

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

June 22, 2012

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

RE: Application to the Calhoun County Independent School District from Formosa
Plastics Corporation, Texas

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Calhoun County Independent School District is notifying the Applicant Formosa Plastics Corporation, Texas of its intent to consider the application for appraised value limitation on qualified property, which was received by the school district on May 30, 2012. The Board accepted the application at its May 30, 2012 meeting. Please prepare the economic impact report.

A paper copy of the application will be hand delivered to your office today. We will forward to your office the school finance information with a 15 year projection within the next 20 days.

As you are aware, regional wage information is published annually and based upon the Texas Workforce Commission (TWC) OES data. According to the TWC, the new OES survey information will not be available until the end of June or July. A new publication will only be created if the information is available and at the request of your office, therefore, the school district has determined that the wage information included in the application represents the most recent wage data available at the time the application.

Letter to Local Government Assistance & Economic Analysis Division

June 22, 2012

Page 2 of 2

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

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon". The signature is stylized with several loops and a long horizontal stroke at the end.

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Calhoun County Appraisal District

Billy Wiggins, Calhoun County ISD



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

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

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

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

| | | |
|--|----------------|---------------------------------------|
| Authorized School District Representative | | Date application received by district |
| First Name | Last Name | |
| Title | | |
| School District Name | | |
| 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..... Yes No

Will consultant be primary contact? Yes No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name **Kevin** Last Name **O'Hanlon**

Title **Consultant**

Firm Name **O'Hanlon, McCollom & Demerath**

Street Address **808 West Avenue**

Mailing Address **308 West Avenue**

City **Austin** State **TX** ZIP **78701**

Phone Number **512-494-9949** Fax Number **512-494-9919**

Mobile Number (Optional) E-mail Address **kohanlon@808west.com; mhanley@808west.com**

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signature (Authorized School District Representative) *Billy Higgins* Date **May 30, 2012**

Has the district determined this application complete? Yes No

If yes, date determined complete. **June 22, 2012**

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

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

| | | | |
|--------------------------|--|-------------------------|-----|
| First Name | | Last Name | |
| Title | | | |
| Organization | | | |
| Street Address | | | |
| Mailing Address | | | |
| City | | State | ZIP |
| Phone Number | | Fax Number | |
| Mobile Number (optional) | | Business e-mail Address | |

Will a company official other than the authorized business representative be responsible for responding to future information requests? Yes No

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

| | | | |
|--------------------------|--|----------------|-----|
| First Name | | 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.. Yes No

Will consultant be primary contact? Yes No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

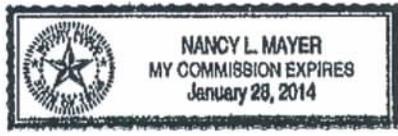
| | | | |
|------------------------|--|------------|-----|
| First Name | | Last Name | |
| Title | | | |
| Firm Name | | | |
| Street Address | | | |
| Mailing Address | | | |
| City | | State | ZIP |
| Phone Number | | Fax Number | |
| Business email Address | | | |

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

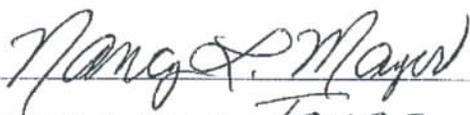
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

| | |
|---|--------------|
| Signature (Authorized Business Representative (Applicant)) | Date |
|  | May 30, 2012 |

GIVEN under my hand and seal of office this 30th day of May, 2012



(Notary Seal)


 Notary Public, State of Texas

My commission expires 1-28-2014

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 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 school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

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)?

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)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

NAICS code

Is the applicant a party to any other Chapter 313 agreements?

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?

Identify business organization of applicant (corporation, limited liability corporation, etc.)

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)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

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.)



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development.
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology.
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

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

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs, Construct New Facility, New Business / Start-up, Expand Existing Facility, Relocation from Out-of-State, Expansion, Purchase Machinery & Equipment, Consolidation, Relocation within Texas

PROJECTED TIMELINE

Begin Construction, Construction Complete, Purchase Machinery & Equipment, Begin Hiring New Employees, Fully Operational

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?
Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service?



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

| State Source | Amount |
|--------------|--------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total | _____ |

Will other incentives be offered by local units of government? Yes No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

THE PROPERTY

Identify county or counties in which the proposed project will be located _____

Central Appraisal District (CAD) that will be responsible for appraising the property _____

Will this CAD be acting on behalf of another CAD to appraise this property? Yes No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: _____ (Name and percent of project) City: _____ (Name and percent of project)

Hospital District: _____ (Name and percent of project) Water District: _____ (Name and percent of project)

Other (describe): _____ (Name and percent of project) Other (describe): _____ (Name and percent of project)

Is the project located entirely within this ISD? Yes No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? _____

What is the amount of appraised value limitation for which you are applying? _____

What is your total estimated qualified investment? _____

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 complete tax year.

What is the anticipated date of application approval? _____

What is the anticipated date of the beginning of the qualifying time period? _____

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? _____

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 limitation 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 investment 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? Yes 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? Yes 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? Yes No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? Yes 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 tangible personal property meet the requirements of Tax Code §313.021(1)? Yes 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 §313.021,
(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? Yes 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? Yes No

Will the project be on leased land? Yes 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
3. Owner
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)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? [] Yes [] 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. (Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? [] Yes [] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? [] Yes [] No

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:

[] First Quarter [] Second Quarter [] Third Quarter [] Fourth Quarter of (year)

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.

Total number of new jobs that will have been created when fully operational

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 with the new building or other improvement? [] Yes [] No

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)? [] Yes [] No

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 waiver 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?

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/taxinfo/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 average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

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 _____

110% of the county average weekly wage for manufacturing jobs in the region is _____

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)? Yes No

Will each qualifying job require at least 1,600 of work a year? Yes No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes No

Will any of the qualifying jobs be retained jobs? Yes No

Will any of the qualifying jobs be created to replace a previous employee? Yes No

Will any required qualifying jobs be filled by employees of contractors? Yes 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? Yes No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No

Is Schedule A completed and signed for all years and attached? Yes No

Is Schedule B completed and signed for all years and attached? Yes No

Is Schedule C (Application) completed and signed for all years and attached? Yes No

Is Schedule D completed and signed for all years and attached? Yes 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 separate schedule showing the amount for each year affected, including an explanation.

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:

- 1) 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;
- 2) 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.

**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

| | Checklist | Page X of 16 | Check Completed |
|----|--|---------------------|------------------------|
| 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 | |
| 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 | |
| 6 | Description of Qualified Investment (Attachment) | 8 of 16 | |
| 7 | Map of qualified investment showing location of new buildings 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 | |
| 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 | |
| 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 | |
| 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 | |

***To be submitted with application or before date of final application approval by school board.**

ATTACHMENT 2

Proof of payment attached.

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)*



Formosa Plastics'

Formosa Plastics Corporation, Texas
201 Formosa Drive • P.O. Box 700
Point Comfort, TX 77978
Telephone: 361-987-7000
Fax: 361-987-2729

Combined Group Membership in Calhoun County

Formosa Plastics Corp., Texas
Formosa Plastics Corp., America
Nan Ya Plastics Corp., America
Formosa Utility Venture, LTD
Formosa Transrail Corp.
Formosa Hydrocarbons
Neumin Production Company
Lavaca Pipeline

Contact Information

Jack Wu
PO Box 700
Point Comfort, TX 77978
361/987-7700
jackwu@ftpc.fpcusa.com

ATTACHMENT 4

Description of Project.

Detailed Project Description of Hydrocarbon Fractionator

Natural gas at the wellhead is a mixture of hydrocarbons of varying chain length. The most frequently occurring hydrocarbons in natural gas are methane (C1), ethane (C2), and propane (C3). However, smaller amounts of longer chain hydrocarbons (C4, C5, etc.) are also present. As a result, natural gas cannot be utilized in industrial and production applications in its raw form. Prior to use in any industrial application, raw natural gas feedstock must be separated into discrete fractions that have in them only hydrocarbons of equal chain length. The process of conducting this separation is classified under the NAICS # 35120 Code designation as Industrial Gas Manufacturing. (SIC Code # 2813)

The process of gas separation process that is necessary for the precursor products necessary for plastics production is done in a "hydrocarbon fractionator." The plant itself consists of pipelines for delivering and shipping stocks, distillation columns in which hydrocarbons are separated, compressors, pumps, valves and accompanying instrumentation. Outgoing products are stored in "spheres" designed to safely hold gasses and in tanks designed to safely store liquids.

Methane is separated from the mixture in an upstream "gas plant" prior to transport of the remaining hydrocarbons to the fractionator. The fractionator then separates the ethane and propane from the remaining hydrocarbons and stores them as discrete, homogenous stocks. The longer chained hydrocarbons (C4 and above) are separated no further; rather these are piped out of the fractionator and stored for other industrial uses.

Ability to relocate

Formosa is a multi-national company with plants operating in Delaware City, Delaware as well as in Taiwan. The investment could be allocated to any of the other plants.

ATTACHMENT 5

The project is 100% located in Calhoun County ISD.

Detailed Project Description of Hydrocarbon Fractionator

Natural gas at the wellhead is a mixture of hydrocarbons of varying chain length. The most frequently occurring hydrocarbons in natural gas are methane (C1), ethane (C2), and propane (C3). However, smaller amounts of longer chain hydrocarbons (C4, C5, etc.) are also present. As a result, natural gas cannot be utilized in industrial and production applications in its raw form. Prior to use in any industrial application, raw natural gas feedstock must be separated into discrete fractions that have in them only hydrocarbons of equal chain length. The process of conducting this separation is classified under the NAICS # 35120 Code designation as Industrial Gas Manufacturing. (SIC Code # 2813)

The process of gas separation process that is necessary for the precursor products necessary for plastics production is done in a "hydrocarbon fractionator." The plant itself consists of pipelines for delivering and shipping stocks, distillation columns in which hydrocarbons are separated, compressors, pumps, valves and accompanying instrumentation. Outgoing products are stored in "spheres" designed to safely hold gasses and in tanks designed to safely store liquids.

Methane is separated from the mixture in an upstream "gas plant" prior to transport of the remaining hydrocarbons to the fractionator. The fractionator then separates the ethane and propane from the remaining hydrocarbons and stores them as discrete, homogenous stocks. The longer chained hydrocarbons (C4 and above) are separated no further; rather these are piped out of the fractionator and stored for other industrial uses.

ATTACHMENT 7

See attached maps.



