

FINDINGS
of the
BOVINA INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES

Under Chapter 313
of the Texas Tax Code

ON THE APPLICATION FOR A
LIMITED APPRAISED VALUE ON
QUALIFIED PROPERTY

SUBMITTED BY

CARGILL, INCORPORATED

The Board has acknowledged receipt of the Application and necessary application fee as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Parmer County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. The Comptroller determined the Project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.025(h) for a limitation on appraised value, and a recommendation was issued on January 17, 2013, that the Application be approved. A copy of the Comptroller's letter is attached hereto as Attachment C.

After receipt of the Application, the Texas Comptroller's Office caused an economic impact evaluation to be conducted pursuant to §313.026 of the Texas Tax Code. The Board of Trustees has carefully considered such evaluation. A copy of the Economic Impact Evaluation is attached to these Findings as Attachment D.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Bovina Independent School District. A copy of a report prepared by Randy McDowell and Neal Brown is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property in the Bovina Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within Category III of §313.052 of the Texas Tax Code. See Comptroller's "2012 ISD Summary Worksheet," attached hereto as Attachment F.

After receipt of the completed Application, the District entered into negotiations with Cargill regarding the specific language to be included in the Limitation on Appraised Value Agreement ("LAVA") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed LAVA is attached to these Findings as Attachment G, and the LAVA was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of February 28, 2013 letter from the Comptroller approving the LAVA, attached to these Findings as Attachment H.

After review of the Comptroller's recommendation, and in consideration of its own analysis of Cargill's Application and all other substantive documentation related thereto, the Board, in addition to the above Findings, further finds as follows:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (the ED Plan) submitted by the Texas Strategic Economic Development Commission under § 481.033 of the Texas Government Code.

In support of Finding Number 1, the Economic Impact Evaluation states:

The Texas Economic Development Plan focuses on industries focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Cargill, Incorporated project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Board Finding Number 2.

The economic condition of Parmer County, Texas and the region is in need of long-term improvement, and Applicant's cattle feed manufacturing facility will improve the economic condition of Parmer County and the region.

In support of this Finding, the information provided by the Comptroller's Office indicates the population growth of Parmer County lagged slightly behind that for the state in recent years. The state population grew by 1.8 percent between 2009 and 2010, while the population of Parmer County increased 1.5 percent over the same period.

September 2011 employment for Parmer County was up 1.7 percent from September 2010. The total employment in September 2011 was 4,532. The state's employment has increased by 0.9 percent over the same time period. The unemployment rate in Parmer County was 5.1 percent in September 2011, up from 4.4 percent in September 2010. This was lower than the state average of 8.5 percent for September 2011, up from 8.2 percent in September 2010.

Parmer County has lower per-capita personal income than the state as a whole. The average per-capita income for Parmer County residents for 2009 was \$30,260, which ranked 174th among the 254 counties in Texas, which is down 4.5 percent from 2008. The Texas average was \$38,609 for the same period, down 3.1 percent from 2008.

Taxable sales in Parmer County during the fourth quarter of 2010 were \$4.96 million, up 8.9 percent from the same quarter in 2009. Taxable sales in Parmer County through the fourth quarter of 2010 were \$19.01 million, which was up 1.0 percent from the same period in 2009.

Given recent income levels and sales tax activity, Parmer County will benefit from economic activity like that associated with the Cargill project. Major capital investments like this project are beneficial to the community on a number of fronts, including employment, expanded opportunities for existing businesses, and an increased local tax base.

Board Finding Number 3.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$2.4 million, based on 25 positions to be created for the entire Cargill project, 20 of which shall meet the criteria of a qualifying job.

In support of Finding Number 3, the Economic Impact Evaluation states:

The project's total investment is \$47.9 million, resulting in a relative level of investment per qualifying job of \$2.4 million [actual investment per qualifying job is \$2,393,915].

Board Finding Number 4.

The average salary level of qualifying jobs is expected to be at least \$44,216 per year, which meets the qualification that the wage-level be 110% of the average county wage, and that each qualifying job will receive medical, dental and vision insurance, vacation time and sick time. Cargill indicates that total permanent employment will be 20 new qualifying jobs within the District.

In support of Finding Number 4, the Economic Impact Evaluation states:

After construction, the project will create 25 new jobs when fully operational. Twenty jobs will meet the criteria for qualifying jobs as specified in Tax Code §313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Parmer County is located was \$40,196 in 2011. Currently, there is no annual average manufacturing wage for Parmer County. The annual average wage for all industries was \$34,125 for 2011-2012 for Parmer County. In addition to an annual average salary of \$44,216, each qualifying position [to be created by Cargill] will receive medical insurance, medical coverage health savings account, medical coverage deductible plan, and wellness incentive.

