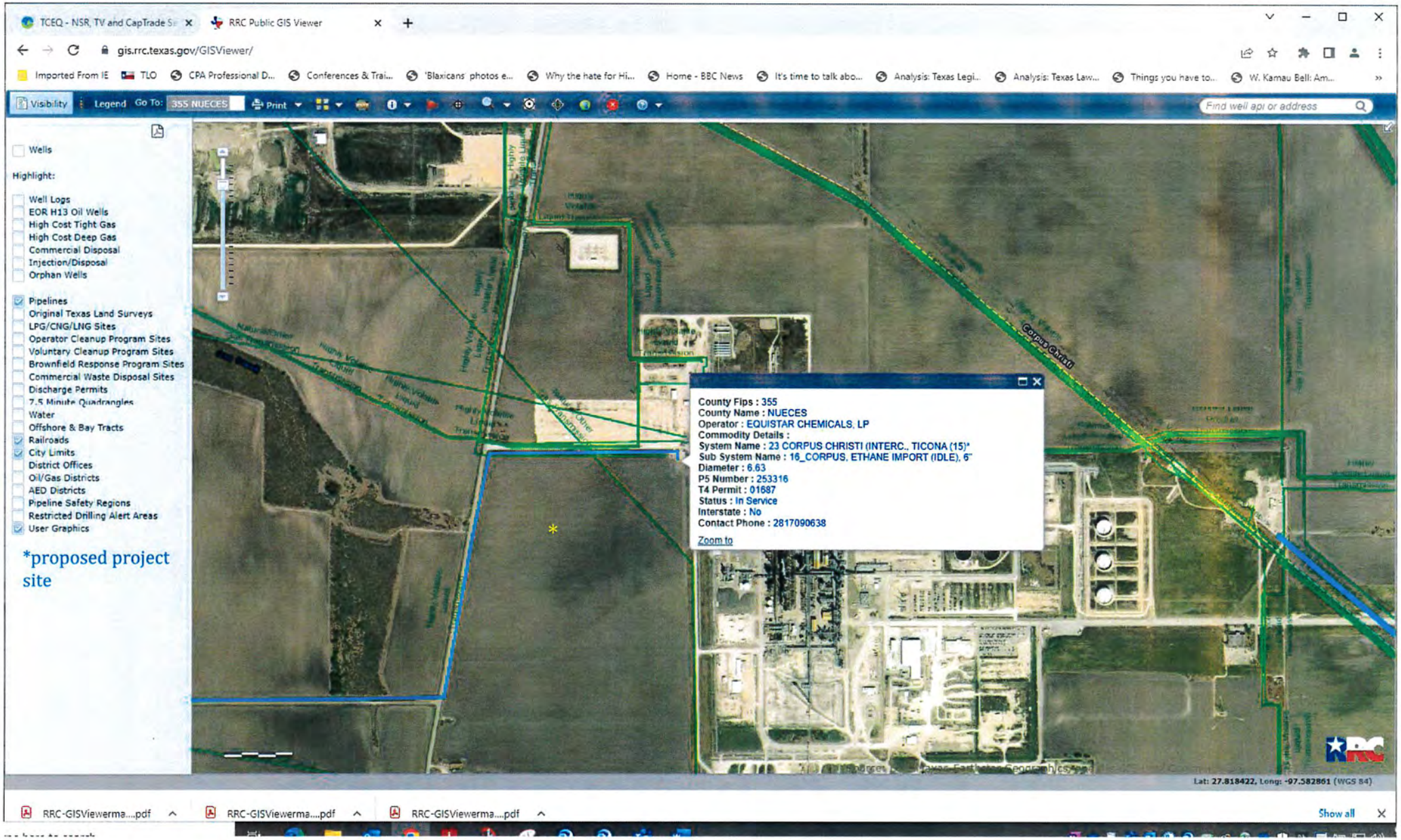
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RRC Public GIS Viewer
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Injection/Disposal
Orphan Wells
Pipelines
Original Texas Land Surveys
LPG/CNG/LNG Sites
Operator Cleanup Program Sites
Voluntary Cleanup Program Sites
Brownfield Response Program Sites
Commercial Waste Disposal Sites
Discharge Permits
7.5 Minute Quadrangles
Water
Offshore & Bay Tracts
Railroads
City Limits
District Offices
Oil/Gas Districts
AED Districts
Pipeline Safety Regions
Restricted Drilling Alert Areas
User Graphics
*proposed project site
County Fips : 355
County Name : NUECES
Operator : EQUISTAR CHEMICALS, LP
Commodity Details :
System Name : 23 CORPUS CHRISTI (INTERC., TICONA (15)*
Sub System Name : 16_CORPUS, ETHANE IMPORT (IDLE), 6"
Diameter : 6.63
P5 Number : 253316
T4 Permit : 01687
Status : In Service
Interstate : No
Contact Phone : 2817090638
Zoom to
Corpus Christi
Lat: 27.818422, Long: -97.582861 (WGS 84)
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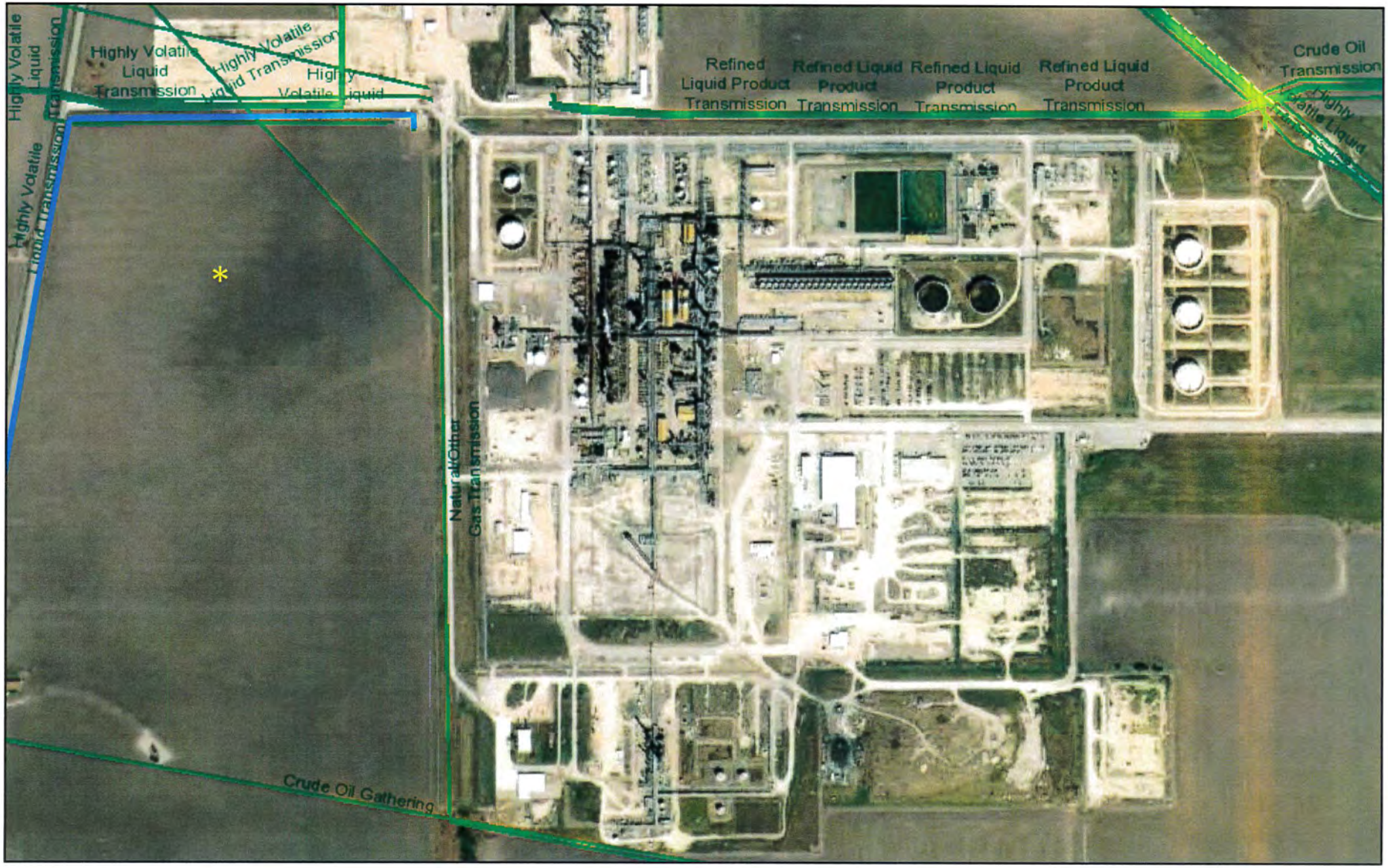