PLANT NORTH



UTILITY COGEN

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-1, 59.71 ACRES OLEFINS II PLANT

OLEFINS II

N: 9592.00
E: 5187.00

EAST 584.00'

N: 9592.00
E: 5771.00

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-6, 13.98 ACRES PP II PLANT
PEII

PPII

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-5, 13.01 ACRES HPDC II PLANT

N: 8396.00
E: 5762.00

WEST 9.00'

Hydrocarbon Fractionator Location

32.31 ACRES

ALUMINUM COMPANY OF AMERICA TO FORMOSA PLASTICS CORPORATION, TEXAS. VOLUME 15, PAGE 404 OFFICIAL RECORDS FEBRUARY 12, 1988 1560.40 ACRES

N: 8396.00
E: 5762.00

EG

NAN YA PLASTICS CORPORATION, AMERICA VOLUME 74, PAGE 803 OFFICIAL RECORDS TRACT II 28.0793 ACRES

ASP

POB
N: 7163.00
E: 5187.00

WEST 575.00'

FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 15, PAGE 404, OR 1560.40 ACRES

N: 7163.00
E: 5762.00

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11

IEM

EDC

SOUTH 2163.00'



THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION

WEST 4187.00' TO THE SW CORNER OF THE 1560.40 ACRE TRACT, HAVING IPC PLANT COORDINATES N:5000, E:1000

SOUTH LINE 1560.40 ACRES

N: 5000.00
E: 5187.00

GEORGE A. GANEM, JR. DATE 01/13/2012
GANEM & KELLY SURVEYING, INC. REGISTERED PROFESSIONAL LAND SURVEYOR TEXAS NO. 4681

FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 347, PAGE 438, OR 255.711 ACRES



FORMOSA PLASTICS CORPORATION, TEXAS

201 Formosa Drive Point Comfort, TX 77978

P.O. Box 700 Point Comfort, TX 77978

FRACT II TRACT 32.31 ACRES

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11 CALHOUN COUNTY, TEXAS

DRAWN BY KELLY B

SCALE 1" = 400'

DATE 01/17/2012

GANEM & KELLY SURVEYING, INC.

REVISION

CHECKED BY G.A.G.

DATE 01/17/2012

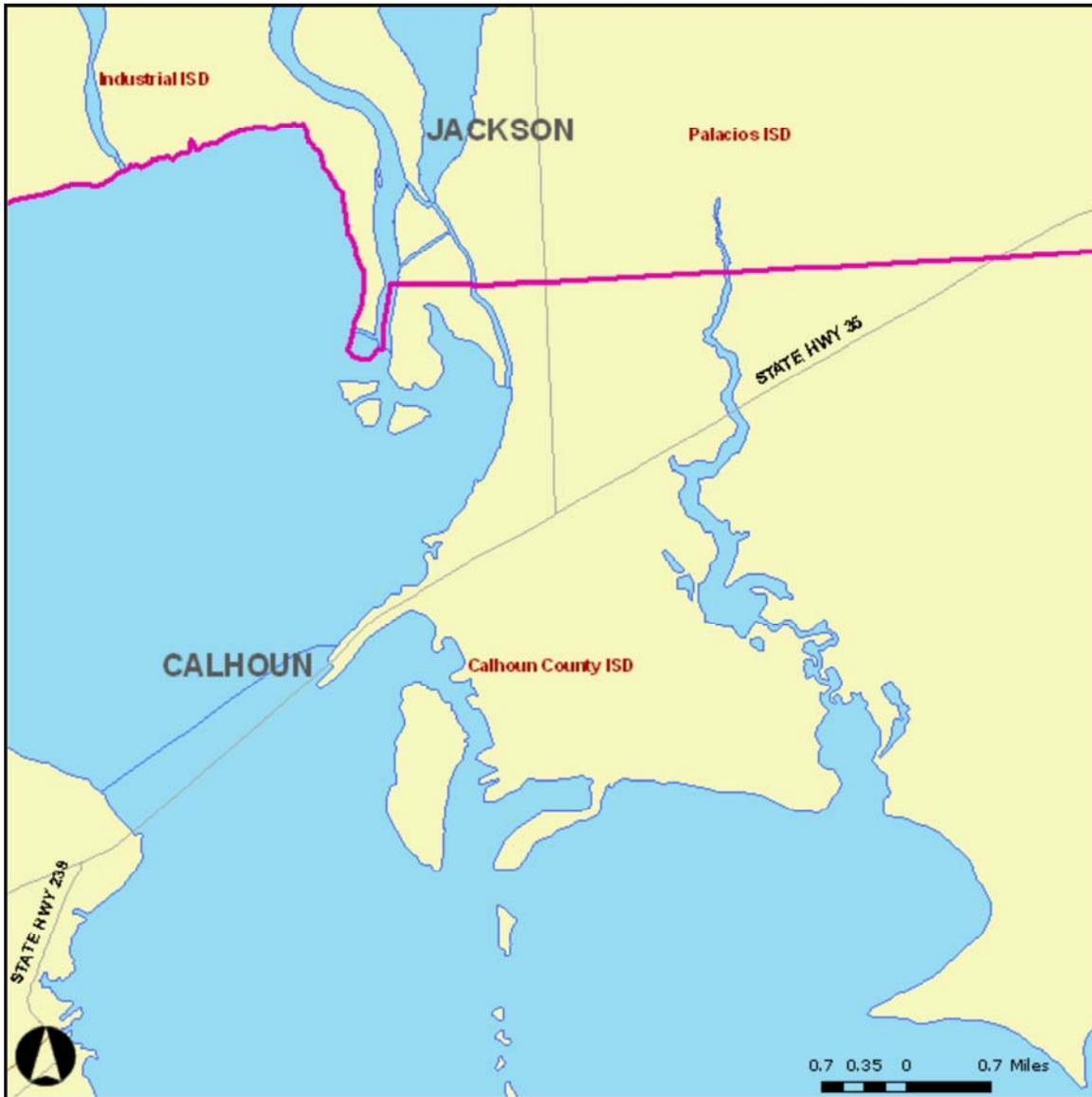


111 EAST MAIN STREET LAMAR STREET, SUITE 3 EDNA, TEXAS 77957 POINT COMFORT, TEXAS 77978

SHEET NO

1 OF 1

Map



Vfkrro5

- Mxqlru#K ljk2P lggd#Vfkrro
 - WrfV |p erd3
 - K ljkVfkrro
 - ▲ Hchp hqwdul 2Vhfrqgdu| #Vfkrro
 - ▲ R wku#Vfkrro
- Frp p xqlw| Frdhjhv
- ★ Xqlyhuwlnhv
- K ljkhuHg
- ★ Xqlyhuwlnhv

Kz |v5

- R wku
- ▬ D44
- ▬ D48

Kz |v5#frqwlqhxg,

- ▬ D4 :
 - ▬ D54
 - ▬ D55
 - ▬ D56
 - ▬ D58
 - ▬ D5 :
 - ▬ D93
- Frqxwhv4
- ▭ Frqxwhv
- Frqxwhv6
- ▭
- K |gura:j |
-

G lwulfw5

- ▭
- VfkrroG lwulfw
- ▭ VfkrroG lwulfw
- G lwulfw
- ▭
- Wh {dv
- ▭
- Wh {dv
- ▭

ATTACHMENT 8

Description of Qualified Property

The Formosa Plant consists of the following main units and utility systems:

- Feed Stock Inlet Facilities
- DeEthanizer Column
- DePropanizer Column
- Amine Wash Column
- Pumps and Pipelines
- ReBoiler Unit
- PreHeater Unit
- Instrument Control
- Utilities – Water and Air
- Storage Facility

ATTACHMENT 9

See attached maps.



To see all the details that are visible on the screen, use the "Print" link next to the map.



FORMOSA PLASTICS CORPORATION, TEXAS
FRACT II TRACT
32.31 ACRES

THE STATE OF TEXAS
THE COUNTY OF CALHOUN

BEING a 32.31 acre tract of land situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas, and being a portion of that certain tract of land described as 1560.40 acres in deed dated February 12, 1988 from Aluminum Company of America to Formosa Plastics Corporation, Texas and recorded in Volume 15, Page 404 of the Official Records of Calhoun County, Texas, and this 32.31 acre tract being more particularly described by metes and bounds as follows:

COMMENCING at the southwest corner of said 1560.40 acre tract (said commencing point having plant coordinates of North 5000, East 1000);

THENCE East along the south line of said 1560.40 acre tract, a distance of 4187 feet to a point for corner;

THENCE North a distance of 2163.00 feet to a set 5/8 inch iron rod in the east line of the Olefins II 59.71 acre tract described in Volume 316, Page 561 of the Official Records of said county for the southwest corner of the herein described tract and the POINT OF BEGINNING, (said iron rod having plant coordinates of North 7163, East 5187);

THENCE North with the east line of said Olefins II 59.71 acre tract for a distance of 2429.00 feet to a set 5/8 inch iron rod for the northwest corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5187);

THENCE East a distance of 5484.00 feet to a set 5/8 inch iron rod at the northwest corner of the PEII 13.98 acre tract described in Volume 316, Page 561 of the Official Records of said county for the northeast corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5771);

THENCE South with the west line of said PEII 13.98 acre tract and the west line of the HDPEII 13.01 acre tract described in Volume 316, Page 561 of the Official Records of said county for a distance of 1196.00 feet to a set 5/8 inch iron rod in the north line of the EG 28.0793 acre tract described in Volume 74, Page 803 of the Official Records of said county for a corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5771);

THENCE West along said north line of the EG 28.0793 acre tract for a distance of 9.00 feet to a set 5/8 inch iron rod at the northwest corner of said EG 28.0793 acre tract for an interior corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5762);

THENCE South with the west line of said EG 28.0793 acre tract for a distance of 1233.00 feet to a set 5/8 inch iron rod at the southwest corner of said 28.0793 acre tract for the southeast corner of the herein described tract (said iron rod having plant coordinates of North 7163, East 5762);

THENCE West for a distance of 575.00 feet to the POINT OF BEGINNING; Containing 32.31 acres of land.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

Reference is made to that plat accompanying this legal description.

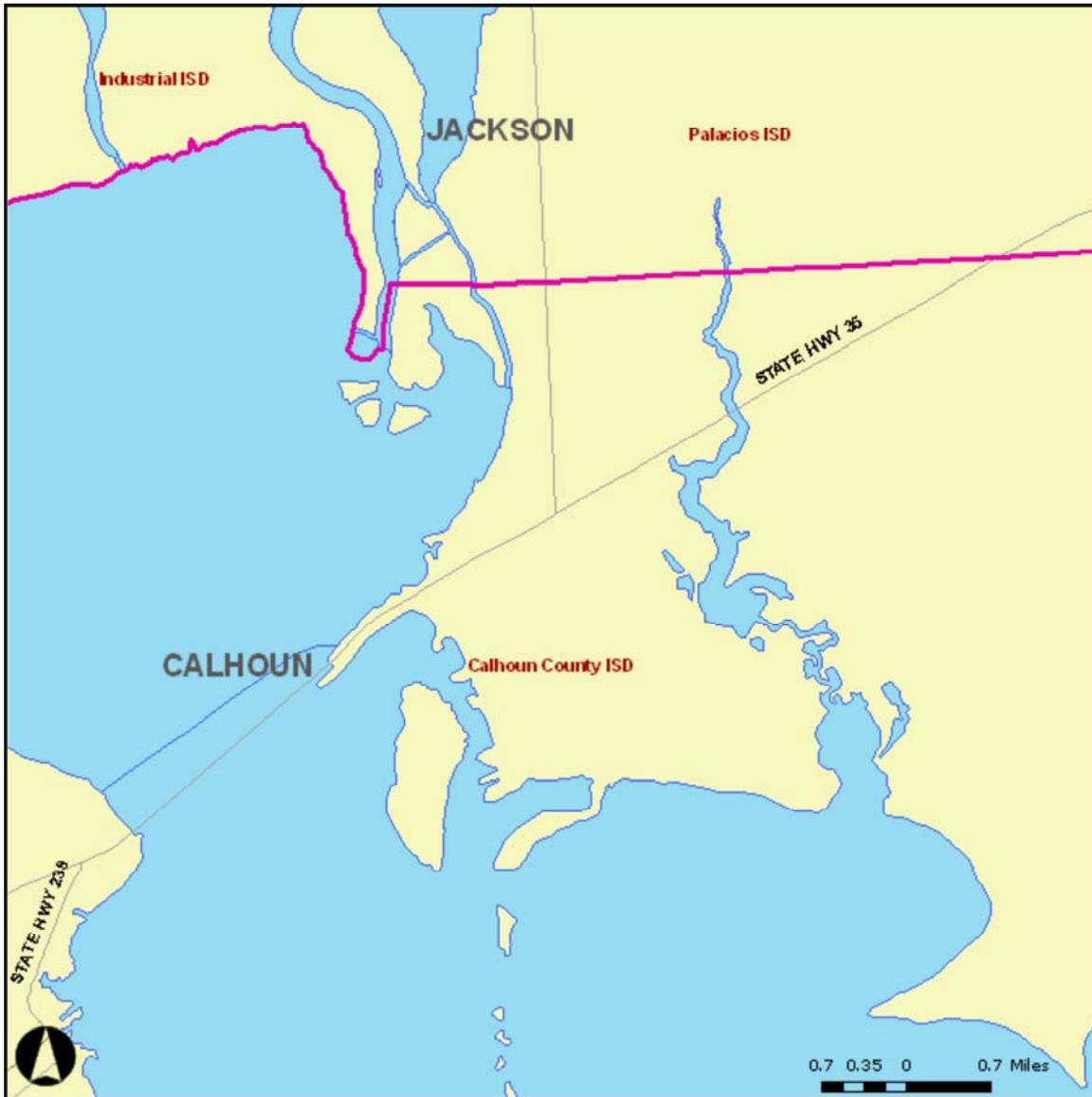
The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