Board Finding Number 5.

The Applicant is able to locate the proposed cattle feed manufacturing facility in another state or another region of this state because of the highly competitive

marketplace for economic development, but has selected Bovina due to its location and proximity to its customer base.

In support of Finding Number 5, the Economic Impact Evaluation states:

According to Cargill, Incorporated's application, "after an extensive review of various locations in Texas, we have selected Bovina as the site for the new manufacturing facility. Bovina's geographical position is centrally located in the heart of our customer's feed yard businesses. Cattle on feed numbers in the region are significant and stable. The dairy industry in the region is a pocket of significant growth where the operations are large and progressive."

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. The District will receive revenue gains due to the increase in its tax base. Likewise, the Board finds that the local and regional tax base will increase, and that the Applicant's cattle feed manufacturing project will improve the economic condition of the region and the state.

Table 1 illustrates Cargill's estimated economic impact to Texas by depicting the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on sixteen (16) years of annual investment and employment levels using software from Regional Economic Models, Inc., (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Cargill.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	53	71	124	\$3,421,675	\$3,578,325	\$7,000,000
2014	25	37	62	\$1,187,850	\$2,812,150	\$4,000,000
2015	25	38	63	\$1,233,625	\$2,766,375	\$4,000,000
2016	25	30	55	\$1,233,625	\$2,766,375	\$4,000,000
2017	25	29	54	\$1,233,625	\$2,766,375	\$4,000,000
2018	25	28	53	\$1,233,625	\$2,766,375	\$4,000,000
2019	25	24	49	\$1,233,625	\$2,766,375	\$4,000,000
2020	25	22	47	\$1,233,625	\$2,766,375	\$4,000,000
2021	25	26	51	\$1,233,625	\$2,766,375	\$4,000,000
2022	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2023	25	24	49	\$1,233,625	\$3,766,375	\$5,000,000
2024	25	22	47	\$1,233,625	\$2,766,375	\$4,000,000
2025	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2026	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2027	25	18	43	\$1,233,625	\$2,766,375	\$4,000,000
2028	25	16	41	\$1,233,625	\$3,766,375	\$5,000,000

Source: CPA, REMI, Cargill, Incorporated

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-12. Bovina ISD’s ad valorem tax base in 2011-12 was \$70.5 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Bovina ISD’s estimated wealth per WADA was \$90,519.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Parmer County with all property tax incentives sought being granted using estimated market value from Cargill’s application. Cargill has applied for a value limitation under Chapter 313, Tax Code and a tax abatement with Parmer County, but no decision regarding a tax abatement agreement has been made at the time the Comptroller completed its Economic Impact Evaluation. Table 3 illustrates the estimated tax impact of the project on the region if all taxes are assessed.

Table 2. Estimated Direct Ad Valorem Taxes with all Property Tax Incentives Sought.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Bovina ISD I&S Levy	Bovina ISD M&O Levy	Bovina ISD M&O and I&S Tax Levies (Before Credit Credited)	Bovina ISD M&O and I&S Tax Levies (After Credit Credited)	Parmer County	Estimated Total Property Taxes
				0.0000	1.0400			0.4782	
2014	\$34,309,750	\$34,309,750		\$0	\$356,821	\$356,821	\$356,821	\$0	\$356,821
2015	\$31,539,328	\$31,539,328		\$0	\$328,009	\$328,009	\$328,009	\$0	\$328,009
2016	\$28,769,633	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$34,394	\$138,394
2017	\$26,000,659	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$62,168	\$114,168
2018	\$23,232,400	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$83,323	\$135,323
2019	\$20,464,848	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$73,397	\$125,397
2020	\$17,697,998	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$84,632	\$136,632
2021	\$16,283,443	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,867	\$129,867
2022	\$16,221,176	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,570	\$129,570
2023	\$16,159,592	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,275	\$129,275
2024	\$16,098,683	\$16,098,683		\$0	\$167,426	\$167,426	\$54,596	\$76,984	\$131,580
2025	\$16,038,445	\$16,038,445		\$0	\$166,800	\$166,800	\$166,800	\$76,696	\$243,496
2026	\$15,978,870	\$15,978,870		\$0	\$166,180	\$166,180	\$166,180	\$76,411	\$242,591
2027	\$15,919,953	\$15,919,953		\$0	\$165,568	\$165,568	\$165,568	\$76,129	\$241,697
2028	\$15,861,687	\$15,861,687		\$0	\$164,962	\$164,962	\$164,962	\$75,851	\$240,812
						Total	\$1,870,935	\$952,696	\$2,823,632