May 27, 2022

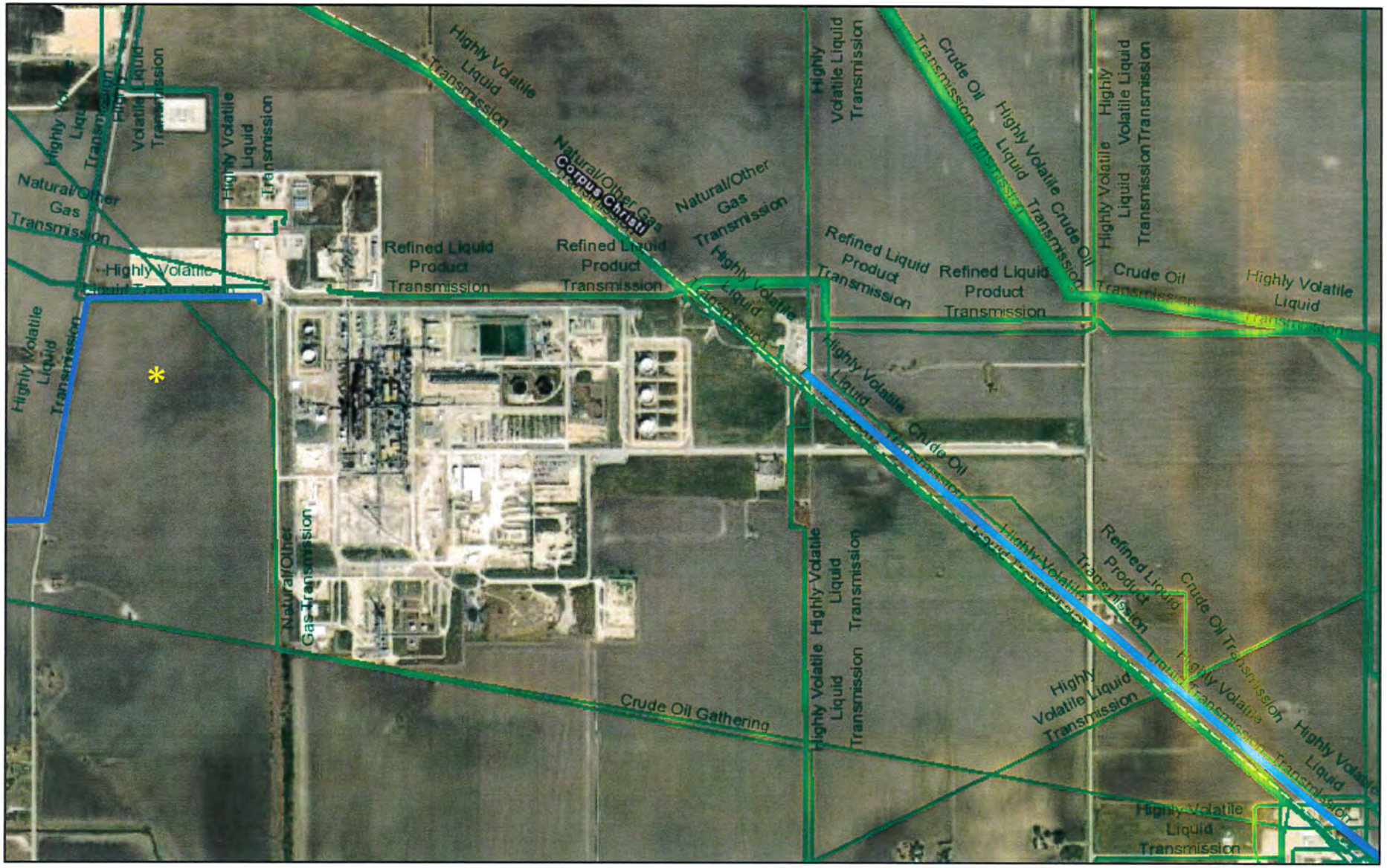
*proposed project site

1:9,028

0 0.05 0.1 0.2 mi

0 0.1 0.2 0.4 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, Maxar, Earthstar Geographics, and the GIS User



May 27, 2022

***proposed project site**

1:18,056

0 0.13 0.25 0.5 mi

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Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED EQUISTAR CHEMICALS LP PROJECT IN THE CALALLEN INDEPENDENT SCHOOL DISTRICT (PROJECT # 1777)

PREPARED BY

MOAKCASEY

PROVEN LEADERS ADVANCING TEXAS SCHOOLS

JUNE 8, 2022

Executive Summary

Equistar Chemicals LP (Company) has requested that the Calallen Independent School District (CISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to CISD on April 11, 2022, the Company plans to invest $760.6 million at its peak taxable value to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Equistar Chemicals LP project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, CISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2029-30 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, and the House Bill 1525, as passed in 2021. The overall conclusions are as follows, but please read all of the subsquent details in the report below for more information.

Total Revenue Loss Payment owed to CISD	$8.13 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$51.5 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on June 1, 2022.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt

an agreement, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo (ODC) will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, ODC will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting.

How the 313 Agreement Interacts with Texas School Finance

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at $6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to $98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate $49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3 and HB 1525, for those districts subject to recapture. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for CISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the

Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive regarding the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the ten limitation years under the terms of the Agreement. Chapter 313 is set to expire on December 31, 2022, but its expiration is not expected to affect the eligibility of the current application for a Chapter 313 agreement.

For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. The current information is expected to be updated as the details of House Bill 1525 implementation are determined by TEA.

Legislative action on school funding in HB 3 in 2019 and the HB 1525 update in 2021 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to $6,160, the Tier II golden penny yield is set to $98.56 per WADA for up to eight cents, while the copper penny yield is $49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	3,844
Local M&O Tax Base	$1.9 billion
2021-22 M&O Tax Rate:	$0.9896 per $100 of Taxable Value
2022-23 Projected M&O Tax Rate:	$0.9896 per $100 of Taxable Value
I&S Tax Rate:	$0.2430 per $100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Equistar Chemicals LP Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
	2025-26	3,843.76	5,456.11	$0.9896	$0.2430	$2,337,160,533	$2,337,160,533	$428,357	$428,357
QTP1	2026-27	3,843.76	5,456.11	$0.9896	$0.2430	$2,310,557,226	$2,310,557,226	$423,481	$423,481
QTP2	2027-28	3,843.76	5,456.11	$0.9896	$0.2430	$2,295,750,750	$2,295,750,750	$420,767	$420,767
	2028-29	3,843.76	5,456.11	$0.9896	$0.2430	$1,982,248,145	$1,982,248,145	$363,308	$363,308
VL1	2029-30	3,843.76	5,456.11	$0.9896	$0.2430	$2,261,463,145	$2,261,463,145	$414,483	$414,483
VL2	2030-31	3,843.76	5,456.11	$0.9896	$0.2430	$2,564,534,645	$1,894,059,145	$470,030	$347,145
VL3	2031-32	3,843.76	5,456.11	$0.9896	$0.2430	$2,624,686,145	$1,894,059,145	$481,055	$347,145
VL4	2032-33	3,843.76	5,456.11	$0.9896	$0.2430	$2,776,289,944	$2,083,693,944	$508,841	$381,901
VL5	2033-34	3,843.76	5,456.11	$0.9896	$0.2430	$2,729,445,704	$2,072,979,704	$500,255	$379,937
VL6	2034-35	3,843.76	5,456.11	$0.9896	$0.2430	$2,684,944,176	$2,062,801,176	$492,099	$378,072
VL7	2035-36	3,843.76	5,456.11	$0.9896	$0.2430	$2,642,667,575	$2,053,131,575	$484,350	$376,300
VL8	2036-37	3,843.76	5,456.11	$0.9896	$0.2430	$2,602,504,453	$2,043,945,453	$476,989	$374,616
VL9	2037-38	3,843.76	5,456.11	$0.9896	$0.2430	$2,564,336,641	$2,035,205,641	$469,994	$373,014
VL10	2038-39	3,843.76	5,456.11	$0.9896	$0.2430	$2,528,064,454	$2,026,890,454	$463,346	$371,490
VP1	2039-40	3,843.76	5,456.11	$0.9896	$0.2430	$2,493,594,262	$2,018,979,262	$457,028	$370,040
VP2	2040-41	3,843.76	5,456.11	$0.9896	$0.2430	$2,460,836,437	$2,460,836,437	$451,024	$451,024
VP3	2041-42	3,843.76	5,456.11	$0.9896	$0.2430	$2,429,706,304	$2,429,706,304	$445,319	$445,319
VP4	2042-43	3,843.76	5,456.11	$0.9896	$0.2430	$2,400,122,097	$2,400,122,097	$439,896	$439,896
VP5	2043-44	3,843.76	5,456.11	$0.9896	$0.2430	$2,372,007,910	$2,372,007,910	$434,743	$434,743

***Basic Allotment: $6,160; Golden Penny Yield: $98.56; Copper Penny Yield: $49.28**

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Equistar Chemicals LP Project on CISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of $30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of $8.13 million over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2029-30). A summary of this information is shown in Table 5.