Date 01/13/2012

Map



Vfkrro5

- Mxqlru#K ljk2P lggd#Vfkrro
- WrfV |p erd3
- K ljkVfkrro
- ▲ Hdhp hqwdul 2Vhfrqgdu| #Vfkrro
- ▲ R wku#Vfkrro
- Frp p xqlw| Frdhjhv
- ★ Xqlyhuwlnhv
- K ljkhuHg
- ★ Xqlyhuwlnhv
- Kz |v5
- R wku
- ▬ D44
- ▬ D48

Kz |v5#frqwlqhxg,

- ▬ D4 :
- ▬ D54
- ▬ D55
- ▬ D56
- ▬ D58
- ▬ D5 :
- ▬ D93
- Frqxwhv4
- ▭ Frqxwhv
- Frqxwhv6
-
- K |guraj |
-

G lwulfw5

-
- VfkrroG lwulfw
- ▭ VfkrroG lwulfw
- G lwulfw
-
- Wh {dv
-
- Wh {dv
-





To see all the details that are visible on the screen, use the "Print" link next to the map.



PLANT NORTH



UTILITY COGEN

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-1, 59.71 ACRES OLEFINS II PLANT

OLEFINS II

N: 9592.00
E: 5187.00

EAST 584.00'

N: 9592.00
E: 5771.00

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-6, 13.98 ACRES PP II PLANT
PEII

PPII

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, et. al., FORMOSA PLASTICS CORPORATION, TEXAS, FORMOSA PLASTICS CORPORATION, U.S.A. & FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2002 VOLUME 316 PAGE 561, OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A-5, 13.01 ACRES HPDC II PLANT

N: 8396.00
E: 5762.00

WEST 9.00'

Hydrocarbon Fractionator Location

32.31 ACRES

ALUMINUM COMPANY OF AMERICA TO FORMOSA PLASTICS CORPORATION, TEXAS. VOLUME 15, PAGE 404 OFFICIAL RECORDS FEBRUARY 12, 1988 1560.40 ACRES

N: 8396.00
E: 5762.00

EG

NAN YA PLASTICS CORPORATION, AMERICA VOLUME 74, PAGE 803 OFFICIAL RECORDS TRACT II 28.0793 ACRES

ASP

POB
N: 7163.00
E: 5187.00

WEST 575.00'

FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 15, PAGE 404, OR 1560.40 ACRES

N: 7163.00
E: 5762.00

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11

IEM

EDC

SOUTH 2163.00'



THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION

WEST 4187.00' TO THE SW CORNER OF THE 1560.40 ACRE TRACT, HAVING IPC PLANT COORDINATES N:5000, E:1000

SOUTH LINE 1560.40 ACRES

N: 5000.00
E: 5187.00

GEORGE A. GANEM, JR. DATE 01/13/2012
GANEM & KELLY SURVEYING, INC. REGISTERED PROFESSIONAL LAND SURVEYOR TEXAS NO. 4681

FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 347, PAGE 438, OR 255.711 ACRES



FORMOSA PLASTICS CORPORATION, TEXAS

201 Formosa Drive Point Comfort, TX 77978

P.O. Box 700 Point Comfort, TX 77978

FRACT II TRACT 32.31 ACRES

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11 CALHOUN COUNTY, TEXAS

DRAWN BY KELLY B

SCALE 1" = 400'

DATE 01/17/2012

GANEM & KELLY SURVEYING, INC.

REVISION

CHECKED BY G.A.G.

DATE 01/17/2012

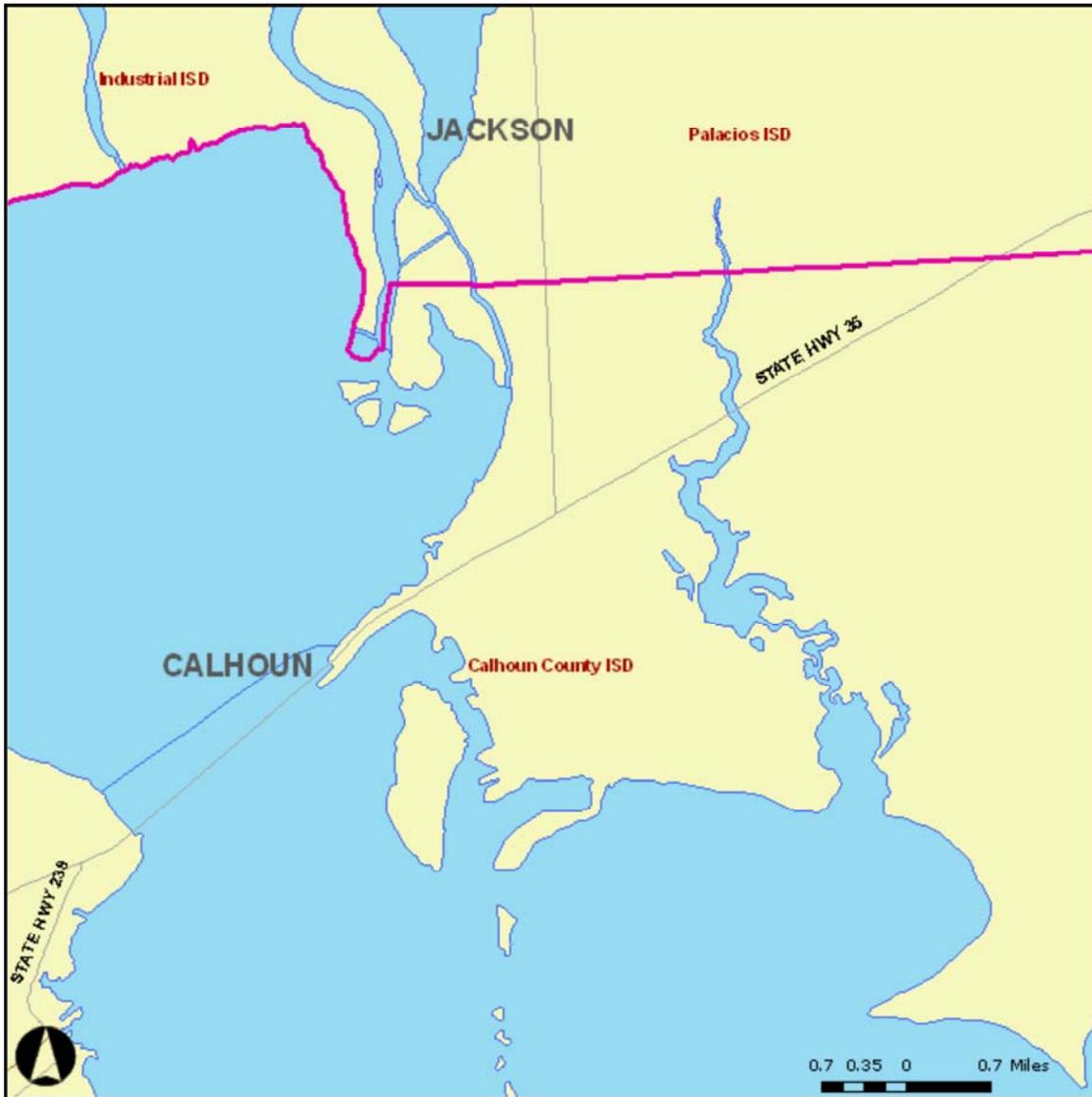


111 EAST MAIN STREET LAMAR STREET, SUITE 3 EDNA, TEXAS 77957 POINT COMFORT, TEXAS 77978

SHEET NO

1 OF 1

Map



Vfkrro5

- Mxqlru#K ljk2P lggd#Vfkrro
- WrfV |p erd3
- K ljkVfkrro
- ▲ Hchp hqwdul 2Vhfrqgdu| #Vfkrro
- ▲ R wku#Vfkrro
- Frp p xqlw| Frdhjhv
- ★ Xqlyhuwlnhv
- K ljkhuHg
- ★ Xqlyhuwlnhv
- Kz |v5
- R wku
- ▬ D44
- ▬ D48

Kz |v5#frqwlqhxg,

- ▬ D4 :
- ▬ D54
- ▬ D55
- ▬ D56
- ▬ D58
- ▬ D5 :
- ▬ D93
- Frqxwhv4
- ▭ Frqxwhv
- Frqxwhv6
- ▭
- K |gurcrj |
-

G lwulfw5

- ▭
- VfkrroG lwulfw
- ▭ VfkrroG lwulfw
- G lwulfw
- ▭
- Wh {dv
- ▭
- Wh {dv
- ▭

ATTACHMENT 14

The calculation of the three possible wage requirements with TWC documentation is attached.

Checklist Item 14

ATTACHMENT

CALCULATION OF WAGE REQUIREMENTS-CALHOUN COUNTY

110% of County Average Weekly Wage for all Jobs

| | | |
|------|----|--------------|
| 2011 | 1Q | 1,064 |
| 2011 | 2Q | 1,077 |
| 2011 | 3Q | 1,105 |
| 2011 | 4Q | <u>1,117</u> |

4363/4 = \$1,090.75 average weekly salary
X 1.1 (110%)
\$1,199.83 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for Manufacturing Jobs in County

| | | |
|------|----|--------------|
| 2011 | 1Q | 1,647 |
| 2011 | 2Q | 1,587 |
| 2011 | 3Q | 1,654 |
| 2010 | 4Q | <u>1,590</u> |

6478/4 = \$1,619.50 average weekly salary
X 1.1 (110%)
\$1,781.45 110% of County Average Weekly Wage for Manufacturing Jobs

**110 % of County Average Weekly Wage for Manufacturing Jobs in Region
(Golden Crescent Regional Planning Commission)**

\$20.07 per hour
X 40 hr per week
\$ 802.80 average weekly salary

\$802.80 average weekly salary
X 1.10 (110%)
\$883.08

\$883.08
X 52 weeks
\$45,920.16 110% of County Average Weekly Wage for all Jobs in Region

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

| COG | Wages | |
|---|---------|----------|
| | 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.

