Attachment A

Application



# 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 tiling 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 - CERTIFICAT	ION OF ALL ELOTHICS.	Date application received by district
Authorized School District Representative		6-4-2012
Robert	Thompson	
Superintendent		
School District Name Pettus Independent School Distric	:t	
Street Address 500 N. May Street		
Mailing Address		
Pettus	State TX	<sup>ZIP</sup> 78146
Phone Number (361) 375-2296	Fax Number (361) 375-22	295
Mobile Number (optional)	E-mail Address	
	ation related to this application	
Lauthorize the consultant to provide and obtain information		



SC	HOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICA	ATION (CONTINUED)	<b>1891</b> 2341	
Aut	horized School District Consultant (If Applicable)			
First	Dan	Casey		
Title	Consultant			
Flim	Moak Casey & Associates			
	400 W 15th Street			
Mailin	400 W 15th Street			
City	Austin	TX	<sup>210</sup> 78701	
Phone	(512) 485-7878	512- 485-78	388	
Mobile	1	e.mail Address dcasey@mo	nakcase	v com
l am	the authorized representative for the school district to which this appl t record as defined in Chapter 37 of the Texas Penal Code.	, _		•
Signa	Wile (Authorized School District Representative)  Lobert B. I Morry Morry		6-4-	12
If ye	the district determined this application complete?s, date determined complete.  Solve 5,700  Solve 5,70	12		☑Yes □No □Yes ☑No
				will supplemen
SCI	IOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENT Checklist	S	Page X of 16	Check Completed
1	Date application received by the ISD		1 of 16	· K
2	Certification page signed and dated by authorized school district rep	presentative	2 of 16	*
3	Date application deemed complete by ISD		2 of 16	X
4	Certification pages signed and dated by applicant or authorized bus	iness representative of applicant	4 of 16	, X
5	Completed company checklist		12 of 16	*
6	School finance documents described in TAC 9.1054(c)(3) (Due within of completed application)	n 20 days of district providing notice	2 of 16	will supplement



APPLICANT INFORMATION - CERTIFICATION OF AP	PLICATION		
Authorized Business Representative (Applicant)			
First Name	Last Name		
Greg	Maxim		
Title			
Consultant			
Organization			
Energy Transfer Partners, L.P.			
800 E. Sonterra Blvd., Suite 400			
Mailing Address			
City	State	ZIP	
San Antonio	TX	78258-3941	
Phone Number	Fax Number		
210-572-0457			
Mobile Number (optional)	Business e-mail Address		
If yes, please fill out contact information for that person.	Last Name		
Title			
Organization			
Street Address			
Mailing Address			
City	State	ZIP	
Phone Number	Fax Number		
Mobile Number (optional)	E-mail Address		
I authorize the consultant to provide and obtain information	related to this application		☐ No
Will consultant be primary contact?		<b>17</b>	☐ No
will consultant be primary contact:	The state of the s		



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION	(CONTINUED)	
Authorized Company Consultant (If Applicable)		
First Name Greg	Maxim	
Director		
Firm Name Duff and Phelps		
919 Congress Avenue, Suite 1450		
Maing Address		1
Austin	TX	78701
512-671-5580	Fax Number	
greg.maxim@duffandphelps.com		
I am the authorized representative for the business entity for the purpose of filling defined in Chapter 37 of the Texas Penal Code, The Information contained in this		
I hereby certify and affirm that the business entity I represent is in good standing no delinquent taxes are owed to the State of Texas.	g under the laws of the state in which the	upshiess entity was organized and the
Signature (Authorized Business Regissentative (Applicanti))		\$5-\$4-Z\$1Z
GIVEN under my hand and seal of office this 4th day of June	,2013	2
SHAWNA NOELLE HARDIN Notary Public, State of Texas My Commission Expires October 17, 2015	Shawna Noelle Ha Notary Public, State of Texas	
	Sharone of	I = I

My commission expires OCluber 17, 2015

If you make a false statement on this application, you could be found guilly of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.



FEES AND PAYMENTS	
☑ Enclosed is proof of application fee paid to the school district.	
For the purpose of this question, "payments to the school district" include any and all 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 consideration for the agreement for limitation on appraised value.	n of, or
Please answer only either A OR B:	
A. 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)?	☑ No
B. 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)?	☑ No
BUSINESS APPLICANT INFORMATION	
Legal Name under which application is made	
Edwards Lime Gathering, LLC	
Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)	
32034536865	
NAICS code 325120	
Is the applicant a party to any other Chapter 313 agreements?	☑ No
If yes, please list name of school district and year of agreement.	
APPLICANT BUSINESS STRUCTURE	
Registered to do business in Texas with the Texas Secretary of State?	□ No
Identify business organization of applicant (corporation, limited liability corporation, etc.)	
Limited Liability Corporation	
1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?	☐ No
2 Is the applicant current on all tax payments due to the State of Texas?	☐ No
3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? 🚨 NA	☐ No
If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment If necessary.)	



THOUGH.	IGIBILTY UNDER TAX CODE	CHAPTER 313.024			
Ar	Control Almost and State Product Design State Production	e, Chapter 171 applies?		🗹 Yes	□ No
		egral part, or as a necessary auxiliar			
					☐ No
					☑ No
	- A - A	ned by Section 5.001, Water Code .			☑ No
					☑ No
NAME OF THE OWNER OWNER OF THE OWNER OWNE					☑ No
		sing Integrated gasification combined			☑ No
		ration			✓ No
	(8) a computer center that is us	ed as an integral part or as a necessivities described by Subdivisions (1)	ary auxiliary part for the activity cor	nducted by	☑ No
Are		and be classified as qualified investr			☑ No
		nvestment be leased under a capitali			☑ No
		nvestment be leased under an operal			☑ No
		wned by a person other than the app			☑ No
Wi	I any property be pooled or prop	osed to be pooled with property own	ed by the applicant in determining		☑ No
	OJECT DESCRIPTION				
Pro	vide a detailed description of the	e scope of the proposed project, inclubusiness, a timeline for property con	ding, at a minimum, the type and p	lanned use of real and tangibl her relevant information. (Use	e attach-
See Attachment					
	JOO / ILLIAOI	HIICH			
		y to locate or relocate in another state	e or another region of the state.		
De		y to locate or relocate in another state	e or another region of the state.		
De	scribe the ability of your compan	y to locate or relocate in another state	e or another region of the state.		
De	scribe the ability of your companses	y to locate or relocate in another state		☐ Expand Existing Facility	
De S	See Attachn oject characteristics	y to locate or relocate in another state  OCHECK ALL THAT APPLY)			X
	See Attachn OJECT CHARACTERISTICS New Jobs Relocation from Out-of-State	y to locate or relocate in another state  PENT  CHECK ALL THAT APPLY)  Construct New Facility  Expansion	☐ New Business / Start-up		
PR	See Attachn OJECT CHARACTERISTICS New Jobs Relocation from Out-of-State Consolidation	y to locate or relocate in another state  Pent  GHECK ALL THAT APPLY)  Construct New Facility	☐ New Business / Start-up		
PR De PR	See Attachn OJECT CHARACTERISTICS New Jobs Relocation from Out-of-State Consolidation OJECTED TIMELINE	y to locate or relocate in another state  PENT  CHECK ALL THAT APPLY)  Construct New Facility  Expansion	☐ New Business / Start-up ☐ Purchase Machinery & Equipr	nent	
PR De PR Beg	See Attachn OJECT CHARACTERISTICS New Jobs Relocation from Out-of-State Consolidation OJECTED TIMELINE gin Construction Jul 2012	y to locate or relocate in another state  CHECK ALL THAT APPLY)  Construct New Facility  Expansion  Relocation within Texas	New Business / Start-up Purchase Machinery & Equipment of the Purchase Machinery & Equipment of the Purchase Machinery & Equipment of the Purchase Machinery & Employees July 10 Machinery & Employees & Employees Machinery & Employees &	nent	
PR De PR Beg	See Attachn OJECT CHARACTERISTICS  New Jobs  Relocation from Out-of-State  Consolidation  OJECTED TIMELINE  gin Construction Jul 2012  Instruction Complete  Mar 20	y to locate or relocate in another state  CHECK ALL THAT APPLY)  Construct New Facility  Expansion  Relocation within Texas	☐ New Business / Start-up ☐ Purchase Machinery & Equipr	nent	
PR 2 PR Beg Coll	See Attachn OJECT CHARACTERISTICS New Jobs Relocation from Out-of-State Consolidation OJECTED TIMELINE Jin Construction Jul 2012 Instruction Complete Mar 20 Inchase Machinery & Equipment	y to locate or relocate in another state  CHECK ALL THAT APPLY)  Construct New Facility  Expansion  Relocation within Texas	New Business / Start-up Purchase Machinery & Equipment of the Purchase Machinery & Equipment & Equ	ul 2012	
PR 2 PR 2 PR 2 Pur Do stai	See Attachn OJECT CHARACTERISTICS.  New Jobs Relocation from Out-of-State Consolidation OJECTED TIMELINE gin Construction Mar 20 chase Machinery & Equipment you propose to construct a new It date (date your application is face; Improvements made before the	y to locate or relocate in another state  CHECK ALL THAT APPLY)  Construct New Facility  Expansion  Relocation within Texas  Mar 2012*  building or to erect or affix a new implication of the complete)?  that time may not be considered quality	New Business / Start-up Purchase Machinery & Equipmed Purchase Mac	ul 2012	□ No
PR 2 PR 2 PR 2 Pur Do stai	See Attachn OJECT CHARACTERISTICS.  New Jobs Relocation from Out-of-State Consolidation OJECTED TIMELINE gin Construction Mar 20 chase Machinery & Equipment you propose to construct a new It date (date your application is face; Improvements made before the	y to locate or relocate in another state  CHECK ALL THAT APPLY)  Construct New Facility  Expansion  Relocation within Texas  Mar 2012*  building or to erect or affix a new impirally determined to be complete)?	New Business / Start-up Purchase Machinery & Equipmed Purchase Mac	ul 2012	□ No