Table 2– "Baseline Revenue Model" --Project Value Added to DPV with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
	2025-26	$19,213,455	$13,972,082	$0	$3,121,369	$2,548,171	$0	$169,952	$39,025,029
QTP1	2026-27	$19,089,928	$14,198,555	$0	$3,101,300	$2,594,049	$0	$169,952	$39,153,784
QTP2	2027-28	$16,474,458	$14,324,603	$0	$2,676,397	$2,270,099	$0	$169,952	$35,915,509
	2028-29	$18,803,876	$16,993,451	$0	$3,054,829	$3,484,446	$0	$169,952	$42,506,554
VL1	2029-30	$21,446,478	$14,616,493	$0	$3,484,140	$3,053,747	$0	$169,952	$42,770,810
VL2	2030-31	$21,958,547	$12,036,446	$0	$3,567,329	$2,337,274	$0	$169,952	$40,069,548
VL3	2031-32	$23,216,863	$11,524,376	$0	$3,771,752	$2,326,458	$0	$169,952	$41,009,401
VL4	2032-33	$22,819,903	$10,233,773	$0	$3,707,263	$2,008,166	-$49,009	$169,952	$38,890,048
VL5	2033-34	$22,442,794	$10,632,558	$0	$3,645,998	$2,046,977	-$22,900	$169,952	$38,915,379
VL6	2034-35	$22,084,540	$11,011,399	$0	$3,587,797	$2,083,531	$0	$169,952	$38,937,219
VL7	2035-36	$21,744,195	$11,371,300	$0	$3,532,505	$2,140,013	$0	$169,952	$38,957,965
VL8	2036-37	$21,420,761	$11,713,209	$0	$3,479,962	$2,193,757	$0	$169,952	$38,977,641
VL9	2037-38	$21,113,391	$12,038,131	$0	$3,430,027	$2,247,601	$0	$169,952	$38,999,102
VL10	2038-39	$20,821,293	$12,346,916	$0	$3,382,574	$2,296,134	$0	$169,952	$39,016,869
VP1	2039-40	$20,467,195	$12,640,361	$0	$3,325,048	$2,333,212	$0	$169,952	$38,935,768
VP2	2040-41	$20,207,485	$12,919,229	$0	$3,282,856	$2,379,795	$0	$169,952	$38,959,317
VP3	2041-42	$19,960,671	$13,184,239	$0	$3,242,760	$2,421,582	$0	$169,952	$38,979,204
VP4	2042-43	$19,726,122	$13,436,090	$0	$3,204,655	$2,461,077	$0	$169,952	$38,997,896
VP5	2043-44	$19,503,219	$13,675,426	$0	$3,168,443	$2,501,615	$0	$169,952	$39,018,655
		$392,515,174	*$242,868,637*	*$0*	*$63,767,004*	*$45,727,704*	*-$71,909*	*$3,229,088*	*$748,035,698*

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total $59.6 million over the life of the agreement. The CISD revenue losses are expected to total approximately $8.13 million over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach $51.5 million, prior to any negotiations with Equistar Chemicals LP on supplemental payments.

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2029-30 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. Future legislative action in 2023 on school funding formulas could affect these calculations.

Table 3– "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
	2025-26	$19,213,455	$13,972,082	$0	$3,121,369	$2,548,171	$0	$169,952	$39,025,029
QTP1	2026-27	$19,089,928	$14,198,555	$0	$3,101,300	$2,594,049	$0	$169,952	$39,153,784
QTP2	2027-28	$16,474,458	$14,324,603	$0	$2,676,397	$2,270,099	$0	$169,952	$35,915,509
	2028-29	$18,803,876	$16,993,451	$0	$3,054,829	$3,484,446	$0	$169,952	$42,506,554
VL1	2029-30	$15,738,720	$14,616,493	$0	$2,556,872	$2,241,741	$0	$169,952	$35,323,778
VL2	2030-31	$15,738,720	$17,744,204	$0	$2,556,872	$3,172,790	$0	$169,952	$39,382,538
VL3	2031-32	$17,320,794	$17,744,204	$0	$2,813,891	$3,489,800	$0	$169,952	$41,538,641
VL4	2032-33	$17,231,408	$16,129,843	$0	$2,799,370	$2,901,792	$0	$169,952	$39,232,365
VL5	2033-34	$17,146,491	$16,221,053	$0	$2,785,575	$2,916,181	$0	$169,952	$39,239,252
VL6	2034-35	$17,065,820	$16,307,703	$0	$2,772,469	$2,930,477	$0	$169,952	$39,246,421
VL7	2035-36	$16,989,182	$16,390,020	$0	$2,760,019	$2,946,798	$0	$169,952	$39,255,971
VL8	2036-37	$16,916,268	$16,468,221	$0	$2,748,173	$2,959,153	$0	$169,952	$39,261,767
VL9	2037-38	$16,846,897	$16,542,624	$0	$2,736,903	$2,970,908	$0	$169,952	$39,267,284
VL10	2038-39	$16,780,896	$16,613,411	$0	$2,726,181	$2,982,092	$0	$169,952	$39,272,532
VP1	2039-40	$20,467,195	$16,680,759	$0	$3,325,048	$3,665,545	$0	$169,952	$44,308,499
VP2	2040-41	$20,207,485	$12,919,229	$0	$3,282,856	$2,379,795	$0	$169,952	$38,959,317
VP3	2041-42	$19,960,671	$13,184,239	$0	$3,242,760	$2,421,582	$0	$169,952	$38,979,204
VP4	2042-43	$19,726,122	$13,436,090	$0	$3,204,655	$2,461,077	$0	$169,952	$38,997,896
VP5	2043-44	$19,503,219	$13,675,426	$0	$3,168,443	$2,501,615	$0	$169,952	$39,018,655
		$341,221,605	*$294,162,210*	*$0*	*$55,433,982*	*$53,838,111*	*$0*	*$3,229,088*	*$747,884,996*

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 – Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
	2025-26	$0	$0	$0	$0	$0	$0	$0	$0
QTP1	2026-27	$0	$0	$0	$0	$0	$0	$0	$0
QTP2	2027-28	$0	$0	$0	$0	$0	$0	$0	$0
	2028-29	$0	$0	$0	$0	$0	$0	$0	$0
VL1	2029-30	-$5,707,758	$0	$0	-$927,268	-$812,006	$0	$0	-$7,447,032
VL2	2030-31	-$6,219,827	$5,707,758	$0	-$1,010,457	$835,516	$0	$0	-$687,010
VL3	2031-32	-$5,896,069	$6,219,828	$0	-$957,861	$1,163,342	$0	$0	$529,240
VL4	2032-33	-$5,588,495	$5,896,070	$0	-$907,893	$893,626	$49,009	$0	$342,317
VL5	2033-34	-$5,296,303	$5,588,495	$0	-$860,423	$869,204	$22,900	$0	$323,873
VL6	2034-35	-$5,018,720	$5,296,304	$0	-$815,328	$846,946	$0	$0	$309,202
VL7	2035-36	-$4,755,013	$5,018,720	$0	-$772,486	$806,785	$0	$0	$298,006
VL8	2036-37	-$4,504,493	$4,755,012	$0	-$731,789	$765,396	$0	$0	$284,126
VL9	2037-38	-$4,266,494	$4,504,493	$0	-$693,124	$723,307	$0	$0	$268,182
VL10	2038-39	-$4,040,397	$4,266,495	$0	-$656,393	$685,958	$0	$0	$255,663
VP1	2039-40	$0	$4,040,398	$0	$0	$1,332,333	$0	$0	$5,372,731
VP2	2040-41	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2041-42	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2042-43	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2043-44	$0	$0	$0	$0	$0	$0	$0	$0
		-$51,293,569	*$51,293,573*	*$0*	*-$8,333,022*	*$8,110,407*	*$71,909*	*$0*	*-$150,702*