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|----------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2011 | 1st Qtr | Calhoun County | Private | 00 | 0 | 10 | Total, All Industries | \$1,064 |
| 2011 | 2nd Qtr | Calhoun County | Private | 00 | 0 | 10 | Total, All Industries | \$1,077 |
| 2011 | 3rd Qtr | Calhoun County | Private | 00 | 0 | 10 | Total, All Industries | \$1,105 |
| 2011 | 4th Qtr | Calhoun County | Private | 00 | 0 | 10 | Total, All Industries | \$1,117 |
| 2011 | 4th Qtr | Calhoun County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,590 |
| 2011 | 3rd Qtr | Calhoun County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,654 |
| 2011 | 2nd Qtr | Calhoun County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,587 |
| 2011 | 1st Qtr | Calhoun County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,647 |



Formosa Plastics'

Formosa Plastics Corporation, Texas
201 Formosa Drive • P.O. Box 700
Point Comfort, TX 77978
Telephone: 361-987-7000
Fax: 361-987-2729

Formosa Plastics Corporation, Texas Employee Benefits 2012

Matching 401K
Vacation
Pension
Sick Leave
Personal Time
Medical Insurance
Dental Insurance
Vision Insurance
Life Insurance
Tuition Assistance

ATTACHMENT 16

The economic impact study will be performed by the Comptroller at a future date.

ATTACHMENT 17

Please see attached Schedule A

PROPERTY INVESTMENT AMOUNTS
 (Estimated investment in each year. Do not put cumulative totals.)

| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A: | Column B: | Column C: | Column D: | Column E: | | |
|--|---|--|-------------------------|---|--|---|--|--|--------------------------|--|-------------|
| | | | | | Tangible Personal Property (The amount of new investment (original cost) placed in service during this year) | Building or permanent nonremovable component of building (annual amount only) | Sum of A and B (Qualifying investment during the qualifying time period) | Other investment that is not qualified investment but investment affecting economic impact and total value | Total Investment (A+B+D) | | |
| Tax Credit Period (with 50% cap on credit) | 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) | Complete tax years of qualifying time period | | | 1 | 2013-14 | 2013 | | | | |
| | | 2 | 2014-15 | 2014 | | | 120,000,000 | | | | 120,000,000 |
| | | 3 | 2015-16 | 2015 | | | | | | | |
| | | 4 | 2016-17 | 2016 | | | | | | | |
| | | 5 | 2017-18 | 2017 | | | | | | | |
| | | 6 | 2018-19 | 2018 | | | | | | | |
| | | 7 | 2019-20 | 2019 | | | | | | | |
| | | 8 | 2020-21 | 2020 | | | | | | | |
| | | 9 | 2021-22 | 2021 | | | | | | | |
| | | 10 | 2022-23 | 2022 | | | | | | | |
| | | 11 | 2023-24 | 2023 | | | | | | | |
| | | 12 | 2024-25 | 2024 | | | | | | | |
| | | 13 | 2025-26 | 2025 | | | | | | | |
| | | 14 | 2026-27 | 2026 | | | | | | | |
| | | 15 | 2027-28 | 2027 | | | | | | | |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | Post-Settle-Up Period | | | | | | | | | |
| | | Post-Settle-Up Period | | | | | | | | | |
| | | Post-Settle-Up Period | | | | | | | | | |

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column C: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

Column E: The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE June 13, 2018

ATTACHMENT 18

Please see attached Schedule B

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Formosa Plastics Corporation, Texas

Applicant Name
 Formosa Plastics Corporation, Texas

Calhoun County

Form 50-296

| ISD Name | Complete tax years of qualifying time period | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Reductions from Market Value | Estimated Taxable Value | |
|----------|--|-------------------------|---|--------------------------------|---|--|------------------------------|-------------------------|--|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new building or "in improvement" | | Exempted Value | Final taxable value for I&S - after all reductions |
| | pre-year 1 | 2012-13 | 2012 | 100,000 | | | | | |
| | 1 | 2013-14 | 2013 | 100,000 | 12,100,000 | | | 12,200,000 | 12,200,000 |
| | 2 | 2014-15 | 2014 | 100,000 | 120,000,000 | | | 120,100,000 | 120,100,000 |
| | 3 | 2015-16 | 2015 | 100,000 | 115,200,000 | | | 115,300,000 | 30,000,000 |
| | 4 | 2016-17 | 2016 | 100,000 | 110,592,000 | | | 110,692,000 | 30,000,000 |
| | 5 | 2017-18 | 2017 | 100,000 | 106,168,000 | | | 106,268,000 | 30,000,000 |
| | 6 | 2018-19 | 2018 | 100,000 | 101,922,000 | | | 102,022,000 | 30,000,000 |
| | 7 | 2019-20 | 2019 | 100,000 | 97,845,000 | | | 97,945,000 | 30,000,000 |
| | 8 | 2020-21 | 2020 | 100,000 | 93,931,000 | | | 94,031,000 | 30,000,000 |
| | 9 | 2021-22 | 2021 | 100,000 | 90,174,000 | | | 90,274,000 | 30,000,000 |
| | 10 | 2022-23 | 2022 | 100,000 | 86,567,000 | | | 86,667,000 | 30,000,000 |
| | 11 | 2023-24 | 2023 | 100,000 | 83,104,000 | | | 83,204,000 | 83,204,000 |
| | 12 | 2024-25 | 2024 | 100,000 | 79,780,000 | | | 79,880,000 | 79,880,000 |
| | 13 | 2025-26 | 2025 | 100,000 | 71,802,000 | | | 71,902,000 | 71,902,000 |
| | 14 | 2026-27 | 2026 | 100,000 | 64,621,800 | | | 64,721,800 | 64,721,800 |
| | 15 | 2027-28 | 2027 | 100,000 | 58,159,620 | | | 58,259,620 | 58,259,620 |

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.

Jack R. [Signature]

June 13, 2012

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

ATTACHMENT 19

Please see attached Schedule C

Schedule C- Application: Employment Information

Applicant Name: Formosa Plastics Corporation, Texas
 ISD Name: Calhoun County

Form 50-296

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Construction | | New Jobs | | Qualifying Jobs | |
|--|------------|----------------------------|---|--|---|--|---|---|---|
| | | | | Column A: Number of Construction FTE's or man-hours (Specify) | Column B: Average annual wage rates for construction workers | Column C: Number of new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column F: Average annual wage of qualifying jobs |
| | pre-year 1 | 2012-13 | 2012 | 127,500 manhours | \$ 42,000.00 | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 1 | 2013-14 | 2013 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 2 | 2014-15 | 2014 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 3 | 2015-16 | 2015 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 4 | 2016-17 | 2016 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 5 | 2017-18 | 2017 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 6 | 2018-19 | 2018 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 7 | 2019-20 | 2019 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 8 | 2020-21 | 2020 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 9 | 2021-22 | 2021 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 10 | 2022-23 | 2022 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 11 | 2023-24 | 2023 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 12 | 2024-25 | 2024 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 13 | 2025-26 | 2025 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 14 | 2026-27 | 2026 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |
| | 15 | 2027-28 | 2027 | | | 20 | \$ 45,920.16 | 20 | \$ 45,920.16 |

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.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: 

DATE: June 13, 2012

ATTACHMENT 20

Please see attached Schedule D

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

Applicant Name: **Formosa Plastics Corporation, Texas** ISD Name: **Calhoun County** Form 50-296

| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Complete tax years of qualifying time period | Year | School Year (YYYY-YYYY) | Tax/Calendar Year YYYY | Sales Tax Information | | Franchise Tax | Other Property Tax Abatements Sought | | | |
|--|--|------|-------------------------|------------------------|---|---|---------------|--------------------------------------|--------|------|----------|
| | | | | | 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 | | Franchise Tax | County | City | Hospital |
| | 1 | 2013 | 2012-13 | 2012 | 10 Million | 40 Million | 1.5 Million | 100% | N/A | N/A | N/A |
| | 2 | 2014 | 2014-15 | 2014 | | | 1.2 Million | 100% | | | |
| | 3 | 2015 | 2015-16 | 2015 | | | 1.2 Million | 100% | | | |
| | 4 | 2016 | 2016-17 | 2016 | | | 1.2 Million | 100% | | | |
| | 5 | 2017 | 2017-18 | 2017 | | | 1 Million | 100% | | | |
| | 6 | 2018 | 2018-19 | 2018 | | | 2 Million | 100% | | | |
| | 7 | 2019 | 2019-20 | 2019 | | | 3 Million | 100% | | | |
| | 8 | 2020 | 2020-21 | 2020 | | | 4 Million | | | | |
| | 9 | 2021 | 2021-22 | 2021 | | | 1.2 Million | | | | |
| | 10 | 2022 | 2022-23 | 2022 | | | 1.2 Million | | | | |
| | 11 | 2023 | 2023-24 | 2023 | | | 1.5 Million | | | | |
| | 12 | 2024 | 2024-25 | 2024 | | | 1.5 Million | | | | |
| | 13 | 2025 | 2025-26 | 2025 | | | 1.5 Million | | | | |
| | 14 | 2026 | 2026-27 | 2026 | | | 1.5 Million | | | | |
| | 15 | 2027 | 2027-28 | 2027 | | | 1.5 Million | | | | |

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

[Handwritten Signature]

DATE

June 13, 2012

ATTACHMENT 21

Map of Reinvestment Zone.