ECONOMIC INCENTIVES	
Identify state programs the project will apply for:	
State Source	Amount
	Tabl
	Total
Will other incentives be offered by local units of government?	
Please use the following box for additional details regarding incentives. (Us	se attachments if necessary.)
Requesting Chapter 312 property tax abatement ag Wide Hospital	reements with Karnes County and Karnes County
And the second s	
THE PROPERTY	
	Karnes County
Identify county or counties in which the proposed project will be located	Karnes County Appraisal District
Central Appraisal District (CAD) that will be responsible for appraising the	e property Karnes County Appraisal District
Will this CAD be acting on behalf of another CAD to appraise this proper	rty? 🖸 Yes 💆 i
List all taxing entities that have jurisdiction for the property and the portion	
County: Karnes County - 100% (Name and percent of project)	City:(Name and percent of project)
Hospital District: Karnes County Wide Hospital - 100% (Name and percent of project)	Water District: Evergreen UWCD - 100%  (Name and percent of project)
Other (describe): Karnes County Wide Rural Fire - 100% (Name and percent of project)	Other (describe): San Antonio River Authority - 100%
Karnes County Wide Road & Bridge - 100%; Escor Is the project located entirely within this ISD?	nalao watershea District - 100%
If not, please provide additional information on the project scope and size	e to assist in the economic analysis.



INVESTMENT	<b>*</b>			
NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limit vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determinent of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.	lation nining			
At the time of application, what is the estimated minimum qualified investment required for this school district? \$10,000,000				
What is the amount of appraised value limitation for which you are applying? \$10,000,000				
What is your total estimated <i>qualified</i> investment? \$73,000,000				
NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second co tax year.	omplete			
What is the anticipated date of application approval? September 15, 2012				
What is the anticipated date of the beginning of the qualifying time period? September 15, 2012				
What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$80,000,000				
Describe the qualified Investment.[See 313.021(1).]				
Attach the following items to this application:				
(1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value lines as defined by Tax Code §313.021,				
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investments.	ient and			
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.				
Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period?	□ No			
Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time				
(1) in or on the new building or other new improvement for which you are applying?	□ No			
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement?	□ No			
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation?	☐ No			
("First placed in service" means the first use of the property by the taxpayer.)				
Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? ✓ Yes	□ No			
Does the investment in langible personal property meet the requirements of Tax Code §313.021(1)?	☐ No			
If the proposed investment includes a building or a permanent, non-removable component of a building, does It house tangible personal property? 🗹 Yes	□ No			
QUALIFIED PROPERTY				
Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)				
Attach the following Items to this application:				
(1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.02	1,			
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and				
(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.				
Land Is the land on which you propose new construction or 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?	□ No			
If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?				
Will the applicant own the land by the date of agreement execution?	□ No			
Will the project be on leased land?	☑ No			



### QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
- 2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in

the current parcel will become qualified property 4. The current taxable value of the land. Attach estimate if land is part of larger parcel. 5. A detailed map (with a vicinity map) showing the location of the land Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map) Atlach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable. Miscellaneous ☑ No Attach a description of any existing improvements and include existing appraisal district account numbers. List current market value of existing property at site as of most recent tax year. \$49,500\*\* \*\* Estimated 2011 Market Value is based off of the per acre market value for Parcel #/1322 that the 40 acre site was a part of in 2011 Will all of the property for which you are requesting an appraised value limitation be free of a tax ☐ No abatement agreement entered into by a school district for the duration of the limitation?..... WAGE AND EMPLOYMENT INFORMATION What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? The last complete calendar quarter before application review start date is the: ☐ Fourth Quarter of 2012 ☐ Third Quarter Second Quarter First Quarter (vear) What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A Total number of new jobs that will have been created when fully operational 12 Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection O No with the new building or other improvement?..... Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)?..... If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job walver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d). What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 10 If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii). If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table

of information showing this district characteristic at http://www.window.state.tx.us/laxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)	
For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the avera the 110% calculation, include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the tim application review start date (date of a completed application). See TAC §9.1051(7).	qualifying
110% of the county average weekly wage for all jobs (all industries) in the county is	
110% of the county average weekly wage for manufacturing jobs in the county is $\frac{$1,147}{}$	
110% of the county average weekly wage for manufacturing jobs in the region is \$761	-
Please identify which Tax Code section you are using to estimate the wage standard required for this project:	
□§313.021(5)(A) or □§313.021(5)(B) or □§313.021(3)(E)(ii), or □§313.051(b)?	
What is the estimated minimum required annual wage for each qualifying job based on the qualified property?	
What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property?	
Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)?	☐ No
Will each qualifying job require at least 1,600 of work a year?	☐ No
Will any of the qualifying jobs be jobs transferred from one area of the state to another?	☑ No
Will any of the qualifying jobs be retained jobs?	☑ No
Will any of the qualifying jobs be created to replace a previous employee?	✓ No
Will any required qualifying jobs be filled by employees of contractors?	☑ No
If yes, what percent?	
Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job?	□ No
Describe each type of benefits to be offered to qualifying Jobholders. (Use attachments as necessary.)	
See Attachment	
ECONOMIC IMPACT	
Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)?	No No
Is Schedule A completed and signed for all years and attached?	☐ No
Is Schedule B completed and signed for all years and attached?	☐ No
Is Schedule C (Application) completed and signed for all years and attached?	☐ No
Is Schedule D completed and signed for all years and attached?	☐ No
Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.	*****
If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a se schedule showing the amount for each year affected, including an explanation.	sparate



#### CONFIDENTIALITY NOTICE

#### Property Tax Limitation Agreement Applications Texas Government Code Chapter 313 Confidential Information Submitted to the Comptroller

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.

	Checklist	Page X of 16	Check Complete
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (If Applicable) (Attachment)	5 of 16	<b>√</b>
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	N/A
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new bulldings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	N/A
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	N/A
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	<b>√</b>
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

<sup>\*</sup>To be submitted with application or before date of final application approval by school board.

**Proof of Payment of Application Fee** 

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

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

**Documentation of Combined Group Membership** 

0W5238 2.000

TX2011

#### TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

Ver. 2.0

05-102 (9-09/29)

To be filed by Corporations and Limited Liability Companies (LLCS) and Financial Institutions This report MUST be signed and filed to satisfy franchise tax requirements

**m**Tcode 13196

■ Taxpayer number		■ Report year	You have c	ertain rights und	er Chapter 552 and 5	559, Government Cod	le,
32034536865		2011	7236.7/0900000000000000			ave on file about you. 381, toll free nationwis	
Taxpayer name EDWARDS LIME GATHERING, LLC		1					
Malling address 2001 BRYAN STREET, SUITE 3700					Secretary of Comptroller	State file number or	
City	State		ZIP Code	Plus 4			
DALLAS  Check box if there are currently no changes for	om previous veac	If no information is	displayed, complete	e the applicable l	08009261		
Principal office	promoto year				7		
2001 BRYAN STREET, SUITE 3700, D Principal place of business	ALLAS, TX 7	5201	-				
2001 BRYAN STREET, SUITE 3700, D	ALLAS, TX 7	5201			Mark State		
Please sign below Please sign below  Officer, director and men Report Is completed. The report. There is no require officers, directors, or mer SECTION A Name, title and melling address of ea	Information is up- ement or procedu nbers change thro	dated annually as p ire for supplementing ughout the year.	art of the franchise	lax	32	2034536865	511
Name		itle		Director	m	m d d	у у
				☐ YES	Term explration		
SEE ATTACHED STATEMENT Mailing address	C	ity		L	State	ZIP Code	
Name	п	Itle		Director	m	m d d	у у
2000-0-00-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0				☐ YES	Term expiration		
Mailing address	С	ity			State	ZiP Code	
Name	π	itle		Director YES	Term m expiration	m dd)	у у
Malling address	C	ity		I	State .	ZIP Code	
SECTION B Enter the information required for	each corporati	ion or LLC, if an	y, in which this er	ntity owns an in	terest of ten percer	nt (10%) or more.	
Name of owned (subsidiary) corporation or limited lie		State of form			fle number, If any	Percentage of Own	iership
Name of owned (subsidiary) corporation or limited lia	bility company	State of form	ation	Texas SOS	fle number, if any	Percentage of Own	ersh <sup>1</sup> p
SECTION C Enter the information required for or limited liability company.	each corporati	ion or LLC, if an	y, that owns an in	terest of ten pe	ercent (10%) or mo	re In this entity	
Name of owned (parent) corporation or limited liabilit SEE ATTACHED STATEMENT	company	State of fo	rmation	Texas SOS	file number, if eny	Percentage of Own	ership
Registered agent and registered office currently on file	. (See Instructions	s If you need to ma	ke changes)	Check	box if you need forms	s to change Istered office Information	ion.
Agent: CT CORPORATION SYSTEM Office:	make a		City		State	ZIP Code	· · ·
350 N. ST PAUL ST The above information is required by Section 171,203 of 1	he Tay Code for e	ach corporation or I	mited liability compa	ny that fees a Te	xas Franchise Tax Rec	ort. Use additional shee	els
or Sections A, B, and C, If necessary. The information will be at I declare that the information in this document and any a	allable for public ins	pection.					
been mailed to each person named in this report who is	an officer director	or member and wh	no la not currently er	rployed by this, o	r a related, corporation	n or limited liability con	mpany.
sign durch Surce	lin	VP-	AX	11/14	Zoll (Z	code and phone num (D) 870 - 27	106 106
	Texas	Comptroller	Official Use	Only	, about 15 years		
III IKS-153/163/169/169/160/16/16/16/16/1					VE/DE	PIR IND	

### ATTACHMENT TO 2011 FORM 05-102

EDWARDS LIME GAT	32034536865		
SECTION A			
NAME	MAILING ADDRESS	TITLE	DIRECTOR
KEITH CRAWFORD	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	PRESIDENT	YES
MARTIN ANTHONY	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	DIRECTOR	YES
JIM HOLOTIK	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	VP	YES
BRET M. ALLAN	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	TREASURER	МО
A. TROY STURROCK	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	CONTROLLER	МО
CHRIS JESKE	2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093	DIRECTOR	YES

#### ATTACHMENT TO 2011 FORM 05-102

### EDWARDS LIME GATHERING, LLC

32034536865

SECTION C

NAME OF ENTITY

STATE OF FORM.