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 5 - Estimated Financial Impact of the Equistar Chemicals LP Project Property Value Limitation Request Submitted to CISD at $0.98960 per $100 M&O Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
	2025-26	$3,790,000	$3,790,000	$0.9896	$0	$0	$0
QTP1	2026-27	$17,385,000	$17,385,000	$0.9896	$0	$0	$0
QTP2	2027-28	$118,189,000	$118,189,000	$0.9896	$0	$0	$0
	2028-29	$397,404,000	$397,404,000	$0.9896	$0	$0	$0
VL1	2029-30	$700,475,500	$30,000,000	$0.9896	$6,635,026	-$7,447,032	-$812,006
VL2	2030-31	$760,627,000	$30,000,000	$0.9896	$7,230,285	-$687,010	$6,543,275
VL3	2031-32	$722,596,000	$30,000,000	$0.9896	$6,853,930	$0	$6,853,930
VL4	2032-33	$686,466,000	$30,000,000	$0.9896	$6,496,388	$0	$6,496,388
VL5	2033-34	$652,143,000	$30,000,000	$0.9896	$6,156,727	$0	$6,156,727
VL6	2034-35	$619,536,000	$30,000,000	$0.9896	$5,834,048	$0	$5,834,048
VL7	2035-36	$588,559,000	$30,000,000	$0.9896	$5,527,500	$0	$5,527,500
VL8	2036-37	$559,131,000	$30,000,000	$0.9896	$5,236,280	$0	$5,236,280
VL9	2037-38	$531,174,000	$30,000,000	$0.9896	$4,959,618	$0	$4,959,618
VL10	2038-39	$504,615,000	$30,000,000	$0.9896	$4,696,790	$0	$4,696,790
VP1	2039-40	$479,384,000	$479,384,000	$0.9896	$0	$0	$0
VP2	2040-41	$455,415,000	$455,415,000	$0.9896	$0	$0	$0
VP3	2041-42	$432,644,000	$432,644,000	$0.9896	$0	$0	$0
VP4	2042-43	$411,012,000	$411,012,000	$0.9896	$0	$0	$0
VP5	2043-44	$390,461,000	$390,461,000	$0.9896	$0	$0	$0
					$59,626,591	-$8,134,042	$51,492,549

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- **Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3 and HB 1525.**
- **Legislative changes addressing property value appraisals and exemptions.**
- **Year-to-year appraisals of project values and district taxable values.**
- **Changes in school district tax rates and student enrollment.**

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CISD currently levying a $0.2430 per $100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Equistar Chemicals LP project to the local I&S tax roll. CISD does not receive state support from the Existing Debt Allotment (EDA) or the Instructional Facilities Allotment (IFA).

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 6 - Estimated Impact of the Equistar Chemicals LP Project Property Value Limitation Request on CISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
	2025-26	$0.2430	$2,571,520,396	$6,248,795	$3,790,000	$0.242642	-$0.0004
QTP1	2026-27	$0.2430	$2,528,543,545	$6,144,361	$17,385,000	$0.241341	-$0.0017
QTP2	2027-28	$0.2430	$2,100,390,334	$5,103,949	$118,189,000	$0.230055	-$0.0129
	2028-29	$0.2430	$2,087,236,058	$5,071,984	$397,404,000	$0.204134	-$0.0389
VL1	2029-30	$0.2430	$2,074,739,496	$5,041,617	$700,475,500	$0.181666	-$0.0613
VL2	2030-31	$0.2430	$2,062,867,762	$5,012,769	$760,627,000	$0.177538	-$0.0655
VL3	2031-32	$0.2430	$2,051,589,614	$4,985,363	$722,596,000	$0.179705	-$0.0633
VL4	2032-33	$0.2430	$2,040,875,374	$4,959,327	$686,466,000	$0.181837	-$0.0612
VL5	2033-34	$0.2430	$2,030,696,846	$4,934,593	$652,143,000	$0.183932	-$0.0591
VL6	2034-35	$0.2430	$2,021,027,245	$4,911,096	$619,536,000	$0.185987	-$0.0570
VL7	2035-36	$0.2430	$2,011,841,123	$4,888,774	$588,559,000	$0.188001	-$0.0550
VL8	2036-37	$0.2430	$2,003,101,311	$4,867,536	$559,131,000	$0.189972	-$0.0530
VL9	2037-38	$0.2430	$1,994,786,124	$4,847,330	$531,174,000	$0.191901	-$0.0511
VL10	2038-39	$0.2430	$1,986,874,932	$4,828,106	$504,615,000	$0.193784	-$0.0492
VP1	2039-40	$0.2430	$1,979,348,107	$4,809,816	$479,384,000	$0.195622	-$0.0474
VP2	2040-41	$0.2430	$1,972,186,974	$4,792,414	$455,415,000	$0.197414	-$0.0456
VP3	2041-42	$0.2430	$1,965,373,767	$4,775,858	$432,644,000	$0.199159	-$0.0438
VP4	2042-43	$0.2430	$1,958,891,580	$4,760,107	$411,012,000	$0.200857	-$0.0421
VP5	2043-44	$0.2430	$1,952,724,332	$4,745,120	$390,461,000	$0.202507	-$0.0405

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

Attachment E

Taxable Value of Property

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax Assistance

2021 ISD Summary Worksheet

178-Nueces /Nueces County

178-903/Calallen ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,222,465,890	0.9549	1,280,203,047	1,222,465,890
B - MULTIFAMILY	59,504,665	N/A	59,504,665	59,504,665
C1 - VACANT LOTS	31,488,080	N/A	31,488,080	31,488,080
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,301,474	0.9899	3,335,189	3,301,474
D2 - FARM & RANCH IMP	398,597	N/A	398,597	398,597
E - NON-AG LAND AND IMPROVEMENTS	16,893,540	N/A	16,893,540	16,893,540
F1 - COMMERCIAL REAL	308,672,675	0.9203	335,404,406	308,672,675
F2 - INDUSTRIAL REAL	985,607,986	N/A	985,607,986	985,607,986
G - ALL MINERALS	498,940	N/A	498,940	498,940
J - ALL UTILITIES	137,053,390	0.9422	145,461,038	137,053,390
L1 - COMMERCIAL PERSONAL	125,852,758	1.0145	124,053,975	125,852,758
L2 - INDUSTRIAL PERSONAL	33,151,318	N/A	33,151,318	33,151,318
M1 - MOBILE HOMES	10,205,577	N/A	10,205,577	10,205,577

N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	2,653,325	N/A	2,653,325	2,653,325
S - SPECIAL INVENTORY	16,691,168	N/A	16,691,168	16,691,168
Subtotal	2,954,439,383	0	3,045,550,851	2,954,439,383
Less Total Deductions	1,055,481,628	0	1,072,231,138	1,055,481,628
Total Taxable Value	1,898,957,755	0	1,973,319,713	1,898,957,755

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
1,944,694,544	1,898,957,755	1,944,694,544	1,898,957,755

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
45,736,789	0

T1 = School district taxable value for M & O purposes before the loss to the additional $10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
2,638,959,237	2,593,222,448	2,638,959,237	2,593,222,448

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

178-903-02/Calallen ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,222,465,890	0.9549	1,280,203,047	1,222,465,890
B - MULTIFAMILY	59,504,665	N/A	59,504,665	59,504,665
C1 - VACANT LOTS	31,488,080	N/A	31,488,080	31,488,080
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,301,474	0.9899	3,335,189	3,301,474
D2 - FARM & RANCH IMP	398,597	N/A	398,597	398,597

E - NON-AG LAND AND IMPROVEMENTS	16,893,540	N/A	16,893,540	16,893,540
F1 - COMMERCIAL REAL	308,672,675	0.9203	335,404,406	308,672,675
F2 - INDUSTRIAL REAL	985,607,986	N/A	985,607,986	985,607,986
G - ALL MINERALS	498,940	N/A	498,940	498,940
J - ALL UTILITIES	137,053,390	0.9422	145,461,038	137,053,390
L1 - COMMERCIAL PERSONAL	125,852,758	1.0145	124,053,975	125,852,758
L2 - INDUSTRIAL PERSONAL	33,151,318	N/A	33,151,318	33,151,318
M1 - MOBILE HOMES	10,205,577	N/A	10,205,577	10,205,577
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	2,653,325	N/A	2,653,325	2,653,325
S - SPECIAL INVENTORY	16,691,168	N/A	16,691,168	16,691,168
Subtotal	2,954,439,383		3,045,550,851	2,954,439,383
Less Total Deductions	1,055,481,628		1,072,231,138	1,055,481,628
Total Taxable Value	1,898,957,755		1,973,319,713	1,898,957,755

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
1,944,694,544	1,898,957,755	1,944,694,544	1,898,957,755

Loss To the Additional $10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
45,736,789	0

T1 = School district taxable value for M & O purposes before the loss to the additional $10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
2,638,959,237	2,593,222,448	2,638,959,237	2,593,222,448

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

Attachment F

TEA's Facilities Value

Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

June 10, 2022

Jason Floyd, President
Board of Trustees
Calallen Independent School District
4205 Wildcat DR
Corpus Christi, TX 78410-5198

Dear President Floyd:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Equistar Chemicals LP #1777 on the number and size of school facilities in Calallen Independent School District (CISD). Based on an examination of CISD enrollment and the number of potential new jobs, the TEA has determined that the Equistar Chemicals LP project should not have a significant impact on the number or size of school facilities in CISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,