PLANT NORTH



UTILITY COGEN

TOUEFINS II

32.31 ACRES

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, LTD. FORMOSA PLASTICS CORPORATION, TEXAS. FORMOSA PLASTICS CORPORATION, U.S.A. FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2007. VOLUME 316, PAGE 166. OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A & B, 13.00 ACRES. H-PLANT

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, LTD. FORMOSA PLASTICS CORPORATION, TEXAS. FORMOSA PLASTICS CORPORATION, U.S.A. FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2007. VOLUME 316, PAGE 166. OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A & B, 13.00 ACRES. H-PLANT

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT BANK OF TAIWAN, LTD. FORMOSA PLASTICS CORPORATION, TEXAS. FORMOSA PLASTICS CORPORATION, U.S.A. FORMOSA UTILITY VENTURE, LTD. SEPTEMBER 20, 2007. VOLUME 316, PAGE 166. OFFICIAL RECORDS, CALHOUN CO., TX. SCHEDULE A & B, 13.00 ACRES. H-PLANT

ALUMINUM COMPANY OF AMERICA TO FORMOSA PLASTICS CORPORATION, TEXAS. VOLUME 15, PAGE 101. OFFICIAL RECORDS (FEBRUARY 13, 1988) 1560.40 ACRES

EG NAN YA PLASTICS CORPORATION, AMERICA. VOLUME 74, PAGE 807. OFFICIAL RECORDS TRACT D 28.0793 ACRES

FORMOSA PLASTICS CORPORATION, TEXAS. VOLUME 15, PAGE 101, OR 1560.40 ACRES

ASP

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11

IEM

EDG



THIS SURVEY WAS COMPILED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

MEASUREMENTS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

Signature of George A. Ganem, Jr. dated 01/18/2012. GEORGE A. GANEM, JR. GANEM & KELLY SURVEYING, INC. REGISTERED PROFESSIONAL LAND SURVEYOR TEXAS NO. 1661

WEST 4187.00' TO THE SW CORNER OF THE 1560.40 ACRE TRACT, HAVING FPC PLANT COORDINATES 715000, E1000

FORMOSA PLASTICS CORPORATION, TEXAS. VOLUME 317, PAGE 439, OR 253.711 ACRES

SOUTH LINE 1560.40 ACRES. H# 5000.00 E# 5192.00

FORMOSA PLASTICS CORPORATION, TEXAS. 201 Formosa Drive, Point Comfort, TX 77978. P.O. Box 200, Point Comfort, TX 77978

FRACT II TRACT 32.31 ACRES

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11 CALHOUN COUNTY, TEXAS

DRAWN BY: KELLY O. SCALE: 1" = 400'. CHECKED BY: G.A.G. DATE: 01/17/2012



GANEM & KELLY SURVEYING, INC. 111 EAST MAIN STREET EDNA, TEXAS 77957. 14049 STREET, SUITE 3 POINT COMFORT, TEXAS 77978

REVISION

SHEET NO

EXHIBIT

FORMOSA PLASTICS CORPORATION, TEXAS
TRACT II TRACT
32.31 ACRES

THE STATE OF TEXAS
THE COUNTY OF CALHOUN

BEING a 32.31 acre tract of land situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas, and being a portion of that certain tract of land described as 1560.40 acres in deed dated February 12, 1988 from Aluminum Company of America to Formosa Plastics Corporation, Texas and recorded in Volume 15, Page 404 of the Official Records of Calhoun County, Texas, and this 32.31 acre tract being more particularly described by notes and bounds as follows:

COMMENCING at the southwest corner of said 1560.40 acre tract (said commencing point having plant coordinates of North 5000, East 1000);

THENCE East along the south line of said 1560.40 acre tract, a distance of 4187 feet to a point for corner;

THENCE North a distance of 2163.00 feet to a set 5/8 inch iron rod in the east line of the Olfins II 59.71 acre tract described in Volume 316, Page 561 of the Official Records of said county for the southwest corner of the herein described tract and the POINT OF BEGINNING, (said iron rod having plant coordinates of North 7163, East 5187);

THENCE North with the east line of said Olfins II 59.71 acre tract for a distance of 2429.00 feet to a set 5/8 inch iron rod for the northwest corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5187);

THENCE East a distance of 5484.00 feet to a set 5/8 inch iron rod at the northwest corner of the PEE 13.98 acre tract described in Volume 316, Page 561 of the Official Records of said county for the northeast corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5771);

THENCE South with the west line of said PEE 13.98 acre tract and the west line of the HDPEE 13.01 acre tract described in Volume 316, Page 561 of the Official Records of said county for a distance of 1196.00 feet to a set 5/8 inch iron rod in the north line of the EG 28.0793 acre tract described in Volume 74, Page 803 of the Official Records of said county for a corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5771);

THENCE West along said north line of the EG 28.0793 acre tract for a distance of 9.00 feet to a set 5/8 inch iron rod at the northwest corner of said EG 28.0793 acre tract for an interior corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5762);

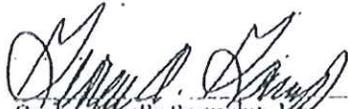
THENCE South with the west line of said EG 28.0793 acre tract for a distance of 1233.00 feet to a set 5/8 inch iron rod at the southwest corner of said EG 28.0793 acre tract for the southeast corner of the herein described tract (said iron rod having plant coordinates of North 7163, East 5762);

THENCE West for a distance of 575.00 feet to the POINT OF BEGINNING; Containing 32.31 acres of land.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

Reference is made to that plat accompanying this legal description.

The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



Date 01/13/2012



ATTACHMENT 22

Order, Resolution, or Ordinance Establishing the Zone

**RESOLUTION OF THE
COMMISSIONERS COURT OF CALHOUN COUNTY, TEXAS
DESIGNATING FORMOSA PLASTICS CORPORATION, TEXAS
REINVESTMENT ZONE NO. 12-01**

WHEREAS, Formosa Plastics Corporation, Texas filed an Application with the Commissioners Court of Calhoun County, Texas for designation of a reinvestment zone on January 19, 2012; and

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act (Texas Tax Code, Chapter 312) and the Guidelines and Criteria of the Commissioners Court of Calhoun County for Granting Tax Abatement in Reinvestment Zones Created in Calhoun County, (The Guidelines), the Commissioners Court published a Notice of Public Hearing on the Application of Formosa Plastics Corporation, Texas for designation of a reinvestment zone in the Port Lavaca Wave on January 14, 2012; and

WHEREAS, the Commissioners Court convened in open meeting on Thursday, January 26, 2012 at 10:00 o'clock a.m., pursuant to said Notice for the purpose of conducting a Public Hearing on the Application of Formosa Plastics Corporation, Texas for designation of a reinvestment zone, during which hearing representatives of Formosa Plastics Corporation, Texas presented statements and evidence in support of its Application, and whereupon all interested persons in attendance who requested to do so, were given the opportunity to speak and present evidence for or against the designation; and

WHEREAS, upon conclusion of the Public Hearing, the members of the Commissioners Court considered the evidence and upon motion and second, adopted the following resolution:

BE IT RESOLVED by the Commissioners Court of Calhoun County, Texas:

1. The Commissioners Court of Calhoun County, Texas makes the following findings:

(a) That the improvements sought are feasible and practical;

(b) The designation and improvements would be a benefit to the land to be included in the zone, and to the County after the expiration of the tax abatement agreement;

(c) The area will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County;

(d) The Commissioners Court further finds that the entire 32.31 acre (more or less) tract of land is located entirely in an unincorporated area of Calhoun County, Texas;

2. Based upon its findings, the Commissioners Court of Calhoun County, Texas concludes that Formosa Plastics Corporation, Texas' Application for Designation of Reinvestment Zone dated January 19, 2012 should be and is hereby approved.

3. A metes and bounds description of the Reinvestment Zone is contained in Exhibit "1," is attached hereto, incorporated by reference and made a part hereof for any and all purposes. Also attached to this Resolution is a plat indicating the boundaries and location of the Reinvestment Zone. The plat is marked Exhibit "2," incorporated by reference and made

a part hereof for any and all purposes.

4. The Reinvestment Zone is hereby designated as eligible for tax abatement, subject to approval of any application for tax abatement by the Commissioners Court.

5. The tract of land containing 32.31 acres (more or less) is hereby designated as Formosa Plastics Corporation, Texas Reinvestment Zone 12-01 and is eligible for tax abatement.

6. This designation of a reinvestment zone shall expire five years from the date of this resolution.

PASSED, ADOPTED AND APPROVED, on this 26th day of January, 2012.

**COMMISSIONERS COURT OF
CALHOUN COUNTY, TEXAS**



Michael Pfeifer, County Judge

ATTEST:

ANITA FRICKE
CALHOUN COUNTY CLERK

By: 
_____, Deputy

ATTACHMENT 23

Legal Description of Reinvestment Zone

FORMOSA PLASTICS CORPORATION, TEXAS
FRACT II TRACT
32.31 ACRES

THE STATE OF TEXAS
THE COUNTY OF CALHOUN

BEING a 32.31 acre tract of land situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas, and being a portion of that certain tract of land described as 1560.40 acres in deed dated February 12, 1988 from Aluminum Company of America to Formosa Plastics Corporation, Texas and recorded in Volume 15, Page 404 of the Official Records of Calhoun County, Texas, and this 32.31 acre tract being more particularly described by metes and bounds as follows:

COMMENCING at the southwest corner of said 1560.40 acre tract (said commencing point having plant coordinates of North 5000, East 1000);

THENCE East along the south line of said 1560.40 acre tract, a distance of 4187 feet to a point for corner;

THENCE North a distance of 2163.00 feet to a set 5/8 inch iron rod in the east line of the Olefins II 59.71 acre tract described in Volume 316, Page 561 of the Official Records of said county for the southwest corner of the herein described tract and the POINT OF BEGINNING, (said iron rod having plant coordinates of North 7163, East 5187);

THENCE North with the east line of said Olefins II 59.71 acre tract for a distance of 2429.00 feet to a set 5/8 inch iron rod for the northwest corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5187);

THENCE East a distance of 5484.00 feet to a set 5/8 inch iron rod at the northwest corner of the PEII 13.98 acre tract described in Volume 316, Page 561 of the Official Records of said county for the northeast corner of the herein described tract, (said iron rod having plant coordinates of North 9592, East 5771);

THENCE South with the west line of said PEII 13.98 acre tract and the west line of the HDPEII 13.01 acre tract described in Volume 316, Page 561 of the Official Records of said county for a distance of 1196.00 feet to a set 5/8 inch iron rod in the north line of the EG 28.0793 acre tract described in Volume 74, Page 803 of the Official Records of said county for a corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5771);

THENCE West along said north line of the EG 28.0793 acre tract for a distance of 9.00 feet to a set 5/8 inch iron rod at the northwest corner of said EG 28.0793 acre tract for an interior corner of the herein described tract (said iron rod having plant coordinates of North 8396, East 5762);

THENCE South with the west line of said EG 28.0793 acre tract for a distance of 1233.00 feet to a set 5/8 inch iron rod at the southwest corner of said 28.0793 acre tract for the southeast corner of the herein described tract (said iron rod having plant coordinates of North 7163, East 5762);

THENCE West for a distance of 575.00 feet to the POINT OF BEGINNING; Containing 32.31 acres of land.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

Reference is made to that plat accompanying this legal description.

