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TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

December 7, 2016

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

RE: Amended Agreement between the Royal Independent School District from Goya Foods, Inc.

To the Local Government Assistance & Economic Analysis Division:

On December 10, 2012, the Royal Independent School District approved an Agreement under the Texas Economic Development Act on the Application for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes submitted by Goya Foods, Inc. The District has received a request to amend the agreement to include additional qualified property. Goya Foods, Inc. has submitted an amended application in the same form as the original application. The additional property has been identified on the schematic.

Moak Casey & Associates will prepare an amended school finance report based upon the amended application. We have also attached a red-line copy of the amended agreement.

In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Waller County Appraisal District.

Sincerely,



Kevin O'Hanlon
School District Consultant

ALLEN BOONE HUMPHRIES ROBINSON LLP

ATTORNEYS AT LAW

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3200 SOUTHWEST FREEWAY
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astephens@abhr.com

October 26, 2016

RECEIVED

JAN 25 2017 Annette Stephens
Of Counsel

Data Analysis &
Transparency Division

Mr. Stacy Ackley
Superintendent
Royal Independent School District
3714 FM 359
Pattison, Texas 77466

Re: Amended Application for Appraised Value Limitation on Qualified Property - Goya Foods, Inc.

Dear Mr. Ackley:

Enclosed for review and consideration is an Amendment to the Application for Appraised Value Limitation on Qualified Property being submitted on behalf of Goya Foods, Inc. (the "Amended Application").

As you are aware, Goya Foods has a successful canning and bean processing manufacturing facility located on a 130 acre site on Goya Road (off Highway 90A) in Brookshire, Texas. Goya entered into an Agreement for Limitation on Appraised Value of Property with Royal Independent School District on December 10, 2012, (amended on April 14, 2014) (the "Agreement") and is in full compliance with those obligations under the Agreement. Goya is anticipating expanding its manufacturing facility on the existing site and will add another additional 300,000 square feet to its cannery with an estimated additional \$20,000,000 in value over the next several years. State law allows Goya to add that new anticipated value to its existing Agreement with Royal ISD. Other than adding the new qualified property, no other terms of the Agreement will change.

As part of the process to amend its Agreement, Goya must file an amended Application to Royal ISD adding the additional square footage and anticipated value.

The attached Amendment includes:

1. New signature pages for Goya Foods and Royal ISD;
2. Revised Project Description (Exhibit A) with the additional 300,000 square feet of qualified property and an additional \$20,000,000 in value added;
3. Revised Schedules A2 and B in both excel and PDF format; and
4. A new map with rendering of expansion on existing site.

Please execute the flagged pages on behalf of Royal ISD. Once executed, I believe the next step is to forward to Moak Casey and submittal to the Comptroller's office. Once approved by the Comptroller's office, Goya will seek an amendment to the Agreement with Royal ISD. Please do not hesitate to contact me at 713-860-6450 or Steve Robinson at 713-860-6408 if you have any questions regarding the enclosures or if you require further information.

Sincerely,



Annette Stephens

Enclosures

cc: Tony Diaz, Goya Foods, Inc.
Evelio Fernandez, Goya Foods of Texas, Inc.
Mali Hanley
Bob Popinski, Moak Casey
Stephen M. Robinson [Firm]



Application for Appraised Value Limitation on Qualified Property
(Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

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 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 original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. 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, the Comptroller will publish all submitted application materials on its Web site. 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 rules as explained in the Confidentiality Notice below.

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. 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, make a recommendation to the school board regarding the application and prepare an economic impact evaluation 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 before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

May 11, 2012

Authorized School District Representative

First Name

Stacy

Last Name

Ackley

Title

Superintendent

School District Name

Royal Independent School District

Street Address

3714 FM 359

Mailing Address

City

Pattison

State

Texas

ZIP

77466

Phone Number

281-934-1826

Fax Number

281-934-3154

Mobile Number (optional)

E-mail Address

dhein@royal-isd.net

I authorize the consultant to provide and obtain information related to this application... Yes No

Will consultant be primary contact? Yes No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name

Bob

Last Name

Popinski

Title

Consultant

Firm Name

Moak Casey & Associates

Street Address

400 W. 15th Street #1410

Mailing Address

400 W. 15th Street #1410

City

Austin

State

TX

ZIP

78701

Phone Number

512-485-7878

Fax Number

Mobile Number (Optional)

E-mail Address

bpopinski@moakcasey.com

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.