Amy Copeland
Director of State Funding

Cc: Emily Lorenz, Superintendent

Attachment G

Participation Agreement

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

---

by and between

CALALLEN INDEPENDENT SCHOOL DISTRICT

and

EQUISTAR CHEMICALS LP

(Texas Taxpayer ID # 17605504814)

Comptroller Application #1777

Dated

December 12, 2022

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

STATE OF TEXAS §

COUNTY OF NUECES §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **CALALLEN INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **EQUISTAR CHEMICALS LP,** Texas Taxpayer Identification Number *17605504814* hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on April 11, 2022, the Superintendent of Schools of the Calallen Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on April 11, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and June 1, 2022, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Nueces County Appraisal District established in Nueces County, Texas (the "Nueces County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 26, 2022, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the

District;

WHEREAS, the District's Board of Trustees, by vote dated December 13, 2022, ratified the Superintendent's action and extended the statutory deadline by which the District must consider the Application until December 16, 2022, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on December 12, 2022, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on December 12, 2022, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 21, 2022, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on December 12, 2022, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary; or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or

terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"*Act*" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

"*Agreement*" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"*Applicant*" means Equistar Chemicals LP, *(Texas Taxpayer ID #17605504814),* the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

"*Applicant's Qualified Investment*" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

"*Applicant's Qualified Property*" means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

"*Application*" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on April 11, 2022. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"*Application Approval Date*" means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

"*Application Review Start Date*" means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

"*Appraised Value*" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"*Appraisal District*" means the Nueces County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Calallen Independent School District.

"*Commercial Operation*" means the date on which all of the principal units included in the

project described in the Application become commercially operational and placed into service, such that all of such units included in the project have been constructed, tested, and received all necessary permits to operate and have commenced commercial operations of receiving feedstocks and converting them into usable products for later sale or processing as intended by the final project design.

"*Comptroller*" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"*Comptroller's Rules*" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"*County*" means Nueces County, Texas.

"*District*" *or* "*School District*" means the Calallen Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"*Final Termination Date*" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"*Force Majeure*" means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

"*Land*" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"*Maintain Viable Presence*" *means* (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"*Market Value*" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"*New Qualifying Jobs*" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE

and the Comptroller's Rules.

"*New Non-Qualifying Jobs*" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"*Qualified Investment*" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"*Qualified Property*" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"*Qualifying Time Period*" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"*State*" means the State of Texas.

"*Supplemental Payment*" means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to *Section 313.054* of the TEXAS TAX CODE.

"*Tax Limitation Period*" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"*Tax Year*" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"*Taxable Value*" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of $50,000 or an amount calculated for each calendar year by multiplying multiplied by the District's Average Daily Attendance as calculated pursuant to Section 48.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year, times $100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2026, which, by virtue of the deferral of the date on which the Qualifying Time Period for the project is to commence under this Agreement, is the Tax Year that includes the date of January 1, 2026, on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

"Applicable School Finance Law" means Chapters 48, and 49 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to the District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the term "Applicable School Finance Law" shall be interpreted to include all provisions that are applicable for purposes of making any calculations for such year.

"*Cumulative Payments*" means, for any Tax Year during the term of this Agreement, the total of all payments, calculated under Article IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by or owed by the Applicant for all previous Tax Years during the term of this Agreement.

"*Cumulative Unadjusted Tax Benefit*" means, for any Tax Year during the term of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit for all previous Tax Years during the term of this Agreement.

"District's Cumulative Losses" means, for any Tax Year during the term of this Agreement, an amount equal to the District's cumulative losses from all agreements entered into under Chapter 313 of the TEXAS TAX CODE with respect to projects in the District — i.e., the additional M&O Revenue to which the District would be entitled if there were no agreements entered into under Chapter 313 of the TEXAS TAX CODE with respect to projects in the District — with such amount to be calculated by subtracting New M&O Revenue from Original Multi-Project M&O Revenue.

"*Exercise of Option to Terminate*" or "*exercise of option to terminate*" means the Applicant has exercised any of the following options and rights to terminate this Agreement:

(i) The Applicant shall have the option and right, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option and right. Any termination of this Agreement under this clause (i) shall be effective immediately on the date such written notice is deemed effective under Section 10.1. If such notice is provided to the District (A) on or before July 31 of a Tax Year, the Applicant shall not be liable for any amounts that would otherwise be due under this Agreement with respect to such Tax Year or any subsequent Tax Year, and (B) after July 31 of a Tax Year, the Applicant shall remain responsible for any amounts that would otherwise be due under this Agreement with respect to such Tax Year (including any amounts subject to deferral to such Tax Year under Section 4.13 or Section 4.14 to the extent such deferred amounts do not exceed the limit set forth in Section 4.13 and Section 4.14, respectively), but not any subsequent Tax Year.

(ii) In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to any Tax Year is subject to reduction in accordance with the provisions of Section 4.14, the Applicant shall have the option and right to terminate this Agreement by notifying the District in writing of its exercise of such option and right not later than the July 31 of the year following such Tax Year with respect to which such reduction under Section 4.14 is applicable; provided, however, that such termination of this Agreement shall be effective immediately prior to the Tax Year next following such Tax Year in which such reduction gave rise to such option and right.

"*Guarantee Tax Year*" has the meaning given such term in Section 4.3.

"*Guaranteed Local Debt Service Taxable Value*" has the meaning given such term in Section 4.3.

"*Maintenance and Operations Revenue*" or "*M&O Revenue*" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 48 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE.

"*Major Property Loss*" means a casualty loss or other loss constituting an event of Force Majeure to the Applicant's Qualified Property which is reasonably estimated to cost in excess of

Forty Million Dollars ($40,000,000.00) to repair, restore, and/or replace and with respect to which the Applicant is undertaking such repairs, restorations and/or replacements in a commercially reasonable and timely manner.

"New M&O Revenue" means, for any Tax Year during the term of this Agreement, the total State and local Maintenance and Operations Revenue that the District actually received for the immediately preceding Tax Year based on and using the total Taxable Values of all taxable property in the District for the District's maintenance and operations ad valorem tax purposes (including the Applicant's Qualified Property subject to this Agreement) for such immediately preceding Tax Year.

"Original M&O Revenue" means, for any Tax Year during the term of this Agreement, the total State and local Maintenance and Operations Revenue that the District would have received for such Tax Year, under the Applicable School Finance Law for such Tax Year, had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the District's ad valorem maintenance and operations tax at the District's rate actually adopted and applicable for such Tax Year. For purposes of this calculation, and as required by Section 48.256(d) of the TEXAS EDUCATION CODE, the Third Party (as defined in Section 4.5) will base its calculations upon (1) the total Taxable Values for the immediately preceding Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, plus (2) the total Taxable Values for the immediately preceding Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for the immediately preceding Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's maintenance and operations ad valorem tax purposes).

"*Original Multi-Project M&O Revenue*" means, for any Tax Year during the term of this Agreement, the total State and local M&O Revenue that the District would have received for the school year under the Applicable School Finance Law had the District entered into no agreements under Chapter 313 of the TEXAS TAX CODE, such that the Qualified Property and/or Qualified Investment of all projects in the District subject to such agreements were subject to the District's ad valorem maintenance and operations tax at the maintenance and operations tax rate actually adopted by the District for such Tax Year.

"Revenue Protection Amount" has the meaning given such term in Section 4.2.

"*Third Party*" shall have the meaning set forth in Section 4.5.

"*Unadjusted Tax Benefit*" means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant's Qualified Property used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Thirty Million Dollars ($30,000,000.00)), by (ii) the District's

maintenance and operations tax rate for such Tax Year.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is June 1, 2022, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is December 12, 2022.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 1, 2026, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the Texas Tax Code; and

ii. Ends on December 31, 2027, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

i. Starts on January 1, 2029, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and

ii. Ends on December 31, 2038.

E. The Final Termination Date for this Agreement is December 31, 2043.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This

Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. the Market Value of the Applicant's Qualified Property; or

B. $30,000,000 based on Section 313.054 of the TEXAS TAX CODE.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. have completed the Applicant's Qualified Investment in the amount of $30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least $1,001.50 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as property used for manufacturing.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Sections 4.13 and 4.14), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to, such other payments as set forth in Article V and Article VI of this Agreement. Subject to such limitations, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause, will be borne solely by the Applicant and not by the District.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of losses that the District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party; (ii) based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, (iii) may change in future years to reflect changes in the Applicable School Finance Law.