TX SOS FILE #

OWNERSHIP%

REGENCY FIELD SERVICES, LLC

DELAWARE

0800882815

60%

EDWARDS GAS SERVICES, LLC

DELAWARE

0800919587

40%

#### ATTACHMENTS 4 & 5

#### **Detailed Description of Project**

Edwards Lime Gathering, LLC, is proposing to build a new cryogenic gas facility for the manufacture of industrial gases in Karnes County, within the Pettus Independent School District. The facility will be constructed on a parcel of land consisting of approximately 40 acres and will be called the KDB facility for the three counties it will serve, Karnes, Bee and DeWitt Counties.

#### **KDB Gas Plant**

The KDB Gas Plant will consist of two trains with a total capacity of 180 million cubic feet of natural gas per day (MMCFD) in Phase I. The plant will produce industrial gases such as ethane, butane and propane from liquid rich natural gas that has been collected by upstream gas gathering systems in the Eagle Ford Shale play and transported to the KDB plant. The potential exists for a Phase II, which would install additional production capacity in 2013 or 2014 depending on the performance of Phase I and market conditions.

The first step in the manufacturing process is to separate the pipeline condensate liquids from the pipeline gas. Once separated, the condensate liquids are processed in a condensate stabilizer system in order to sell the hydrocarbon condensates to the NGL sales pipeline. Gas from the inlet separators is then treated in the amine treating system for removal of CO2 from the inlet gas. The removal is required to prevent CO2 freezing in the cryogenic NGL recovery plant and to meet the sales gas pipeline's and NGL pipeline's specifications. The CO2 removed by the amine system is routed to an incinerator system to destroy incidental hydrocarbon vapors contained in the CO2 stream. From the amine system, the sweet gas is then processed in the cryogenic plant for natural gas liquid recovery. The gas is refrigerated by mechanical refrigeration and by expansion through a turbo expander. The NGL liquids condensed by the refrigeration system are then pumped to the NGL sales pipeline. Gas from the cryogenic plant, now stripped of NGL liquids, is compressed and delivered to the sales gas pipeline.

The KDB plant consists of the following main production units and utility systems which are classified as "Qualified Investment"

- Slug Catcher
- 180 MMCFD Cryogenic Gas Production Unit consisting of:
  - Inlet 3 Phase Separator
  - o Produced Water Separator
  - Sales Gas Outlet Scrubber
  - o Sour Gas Preheater
  - Amine Absorber and Regenerator
  - Acid Gas Cooler
  - Glycol Contactor

- Sales Gas Compressors
- O/H Gas Compressor / Cooler Skid
- BTEX Removal Skid
- o Fuel Gas Conditioning Skid
- o VRU Unit
- o Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors / Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

Some preliminary site work will be completed including leveling, access road improvements and installation of a fence. The cost of these improvements is estimated at \$50,000 and will not be included as Qualified Investment or Qualified Property.

#### **Ability to Relocate**

Edwards Lime Gathering, LLC, is a joint venture between Energy Transfer's subsidiary Regency Energy Partners, Statoil and Talisman Energy.

Energy Transfer is a leading midstream energy company whose primary activities include gathering, treating, manufacturing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 3 gas manufacturing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

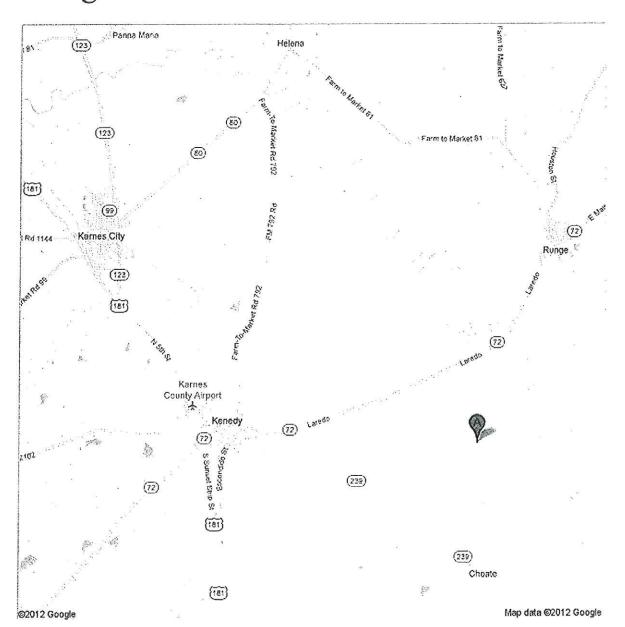
Energy Transfer's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation.

#### **Description of Qualified Investment**

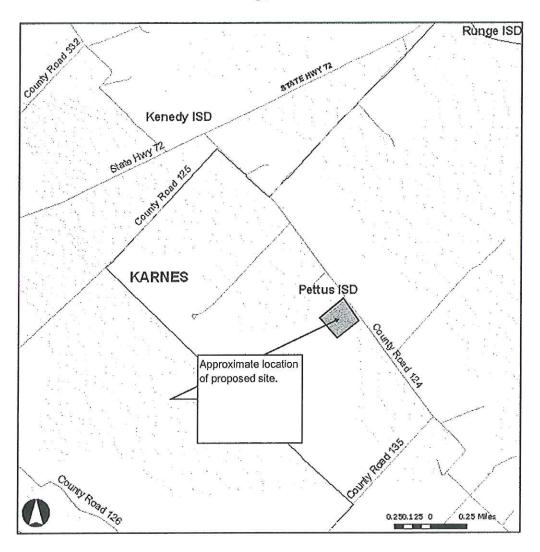
The KDB plant consists of the following main units and utility systems which are classified as "Qualified Investment"

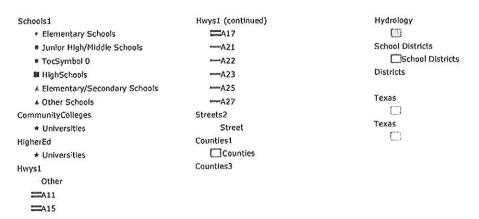
- Slug Catcher
- 180 MMCFD Cryogenic Gas Unit-consisting of:
  - o Inlet 3 Phase Separator
  - o Produced Water Separator
  - o Sales Gas Outlet Scrubber
  - o Sour Gas Preheater
  - o Amine Absorber and Regenerator
  - o Acid Gas Cooler
  - o Glycol Contactor
  - Sales Gas Compressors
  - o O/H Gas Compressor / Cooler Skid
  - o BTEX Removal Skid
  - Fuel Gas Conditioning Skid
  - o VRU Unit
  - o Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors I Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