The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



Date 01/13/2012

PLANT NORTH



UTILITY COGEN

COUEFINS II

32.31 ACRES

N: 9592.00
E: 5187.00

EAST 584.00'

N: 9592.00
E: 5771.00

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT
BANK OF TAIWAN, LTD.,
FORMOSA PLASTICS CORPORATION, TEXAS,
FORMOSA PLASTICS CORPORATION, U.S.A.,
FORMOSA UTILITY VENTURE, LTD.,
SEPTEMBER 20, 2002
VOLUME 316, PAGE 561,
OFFICIAL RECORDS,
CALHOUN CO., TX,
SCHEDULE A-6, 13.98 ACRES
PP II PLANT

PEI I

PP II

MEMORANDUM OF FACILITIES SUPPORT AGREEMENT
BANK OF TAIWAN, LTD.,
FORMOSA PLASTICS CORPORATION, TEXAS,
FORMOSA PLASTICS CORPORATION, U.S.A.,
FORMOSA UTILITY VENTURE, LTD.,
SEPTEMBER 20, 2002
VOLUME 316, PAGE 561,
OFFICIAL RECORDS,
CALHOUN CO., TX,
SCHEDULE A-5, 13.01 ACRES
HPDE PLANT

N: 8396.00
E: 5771.00

WEST 9.00'

NORTH 2429.00'

SOUTH 1196.00'

SOUTH 1233.00'

ALUMINUM COMPANY OF AMERICA TO FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 15, PAGE 404 OFFICIAL RECORDS FEBRUARY 12, 1988 1560.40 ACRES

EG

NAN YA PLASTICS CORPORATION, AMERICA VOLUME 74, PAGE 803 OFFICIAL RECORDS TRACT II 28.0793 ACRES

ASP

POB N: 7163.00
E: 5187.00

WEST 575.00' FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 15, PAGE 404, OR 1560.40 ACRES

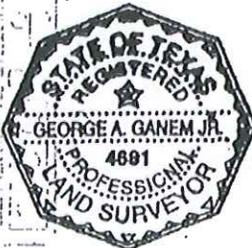
N: 7163.00
E: 5762.00

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11

SOUTH 2163.00'

IEM

EDC



THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

George A. Ganem, Jr. 01/18/2012
DATE
GEORGE A. GANEM, JR.
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

WEST 4187.00' TO THE SW CORNER OF THE 1560.40 ACRE TRACT, HAVING FPC PLANT COORDINATES N:5000, E:1000

SOUTH LINE 1560.40 ACRES
N: 5000.00
E: 5187.00

FORMOSA PLASTICS CORPORATION, TEXAS VOLUME 317, PAGE 438, OR 233.711 ACRES



FORMOSA PLASTICS CORPORATION, TEXAS

201 Formosa Drive Point Comfort, TX 77978

P.O. Box 700 Point Comfort, TX 77978

TRACT II TRACT 32.31 ACRES

PHILLIP DIMMITT SURVEY ABSTRACT NO. 11 CALHOUN COUNTY, TEXAS

DRAWN BY: KELLY B.

SCALE: 1" = 400'

CHECKED BY: G.A.G.

DATE: 01/17/2012



GANEM & KELLY SURVEYING, INC.

111 EAST MAIN STREET EDNA, TEXAS 77957 LAMAR STREET, SUITE 5 POINT COMFORT, TEXAS 77978

REVISION:

SHEET NO.

1 OF 1

ATTACHMENT 24

Guidelines and Criteria for Reinvestment Zone

**GUIDELINES AND CRITERIA OF THE COMMISSIONERS' COURT
OF CALHOUN COUNTY FOR GRANTING TAX ABATEMENT AS A
BUSINESS INCENTIVE IN REINVESTMENT ZONES
CREATED IN CALHOUN COUNTY**

(For the period June 25, 2011 through June 24, 2013

PREAMBLE

WHEREAS, the Commissioners' Court of Calhoun County by resolution adopted on March, 18, 1988 declared its eligibility to grant tax abatement; and

WHEREAS, by subsequent resolutions the Commissioners' Court of Calhoun County adopted and extended Guidelines and Criteria for granting tax abatement in reinvestment zones created in Calhoun County; and

WHEREAS, as a direct result of being eligible to grant tax abatement, Calhoun County, the Calhoun County Independent School District, Calhoun County Navigation District and other taxing jurisdictions in the county have been able to compete for and obtain expansion projects of the Union Carbide Corporation Seadrift Plant, with projects exceeding one hundred million dollars, and the Formosa Plastics Corporation, Texas facilities of approximately 1.3 billion dollars; and

WHEREAS, pursuant to the **PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE ANN.** Chapter 312, it is necessary to adopt Guidelines and Criteria for granting tax abatement agreements as a business incentive for the next two year period commencing June 25, 2011 through June 24, 2013, inclusive, said Guidelines and Criteria to be unchanged for the two year period, unless amended by three-quarters vote; and

NOW, THEREFORE, BE IT RESOLVED that the Commissioners' Court of Calhoun County does hereby adopt the following Guidelines and Criteria for granting tax abatement as a business incentive in reinvestment zones created within Calhoun County, Texas for the period June 25, 2011 through June 24, 2013, inclusive.

Section 1

DEFINITIONS

- (a) “ABATEMENT” means the exemption from ad valorem taxation of a portion or all of the eligible value of the real property or of tangible personal property located on the real property, or both, as limited by these Guidelines and Criteria and the provisions of TEX. TAX CODE ANN. §312.204.
- (b) “AGREEMENT” means a written contractual agreement between a property owner and/or lessee and an eligible taxing jurisdiction for the purposes of a business incentive.
- (c) “AQUACULTURE FACILITY” means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching or incubation or nursing or maturing or processing to marketable size aquatic culture in commercially marketable quantities.
- (d) “APPLICANT” means the legal entity seeking tax abatement as a business incentive.
- (e) “APPRAISED VALUE” means the last certified property value as approved by the Calhoun County Appraisal Review Board.
- (f) “BASE YEAR VALUE” means the appraised value of all property owned by the Taxpayer/applicant in the reinvestment zone as most recently determined by the Calhoun County Appraisal District immediately preceding the application, plus the agreed upon value of all property improvements made in the reinvestment zone since the last appraisal, but before the execution of the agreement.
- (g) “BUSINESS INCENTIVE” means an item offered of value to a business that induces the business to locate in a particular jurisdiction.
- (h) “COMMENCEMENT OF CONSTRUCTION” means the placement or construction of any improvements that are part of the project in the reinvestment zone. The storage of building materials in the reinvestment zone that are to be used in construction of the improvements does not constitute commencement of construction. Engineering, site preparation and similar activity shall not be considered commencement of construction so long as permanent improvements that are part of the project have not been constructed and placed in the reinvestment zone.

- (i) **“COMMISSIONERS”** or **“COMMISSIONERS’ COURT”** means the Commissioners’ Court and governing body of Calhoun County, Texas.
- (j) **“COUNTY”** means Calhoun County, Texas, a political subdivision of the State of Texas.
- (k) **“DEFERRED MAINTENANCE”** means improvements necessary for continued operations which do not improve the productivity or alter the process technology.
- (l) **“DESIGNATING AUTHORITY”** means the taxing unit that has the authority to designate the reinvestment zone in which the proposed project is located.
- (m) **“DESIGNEE”** unless otherwise indicated, means any person or entity authorized by the Commissioners’ Court to act on behalf of the County.
- (n) **“ECONOMIC LIFE”** means the number of years a property improvement is expected to be in service in a facility, and will continue to have value for ad valorem tax purposes throughout such term
- (o) **“ELIGIBLE JURISDICTION”** includes Calhoun County and any navigation district, any drainage district, and municipal utility district, any water quality improvement district, any municipality, and the Calhoun County Independent School District, that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.
- (p) **“EXPANSION”** means the addition of building, structures, fixed machinery or equipment for purposes of increasing production capacity.
- (q) **“FACILITY”** means property improvements proposed, completed, or in the process of construction which together comprise an integral whole.
- (r) **“INFRASTRUCTURE”** means a system of public works installed in a residential subdivision, whether public or private, to include, but not be limited to, roadways, utility service including water, sewer and electrical service, and bulk heading.
- (s) **“MANUFACTURING FACILITY”** means building and structures, including fixed 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.
- (t) **“MATERIAL MISREPRESENTATION”** means a false statement about a

material matter which induced the Commissioners' Court to take any specific action on an application for tax abatement as a business incentive, and without such misrepresentation, the Commissioners' Court would either not have designated a reinvestment zone, or granted tax abatement as a business incentive or would have taken some action different than it actually did.

(u) **"MODERNIZATION"** means the replacement or upgrading of existing facilities which increases the productivity input or output, updates the technology, or substantially lowers the unit cost of the 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.

(v) **"NEW FACILITY"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(w) **"OTHER BASIC INDUSTRY"** means buildings and structures including fixed machinery and equipment not elsewhere described, used, or to be used for the production or products, and result in the creation of new permanent jobs within Calhoun County and inject new wealth into Calhoun County.

(x) **"PROJECT"** is a reference to the entire proposal of work and improvements to be accomplished in the reinvestment zone as described in the application and tax abatement as a business incentive agreement.

(y) **"REGIONAL DISTRIBUTION CENTER FACILITY"** 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 operator.

(z) **"REGIONAL ENTERTAINMENT"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission or the general public.

(aa) **"REGIONAL SERVICE FACILITY"** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.

(bb) **"REINVESTMENT ZONE-COUNTY DESIGNATED"** means any area of Calhoun County which has been designated a reinvestment zone for tax abatement as a business incentive and which is not within the taxing jurisdiction of any incorporated municipality. It is the province of the Calhoun County Commissioners' Court to

designate Reinvestment Zones - County Designated on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within Calhoun County.

(cc) **“REINVESTMENT ZONE - MUNICIPALITY DESIGNATED”** means an area of Calhoun County which lies within the taxing jurisdiction of a municipality and has been designated a reinvestment zone by that municipality for tax abatement as a business incentive. It is the province of the City Council of any eligible municipality to designate Reinvestment Zones Municipality Designated on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within the City.

(dd) **“RENOVATION”** is a repair or improvement of an existing facility or structure.

(ee) **“REPAIR”** means any improvement or betterment of an existing facility or structure.

(ff) **“REPLACEMENT”** means the substitution of something new or different for an existing facility or structure, or portion thereof, when the replacement facility or structure is to be used for the same general purpose as the old facility or structure that is being replaced.

(gg) **“RESEARCH FACILITY”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop or develop the production processes thereto.

(hh) **“SCHOOL DISTRICT”** or **“DISTRICT”**, unless otherwise indicated, means the Calhoun County Independent School District.

(ii) **“SUBSTANTIAL COMPLIANCE”** means that any estimate or prediction that comes within eighty-five percent of a stated amount shall be construed as compliance, but only when estimates are expressly authorized. Unless expressly authorized, strict compliance with a statement or representation shall be required.

(jj) **“TAXPAYER”** means the legal entity that seeks, or who has been approved for tax abatement as a business incentive. It also is a reference to the owner of the property constituting the reinvestment zone and the improvements and tangible personal property to be located therein.

Section 2

ELIGIBILITY CRITERIA GENERALLY

- (a) **General Eligibility** Subject to the limitations and exceptions contained in these Guidelines and Criteria, TEX. TAX CODE ANN. §312.204 shall govern to what extent real property and tangible personal property located in a reinvestment zone are eligible for tax abatement as a business incentives.
- (b) **Commencement of Construction.** If the reinvestment zone is designated by a municipality, the applicant shall not commence construction until after it and the municipality have both executed an agreement on similar terms for the same project then under consideration by the County. Any property otherwise eligible for abatement that is placed or constructed in the reinvestment zone before the agreement is executed with the municipality shall not be eligible for tax abatement as a business incentive. However, any eligible improvements made or property placed in the reinvestment zone after executing the agreement with the municipality shall be eligible for abatement with the County, even though such improvements or property are placed in the reinvestment zone prior to filing the application or executing the agreement with the County, provided that a municipality is the designating authority. If the reinvestment zone is County designated, applicant shall not commence construction until the County executes the agreement.
- (c) **Property Value Eligible for Abatement** Subject to the limitations and other eligibility requirements contained in these guidelines, the County may abate the value of tangible personal property located on the real property in the reinvestment zone in each year covered by the agreement, other than tangible personal property that was located on the real property at any time before the period covered by the agreement. The value of real property to the extent its value for each year during the agreement exceeds its value for the year in which the agreement was executed is eligible for abatement.
- (d) **New and Existing Facilities** A business incentive may be granted for both eligible new facilities and structures, as well as for expansion or modernization of existing facilities and structures.
- (e) **Eligible Property to be Described** The application for tax abatement as a business incentive or any other business incentive and any agreement must describe the project and improvements with such detail and certainty as required by the County in

order to identify the property that is declared to be eligible for business incentives. Any property, even though otherwise eligible for business incentives, that is not sufficiently described in the application, as determined by the Commissioners' Court, or their designee, shall not be eligible for business incentives under such agreement.