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Cargill, Incorporated

¹ Tax Rate per \$100 Valuation

Table 3. Estimated Direct Ad Valorem Taxes without Property Tax Incentives

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Bovina ISD I&S Levy	Bovina ISD M&O Levy	Bovina ISD M&O and I&S Tax Levies	Parmer County	Estimated Total Property Taxes	
				0.0000	1.0400		0.4782		
2014	\$34,309,750	\$34,309,750		\$0	\$356,821	\$356,821	\$164,069	\$520,891	
2015	\$31,539,328	\$31,539,328		\$0	\$328,009	\$328,009	\$150,821	\$478,830	
2016	\$28,769,633	\$28,769,633		\$0	\$299,204	\$299,204	\$137,576	\$436,781	
2017	\$26,000,659	\$26,000,659		\$0	\$270,407	\$270,407	\$124,335	\$394,742	
2018	\$23,232,400	\$23,232,400		\$0	\$241,617	\$241,617	\$111,097	\$352,714	
2019	\$20,464,848	\$20,464,848		\$0	\$212,834	\$212,834	\$97,863	\$310,697	
2020	\$17,697,998	\$17,697,998		\$0	\$184,059	\$184,059	\$84,632	\$268,691	
2021	\$16,283,443	\$16,283,443		\$0	\$169,348	\$169,348	\$77,867	\$247,215	
2022	\$16,221,176	\$16,221,176		\$0	\$168,700	\$168,700	\$77,570	\$246,270	
2023	\$16,159,592	\$16,159,592		\$0	\$168,060	\$168,060	\$77,275	\$245,335	
2024	\$16,098,683	\$16,098,683		\$0	\$167,426	\$167,426	\$76,984	\$244,410	
2025	\$16,038,445	\$16,038,445		\$0	\$166,800	\$166,800	\$76,696	\$243,496	
2026	\$15,978,870	\$15,978,870		\$0	\$166,180	\$166,180	\$76,411	\$242,591	
2027	\$15,919,953	\$15,919,953		\$0	\$165,568	\$165,568	\$76,129	\$241,697	
2028	\$15,861,687	\$15,861,687		\$0	\$164,962	\$164,962	\$75,851	\$240,812	
						Total	\$3,229,995	\$1,485,177	\$4,715,172
						Difference	\$1,359,060	\$532,480	\$1,891,540

Source: CPA, Cargill, Incorporated

¹ Tax Rate per \$100 Valuation

Board Finding Number 7.

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

In support of this Finding, Randy McDowell and Neal Brown estimate in the Fiscal Analysis that the project would initially add \$34,309,750 to the tax base at the peak investment level for the 2014 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. In addition, the projected revenue gains from the proposed Agreement would be approximately \$564,367, based on \$100 per student per year in average daily attendance. According to the terms of the proposed LAVA and the estimates supplied in the Financial Impact Analysis, the projected revenue gain to the District over the term of the LAVA will be \$541,407.

Board Finding Number 8.

The effect of the applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Bovina ISD can easily accommodate the projected student growth with its existing facilities. However, possible increase in and/or changes to class size and personnel could cause the District to incur extraordinary educational expenses.

The Application indicates that Cargill expects to create 25 new jobs. It is anticipated that most of these employees will be hired from current residents in the region. It is believed that Bovina ISD will easily be able to accommodate new students, if any, which may result from these new jobs. The District must plan, however, to educate all students who reside within its boundaries. The number of new students could vary, depending on the number of construction jobs and workers present during the construction phase of Cargill's manufacturing project. Although the District expects to accommodate all possible student growth, it is possible that the District may need to hire the additional temporary teachers and other staff and purchase additional equipment to educate the additional students that could enroll in the District.

Board Finding Number 9.

During the past two years, no projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code Chapter 313.

Board Finding Number 10.

The Board finds that the projected market value of the qualified property of the Applicant, as determined by the Comptroller, is \$42,601,500.

Board Finding Number 11.

The proposed limitation on appraised value for the qualified property is \$10,000,000.

Board Finding Number 12.

The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property DOES NOT receive a limitation on appraised value is set out in Table II of Attachment E, and is based on the following assumptions: (1) the qualified property will depreciate at the rate specified by Cargill in Schedule B of its Application, as amended; and (2) the projected maintenance and operations tax rate will be \$1.0400 per \$100 in valuation in each year of the Agreement.