Map of Qualified Investment



# Edwards Lime Processing, LLC - KDB Plant

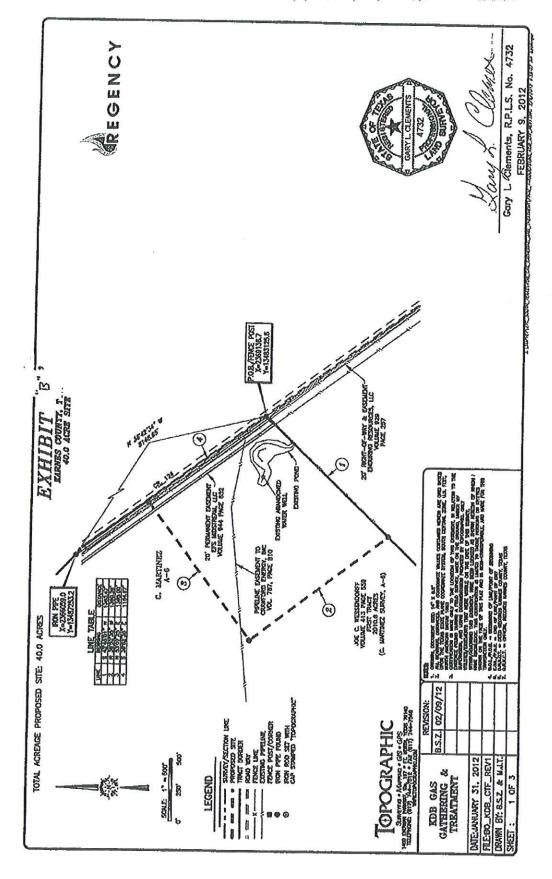


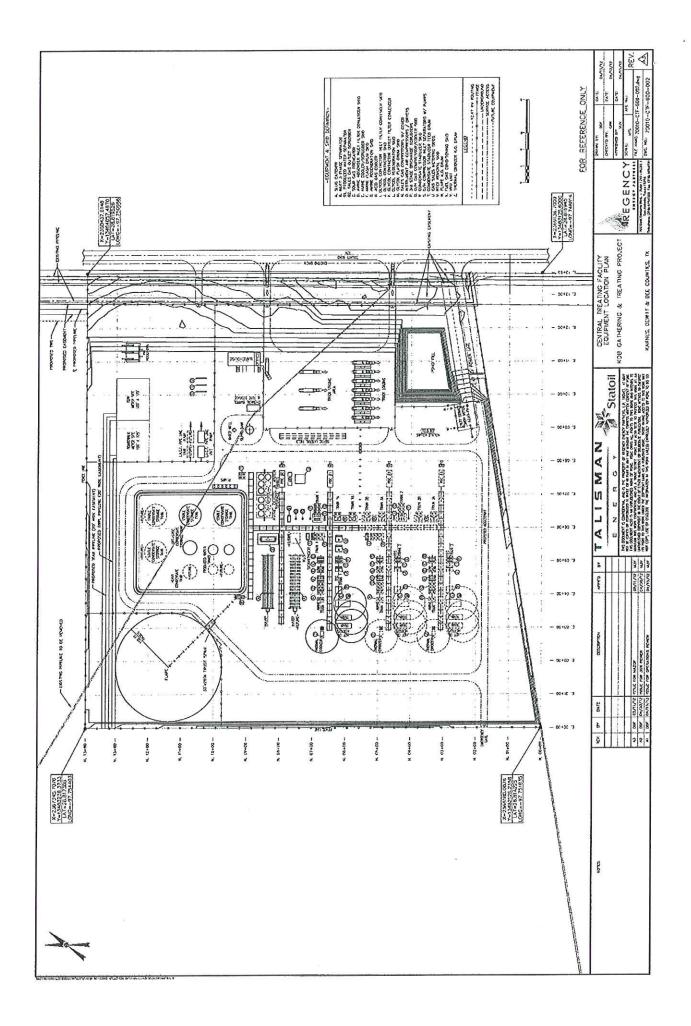


KDB Plant

County Road 124 southeast of Highway 72







#### **Description of Qualified Property**

The KDB plant consists of the following main units and utility systems which are classified as "QualifiedProperty"

- Slug Catcher
- 180 MMCFD Cryogenic Gas Unit-consisting of:
  - o Inlet 3 Phase Separator
  - o Produced Water Separator
  - Sales Gas Outlet Scrubber
  - o Sour Gas Preheater
  - o Amine Absorber and Regenerator
  - o Acid Gas Cooler
  - o Glycol Contactor
  - Sales Gas Compressors
  - O/H Gas Compressor / Cooler Skid
  - o BTEX Removal Skid
  - o Fuel Gas Conditioning Skid
  - o VRU Unit
  - o Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors I Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

# **Map of Qualified Property**

See Attachment 7

Description of Land

# EXHIBIT "A"



Metes and Bounds Description of a proposed 40.0 acre site located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, said proposed 40.0 acre site being further described as follows:

BEGINNING at a fence post found for the occupied East corner of said 2010.6 acre tract, from whence an iron pipe found on the Northeast line of said 2010.6 acre tract, and also being in the West right-of-way line of County Road 124, bears N 36°42'34" W, a distance of 5148.65 feet;

Thence S 43°45'01" W, a distance of 1383.47 feet to an iron rod set with cap stamped "Topographic";

Thence N 36°52'35° W, a distance of 1390.29 feet to an iron rod set with cap stamped "Topographic";

Theree N 53°0725" E, a distance of 1365,00 feet to an iron rod set with cap stamped "Topographic";

Thence S 36°52'35" E, a distance of 1164.97 feet to the POINT OF BEGINNING, and containing 40.0 acres more or less.

GARY L CLEWENTS
4732
BURNESSO

TOPOGRAPHIC

Gary L. Clemente, R.P.LS. No. 4732 FEBRUARY 9, 2012

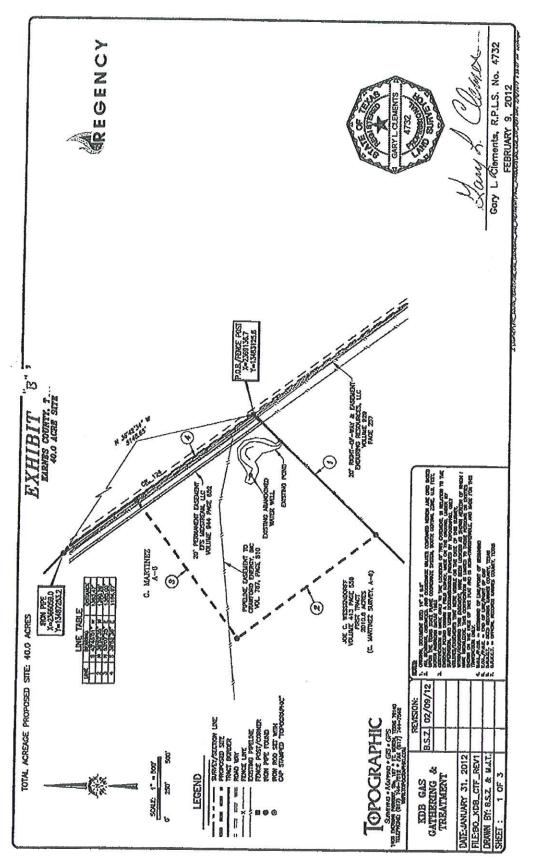
rule same lawyest on produce no exchangest restormed to an exchange product passes or some

KOB GAS
GATHERING & B.S.Z. 02/09/12
TREATMENT

DATE: JANUARY 31, 2012

DRAWN BY: 9.S.Z. & M.J.T.

SYEET: 2 OF 3



Detailed Map Showing Location of the Land with Vicinity Map

See Attachment 7

# **Description of All Existing Improvements**

Preliminary site surveying, preparatory work, fencing and improvement to access roads began in late May. The value of any existing improvements will not be included in the Application for Appraised Value Limitation.

## Calculation of Three Possible Wage Requirements

#### **ALL INDUSTRIES:**

# Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

Yea	r Period	Area	Ownershi	p 👌 Divisio	ո 🛭 և	evel 👌 Ind Co	de Andustry	Avg Weekly Wages
2011	1st Qtr	Karnes County		00	0	10	Total, All Industries	\$582
2011	2nd Qtr	Karnes County	Private	00	0	10	Total, All Industries	\$590
2011	3rd Qtr	Karnes County	Private	00	0	10	Total, All Industries	\$677
2011	4th Otr	Karnes County	Private	00	0	10	Total, All Industries	\$736

Year	Period	Avg We	ekly Wages
2011	1st Qtr	\$	582
2011	2nd Qtr	\$	590
2011	3rd Qtr	\$	677
2011	4th Qtr	\$	736
(-	Average	\$	646
	110%	\$	711

### MANUFACTURING:

### Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

<b>A</b> Yea	r APeriod	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Kames County	Private	31	2	31-33	Manufacturing	\$998
2011	2nd Qtr	Karnes County	Private	31	2		Manufacturing	\$965
2011	3rd Qtr	Karnes County	Private	31	2	31-33	Manufacturing	\$1,024
2011	4th Otr	Kames County	Private	31	2	31-33	Manufacturing	\$1,185

Year	Period	Avg We	ekly Wages
2011	1st Qtr	\$	998
2011	2nd Qtr	\$	965
2011	3rd Qtr	\$	1,024
2011	4th Qtr	\$	1,185
=	Average	\$	1,043
	110%	\$	1,147

2010 Manufacturing Wages by Council of Government Region Wages for All Occupations

	Wag	es
COG	Hourly	Annual
Texas		
1. Panhandle Regional Planning Commission	\$18.60	\$38,683
2. South Plains Association of Governments	\$16.21	\$33,717
3. NORTEX Regional Planning Commission	\$18.34	\$38,153
4. North Central Texas Council of Governments	\$23.45	\$48,777
5. Ark-Tex Council of Governments	\$15.49	\$32,224
6. East Texas Council of Governments	\$17.63	\$36,672
7. West Central Texas Council of Governments	\$17.48	\$36,352
8. Rio Grande Council of Governments	\$15.71	\$32,683
9. Permian Basin Regional Planning Commission	\$19.90	\$41,398
10. Concho Valley Council of Governments	\$15.33	\$31,891
11. Heart of Texas Council of Governments	\$17.91	\$37,257
12. Capital Area Council of Governments	\$25.37	\$52,778
13. Brazos Valley Council of Governments	\$15.24	\$31,705
14. Deep East Texas Council of Governments	\$15.71	\$32,682
15. South East Texas Regional Planning Commission	\$27.56	\$57,333
16. Houston-Galveston Area Council	\$24.52	\$51,002
17. Golden Crescent Regional Planning Commission	\$20.07	\$41,738
18. Alamo Area Council of Governments	\$17.28	\$35,952
19. South Texas Development Council	\$13.27	\$27,601
20. Coastal Bend Council of Governments	\$21.55	\$44,822
21. Lower Rio Grande Valley Development Council	\$14.35	\$29,846
22. Texoma Council of Governments	\$18.10	\$37,651
23. Central Texas Council of Governments	\$17.21	\$35,788
24. Middle Rio Grande Development Council	\$13.21	\$27,471

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

ALAMO AREA COUNCIL OF GOVERNMENTS

ANNUAL \$35,952 x 110% = \$39,547

WEEKLY \$35,952 / 52 = \$691.38 x 110% = \$760.52

### **ATTACHMENT 15**

### **Description of Benefits**

### Regency Energy Partners offers its employees the following benefits:

- 401K plan
- Medical
- Dental
- Vision
- RX Plan
- Flex Spending Account
- Life and AD&D insurance
- Paid Vacation, Sick, and Holidays
- Wellness Programs
- Employee Assistance Programs
- Extended Sick Leave