Signature (Authorized School District Representative)

Date

12/7/16

Has the district determined this application complete? Yes No

If yes, date determined complete. Original 5-24-12; amended 11/28/16

Have you completed the school finance documents required by TAC 9.1054(c)(3)? Yes No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Checklist	Page X of 16	Check Completed
1 Date application received by the ISD	1 of 16	X
2 Certification page signed and dated by authorized school district representative	2 of 16	X
3 Date application deemed complete by ISD	2 of 16	X
4 Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	X
5 Completed company checklist	12 of 16	X
6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	X

Exhibit A

Project Description (Page 6 of Application)

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. (Use attachments as necessary)

The project consists of the design and construction of a new 600,000* square foot building and installation of bean processing and canning machinery and equipment on a 130 acre tract of land that is currently vacant. The proposed improvements include the building, the hydrostatic cooker, tanks and pumps, soaking and blanching system, palletizer and conveying system. The plant has the capacity to produce 3,000,000 cases. The start date is projected to be mid-2012 with an end date of Third Quarter 2013.

Type & Value of Proposed Improvements

Building	\$ 33,000,000*
Cooler and Freezer	2,000,000
Hydrostatic Cooker	7,680,000
Platform, specialty tanks and sanitary tanks and other Equipment	3,429,000
Soaking and blanching system	1,595,000
Palletizer, conveying system and depalletizer	900,000
Fillers	766,000
Shrink Wrapper	<u>630,000</u>
	<u>\$50,000,000*</u>

*Update to include additional 300,000 square feet of qualified property and an additional 20,000,000 in value.

Describe the ability of your company to locate or relocate in another state or another region of the state.

Goya Foods, Inc. is an international company with distribution and manufacturing sites throughout the United States, Puerto Rico, Dominican Republic and Spain. Goya Foods is based in New Jersey and has the ability to build manufacturing facilities in the world as well as different regions of the country. Goya Foods has the ability to expand its canning operations at its existing facilities in Angola, New York or Bayamon, Puerto Rico; New York could offer Goya Foods tax incentives as well. However, Goya Foods would like to in build its manufacturing facility in Waller County and make a substantial investment in Waller County, Texas of over \$30 million in just building and improvements.

Goya Foods Inc.
Royal ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS											
(Estimated investment in each year. Do not put cumulative totals.)											
Applicant Name ISD Name	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	Year	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2012-13	2012	\$ 15,100,000	\$ 10,000,000	\$ 25,100,000	\$ 4,800,000					
		2013-14						1	Complete tax years of qualifying time period		
		2014-15						2			
		2015-16						3			
		2016-17						4			
		2017-18		2,000,000	20,000,000			5			
		2018-19						6			
		2019-20						7			
		2020-21						8			
		2021-22						9			
		2022-23						10			
		2023-24						11			
		2024-25						12			
		2025-26						13			
		2026-27						14			
	2027-28						15				
Tax Credit Period (with 50% cap on credit)											Value Limitation Period
Credit Settle-Up Period											Continue to Maintain Viable Presence
											Post- Settle-Up Period
											Post- Settle-Up Period

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.
[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Goya Foods Inc.

Royal ISD

Applicant Name
ISD Name

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
pre- year 1	2012-13	2012	4,800,000				4,800,000	4,800,000
Complete tax years of qualifying time period	1	2013	4,800,000	6,000,000			10,800,000	10,800,000
	2	2014	4,800,000	4,100,000	15,000,000		23,900,000	23,900,000
Value Limitation Period	3	2015	4,800,000	9,696,000	14,625,000		29,121,000	20,000,000
	4	2016	4,800,000	9,308,161	14,260,000		28,368,161	20,000,000
	5	2017	4,800,000	8,935,982	13,900,000		27,635,982	20,000,000
	6	2018	4,800,000	23,935,982	15,900,000		44,635,982	20,000,000
	7	2019	4,800,000	22,978,158	15,179,353		42,957,511	20,000,000
Credit Settle- Up Period	8	2020	4,800,000	21,599,471	14,493,022		40,892,493	20,000,000
	9	2021	4,800,000	20,303,496	13,841,007		38,944,503	20,000,000
	10	2022	4,800,000	19,085,287	13,223,309		37,108,596	20,000,000
Post- Settle-Up Period	11	2023	4,800,000	17,940,177	12,628,489		35,368,666	35,368,666
	12	2024	4,800,000	16,863,766	12,056,547		33,720,313	33,720,313
	13	2025	4,800,000	15,851,936	11,518,921		32,170,857	32,170,857
Post- Settle-Up Period	14	2026	4,800,000	14,900,825	11,004,173		30,704,998	30,704,998
	15	2027	4,800,000	14,006,779	10,512,302		29,319,081	29,319,081

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

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