(f) **Exclusions.**

(1) This policy is mutually exclusive of existing Industrial District Contracts. The real property cannot be in an improvement project financed by tax increment bonds.

(2) Any business incentive agreement granted is subject to the rights of holders of outstanding bonds of the County.

(3) When any project that otherwise satisfies the eligibility criteria for tax abatement as a business incentive is for the purpose of repairing, replacing, modernizing, or upgrading an existing facility, if, prior the commencement of the project, or upon completion of the project the value of the existing facility is reduced or deleted from the tax rolls, then, in such event, the applicant shall only be eligible for tax abatement as a business incentives to the extent of the difference in the last appraised value of the property value that is being dropped or reduced from the tax rolls and the project cost.

Section 3

ELIGIBILITY CRITERIA AND TERMS FOR FACILITIES/INDUSTRY

(a) **Eligible Facilities.** A facility may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:

- (1) Manufacturing Facility; or
- (2) Research Facility; or
- (3) Aquaculture Facility; or
- (4) Regional Distribution Center Facility; or
- (5) Regional Service Facility; or
- (6) Regional Entertainment Facility; and,
- (7) Other Basic Industry.

(b) **Economic Qualifications** In addition to satisfying the other eligibility criteria, in order to be eligible for business incentives, the new facility or structure, or the expanded

or modernized existing facility or structure must meet the following qualifications:

- (1) The project must cost at least Five Million Dollars (\$5,000,000.00);
and
- (2) Be expected to retain or create employment for at least 10 persons of the eligible facility on a full time and permanent basis in Calhoun County;
and
- (3) Not be expected to solely or primarily have the effect of transferring employment from one part of Calhoun County to another; and
- (4) Be expected to attract major investment in the reinvestment zone that would be a benefit to the property to be included in the zone; and
- (5) That development anticipated to occur in the proposed reinvestment zone would contribute to the economic development of the County.
- (6) The County reserves the right to grant abatements up to the state maximum of 100% for 10 years.

(c) **Term of Abatement.** The term of tax abatement as a business incentive granted by the County shall be six (6) years, and shall be applied commencing January 1 following the effective date of the agreement.

(d) **Effective Date.**

- (1) If the County is the designating authority, the effective date of the agreement shall be the date that the County executes the agreement.
- (2) If a municipality is the designating authority, the effective date of any agreement that the County approves shall be same date as that of the agreement entered into for the same project by the municipality.
- (3) Abatement applies to all eligible improvements placed in the reinvestment zone after the designating authority and Taxpayer execute their agreement. Taxes will be abated on eligible property for the number of years approved by the County, commencing January 1 immediately following the effective date of the agreement. Property otherwise eligible for abatement under the agreement shall be eligible for abatement only if the property is placed or constructed in the reinvestment zone after the effective date of the agreement, but on or before December 31 immediately preceding the

beginning of the last full tax year that taxes are to be abated.

(e) **Percent of Tax Abatement as a Business Incentive.** The percent of tax abatement as a business incentive of eligible property value to be granted each year shall be as follows:

| Taxable Investment (Millions) | Year | | | | | |
|-------------------------------|------|----|----|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| Up to 5.00 | — | — | — | — | — | — |
| 5.00 to 9.99 | 90 | 50 | 25 | — | — | — |
| 10.00 to 14.99 | 90 | 75 | 50 | 25 | — | — |
| 15.00 to 19.99 | 90 | 90 | 75 | 50 | 25 | — |
| 20.00 or more | 90 | 90 | 85 | 75 | 50 | 25 |

(f) **Taxability.** From the execution of the agreement to the end of the agreement period taxes shall be payable as follows:

- (1) the value of ineligible property as provided in Section 2 shall be fully taxable.
- (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
- (3) the unabated value of eligible property shall be taxable

(g) **Limitations.** If, during the term of the business incentive period the taxpayer should close, cease production, or demolish any or all of a facility that was in existence on the effective date of the business incentives agreement, or take any other similar action that would have the effect of reducing or deleting the value of the facility, or portion thereof from the tax rolls that was in existence on the effective date of the business incentives agreement regardless of the reason, then the eligible value for abatement allowed in the business incentives agreement shall be reduced by the amount of existing property value owned by the taxpayer that is reduced or deleted from the tax roll. Depreciation, agreed to by the Chief Appraiser, or Appraisal Review Board, shall not be construed as a reduction or deletion of value for purposes of this limitation.

Section 4

ELIGIBILITY CRITERIA AND TERMS FOR REAL ESTATE DEVELOPMENT

- (a) **Eligible Development.** A development may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:
- (1) New single family residential housing project;
 - (2) Multi-family housing project; and/or,
 - (3) Apartment project.
- (b) **Duration of Abatement as a Business Incentive.** Any Agreement under this section shall not exceed three (3) years.
- (c) **Economic Qualification.** To be eligible to receive tax abatement as a business incentive, the developer must expend a minimum of two million dollars (\$2,000,000.00) in infrastructure costs for the development.
- (d) **Taxability.** From the initial application to the end of the abatement period, taxes shall be paid as follows:
- (1) All ineligible property shall be fully taxable during the term of the abatement.
 - (2) Any property within the reinvestment zone that is sold, transferred, conveyed, occupied or otherwise no longer part of the developer's inventory shall be taxed at the appraised value determined by the Calhoun County Appraisal District beginning January 1 of the year following the sale, transfer, conveyance, or occupation.
 - (3) At the end of the abatement period, all property subject to the Agreement shall be subject to full taxation.

APPLICATION

- (a) **Filing.** Any property owner of taxable property in Calhoun County located in a designated or proposed reinvestment zone may request tax abatement as a business incentive by filing a written application with the Commissioners' Court, or their designee. When appropriate, the application may combine a request for designation of a reinvestment zone with an application for tax abatement as a business incentive.
- (b) **Contents.** The application shall include all information contemplated by these Guidelines and Criteria in order for the Commissioners' Court to evaluate the applicant's

eligibility and to determine whether to grant any business incentives. The application shall be submitted on a form provided by the County, or alternatively, if unavailable, the contents of the application shall be in order of this subsection and respond to each element of this subsection, and shall contain such other information as required by the County, or its representative. Specifically, the application shall include the following:

- (1) A list of the kind, number and location of all proposed improvements of the property, including a general written description of the general nature and extent of modernization, expansion or new improvements to be undertaken.
- (2) A statement of the current and proposed uses of the property showing that planned usage is consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone during the period that the property tax exemptions are in effect.
- (3) A map showing locations of existing and proposed improvements. The map should also show general uses and conditions of the real property in the reinvestment zone.
- (4) A legal description of the property.
- (5) An estimate of the project cost and new value that will result from the modernization, expansion or new improvements to be undertaken. A statement of the base year value separately stated for land and existing improvements located in the reinvestment zone, plus any improvements or changes in value in the reinvestment zone after the last appraisal and prior to the application. In any case where the value of an existing facility will be deleted or diminished as a result of the project, the application must contain verification from the Chief Appraiser of the last appraised value of any portion or all of a facility whose value will be reduced or removed from the tax rolls.
- (6) An estimate of the number of jobs that will be created or retained by the modernization, expansion or new improvements.
- (7) Estimated date of start of construction, length of construction, estimated value of new improvements to be completed during each year of construction and estimated date of completion.
- (8) An estimate of what the property value subject to abatement will be on

January 1 immediately following the end of the abatement period.

(9) In the case of applicants unknown to the Commissioners' Court, a financial statement of the individual or corporation filing the application, complete with letters of credit and other documents which the County may request in order that the Commissioners' Court can appropriately evaluate the financial capacity and other factors of the applicant.

(10) The Taxpayer shall make the following assurances in the application:

(a) That all the information contained in the application is true and correct.

(b) That the person signing the application on behalf of the Taxpayer/Applicant has unrestricted authority to execute the application and the contract documents on behalf of the Taxpayer/Applicant, and has the unrestricted authority to obligate the Taxpayer/Applicant to all the terms, covenants and conditions that will be contained in the agreement.

(c) That construction will not commence on any of the eligible improvements until an agreement has been executed with the designating authority, whether the designating authority is the County, or a municipality.

(d) That the project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and that the Taxpayer will abide by all conditions of the permits, laws and ordinances, rules and regulations governing the operation of the project throughout its economic life.

(e) That the Taxpayer/applicant will abide by all conditions of the agreement and the Guidelines and Criteria adopted by the Commissioners' Court applicable to the agreement.

(f) That the planned use of the property will not constitute a hazard to public health or safety throughout the economic life of the project.

(g) That the applicant will make the specific improvements to the property as described in its application.

(h) That although estimates of the cost of the project and the number of jobs retained or created as a result of the project that are within 85 % of actual

cast and/or number of jobs may be construed to be substantial compliance, the actual total cost of the project and actual number of jobs retained or created shall not be less than the minimum amounts required in the County's Guidelines required to qualify for tax abatement as a business incentive.

(11) The applicant will identify the type of legal entity making the application, such as corporation, partnership, etc. If a corporation, the statement should include the home state of incorporation, the name and address of the registered agent for service in Texas, and a commitment to notify the County within sixty days of any change of the registered agent or status of the corporation. Similar information will be required of a general or limited Partnership or other legal entity.

(12) The application shall contain the name, title and address of the Taxpayer's local and corporate representatives for the purposes of giving notice.

(13) In its application, the applicant shall include a statement that it waives all rights of confidentiality with regard to the contents of its application for tax abatement as a business incentive otherwise granted under TEX. TAX CODE ANN. §312 .003.

(14) The applicant shall agree to reimburse the County for all legal fees and any other expenses that the County incurs in establishing eligibility for granting business incentives and for reviewing, processing and acting on its application. Further, applicant shall agree to pay for the costs of an economic impact assessment, if the County requires one in connection with its application for business incentives. In the event the County determines an economic impact assessment is required, the Taxpayer shall be given notice and the opportunity to withdraw its application prior to commencement of the economic impact assessment, if applicant is unwilling to pay the total cost of the economic impact assessment. In its application, the Taxpayer shall agree to pay for all fees and expenses incurred by the County in establishing eligibility to grant business incentives and processing the application, even though the Commissioners' Court ultimately denies the application.

(15) Any other information that the Commissioners' Court or Applicant may deem appropriate to assist the Commissioners' Court in determining whether to enter into a business incentives agreement with the Applicant.

(16) If a variance from any provision in these Guidelines and Criteria is requested, a statement describing the variance, and a detailed statement supporting the Applicant's reasons for the requested variance must be included.