The Parties further agree that if subsequent to the execution of this Agreement the Applicant advises the District that the Applicant's projections indicate the first complete Tax Year that begins after the date of the commencement of Commercial Operation is expected to be a Tax Year earlier or later than the Tax Year 2029, then upon the Applicant's request, the Parties will thereafter (i) amend Section 2.3.D. of this Agreement to reflect that the Tax Limitation Period starts on January 1 of such earlier or later Tax Year, and (ii) make conforming amendments to other provisions of this Agreement as appropriate. Any such amendment to this Agreement shall only be effective upon compliance with the provisions of Section 10.2 regarding amendments to this Agreement.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

A. Calculation of the Revenue Protection Amount.

Subject to the provisions of Sections 4.13 and 4.14, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement starting with the first year of the Qualifying Time Period and ending with the year that includes the Final

Termination Date (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The Revenue Protection Amount owed by the Applicant to District means the Original M&O Revenue minus the New M&O Revenue (as such terms are defined in Section 1.2);

B. In making the calculations required by this Section 4.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for and is in effect for the year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2, results in a negative number, the negative number will be considered to be zero.

iv. All calculations of the New M&O Revenue made for any year during the Tax Limitation Period under this Section 4.2 will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 4.2 shall be made using a methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factor not contained in this Agreement. In any year of this Agreement, should any other projects in the District be subject to agreements entered into under Chapter 313 of the TEXAS TAX CODE, then the loss of Maintenance and Operations Revenue for which the Applicant shall be responsible to reimburse the District under this Section 4.2 shall not exceed an amount equal to (1) the District's Cumulative Losses, minus (2) all other losses of Maintenance and Operations Revenue invoiced with respect to such other agreements entered into under Chapter 313 of the TEXAS TAX CODE for such year, such that the Applicant does not reimburse the District for revenue losses created by such other agreements.

Section 4.3. MINIMUM TAXABLE VALUES FOR DEBT TAX PURPOSES. Set forth in the Table below for each of the eleven (11) consecutive Tax Years identified in such Table is the "Minimum Taxable Value" of the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes determined by multiplying (i) fifty percent

(50%), by (ii) the "Final taxable value for I&S after all reductions" for such Tax Year set forth in Amendment No. 1 to Schedule B of the Application.

Table			
Tax Year	**Date of Appraisal**	**School Year**	**Minimum Taxable Value**
2029	**January 1, 2029**	**2029-2030**	**$350,237,750**
2030	**January 1, 2030**	**2030-2031**	**$380,313,500**
2031	**January 1, 2031**	**2031-2032**	**$361,298,000**
2032	**January 1, 2032**	**2032-2033**	**$343,233,000**
2033	**January 1, 2033**	**2033-2034**	**$326,071,500**
2034	**January 1, 2034**	**2034-2035**	**$309,768,000**
2035	**January 1, 2035**	**2035-2036**	**$294,279,500**
2036	**January 1, 2036**	**2036-2037**	**$279,565,500**
2037	**January 1, 2037**	**2037-2038**	**$265,587,000**
2038	**January 1, 2038**	**2038-2039**	**$252,307,500**
2039	**January 1, 2039**	**2039-2040**	**$239,692,000**

The Parties agree that if the first complete Tax Year that begins after the date of the commencement of Commercial Operations is a Tax Year other than the Tax Year 2029, then the Table above shall be adjusted so that (i) the first "Tax Year," "Date of Appraisal," and "School Year" shown in the Table above reflects the information for the first complete Tax Year that begins after the date of the commencement of Commercial Operations, and (ii) the "Tax Year," "Date of Appraisal," and "School Year" information for each subsequent Tax Year in the Table above is revised and renumbered consistent with the adjustment described in clause (i) of this sentence. For purposes of this Agreement, the term "Guarantee Tax Year" means a Tax Year shown in the above Table, as such Table may be adjusted as provided in the immediately preceding sentence.

For purposes of this Agreement, the term "Guaranteed Local Debt Service Taxable Value" means, for any Guarantee Tax Year, (i) the "Minimum Taxable Value" shown in the Table above (as such Table may be adjusted as provided above) for such Guarantee Tax Year, reduced by (ii) any loss of Taxable Value of the Applicant's Qualified Property attributable to a Major Property Loss occurring during any Tax Year preceding the "Date of Appraisal" for such Guarantee Tax Year to the extent such loss of Taxable Value has not been reduced or eliminated as a result of repairs, restorations and/or replacements made by the Applicant with respect to such Major Property Loss prior to the "Date of Appraisal" for such Guarantee Tax Year shown in such Table.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES CAUSED BY APPLICANT'S FAILURE TO MAINTAIN MINIMUM PROPERTY VALUES. For each Guarantee Tax Year, and In addition to the amounts determined pursuant to Section 4.2 above, but subject to the limitations contained in Sections 4.13 and 4.14, the Applicant shall reimburse the District for any loss of debt service (interest and sinking fund) ad valorem Tax revenues resulting from the Guaranteed Local Debt Service Taxable Value for such Guarantee Tax Year being greater than the actual Taxable

Value of the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes for such Guarantee Tax Year. The amount of such reimbursement due for any such Guarantee Tax Year shall be calculated in accordance with the following formula:

Guaranteed Local Debt Service Tax Value for such Guarantee Tax Year;

Minus,

The Actual Taxable Value of the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem Tax purposes for such Guarantee Tax Year,

Multiplied by,

The District's adopted Debt Service (interest and sinking fund) ad valorem Tax rate for such Guarantee Tax year.

If for any Guarantee Tax Year the actual Taxable Value of the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes for such Guarantee Tax Year is equal to or greater than the Guaranteed Local Debt Service Taxable Value for such Guarantee Tax Year, then no reimbursement or payment shall be due to the District under this Section 4.4.

The District specifically agrees that all payments made to the District under this Section 4.4 shall only be deposited into the District's Interest and Sinking Fund account and shall only be used for debt service (interest and sinking fund) purposes.

Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") appointed each year by the District subject to approval by the Applicant, such approval not to be unreasonably withheld. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by a mediator selected in accordance with the procedures set forth in Section 9.3A.

Section 4.6. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property, by the Appraisal District in its annual certified appraisal roll submitted by the Appraisal District to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each Tax Year during the term of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party appointed and approved under Section 4.5. The certified appraisal roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect

actual amounts, subsequent adjustments by the Appraisal District to the District's certified appraisal roll or any other changes in student counts, tax collections, or other data.

Section 4.7. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed and approved pursuant to Section 4.5 shall forward to the Parties a certification containing the calculations required under Article IV, Article V and/or Article VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made and shall respond within thirty (30) days to a request by a Party for additional detail or clarification regarding the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fees shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's personnel, calculations, records, and correspondence pertaining to the calculations and fees for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculations and fees until the Final Termination Date. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations and fees contemplated by this Agreement.

Section 4.8. PAYMENT BY APPLICANT. Except as otherwise provided in Section 4.10, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay the amount of any fees billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 which exceeds Fifteen Thousand Dollars ($15,000.00).

Section 4.9. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations prepared and/or delivered pursuant to Section 4.7, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, (ii) receipt of a response from the Third Party to a request for additional detail or clarification regarding the certification, or (iii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.7 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any such appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30)

days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity, including, but not limited to, the right, if the Applicant or its representative disagrees with the District's determination of an appeal under this Section 4.9, to contest the certification containing the calculations in the same manner as described in Section 9.3. The Applicant's obligation under Section 4.8 to make payments to the District pursuant to the Third Party's final determination shall not abate during an appeal of the Third Party's final determination under this Section 4.9; provided, however, that the District shall within thirty (30) days reimburse to Applicant the amount of any overpayment established by a final determination of such appeal.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party appointed and approved under Section 4.5 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Investment and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment, respectively, by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.11. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Sections 4.13 and 4.14, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, the Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to but not to exceed the amount of the limits set forth in this Agreement (including Sections 4.13 and 4.14), within thirty (30) dates of receipt of written notice that are necessary to offset any such negative impact on the District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. The calculation of any such payments to the District shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

Section 4.12. REVENUE PROTECTION PAYMENT FOR FIRST YEAR OF LIMITATION. The Parties agree that with respect to the Revenue Protection Amount calculated under this Article IV for the first Tax Year of the Tax Limitation Period, the Applicant shall be entitled to pay such Revenue

Protection Amount in two (2) equal installments, without interest or penalty, on or before the payment due dates shown below:

Payment Due Date	Installment Percentage of Revenue Protection Amount
January 31 immediately following the end of the first Tax Year of the Tax Limitation Period	50%
January 31 immediately following the end of the second Tax Year of the Tax Limitation Period	50%

Each certification containing the calculations prepared and delivered by the Third Party pursuant to Section 4.7 shall reflect the application of the foregoing installment payment provisions of this Section 4.12.

The Applicant shall have the right and privilege of prepaying all or any part of any such installment at any time prior to the payment due date of such installment without penalty or premium.

For the avoidance of doubt, the foregoing installment payment provisions of this Section 4.12 shall only apply to the Revenue Protection Amount calculated under this Article IV for the first Tax Year of the Tax Limitation Period and shall have no application to any other payments due from the Applicant to the District under this Agreement, including any other payments due from the Applicant to the District under this Article IV, Article V or Article VI.