### ATTACHMENT 17 - 20

Schedules A - D

### Schedule A (Rev. May 2010): Investment

Form 50-296

Edwards Lime Gathering LLC Pettus ISD Applicant Name ISD Name

				PROPE	PROPERTY INVESTMENT AMOUNTS	2				
			2	stimated investme	(Estimated investment in each year, Do not put cumulative totals.)	mufative totals,)				
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year bolow)	Column A: Tangible Personal Property The amount of new investment nonemovable component (original cost) placed in service of building (annual amount during this year only).	Column B: Building or permanent nonremovable component of building (anneal amount only)	Cotumn 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 inpact and total value	Total	Column E: Total Investment (A+8+0)
	Invostment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	lication igible to	2012-2013	2012	000'05	· ·		67	w	20,000
the year preceding the first complete tax year of the qualifying time period	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	ation of perty)	2012-2013	2012	\$ 6,400,000	v			vs	6,400,000
(assuming no deferrais)	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)	of te tax	2012-2013	2012	\$ 57,600,000	v)	\$ 57,600,000	·	w	57,500,000
	Complete tax years of qualifying time	-	2013-2014	2013	\$ 15,000,000		\$ 16,000,000	69	vs	16,000,000
	pound	2	2014-2015	2014				,	69	1
		6	2015-2016	2015						
		4	2016-2017	2016			清 计 原 的 一 一 一			
		ın	2017-2018	2017						
Tax Credit Perfor	Make I believed to the Make	9	2018-2019	2018						
(with 50% cap on	POINT INTERIOR	7	2019-2020	2019						
credit)		w	2020-2021	2020						
		თ	2021-2022	2021						
		10	2022-2023	2022			Sold and the second			
		11	2023-2024	2023						
Credit Settle-Up	Continue to Maintain Viable Presence	12	2024-2025	2024				-		
		13	2025-2026	2025						
	Past- Settle-Up Period	14	2026-2027	2026			· · · · · · · · · · · · · · · · · · ·			
	Post- Settle-Up Period	15	2027-2028	2027			が 一般の でんどう はんしん			

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 proporty the applicant considers qualified investment, please list amount invested each year, not cumulative totals.

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.

For the years outside the qualifying time period, this number should simply represent the planned investment for Troplacement furning 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 B:

For the years outside the qualitying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Dolfar 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. Column D:

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualitying 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.

SIGNATURE OF ANTHORIZED COMPANY REPRESENTATIVE

6-4-2012 DATE

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

Form 50-296

Edwards Lime Gathering LLC Applicant Name ISD Name

Pettus ISD

				ė.		Qualified Property	erty	Reductions from Market Value	Estimated Ta	Estimated Taxable Value
	341	Year	School Year (YYYY-YYYY)	Fax 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 porsonal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for IcS after all reductions	Final taxable value for M&Q-after all reductions
		pre- year 1	2012-2013	2012	49,500				49,500	49,500
	Complete tax	1	2013-2014	2013	49,500	1	64,000,000	3,200,000	60,849,500	60,849,500
	time period	2	2014-2015	2014	49,500	ı	78,100,000	3,900,000	74,249,500	74,249,500
		3	2015-2016	2015	49,500	•	75,700,000	3,800,000	71,949,500	10,000,000
		4	2016-2017	2016	49,500	,	73,400,000	3,700,000	69,749,500	10,000,000
		5	2017-2018	2017	49,500	•	71,200,000	3,600,000	67,649,500	10,000,000
Tax Credit	Value Limitation	9	2018-2019	2018	49,500	1	69,100,000	3,500,000	65,649,500	10,000,000
Period (with 50% cap on	Period	7	2019-2020	2019	49,500	•	67,000,000	3,400,000	63,649,500	10,000,000
credit)		80	2020-2021	2020	49,500	-	65,000,000	3,300,000	61,749,500	10,000,000
		б	2021-2022	2021	49,500	•	63,100,000	3,200,000	59,949,500	10,000,000
		10	2022-2023	2022	49,500	•	61,200,000	3,100,000	58,149,500	10,000,000
:	Continue to	11	2023-2024	2023	49,500	-	59,400,000	3,000,000	56,449,500	56,449,500
Creat Settle-Up	Σ	12	2024-2025	2024	49,500	-	57,600,000	2,900,000	54,749,500	54,749,500
	Presence	13	2025-2026	2025	49,500	•	95,900,000	2,800,000	53,149,500	53,149,500
Post- Sett	Post- Settle-Up Period	14	2026-2027	2026	49,500	-	54,200,000	2,700,000	51,549,500	51,549,500
Post- Sett	Post- Settle-Up Period	15	2027-2028	2027	49,500	1	52,600,000	2,600,000	50,049,500	50,049,500
	1 4	***				-				

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.

2102-4-9

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

## Schedule C- Application: Employment Information

Applicant Name Edwards Lime Gathering LLC ISD Name Pettus ISD

					Construction	ction	New	New Jobs	Qualifying Jobs	Jobs
		Year	School Year	Tax Year (Fill in actual lax year)	Column A: Number of Construction FTE's or man-	Column 8: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create formulative)	Column D: Average annual wage rate for all	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column F: Average annual wage of qualifying
		pre-year 1	2012-2013	2012	130 FTE	65,500				
	Complete tax years of	-	2013-2014	2013	25 FTE	65,500	12	51,000	4	55,000
_	qualifying time period	2	2014-2015	2014			12	51,000	10	55,000
		3	2015-2016	2015			12	51,000	10	55,000
		4	2016-2017	2016			12	51,000	10	55,000
		ທ	2017-2018	2017			12	51,000	10	55,000
Tax Credit Period   Value Limitation	Value Limitation	9	2018-2019	2018			12	51,000	10	55,000
(with 50% cap on	Period	7	2019-2020	2019			12	51,000	10	55,000
credit)		80	2020-2021	2020			12	51,000	10	55,000
		6	2021-2022	2021			12	51,000	10	55,000
		10	2022-2023	2022			12	51,000	10	55,000
	Confinite to	1	2023-2024	2023			12	51,000	10	55,000
Credit Settle-Up Period	Maintain Viable	12	2024-2025	2024			12	51,000	10	95,000
	Presence	13	2025-2026	2025			12	51,000	10	55,000
Post- Settle-Up Period	-Up Period	14	2026-2027	2026			12	51,000	10	55,000
Post- Settle-Up Period	-Up Period	15	2027-2028	2027			12	51,000	10	55,000

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

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.

5-4-2012

SIGNATURE OP BUTTONIZED COMPANY REPRESENTATIVE

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

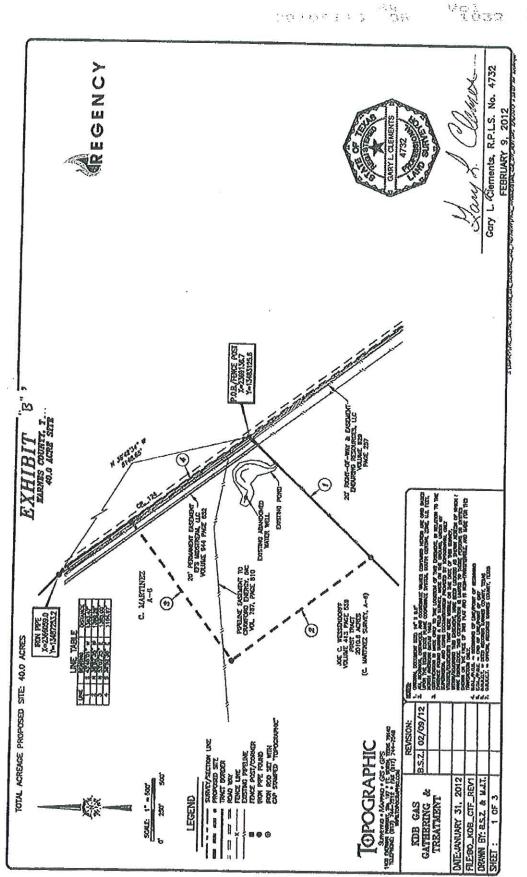
Franchise Tax   County   City   Hospital	Name	Edwards Lime Gathering LLC	Gatherir	ig LLC		Sales Ta	Sales Tax Information	ISD Name Franchise Tax	Pettus ISD oth	Form 5 Other Property Tax Abatements Sought	Abatements S	Form 50-296 Sought
Part   Part						Sales Taxa	ble Expenditures	Franchise Tax	County	City	Hospital	Other
Complete tax			Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
Complete tax years of Period         1         2013-2014         2013         1,120,000         14,880,000         158,000         50%           qualifying time period         2         2         2014-2015         2014         100,000         200,000         200,000         50%           Yalue Limitation         6         2015-2014         2015         100,000         200,000         200,000         200,000           Yalue Limitation         6         2015-2019         2018         100,000         200,000         200,000         200,000           Yalue Limitation         6         2018-2019         2018         100,000         200,000         200,000         200,000           Yalue Limitation         7         2019-2020         2019         100,000         200,000         201,000         200,000           Yalue Limitation         8         2018-2019         2019         100,000         200,000         211,000         200,000           Yalue Limitation         10         2022-2023         2021         100,000         200,000         212,000         212,000           Yalue Limitation         11         2022-2023         2024         100,000         200,000         212,000         212,000 <t< td=""><td>The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)</td><td></td><td></td><td>2012-2013</td><td>2012</td><td>4,480,000</td><td>59,520,000</td><td>,</td><td>%05</td><td></td><td>20%</td><td></td></t<>	The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2012-2013	2012	4,480,000	59,520,000	,	%05		20%	
Qualitying unitarious prind period         2         2014-2015         2014         100,000         200,000         195,000         50%         7           4         2015-2017         2016         100,000         200,000         200,000         50%         7           Value Limitation Period         6         2017-2018         2017         100,000         200,000         205,000         50%         7           Value Limitation Period         6         2018-2019         2018         100,000         200,000         207,000         205,000		Complete tax years of	۲	2013-2014	2013	1,120,000	14,880,000	156,000	20%		20%	
Value Limitation Period         3         2015-2016         2015         100,000         200,000         200,000         50%         Period           Value Limitation Period         6         2017-2018         2017         100,000         200,000         205,000         205,000         205,000           Value Limitation Period         7         2018-2019         2018         100,000         200,000         207,000         207,000         207,000           A since Limitation Period         7         2018-2021         2019         100,000         200,000         211,000         211,000         211,000         211,000         211,000         212,000<		qualitying trie period	2	2014-2015	2014	100,000	200,000	195,000	20%		20%	
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Value Limitation Period         6         2017–2018         2017         100,000         200,000           Period Period         7         2019-2020         2019         100,000         200,000           8         2020-2021         2020         100,000         200,000           9         2021-2022         2021         100,000         200,000           Continue to Presence         11         2022-2023         2022         100,000         200,000           Maintain Viable Presence         13         2025-2026         2024         100,000         200,000           40-Up Period         14         2025-2026         2025         100,000         200,000           40-Up Period         15         2025-2026         2025         100,000         200,000           40-Up Period         15         2025-2026         2025         100,000         200,000			4	2016-2017	2016	100,000	200,000	204,000	20%		20%	
Value Limitation         6         2018-2019         2018         100,000         200,000           Period         7         2019-2020         2019         100,000         200,000           8         2020-2021         2020         100,000         200,000           9         2021-2022         2021         100,000         200,000           Continue to Presence         11         2023-2024         2023         100,000         200,000           Maintain Viable Presence         13         2025-2026         2024         100,000         200,000           Ide-Up Period         14         2026-2027         2026         100,000         200,000           Ide-Up Period         15         2026-2027         2026         100,000         200,000           Ide-Up Period         15         2027-2028         2027         100,000         200,000			S.	2017-2018	2017	100,000	200,000	205,000				
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S   2021-2022   2021   100,000   200,000	credit)		ω	2020-2021	2020	100,000	200,000	211,000				
Continue to Period         10         2022-2023         2022         100,000         200,000           Maintain Viable Presence He-Up Period         12         2024-2025         2024         100,000         200,000           Me-Up Period         13         2025-2026         2025         100,000         200,000           Me-Up Period         15         2027-2028         2027         100,000         200,000			σ	2021-2022	2021	100,000	200,000	212,000				
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15 2027-2028 2027 100,000 200,000	Post- Sett	le-Up Period	14	2026-2027	2026	100,000	200,000	212,000				
	Post- Sett	le-Up Period	15	2027-2028	2027	100,000	200,000	212,000				