(c) **Completed Application.** Upon receipt of a completed application, the Commissioners' Court shall mail written notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the application. Such notice shall be mailed at least seven (7) days before the Commissioners' Court takes any action on the application. The notice shall include a copy of the proposed agreement, if the County is the designating authority. There shall be a \$1,000 nonrefundable fee payable the County at the time the application is submitted.

(d) **Economic impact assessment.** After receipt of an application for business incentives, the Commissioners' Court may cause to have prepared an economic impact assessment setting forth the impact of the proposed agreement. The study shall include, but not necessarily be limited to, an assessment of the economic effects of the abatement of taxes. The County shall give at least ten (10) days written notice to the Applicant of its intent to conduct an economic impact assessment, which notice shall include a description of the scope of the study. If the Applicant is unwilling to pay for the economic impact assessment, it may give notice to the County within seven (7) calendar days from the date it received notice of the proposed economic impact assessment that the Applicant is withdrawing its application. The economic impact assessment may include any other issue that the Commissioners' Court determines to be appropriate in considering the application, including, without limitation by enumeration, environmental issues, short term/long term effect on issues of adequacy of existing physical plants, need to increase number of employees in the County, and the impact on the County of any resulting increased costs as a result of the project and the County's ability to pay such costs during the abatement period.

Section 5

DESIGNATION OF REINVESTMENT ZONE

(a) **Authority to Designate Reinvestment Zones.** Reinvestment zones may be designated by either the Commissioners' Court for property located outside the

jurisdiction of any municipality in the County, or by a municipality, if the property is located within the jurisdiction of such municipality.

(b) **Application for County Designated Reinvestment Zone.** An application to the County for designation of a Reinvestment Zone may be combined with the application for business incentives. The application must include information to support the required findings in subsection (c), inclusive of this section. It must also include a map showing the boundaries of the proposed reinvestment zone and a legal description of the proposed reinvestment zone. Any information contained in the application for business incentives that answers the requirements for designation of a reinvestment zone does not need to be duplicated, if the application for designation of a reinvestment zone and business incentives are combined in one application.

(c) **Designation.** The Commissioners' Court may not designate an area as a reinvestment zone until:

(1) The Commissioners' Court has held a public hearing on the designation at which time interested persons shall be entitled to speak and present evidence for or against the designation; and

(2) The Commissioners' Court must make the following findings in order to designate an area as a reinvestment zone:

(a) The designation would contribute to the retention or expansion of primary employment; or,

(b) The designation would attract major investment in the zone that would be a benefit to the property to be included in the zone; and,

(c) The designation would contribute to the economic development of the county.

(d) **Notice of Hearing.** Notice of the hearing shall be clearly identified on the Commissioners' Court agenda. In addition, notice shall issue as follows:

(1) Notice of the hearing must be published in a newspaper of general circulation in the County not later than the 7th day before the date of the hearing; and

(2) Written notice of the hearing shall be delivered to the presiding officer of the governing body of each taxing unit that includes in its boundaries real

property that is included in the proposed reinvestment zone. Such notice shall be delivered at least 7 days before the hearing. Pursuant to Tex Tax Code Ann. §312.201(e) this notice shall be presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(e) **Municipality Designated Reinvestment Zones.** If the reinvestment zone is designated by a municipality, to be eligible for tax abatement as a business incentive with the County, the property must be located in a reinvestment zone and the municipality must have entered into an agreement for the same project with the applicant no more than ninety days before the County enters into an agreement with the same applicant for the same project.

(f) **Date of Expiration.** The designation of a reinvestment zone shall expire five (5) years after the date of designation. However, the designation of a reinvestment zone that has expired may be renewed by the County or municipality for periods not to exceed five (5) years. The expiration of the designation of a reinvestment zone shall not affect existing agreements made under these Guidelines and Criteria.

Section 6

AGREEMENTS

(a) **Resolution of Commissioners' Court.** After approval, the Commissioners' Court shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required, which shall include those matters contained in Texas Tax Code §312.205 and any other terms and conditions in the best interests of the County.

(b) **Notice to Other Taxing Jurisdictions.** If the County is the designating authority, it shall deliver written notice to the presiding officer of the governing body of each other taxing unit in which the property that is the subject of the agreement is located that the County intends to enter into an agreement. The notice must be delivered at least 7 days before the County enters into the agreement. The notice must also include a copy of the proposed agreement. The notice shall be presumed to be delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(c) **Execution/Effective Date.** After giving the notices required above, and after making the necessary findings, the County may, in its discretion, approve and execute the agreement. The effective date of the agreement shall be the date that the County's designated representative or official executes the agreement if the County is the designating authority. If a municipality is the designating authority, the effective date of the agreement shall be the date that the City's designated representative or official executes the agreement.

Section 7

RECAPTURE

(a) **Conditions of Default. Cure and Termination.** Should the Commissioners' Court determine that the Taxpayer is in default according to the terms and conditions of its agreement, the Commissioners' Court shall notify the Taxpayer in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated by the Commissioners' Court. Provided, that upon proof of a curative effort commencing within sixty (60) days, if construction is required, the Commissioners' Court may extend the time to complete the curative work, based upon reasonable construction requirements.

(b) **Elements of Default.** The following shall be considered elements of default, in the event that the Taxpayer:

- (1) Allows its ad valorem taxes owed to Calhoun County to become delinquent without timely and proper protest and/or contest; or
- (2) Violates any of the terms and conditions of the abatement agreement, or any prior or subsequent agreement with the County, or any other taxing jurisdiction that has granted an agreement to the Taxpayer for any project that the Commissioners' Court has also granted business incentives; or
- (3) Discontinues producing product or service at the improvements subject to abatement and described in the application, for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period after the facility is completed and begins

producing product or service.

(4) Violates any written term, covenant, condition, agreement, or promise of a gift or donation made by the taxpayer to the County, although such may be extraneous to the agreement, and even though same might be otherwise legally unenforceable; or

(5) Makes any material misrepresentations, either in the application or agreement.

(c) **Termination.** If, after written notice, the Taxpayer fails to cure within the prescribed period any specified default, such failure shall be grounds for termination for cause. Termination of the agreement for cause shall be retroactive to the beginning of the agreement. Termination shall be effected by resolution of the Commissioners' Court and written notice mailed to the Taxpayer.

(d) **Non Waiver.** In the event the County fails to act on or enforce any element or breach that is identified as a default, such failure to act shall not be a waiver of the County's right to subsequently enforce the same default or any other prior or subsequent default.

(e) **Recapture.** On termination for cause, the Taxpayer shall then become liable for the payment of all taxes that would have otherwise become due but for the abatement agreement for all calendar years during which the abatement agreement was in effect. Said taxes shall be paid to the Calhoun County Consolidated Tax Office for the credit of Calhoun County within sixty (60) days from the date of receipt of notice of termination. All such taxes due shall include statutory penalty and interest from the date they would otherwise have become delinquent but for the agreement, until the date they are actually paid.

Section 8

ADMINISTRATION

(a) **Duties of Chief Appraiser.** The Chief Appraiser of the County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, on or before April 1, the Taxpayer

receiving abatement shall furnish the Chief Appraiser with such information as may be reasonably requested. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions, which have granted tax abatement as a business incentive in the reinvestment zone, of the amount of the appraisal.

(b) **Compliance Inspections.** All compliance inspections will be made only after giving twenty-four (24) hours notice and will only be conducted in such manner as not to 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.

(c) **Annual Evaluations** Upon completion of construction, the Commissioners' Court of Calhoun County, or their designees, shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

(d) **Notice Requirements.** Any notice required to be given to Calhoun County hereunder shall be in writing, and mailed or personally delivered to the County Judge. Notices to the Taxpayer shall be in writing, and addressed to its designated representative at the address provided in its application or the agreement.

Section 9

MISCELLANEOUS

(a) **Variance.** An application for a variance from the provisions of these Guidelines and Criteria may be made in written form to the Commissioners' Court. The total duration of abatement shall in no instance exceed ten (10) consecutive tax years commencing January 1 following the effective date of the agreement, including any extension. Such request shall include a complete description of the circumstances explaining why the applicant should be granted such variance. Approval of a request for variance requires at least a three-fourths (3/4) vote of the Commissioners' Court.

(b) **Assignments.** An abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility, subject to obtaining written approval by resolution of the Commissioners' Court. Approval shall be conditioned upon the assignee providing whatever proof the Commissioners' Court may require to show the

assignee's financial capability to carry out all the terms and conditions of the agreement. The County reserves the right to require such additional information as it may deem appropriate to determine not only the assignee's financial capability to carry out the terms and conditions of the agreement, but also its experience and historical record to determine that it is in fact capable of operating the project subject to the abatement in such a manner that it can reasonably be expected to strictly comply with every term, covenant, condition and assurance contained in the agreement. Further, the assignee shall agree in writing by amendment to the original agreement that it shall be bound by all the terms, covenants and conditions contained in the original agreement. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to Calhoun County or any other taxing unit affected by the agreement for delinquent taxes, or otherwise in default of any of the terms, covenants or conditions contained in the agreement. Subject to the foregoing conditions, the Commissioners' Court shall not unreasonably withhold approval of any proposed assignment. Any approval of assignment of the agreement shall not release any previous Taxpayer who has been a party to the agreement from its obligations under the agreement.

(c) **Application for Exemption.** It shall be the responsibility of the Taxpayer to perfect any right of exemption as a result of any agreements entered into with the County. For each year in which abatement has been authorized by the County under the agreement, it shall be the responsibility of the Taxpayer to file its annual application with the Calhoun County Appraisal District for property exemption in accordance with the Texas Tax Code and related administrative regulations.

(d) **Effective Date.** These Guidelines and Criteria shall be effective for two (2) years, from June 25, 2011 through June 24, 2013, inclusive.

(e) **Sunset Provision.** At the end of the two year effective period of these Guidelines and Criteria, all agreements created pursuant to these provisions will be reviewed by the Calhoun County Commissioners' Court to determine whether the goals have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated. In the event that these Guidelines and Criteria are not modified or

renewed, they shall automatically terminate effective June 24, 2013.

(f) **Effect of Modification or Termination.** The modification or termination of these Guidelines and Criteria shall have no effect upon existing agreements entered into while these Guidelines and Criteria are in effect.

(g) **Subtitles.** The use of subtitles in these Guidelines and Criteria is strictly for convenience, and shall have no legal significance whatsoever. The use of the singular shall include the plural and the use of plural shall include the singular when appropriate. The use of any reference to gender shall include any and all other genders when appropriate.

(h) **Severability.** In the event any paragraph, clause, phrase or other provision of these Guidelines and Criteria should be declared to be unconstitutional, void or otherwise unenforceable the remaining provisions shall remain in full force and effect as if the unconstitutional, void or otherwise unenforceable provisions had not been included.

Section 10

ADOPTION

Upon motion by Commissioner Lyssy, seconded by Commissioner Fritsch, the foregoing resolution to amend these Guidelines and Criteria of the Commissioners' Court of Calhoun County for Granting Business incentives in Reinvestment Zones Created in Calhoun County was approved by a vote of 5 for and 0 against.

PASSED, ADOPTED AND APPROVED on this 23th day of June, 2011.

**COMMISSIONERS' COURT OF
CALHOUN COUNTY, TEXAS**



Michael J. Pfeifer, County Judge

ATTEST:

Anita Fricke, County Clerk

By: 

Wendy Marvin, Deputy