Section 4.13. CUMULATIVE PAYMENT LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from and including the first Tax Year at the start of the Qualifying Time Period and ending with and including the first Tax Year following the end of the Tax Limitation Period exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.13, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.13. Each certification containing the calculations prepared and delivered by the Third Party pursuant to Section 4.5 shall reflect the application of the payment limitation set forth in this Section 4.131. Any of the Cumulative Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.14. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under

Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. Each certification containing the calculations prepared and delivered by the Third Party pursuant to Section 4.7 shall reflect the application of the payment limitation set forth in this Section 4.14, including the calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be (x) reduced until such excess is eliminated, and (y) the excess deferred and carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.14. Any excess deferred and carried forward which cannot be paid to the District prior to the termination of this Agreement because such payment would exceed the limit set forth in this Section 4.14 will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis to the extent permitted by Section 313.027(f)(2) of the TEXAS TAX CODE shall also indemnify and reimburse the District for the following: all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project described in the Application that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to such project during any construction year of such project. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS.

Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

TAX YEAR	PAYMENT DUE ON OR BEFORE	AMOUNT OF ANNUAL PAYMENT LIMIT
2026	January 31, 2031	$Annual Limit
2027	January 31, 2028	$Annual Limit

2028	January 31, 2029	$Annual Limit
2029	January 31, 2030	$Annual Limit
2030	January 31, 2031	$Annual Limit
2031	January 31, 2032	$Annual Limit
2032	January 31, 2033	$Annual Limit
2033	January 31, 2034	$Annual Limit
2034	January 31, 2035	$Annual Limit
2035	January 31, 2036	$Annual Limit
2036	January 31, 2037	$Annual Limit
2037	January 31, 2038	$Annual Limit
2038	January 31, 2039	$Annual Limit
2039	January 31, 2040	$Annual Limit
2040	January 31, 2041	$Annual Limit
2041	December 31, 2041	$Annual Limit

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.
Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars ($100.00) per student per year in average daily attendance, as defined by Section 48.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars ($50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant;.

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of $50,000 or $100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 48.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

Section 6.3. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

A. All calculations required by this Article VI shall be calculated by the Third Party appointed and approved pursuant to Section 4.5, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.7, above.

C. The payment of all amounts due under this Article VI shall be made at the time set forth in Section 6.1.

Section 6.4. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during the term of this Agreement, the Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payments under this Article VI be made to the District's educational foundation, or to a similar entity. Such foundation or similar entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of foundation or similar entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the Board of Trustees, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section 6.4 shall not alter the limits on Supplemental Payments described in this Article IV, including Sections 6.1 and 6.2 above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4

in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

i. date of submission of the final payment;
ii. Final Termination Date; or
iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given sixty (60) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing

called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

i. whether or not a breach of this Agreement has occurred;
ii. whether or not such breach is a Material Breach;
iii. the date such breach occurred, if any;
iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);

ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and

iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Nueces County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Nueces County, assert

any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of

this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make $30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Name: Emily Lorenz
Title: Superintendent
District: Calallen Independent School District
Physical: 4205 Wildcat Drive
Mailing: 4205 Wildcat Drive
City, State, Zip: Corpus Christi, TX 78410
Phone: (361) 242-5600
Facsimile: (361) 242-5620
Email: **elorenz@calallen.org**

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Name: Kirkmichael Moore
Organization: Equistar Chemicals LP
Physical: 1221 McKinney Street, Suite 300
Mailing: 1221 McKinney Street, Suite 300
City, State, Zip: Houston, TX 77010
Phone: (713) 309-7200
Email: **kirkmichael.moore@lyondellbasell.com**

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

   a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
   b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
   c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2

regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Nueces County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

i. The Act;
ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

A. all payments, including liquidated damage and tax payments, have been made;
B. all reports have been submitted;
C. all records have been maintained in accordance with Section 8.6.A; and
D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e- mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

i. When delivered if delivered personally or sent by express courier service;
ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

[***Rest of page left intentionally blank***]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 12th day of December 2022.

EQUISTAR CHEMICALS LP

BY: Kirkmichael Moore
NAME: Kirkmichael Moore
TITLE: Ass't Secretary

CALALLEN INDEPENDENT SCHOOL DISTRICT

BY: _____
DR. LANA CARR
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

BY: _____
LORI JO WALKER
SECRETARY, BOARD OF TRUSTEES

IN CASE OF CONFLICT:

_____
HEATHER LUCKENBACH
VICE PRESIDENT, BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 12, 2022, at a duly-called meeting of the Calallen Independent School District Board of Trustees, and after a properly conducted Public Hearing concerning the matter, the Calallen Independent School District Board of Trustees adopted an Order creating the *Equistar 2022 Reinvestment Zone No. 1.* All of the Applicant's Qualified Property and the Applicant's Qualified Investment will be located within the boundaries of the *Equistar 2022 Reinvestment Zone No. 1* and the Calallen Independent School District.

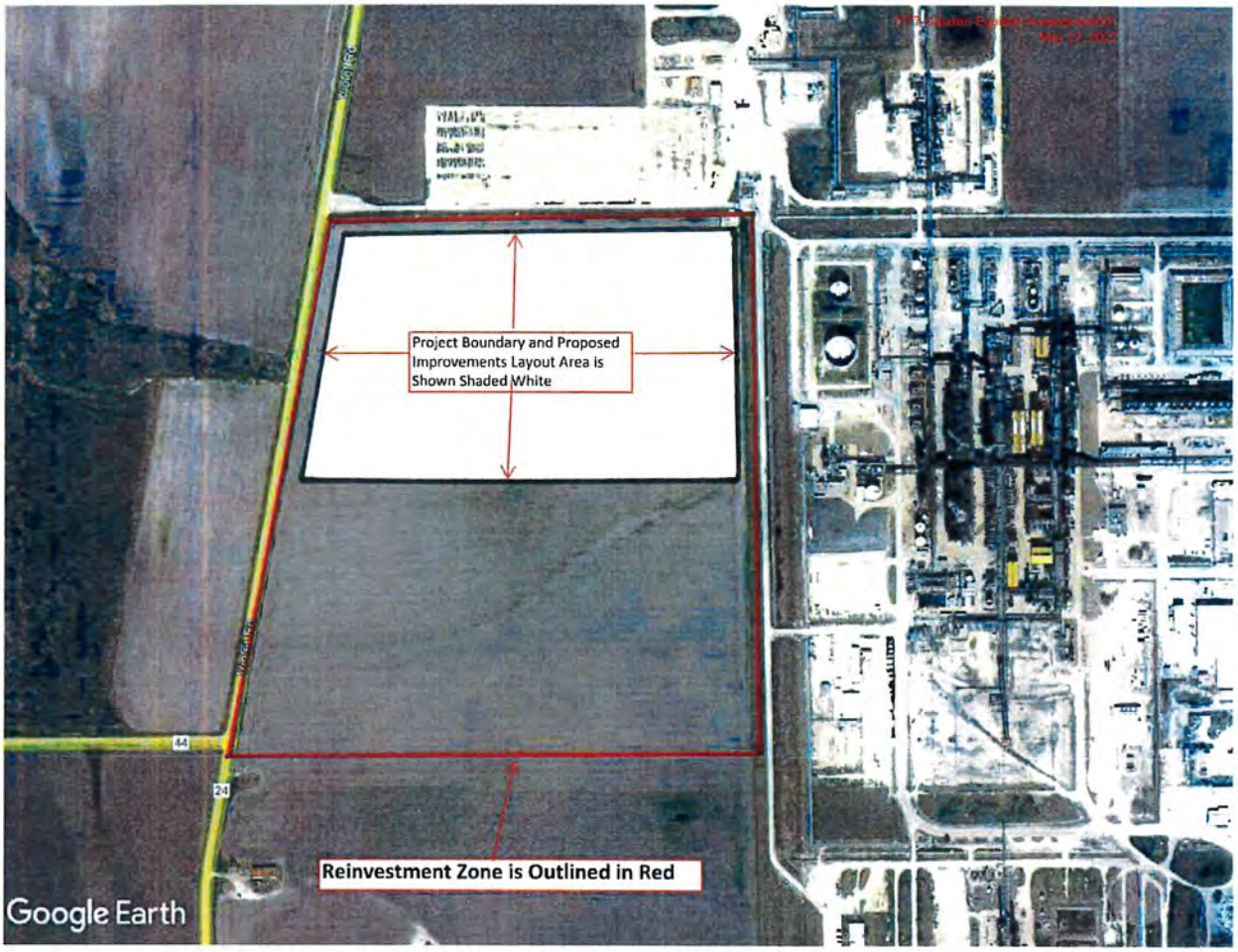


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and the Applicant's Qualified Investment will be located within the boundaries of the *Equistar 2022 Reinvestment Zone No. 1* and the Calallen Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the maps attached to **Exhibit 1** and **Exhibit 4.**

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

The Application covers all qualified property in the reinvestment zone and project boundary within Calallen ISD necessary for the commercial operations of the proposed manufacturing facility. Qualified Investment consists of:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*
- upgrades and revamps to existing facilities
- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The Application covers all qualified property in the reinvestment zone and project boundary within Calallen ISD necessary for the commercial operations of the proposed manufacturing facility. Qualified Investment consists of:

- compressors
- drums
- vessels
- heat exchangers
- pumps
- filters
- reactors
- packaged systems
- blowers and fans, dryers
- dust collection units
- mixers
- feeders
- extruder
- rotary valves
- scales
- trolleys and hoists
- utility service lines
- process storage tanks
- blending silos
- electrical switchgear
- transformers
- substations
- instrumentation
- equipment and structural foundations including supports
- control equipment and facilities
- warehouses
- raw material and utility distribution improvements
- flares
- cooling towers
- inter-plant piping and utilities and tie-ins*
- upgrades and revamps to existing facilities
- road improvements
- control building
- fire prevention and safety equipment
- railroad tracks, railroad switches, rail car loading equipment
- rail car washing buildings and equipment

* Please note that these items are for the exclusive use of the proposed project.