Board Finding Number 13.

The projected dollar amount of taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value, is set out in Attachment D and Table II of Attachment E and is based on the following assumptions: (1) the qualified property will depreciate at the rate specified by Cargill in Schedule B of its Application, as amended; and (2) the projected maintenance and operations tax rate will be \$1.0400 per \$100 in valuation in each year of the Agreement.

Board Finding Number 14.

The projected effect on the Foundation School Program of payments to the District for each year of the Agreement is shown in Table II of Attachment E.

Board Finding Number 15.

The projected future tax credits for each year of the Agreement are shown in Table II of Attachment E.

Board Finding Number 16.

Assuming that Applicant would still construct a cattle feed manufacturing facility in the District without a limitation on appraised value for the qualified property, the total amount of taxes to be lost over the life of the Agreement by subtracting the projected taxes stated in Finding Number 13 from the projected taxes stated in Finding Number 14 is \$1,268,627, as shown in Table II of Attachment E.

Board Finding Number 17.

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

Board Finding Number 18.

The Applicant (Taxpayer Id. 14101776806) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity (Attachment B; see also Attachment D).

Board Finding Number 19.

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

In support of this Finding, the Financial Impact Analysis demonstrates that the District will incur a revenue loss during year 3 of the proposed LAVA. However, the negative consequences of granting the value limitation are offset through the "hold harmless" provision of the LAVA and other revenue protection provisions agreed to by the Applicant and the District.

Board Finding Number 20.

The general nature of Applicant's qualified investment is a cattle feed manufacturing facility, which is eligible for the limitation on the appraised value of Applicant's Property.

Board Finding Number 21.

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

IT IS THEREFORE ORDERED, that all of the Findings herein, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Bovina Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment G is APPROVED and is hereby authorized to be executed and delivered by the Bovina Independent School District Board President on behalf of the Bovina Independent School District, along with a copy of the these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Bovina Independent School District Board of Trustees.

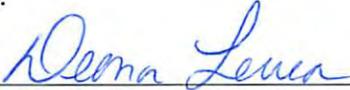
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Dated this 4th day of March, 2013.

Bovina Independent School District

By 
Larry Mitchell, President

Attest:

By 
Deena Leuea, Secretary

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Cargill Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status for Cargill
C	January 17, 2013 Comptroller's letter sending Economic Impact Evaluation
D	Economic Impact Evaluation
E	Financial Impact Analysis
F	Comptroller's 2012 ISD Summary Worksheet
G	Proposed Limited Assessed Valuation Agreement
H	February 28, 2013 letter from Comptroller re receipt of LAVA

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 19, 2012

Dale Fullerton
Superintendent
Bovina Independent School District
P.O. Box 70
Bovina, Texas 79009

Dear Superintendent Fullerton:

On October 12, 2012, the Comptroller's office received from Bovina Independent School District (Bovina ISD) an application from Cargill Incorporated for a limitation on appraised value. The purpose of this letter is to inform you that the Comptroller's office has received all required documents for the application review and economic impact evaluation.

The Comptroller's office will move forward with our economic impact evaluation and recommendation to the school district. Tax Code §313.025(d) allows the Comptroller's office to complete the economic impact evaluation and recommendation on or before 91 days from the date of this letter. The Comptroller's office will send a letter of recommendation to the ISD and the applicant.

Please be advised we may request additional or clarifying information to complete our review of the application.

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wood", is written over a horizontal line.

Robert Wood
Director
Economic Development & Analysis

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Rick Stock, Cargill Incorporated

Cargill, Incorporated

Application for Appraised Value Limitation on Qualified Property

Presented to:

Bovina Independent School District

October 8, 2012



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 Dale	Last Name Fullerton	
Title Superintendent		
School District Name Bovina Independent School District		
Street Address 500 Haskell		
Mailing Address P.O. Box 70		
City Bovina	State TX	ZIP 79009
Phone Number 806-251-1336, ext 222	Fax Number	
Mobile Number (optional)	E-mail Address dale.fullerton@region16.net	

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

Will consultant be primary contact? Yes No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

Form fields for contact information: First Name (Audie), Last Name (Sciumbato), Title (Associate Attorney), Firm Name (Underwood Law Firm, P.C.), Street Address (500 S. Taylor, Suite 1200, LB 233), Mailing Address (PO Box 9158), City (Amarillo), State (TX), ZIP (79105), Phone Number (806-379-0326), Fax Number (806-379-0316), Mobile Number (Optional), E-mail Address (audie.sciumbato@uwlaw.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) [Handwritten Signature] Date [10/8/12]

Has the district determined this application complete? [X] Yes [] No

If yes, date determined complete. [10/8/12]

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed. Rows 1-6 detailing application steps and completion status.