"For planning, construction and operation of the facility.

SIGNATURE OF BYTHORIZED COMPANY REPRESENTATIVE

### **ATTACHMENT 21**

Map of Reinvestment Zone



TOPOGRAPHIC EDB GAS GATERRING & TREATMENT LEGEND 85Z 02/07/12 LINE TABLE EXHIBIT 'D' C medica comes: v-d)
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to and med on Gary L. Clemants, R.P.L.S. No. 4732 REGENCY FEBRUARY 7, 2012

ACT TO A SOUTH

### **ATTACHMENT 22**

Order, Resolution, or Ordinance Establishing the Zone

### **COUNTY OF KARNES**

### STATE OF TEXAS

AN ORDER DESIGNATING 40 ACRES LOCATED IN THE C. MARTINEZ SURVEY, A-6, KARNES COUNTY, TEXAS, AND BEING A PORTION OF A 2010.6 ACRE TRACT, RECORDED AS THE FIRST TRACT IN VOLUMEN 413, PAGE 559, OFFICIAL RECORDS, KARNES COUNTY, TEXAS AND 10 ACRES LOCATED IN THE C. MARTINEZ SURVEY, A-6, KARNES COUNTY, TEXAS AND BEING A PORTION OF A 2010.6 ACRE TRACT. RECORDED AS THE FIRST TRACT IN VOLUMEN 413, PAGE 559, OFFICIAL RECORDS, KARNES COUNTY, TEXAS AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE

WHEREAS, the Commissioners Court of the County of Karnes desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in distressed areas of the County and to provide employment opportunities within such areas; and

WHEREAS, the Commissioners Court finds that the 40 acre tract indicated on Exhibit "A" and Exhibit "B" and the 10 acre tract indicated on Exhibit "C" and Exhibit "D" ("the property"), which are incorporated herein for all purposes, are within the County of Karnes; and

WHEREAS, the Commissioners Court finds that the improvements planned for the property are feasible and practical and would be a benefit to the area after expiration of any subsequent tax abatement agreement; and

WHEREAS, the Commissioners Court finds that the designation of the area as a reinvestment zone is likely to contribute to the retention and expansion of primary employment, and is likely to attract major investment in the area; and

WHEREAS, after notice was published in accordance with Texas Tax Code 312.401(b) and 312.201(d), a public hearing was held to consider this order on March 31, 2010; and

WHEREAS, the Commissioners Court finds that it is in the County's interest to designate the property as a reinvestment zone pursuant to Texas Tax Code 312.401;

### NOW, THEREFORE BE IT ORDERED BY THE COMMISSIONERS COURT OF THE COUNTY OF KARNES, TEXAS:

Section 1. That the County hereby designates the 40-acre tract of real property located in Karnes County and described in the metes and bounds description and survey map attached hereto as Exhibit "A" and Exhibit

"B" respectively, and legally described as: 40 acres located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas AND the 10-acre tract of real property located in Karnes County a described in the metes and bounds description and survey map attached hereto as Exhibit "C" and Exhibit "D" respectively, and legally described as: 10 acres located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, as a reinvestment zone.

- Section 2. That the County finds that the designation of the area as a reinvestment zone is likely to contribute to the retention and expansion of primary employment, and is likely to attract major investment in the area, and will contribute to the economic development of the County.
- Section 3. That the County finds that the property meets the legal qualifications necessary to receive designation as a reinvestment zone pursuant to Chapter 312 of the Texas Tax Code.
- Section 4. That this order shall take effect from and after its passage as the law in such case provides.
- Section 5. If any clause or provision of this order shall be deemed to be unenforceable for any reason, such unenforceable clause of provision shall be severed from the remaining portions of the order, which shall continue to have full force and effect.

PASSED AND APPROVED on the 30th day of April 2012.

Barbara Najvar Shaw '

County Judge, Karnes County

ATTEST:

2

### **ATTACHMENT 23**

Legal Description of Reinvestment Zone

### EXHIBIT "A" KARNES COUNTY, TEXAS LEGAL DESCRIPTION



Metes and Bounds Description of a proposed 40.0 acre site located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, said proposed 40.0 acre site being further described as follows:

BEGINNING at a fence post found for the occupied East corner of said 2010.6 acre tract, from whence as fron pipe found on the Northeast line of said 2010.6 acre tract, and also being in the West right-of-way line of County Road 124, bears N 36°42'34" W, a distance of 5148.65 feet;

Thence S 43°45'01" W, a distance of 1383.47 feet to an iron rod set with cap stamped "Topographic":

Thence N 36°52'35" W, a distance of 1390.29 feet to an Iron rod set with cap stamped "Topographie";

Thence N 53"0725" E, a distance of 1365.00 feet to an iron rod set with cap stamped "Topographic";

Theree S 36°52'35" E, a distance of 1164.97 Ret to the POINT OF BEGINNING, and containing 40.0 acres more or less.

GARY L CLEMENTS

TOPOGRAPHIC

Gary L Clements, R.P.L.S. No. 4732 FEBRUARY 9, 2012

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GATHERING & TREATMENT	B.S.Z.	02/09/12	
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EXHIBIT "C"



Might Til

Merces and Bounds Description of a proposed 10.0 acre site located in the C. Martinez Survey, A.-G. Kames County, Texas and being a portion of a 2010.6 acre truct, recorded as the First Tract in Volume 413, Page 559, Official Records, Kames County, Texas, said proposed 10.0 acre site being further described as follows:

BEGINNING at an fence pow found for the occupied North corner of said 2010.6 acre treet, from whence an Iron pipe found at a fence corner for the Wart corner of said 2010.6 acre tract beats \$ 45°54'24" W, a distance of 11218.20 feet;

Thence S 46°01'53" E, a distance of 641.64 feet to an iron rod set with cap stamped "Topographic";

Thence S 43"11'50" W, a distance of 660.06 feet to an iron tod set with cap stamped "Topographic";

Thenco N 46°01'53" W. a distance of 660,06 feet to feet to an iron rod set with esp stamped "Topographic";

Thence N 43"11'50" E, a distance of 620.09 feet to an iron rod set with cap stamped "Topographic",

Thence Thence N 68°04'21° E, a distance of 43.79 feet to the POINT OF BEGINNING, and containing 10.0 acres more or less.

OFFICE OFFI

TOPOGRAPHIC

Gory L. Clements, R.P.L.S. No. 4732 FEBRUARY 9, 2012

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GATHERING & TREATMENT	8.5.Z	02/09/12
DATE: JANUARY 31, 2012		
FRE:BO_X00_CRP-B_REVI		
DRAWN BY: B.S.Z.		
SHEET: 2 OF 3		

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### **ATTACHMENT 24**

**Guidelines and Criteria for Reinvestment Zone** 

### Tax Abatement Guidelines and Criteria For Karnes County

Modified on 2/12/10 by:

### **Table of Contents**

Section 1	Definitions	3
Section 2	Abatements Authorized	6
Section 3	Application	1 2
Section 4	Agreement	1 3
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### Section 1 - Definitions

<u>ABATEMENT</u>means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the County or City for economic development purposes.

AGREEMENT means a contractual agreement between a property owner and/ or lessee and the affected jurisdiction for the purpose of tax abatement.