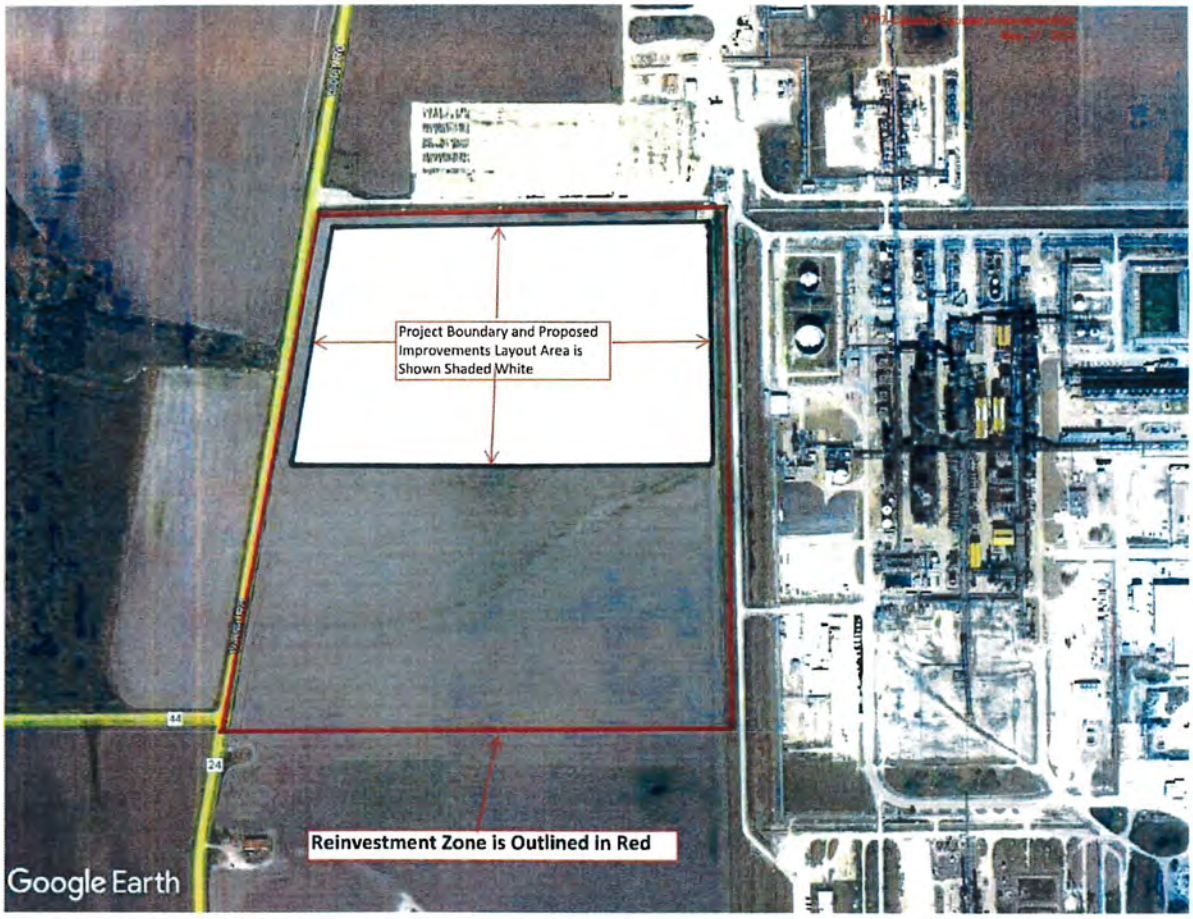

Project Boundary and Proposed Improvements Layout Area is Shown Shaded White
Reinvestment Zone is Outlined in Red
Google Earth

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Deferral Period	Partial Deferral Year Beginning on the Application Approval Date (12/12/22)	January 1, 2022	2022-2023	2022	Start of Deferral Period beginning with the Application Approval Date (12/12/22). No limitation on appraised value.
	Deferral Year	January 1, 2023	2023-2024	2023	Deferral Period. No limitation on appraised value.
	Deferral Year	January 1, 2024	2024-2025	2024	Deferral Period. No limitation on appraised value.
	Deferral Year	January 1, 2025	2025-2026	2025	Deferral Period. No limitation on appraised value.
Qualifying Time Period	QTP1	January 1, 2026	2026-2027	2026	QTP 1; no limitation on appraised value.
	QTP2	January 1, 2027	2027-2028	2027	QTP 2; no limitation on appraised value.
Gap Year	Gap Year	January 1, 2028	2028-2029	2028	No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2029	2029-2030	2029	$30 million appraised value limitation.
	2	January 1, 2030	2030-2031	2030	$30 million appraised value limitation.
	3	January 1, 2031	2031-2032	2031	$30 million appraised value limitation.
	4	January 1, 2032	2032-2033	2032	$30 million appraised value limitation.
	5	January 1, 2033	2033-2034	2033	$30 million appraised value limitation.
	6	January 1, 2034	2034-2035	2034	$30 million appraised value limitation.
	7	January 1, 2035	2035-2036	2035	$30 million appraised value limitation.
	8	January 1, 2036	2036-2037	2036	$30 million appraised value limitation.
	9	January 1, 2037	2037-2038	2037	$30 million appraised value limitation.
	10	January 1, 2038	2038-2039	2038	$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2039	2039-2040	2039	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2040	2040-2041	2040	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2041	2041-2042	2041	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2042	2042-2043	2042	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
	15	January 1, 2043	2043-2044	2043	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter

MOAKCASEY
PROVEN LEADERS ADVANCING TEXAS SCHOOLS

December 12, 2022

President and Members
Board of Trustees
Calallen Independent School District
4205 Wildcat Drive
Corpus Christi, Texas 78410

Re: Recommendations and Findings of the Firm Concerning the Application of Equistar Chemicals LP (#1777) for a Limitation on Appraised Value of Property School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Colorado Independent School District, with respect to the pending Application of Equistar Chemicals LP for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Equistar Chemicals LP for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kathy Mathias

Kathy Mathias
Executive Director of Economic Development

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

December 12, 2022

President and Members
Board of Trustees
Calallen Independent School District
4205 Wildcat Drive
Corpus Christi, Texas 78410

Re: Recommendations and Findings of the Firm Concerning Application of Equistar Chemicals LP (#1777) for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Colorado Independent School District, with respect to the pending Application of Equistar Chemicals LP for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement with Equistar Chemicals LP. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

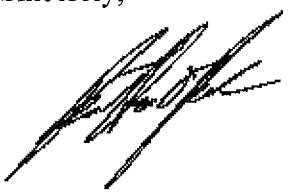
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions to protect the interests of the District.

As a result of the foregoing conclusions, it is our recommendation that the Board of Trustees approve the Application of Equistar Chemicals LP for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,



Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

DocuSign Envelope ID: 9B610088-D4A6-46A3-930F-3CF69B0AC6A2

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

November 21, 2022

Emily Lorenz
Superintendent
Calallen Independent School District
4205 Wildcat Drive
Corpus Christi, Texas 78410

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Calallen Independent School District and Equistar Chemicals LP, Application 1777

Dear Superintendent Lorenz:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Calallen Independent School District and Equistar Chemicals LP (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

DocuSigned by:
8FDFC70F5753487...

Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Kirkmichael Moore, Equistar Chemicals LP
Angela Gonzalez, Equistar Chemicals LP
Greg Maxim, Cummings Westlake LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:

   The person owns at least:

   a. Ten percent of the voting stock or shares of the business entity, or

   b. Either ten percent or $15,000 of the fair market value of the business entity; or

   c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.

4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.