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Rick		Last Name Stock	
Title Assistant Vice President, Cargill Corn Milling			
Organization Cargill Incorporated			
Street Address 1705 Kellie Drive			
Mailing Address			
City Blair		State NE	ZIP 68008
Phone Number 402-533-4154		Fax Number 402-533-3586	
Mobile Number (optional)		Business e-mail Address rick_stock@cargill.com	

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 Dean		Last Name Jacobs	
Title Property Tax Advisor			
Organization Cargill Incorporated			
Street Address 15407 McGinty Road West, Wayzata, MN 55391			
Mailing Address P.O. Box 5626			
City Minneapolis		State MN	ZIP 55440-5626
Phone Number 952-742-6444		Fax Number 952-367-1689	
Mobile Number (optional) 612-240-6195		E-mail Address dean_jacobs@cargill.com	

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.

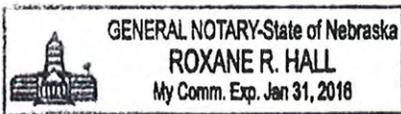
Signature (Authorized Business Representative (Applicant))

Date

Ricky A. Stov

10/5/12

GIVEN under my hand and seal of office this 5th day of October, 2012



Roxane R. Hall
Notary Public, State of Nebraska

(Notary Seal)

My commission expires Jan 31, 2018

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)? Yes No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Cargill Incorporated

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

14101776806

NAICS code

311119 - Other Animal Food Manufacturing

Is the applicant a party to any other Chapter 313 agreements? Yes No

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? Yes No

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

Corporation

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? Yes No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? Yes No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? NA Yes No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

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.

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BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Cargill Incorporated

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

14101776806

NAICS code

424500

Is the applicant a party to any other Chapter 313 agreements? Yes No

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? Yes No

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

Corporation

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? Yes No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? Yes No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? NA Yes No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)



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)

See attached

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

See attached

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 October 15, 2012, Begin Hiring New Employees October, 2012, Construction Complete June 30, 2013, Fully Operational June 30, 2013, Purchase Machinery & Equipment January, 2013

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)?

When do you anticipate the new buildings or improvements will be placed in service? June 30, 2013



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.
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Will any of the proposed qualified investment be leased under a capitalized lease?
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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)

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

See attached

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 October 15, 2012, Begin Hiring New Employees October, 2012, Construction Complete June 30, 2013, Fully Operational June 30, 2012, Purchase Machinery & Equipment January, 2013

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)?

When do you anticipate the new buildings or improvements will be placed in service? June 30, 2013

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Texas Capital Funds (Applied for by City of Bovina)	\$600,000
_____	_____
_____	_____
Total	\$600,000

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.)

Parmer County granted an Economic Development Property Tax Abatement for this project on June 18, 2012. Agreement will abate County ad valorem taxes as prescribed: 100% for years 2013 and 2014; 75% for 2015; 50% for 2016; and 25% for years 2017 and 2018.

THE PROPERTY

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

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

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: Parmer - 100% City: Not Applicable 0%
(Name and percent of project) (Name and percent of project)

Hospital District: Parmer - 100% Water District: High Plains - 100%
(Name and percent of project) (Name and percent of project)

Other (describe): FM Road - 100% Other (describe): Bovina ISD - 100%
(Name and percent of project) (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? \$10 million

What is the amount of appraised value limitation for which you are applying? \$10 million

What is your total estimated *qualified* investment? \$42,601,500 ((\$48,478,300 - \$5,876,800 (Schedule A: Column D and B1))

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? January 31, 2013

What is the anticipated date of the beginning of the qualifying time period? January 31, 2013

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? \$47,878,300 (\$48,478,300 total investment - \$600,000 expended before application submission)

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

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? \$10 million

What is the amount of appraised value limitation for which you are applying? \$10 million

What is your total estimated *qualified* investment? \$34,032,000 million

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? January 31, 2013

What is the anticipated date of the beginning of the qualifying time period? January 31, 2013

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? \$48.2 million

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? [X] 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. 270,443 (Market Value) 2012 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? [] Yes [X] 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? [X] 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)? 0

The last complete calendar quarter before application review start date is the:

[] First Quarter [] Second Quarter [X] Third Quarter [] Fourth Quarter of 2012 (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? 517

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 25

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? [X] 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 [X] 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? 20

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 \$721.88
110% of the county average weekly wage for manufacturing jobs in the county is \$1,052.70
110% of the county average weekly wage for manufacturing jobs in the region is \$850.30

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? \$44,215.60

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? \$44,215.60

- 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.)