<u>AFFECTED JURISDICTION</u>means Karnes County and any city and school district located in Karnes County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Karnes County or the City of XXXX.

AQUACULTURE/AGRICULTURE FACILITY means building, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching, incubation, nursing, maturing and/ or processing to marketable size aquatic culture in commercially marketable quantities or the processing, refining, packaging, and distribution of food and/ or fiber products in commercially marketable quantities.

AVERAGE HOURLY WAGE means the total annual hourly wages (including base pay, shift differential and overtime) divided by total annual hours worked (full-time and full-time equivalent). Wages paid and hours worked are restricted to the XXXX facility. Highly compensated employees hours and wages will be excluded from this calculation.

BASE YEAR VALUE means improvements necessary for continued operations that do not improve productivity or alter the process technology.

<u>CAPITAL INVESTMENT</u>means the value of new, expanded, replaced or upgraded facilities and fixtures as appraised and established by the Karnes County Appraisal District for ad valorem tax purposes.

CITY means City of XXXX.

<u>COMMERCIAL ENTERPRISE</u> means a business unit whose primary function is retail commercial or service sector oriented and is legally operating within Karnes County.

<u>COMMITTEE</u>shall mean the Karnes County Economic and Community Development Corporation's (KCE & CDC's) Executive Committee.

COUNTY means Kames County.

<u>DEFERRED MAINTENANCE</u> means improvements necessary for continued operations that do not improve productivity or alter the process technology.

<u>DISTRIBUTION CENTER</u> is the same term as DISTRIBUTION CENTER FACILITY.

<u>DISTRIBUTION CENTER FACILITY</u> means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of the revenues generated by the activity at the facility are derived from outside Karnes County.

ECONOMIC LIFE means the number of years a property improvement is expected to be in service in a facility.

<u>ENTERTAINMENT/TOURISM FACILITY</u> means buildings and structures, including machinery and equipment, used or to be used to provide entertainment and/ or tourism related services.

<u>EXPANSION</u> means the addition of building, structures, machinery or equipment for purposes of increasing production capacity.

<u>FACILITY</u> means property improvements completed or in the process of construction which together comprise an integral whole.

<u>FULL-TIME EQUIVALENT (FTE)</u> means permanent employment for at least 624 hours or more per year or 12 hours or more per week per person on an annualized basis. Two half time or three one third time jobs equal one full-time job.

<u>FULL-TIME JOB</u> is defined by the State of Texas as permanent employment for 1820 hours or more per year or 35 hours or more per week per person on an annualized basis.

<u>HIGHLY COMPENSATED EMPLOYEES</u> as defined by the Fair Labor Standards Act hours and wages will be excluded from the calculation of the facility's overall average hourly wage.

<u>INDUSTRIAL ENTITY (or INDUSTRIAL FACILITY)</u> means a business unit whose primary function is manufacturing and/ or distribution only.

INITIATING GOVERNING BODY shall be either the XXXX City Councilor the Karnes County Commissioner's Court depending on whether Applicant's project is located in the City of XXXX or within Karnes County but outside the City of XXXX.

JOB (or JOBS) means a permanent position held by one employee or multiple full-time equivalent employees.

MANUFACTURING FACILITY means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

MODERNIZATION means the upgrading and or replacement of existing facilities which increases the productive input or cost of operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

MULTI-FAMILY HOUSING FACILITY means a building or business containing dwelling units designed to be leased to residential tenants. To qualify as a "multi-family housing facility" the facility must provide not less than two (2) housing units for lease.

<u>NEW FACILITY</u> means a property previously undeveloped which is placed in to service by means other than or in conjunction with expansion or ill Odernization.

OFFICE BUILDING means office building.

OTHER BASIC INDUSTRY means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and result in the creation of new permanent jobs and create new wealth into the county.

<u>PETROCHEMICAL FACILITY</u> means a business or industrial unit whose primary function is the processing, refining, or transportation of petroleum-based products.

<u>PRODUCTIVE LIFE</u> means the number of years a property improvement is expected to be in service in a facility.

<u>REGIONAL SERVICE FACILITY</u> means buildings and structures, including machinery and equipment used or to be used to service goods where a majority of the goods being serviced are domiciled at least 25 miles from the facility's location in Karnes County.

REGIONAL TELECOMMUNICATIONS OR DATA PROCESSING FACILITY
Means buildings or structures used to consolidate and/ or coordinate
telecommunications or data processing transactions that are initiated from
locations outside the territorial boundaries of the applicable taxing jurisdiction.

<u>REINVESTMENT ZONE</u> means an area of the City of XXXX or County of Karnes designated as a reinvestment zone in accordance with the criteria and procedures set forth in Chapter 312 of the Texas Tax Code.

RESEARCH FACILITY means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

<u>RETAIL FACILITY</u> means a business unit whose primary function is the sale of goods, products, or services to the public at large.

SCHOOL DISTRICT means XXXX Independent School District.

<u>SERVICE FACILITY</u> means buildings and structures, including fixed machinery and equipment, used to provide a service.

<u>TOURISM ENTITY</u> means a business unit whose primary function is entertainment, recreation or education leading to the promotion of tourism.

### Section 2 - Abatements Authorized

- A. <u>Eligible Facilities</u>: A Facility may become eligible for abatement if it is Located within a designated Reinvestment Zone and is a:
  - 1. Manufacturing or Industrial Facility.
  - Research Facility.
  - 3. Distribution Center Facility.
  - 4. Regional Service Facility.

- Regional Entertainment or Tourist Facility Including Hotels and Motels.
- 6. Other Basic Industry.
- Multi-Family Housing Facility.
- Office Building or Office
- Aquaculture or Agriculture Facility.
- 10. Petrochemical Facility
- 11. Regional Telecommunication or Data Processing Facility.
- 12. Retail Facility, including Restaurants, Health Care and Financial Institutions.
- B. Effect of Commencement of Construction: A reinvestment zone or a tax abatement agreement shall not be established if it is found that the application for designation of a reinvestment zone and! or the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- C. <u>Abatement of New Value</u>: Abatement may only be granted for the additional value of eligible property improvements made subsequent to an application for tax abatement. Eligible property improvements must be in the abatement application and must be included in the tax abatement agreement between the governmental entity and the property owner and lessee, subject to such limitation as the governmental entity may require.
- D. New and Existing Facilities: Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

- E. Property Value Eligible for Abatement: Abatement may be extended to the value of improvements to Real Property as defined by the Karnes County Appraisal District including building, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility. The taxing jurisdictions may also agree for the abatement of the following:
  - 1) Inventories
  - 2) Supplies
  - 3) Tools
- F. <u>Ineligible Property</u>: The following types of property shall be fully taxable and ineligible for abatement:
  - 1. Land.
  - 2. Furnishings and other forms of movable personal property.
  - 3. Vehicles.
  - 4. Watercraft.
  - Aircraft.
  - 6. Deferred Maintenance Investments.
  - Property to be rented or leased except as provided in Section 2, G.
  - Improvements for the generation and transmission of electrical energy the majority of which is not consumed by a new facility or expansion.
  - Any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility.
  - 10. Property owned or used by the State of Texas, Federal, or Foreign government or one of their political subdivisions.
  - Property owned by any organization that is owned, operated or directed by a political subdivision.
- G. Owned or Leased Facilities: If a leased facility is granted abatement, the agreement shall be executed with the lessor and lessee.

H. <u>Economic Qualification</u>: In order to be eligible for tax abatement, the planned new facility or planned expansion of an existing facility must;

 Be reasonably expected to increase the value of the property a minimum of \$75,000.00 after completion of construction or within two years after the abatement agreement is entered into, whichever is earlier.

2. Be reasonably expected to prevent the loss of employment, retain, or create employment for at least five (5)\* people on a full time permanent basis at the site of the eligible facility.

3. Be necessary because capacity cannot be provided efficiently utilizing existing improved property.

 Be reasonably expected to contribute to the economic development of the reinvestment zone and the City and County.

 Must not be expected to solely or primarily have the effect of transferring employment from one part of Karnes County to another.

\*Minimum number of jobs may be waived for Multi-Family Housing Facility.

- I. <u>Abatement Considerations</u>: Abatement may be granted for up to 100% of the value of eligible property. The following factors will be considered in determining the percentage of the abatement:
  - Number of jobs and type created or retained (permanent full time qualifying for Abatement percentages plus part timers or temporary hires) in excess of the minimum required herein.
  - 2. Capital investment amounts, type and expected economic life of eligible property in excess of the minimum required here.
  - 3. Level of wages to be paid to employees and whether new jobs created will be filled by persons residing in or projected to reside in Karnes County.
  - Capital investment amounts, type and expected economic life of new taxable property to be included in the project.
  - 5. Sales Taxes, hotel taxes or other incomes or projected population growth that would be generated by the project to the benefit of governmental entities.
  - 6. Off site infrastructure investment by applicant.

- 7. Off site infrastructure investment by County, City, or other public entities in order to serve the project.
- 8. Use of City utilities where available (i.e. water, wastewater).
- 9. Whether proposed improvements compete with existing businesses to the detriment of the local economy or adversely impact the business opportunities of existing businesses.
- 10. Whether the project is environmentally compatible with the community.

The applicable governmental entity shall have the authority to determine the percentage of tax abatement according to the above criteria in order to:

- 1. Accomplish their economic development goals;
- Insure that governmental entities are not hampered in their delivery of services; and
- 3. Insure that the property tax burden is not shifted to present taxpayers without offsetting advancement of a public purpose.
- J. <u>Denial of Abatement</u>: No Abatement Agreement shall be authorized if it is determined that:
  - (1) There would be a substantial adverse affect on the tax base or costs associated with the providing of government services.
  - (2) The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.
  - (3) The planned or potential use of the property would constitute a hazard to public safety, health or morals.
  - (4) Granting an Abatement might lead to the violation of other codes or laws.
  - (5) For any other reason deemed appropriate by KCE & CDC's Executive Committee, or applicable governmental entity.
- K. <u>Review</u>: C E & CDC's Executive Committee will review tax abatement applications and make recommendations on the percentage, duration

and supplemental performance requirements (if any) of the proposed Abatement to the appropriate governmental entities for approval.