See attached

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.

Tab #1

Certification pages signed and dated by Authorized Business Representative

Please see attached documentation under this tab. This is included in the application submitted.



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.

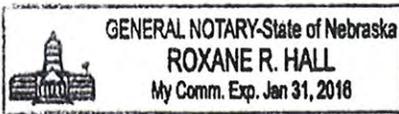
Signature (Authorized Business Representative (Applicant))

Ricky A. Hood

Date

10/5/12

GIVEN under my hand and seal of office this 5th day of October, 2012



(Notary Seal)

Roxane R. Hall
Notary Public, State of Nebraska

My commission expires Jan 31, 2018

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.

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

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

Tab #3

Combined Group Membership under Texas Tax Code 171.0007(7)

Please see attached documentation under this tab.

Contact Information:

Mr. Patrick Shrake
State Tax Senior Counsel
P.O. Box 5626
Minneapolis, MN 55440-5626

Phone: 952-742-5193

e-mail: patrick_shrake@cargill.com

**TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST**

■ Tcode 13298
■ Reporting entity taxpayer number

■ Report year Reporting entity taxpayer name

410177680

2011

CARGILL INCORPORATED & SUBSIDIARIES

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. CARGILL INCORPORATED	410177680	<input type="checkbox"/>
2. AFC FUNDING I CORP	582140948	<input checked="" type="checkbox"/>
3. ACCESS FINANCIAL HOLDINGS CORP	411832199	<input checked="" type="checkbox"/>
4. ACCESS FINANCIAL LENDING CORP	411768416	<input checked="" type="checkbox"/>
5. AGRI HOLDING INC	431783928	<input checked="" type="checkbox"/>
6. AGRIBRANDS INTERNATIONAL INC	431794250	<input checked="" type="checkbox"/>
7. BEEF PACKERS INC.	942860493	<input type="checkbox"/>
8. BLACK RIVER ASSET MANAGEMENT HOLDINGS	161700492	<input checked="" type="checkbox"/>
9. BRAM INVESTMENTS LLC	364557857	<input checked="" type="checkbox"/>
10. CROSSTOWN ASSET CORP I	411761446	<input checked="" type="checkbox"/>
11. CARGILL AMERICAS INC	410958766	<input checked="" type="checkbox"/>
12. CAN TECHNOLOGIES INC	431470456	<input checked="" type="checkbox"/>
13. CFSC CAPITAL CORP X	411761445	<input checked="" type="checkbox"/>
14. CFSC CAPITAL CORP XVII	411796471	<input checked="" type="checkbox"/>
15. CFSC CAPITAL CORP II	411721035	<input checked="" type="checkbox"/>
16. CFSC CAPITAL CORP XXVI	411817291	<input checked="" type="checkbox"/>
17. CFSC CAPITAL CORP XXX	411829823	<input checked="" type="checkbox"/>
18. CFSC CAPITAL CORP XXXIII	411829819	<input checked="" type="checkbox"/>
19. CFSC CAPITAL CORP XXXIV	411856358	<input checked="" type="checkbox"/>
20. CFSC CAPITAL CORP XXXV	411856360	<input checked="" type="checkbox"/>
21. CFSC CAPITAL CORP XXXIX	411856366	<input checked="" type="checkbox"/>

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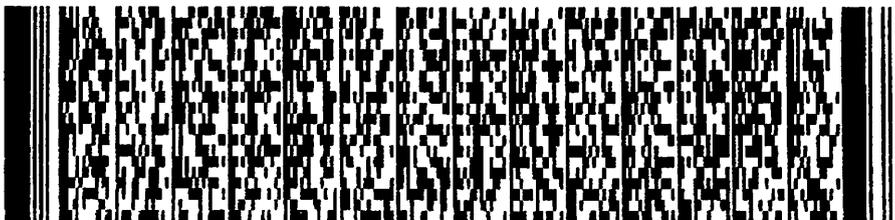
2011

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1. CFSC CAPITAL CORP IV	411728673	<input checked="" type="checkbox"/>
2. CFSC CAPITAL CORP XL	411856367	<input checked="" type="checkbox"/>
3. CFSC CAPITAL CORP XLII	411888207	<input checked="" type="checkbox"/>
4. CFSC CAPITAL CORP XLIV	411888205	<input checked="" type="checkbox"/>
5. CFSC CAPITAL CORP L	411901449	<input checked="" type="checkbox"/>
6. CFSC CAPITAL CORP LIII	411907363	<input checked="" type="checkbox"/>
7. CFSC CAPITAL CORP LIV	411907364	<input checked="" type="checkbox"/>
8. CFSC CAPITAL CORP LVII.	522118680	<input checked="" type="checkbox"/>
9. CFSC CAPITAL CORP LVIII.	522118682	<input checked="" type="checkbox"/>
10. CFSC CAPITAL CORP VI	411734014	<input checked="" type="checkbox"/>
11. CFSC CAPITAL CORP LX	522118686	<input checked="" type="checkbox"/>
12. CFSC CAPITAL CORP LXI	411924880	<input checked="" type="checkbox"/>
13. CFSC CAPITAL CORP LXII	411924881	<input checked="" type="checkbox"/>
14. CFSC CAPITAL CORP LXIII	411924882	<input checked="" type="checkbox"/>
15. CFSC CAPITAL CORP LXIV	411924883	<input checked="" type="checkbox"/>
16. CFSC CAPITAL CORP LXV	411924884	<input checked="" type="checkbox"/>
17. CFSC CAPITAL CORP VIII	411734016	<input checked="" type="checkbox"/>
18. CFSC CAPITAL CORP IX	411734017	<input checked="" type="checkbox"/>
19. CARGILL COMMODITY SERVICES INC	411935954	<input checked="" type="checkbox"/>
20. CARGILL DRY CORN INGREDIENTS INC	370342340	<input checked="" type="checkbox"/>
21. CARGILL EUROFINANCE HOLDINGS INC	261243542	<input checked="" type="checkbox"/>

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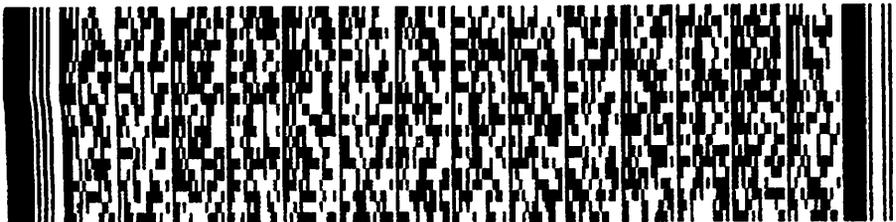
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1. CERESTAR USA INC	130432720	<input checked="" type="checkbox"/>
2. CARGILL ENERGY TRADING CANADA INC	411918751	<input checked="" type="checkbox"/>
3. CARGILL FERTILIZER INC	591445393	<input checked="" type="checkbox"/>
4. CARGILL FINANCIAL SERVICES CORPORATION	411492786	<input checked="" type="checkbox"/>
5. CARGILL FINANCIAL SERVICES INTERNATION	411672872	<input checked="" type="checkbox"/>
6. CFSI Corporation I	261587771	<input checked="" type="checkbox"/>
7. CARGILL FLOUR INC	208264273	<input checked="" type="checkbox"/>
8. Cargill International Inc	272139982	<input checked="" type="checkbox"/>
9. CARGILL INVESTOR SERVICES INC	362752706	<input checked="" type="checkbox"/>
10. CARGILL LACTIC INC	411860451	<input checked="" type="checkbox"/>
11. CARGILL MALT (RUSSIA) HOLDING INC	411875913	<input checked="" type="checkbox"/>
12. Cargill Mexico Holdings Inc	272523042	<input checked="" type="checkbox"/>
13. CARGILL MEAT LOGISTICS SOLUTIONS INC.	411363507	<input type="checkbox"/>
14. CARGILL MEAT SOLUTIONS CORPORATION	751449430	<input type="checkbox"/>
15. CARGILL NUTRI-PRODUCTS INC	411793955	<input checked="" type="checkbox"/>
16. CARGILL OCEAN INVESTMENTS LLC	205365863	<input checked="" type="checkbox"/>
17. CARGILL PLA INC	411890092	<input checked="" type="checkbox"/>
18. CROSSTONKA I CORPORATION	411786459	<input checked="" type="checkbox"/>
19. CROSSTONKA III CORPORATION	411817560	<input checked="" type="checkbox"/>
20. CROSSTONKA IV CORPORATION	411829528	<input checked="" type="checkbox"/>
21. CARGILL TRADING LIMITED	411541737	<input checked="" type="checkbox"/>