- L. <u>Term of Abatement</u>: Abatement shall be granted for a term of up to ten (10) consecutive years, effective with January 1 valuation date immediately following the date of execution of the Abatement Agreement.
- M. <u>Abatement</u> Guidelines: KCE & CDC's Executive Committee in determining the recommended Abatement will use the following guidelines:

Number of Nev	w Jobs or		Abatem	ent Am	ounts P	er Year	•
New Capital	Investment	1	2	3	4	5	6-10
5* to 10	\$75,000 to \$150,000	100	75	50	30	15	0
11 to 25	\$150,001 to \$300,000	100	80	60	40	20	0
26 to 50	\$300,001 to \$600,000	100	90	70	50	25	15
51 & Above	\$600,001 & Above	100	100	75	50	50	25

\* 200 & Above; \$6,000,000 & Above 95(1) 9

distribution

95(1) 90(2) 85(3) 80(4) 75(5)

70(6) 65(7) 60(8) 55(9) 50(10)

Once the minimum number of new jobs (5)\* and/ or the minimum capital investment level (\$75,000) is met, the abatement percentage amounts to be recommended may be based either on the number of new jobs or the new capital investment level.

<u>In addition</u> to the abatement percentages cited above, an additional 1%

may be added for each payroll unit of \$25,000 or more (i.e. each employee earning \$25,000 per year) up to a maximum of 25%. Abatement amounts may not exceed 100% or go beyond ten years with

the maximum abatement for the tenth year being 50%.

\*Minimum number of jobs may be waived for Multi Family Housing Projects.

<u>In addition</u> to the criteria cited above, KCE & CDC's Executive Committee

may recommend and each applicable governmental entity may individually approve adding or subtracting abatement percentage amounts based on Abatement Considerations cited in Section 2, 1.

N. <u>Taxability</u>: From the execution of the abatement contract to the end of

the agreement period, taxes shall be payable as follows:

The value of the ineligible property as described in Section
 F shall be fully taxable.

2. The base year value of existing eligible properties as determined

each year shall be fully taxable.

3. The additional value of eligible properties shall be taxable at the non-abated percentage of their value as determined by the applicable governmental entity based on recommendations made by KCE & CDC's Executive Committee and the guidelines cited above and shall be fully taxable at the end of the Abatement period.

### Section 3 - Application

- A. Written Application: Any present or potential owner of taxable property in an affected jurisdiction may request the creation of a Reinvestment Zone and Tax Abatement by filing a written request with the affected jurisdictions and attaching a plat and metes and bounds description effectively describing said Reinvestment Zone. Applicants may request Tax Abatement by filing a written application with the City Administrator, City Secretary, or County Clerk (or his/her designated representative) of the appropriate jurisdiction. Appropriate jurisdictional staff will review the application for completeness and accuracy and submit it to KCE & CDC's Executive Committee for consideration. KCE & CDC's Executive Committee will then meet to consider the application and develop a recommendation to the appropriate jurisdictions.
- B. Contents of Application: The application shall consist of;
  - 1. A completed application form accompanied by a general description of the new improvements to be undertaken.
  - 2. A descriptive list of the improvements for which the Abatement is requested.
  - 3. A list of the kind, number, and location of all proposed improvements of the property.
  - 4. A map and property description.
  - 5. A time schedule for undertaking and completing the proposed improvements.

In the case of a modernization or expansion project, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the taxing jurisdiction deems appropriate for evaluating

- the financial capacity and other relevant factors of the applicant.
- C. Written Notification to Governmental Bodies: Upon receipt of a completed application, the City Administrator, City Secretary, or County Clerk (or his/her designated representative) of the appropriate jurisdiction shall forward a copy of the application to the presiding officer of the governmental jurisdictions having jurisdiction of the property covered by the applications.
- D. <u>Feasibility</u>: After receipt of an application for tax abatement, the taxing jurisdiction, KCE & CDC's Executive Committee, and the Karnes County Chief Appraiser shall jointly consider the feasibility and the impact of the proposed Tax Abatement. The review of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the governmental jurisdictions and property to be covered by such Abatement.

### Section 4 - Agreement

- A. <u>Contents of Tax Abatement Agreement:</u> The Tax Abatement Agreement with the owners of the facility shall include:
  - 1. A list of the kind, number, and location of all proposed improvements of the property.
  - 2. Provision for access to and authorized inspection of the property by municipal or county employees to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement. All inspections shall be conducted in a manner that does not unreasonably interfere with the construction or operation of the facility; provided, however, the City or County may conduct inspections without advance notification to applicant. A representative of applicant shall have the right to be present during any such inspection. Any inspection shall be conducted in accordance with accepted safety standards.
  - 4. Provisions to limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of

the Reinvestment Zone during the period that property tax exemptions are in effect.

- 5. Provisions for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement.
- The estimated value to be subject to Abatement.
- 6. The percentage of value to be abated each year as provided in Section 2.
- 7. The commencement date, and termination date of the Agreement.
- 8. The proposed use of the facility, nature of construction, time schedule, and map property description, as provided in the application.
- 9. The amount of capital investment, and minimum number of jobs created by the project.
- Reporting requirements, including periodic capital investment reports during construction and periodic manpower reports from applicant's personnel officer confirming the number of additional employees added and retained as a result of the capital investment.
- 11. Applicant shall warrant that the information provided to the taxing jurisdictions are true and correct, and that any materially false or misleading information that is provided on the application or, in any periodic report to the taxing jurisdictions, may be grounds for the termination of the existing Tax Abatement and possible liability for the capture of past taxes normally due.
- 12. If the applicant is a City utility customer, the applicant agrees to remain a City utility customer during the abated period, and maintain currency on City utility bill payment for the period of the Abatement.

Agreements with multiple owners in a single designated Reinvestment Zone must have identical terms.

- B. <u>Additional Fees</u>: Extraordinary additional fees incurred by governmental bodies in preparation of Tax Abatement Agreements will be paid by the applicant upon execution of the Agreement.
  - C. Notice of Agreement: Not later than the seventh day before the date on which the City Councilor County considers an agreement, the City Administrator, City Secretary, or County Clerk (or his/her designated representative) shall deliver to the presiding officer of the governing body of each taxing jurisdiction in which the property is located, a written notice that the City I County intends to enter into the Agreement. The notice must include a copy of the proposed Agreement and shall be hand delivered or sent by certified mail.

### Section 5. Recapture

- A. In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of six (6) months during the Abatement period, then the Abatement Agreement shall terminate and so shall the Abatement of the taxes for the current and any future calendar year during which the facility no longer produces. The taxes that were to be abated for that calendar year shall be paid to the affected jurisdictions within 60 days from the date of termination.
- B. Should the governing body determine that the company or individual is in default according to the terms and conditions of its Agreement, the governing body shall notify- the company or individual in writing at the address stated in the Agreement, and if such is not cured within 60 days from the date of such notice (Cure Period), then the Agreement may be terminated.
- C. In the event that the company or individual (1) allows its unabated ad valorem taxes owed any of the affected jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/ or contest, or (2) violates any of the terms and conditions of the Abatement Agreement with any of the affected jurisdictions and fails to cure during the Cure Period, the Agreement then may be terminated by every affected jurisdiction and all taxes previously abated by virtue of every Agreement will be recaptured by each affected jurisdiction and shall be paid by the applicant to each affected jurisdiction within 60 days of the termination.

Section 6 - Administration

- A. The Chief Appraiser of the Karnes County Appraisal District shall annually determine an assessment of the real and personal property comprising the Reinvestment Zone. Each year the company or individual receiving Abatement shall furnish the assessor with such information as may be necessary for Abatement, including the number of new or retained employees associated with the facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions, which levies taxes on the amount of the assessment.
- B. The Agreement shall stipulate that employees and/or designated representatives of the jurisdiction establishing the Reinvestment Zone and entering into a Tax Abatement Agreement will have access to the Reinvestment Zone during the term of the Abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
  - Upon completion of construction, the jurisdiction establishing the Reinvestment Zone and entering into a Tax Abatement Agreement shall annually evaluate each facility and report possible violations of the contract and Agreement to each affected jurisdiction.
  - All proprietary information acquired by any affected jurisdictions for purposes of monitoring compliance with the terms and conditions of an Abatement Agreement shall be considered confidential.

### Section 7- Assignment

A. The Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval of resolution of each affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of a new contractual Agreement with each affected jurisdiction.

- B. The contractual Agreement with the new owner or lessee shall not exceed the termination date of the Abatement Agreement with the original owner and/or lessee.
- C. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee are liable to any affected jurisdiction for outstanding taxes or other liabilities.
- D. Approval shall not be unreasonably withheld.

### Section 8 - Sunset Provision

- A. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all Reinvestment Zones and Tax Abatement contracts created pursuant to its provisions will be reviewed by the governing body to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated providing that such actions shall not affect existing contracts.
- B. These guidelines and criteria do not apply to Industrial District Contracts entered into in accordance with chapter 42 of the Texas Local Government code.

### Section 9 - Severability and Limitations

- A. In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason be adjudged by any court of competent jurisdiction to be invalid such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- B. If these Guidelines and Criteria have omitted any mandatory requirements of the applicable Tax Abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of these Guidelines and Criteria.

Signed and Approved This