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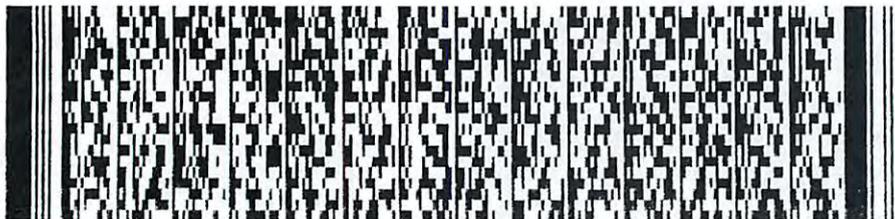
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1. C TENNANT SONS & CO OF NEW YORK	131372010	<input checked="" type="checkbox"/>
2. Cargill SC Trading, Inc	262534762	<input checked="" type="checkbox"/>
3. CTSF North America Inc	261334819	<input checked="" type="checkbox"/>
4. CVI MANAGEMENT CO	201023624	<input checked="" type="checkbox"/>
5. CARVAL INVESTORS MANAGEMENT INC	201012133	<input checked="" type="checkbox"/>
6. FMS INCORPORATED	263835772	<input checked="" type="checkbox"/>
7. FMS MERGER SUB INCORPORATED	452239606	<input checked="" type="checkbox"/>
8. G&M STEVEDORING INC	411535738	<input type="checkbox"/>
9. GNS I (US) CORP	201026546	<input checked="" type="checkbox"/>
10. HC II CORPORATION	204447714	<input checked="" type="checkbox"/>
11. CARGILL JUICE NORTH AMERICA INC	411262003	<input checked="" type="checkbox"/>
12. LACTECH INC	411682496	<input checked="" type="checkbox"/>
13. LLOYD HOME & BUILDING CENTERS INC	132777083	<input checked="" type="checkbox"/>
14. MINNETONKA INSURANCE COMPANY	521548987	<input checked="" type="checkbox"/>
15. MARANATHA PRAISE INC	330830205	<input checked="" type="checkbox"/>
16. MIDWESTERN TRADING GROUP, INC.	264031394	<input checked="" type="checkbox"/>
17. NORTH STAR RECYCLING COMPANY	382146127	<input checked="" type="checkbox"/>
18. NORTH STAR STEEL KENTUCKY INC	610994510	<input checked="" type="checkbox"/>
19. NORTH STAR STEEL TEXAS INC	132761413	<input checked="" type="checkbox"/>
20. NSS VENTURES INC	411802500	<input checked="" type="checkbox"/>
21. CARGILL KITCHEN SOLUTIONS INC	411518244	<input checked="" type="checkbox"/>

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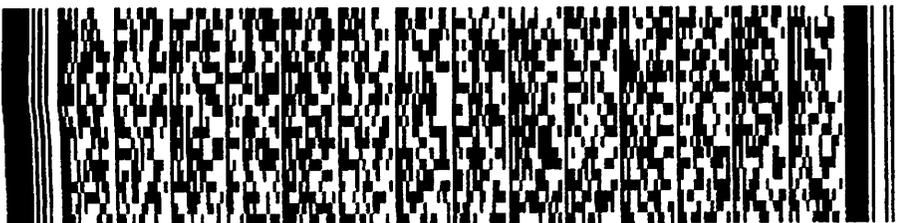
2011

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1. MARANATHA! MUSIC INC (FKA THE CORINTHI	953988354	<input checked="" type="checkbox"/>
2. TUMON BAY INC	460516601	<input checked="" type="checkbox"/>
3. CARGILL COCOA AND CHOCOLATE INC (FKA W	232176215	<input type="checkbox"/>
4. WILLKNIGHT INC	411431176	<input checked="" type="checkbox"/>
5. Feed Management Systems, Inc.	411544323	<input checked="" type="checkbox"/>
6. CFSC Investments Inc	452449105	<input checked="" type="checkbox"/>
7. CARGILL TECHNICAL SERVICES INC	411729200	<input checked="" type="checkbox"/>
8. AGX BRASIL LLC.	141901479	<input checked="" type="checkbox"/>
9. AMP China Holdings, LLC	000000001	<input checked="" type="checkbox"/>
10. ANGUS AMERICA LLC	470816720	<input checked="" type="checkbox"/>
11. AVIATION SOLUTIONS LLC	200273288	<input checked="" type="checkbox"/>
12. CARGILL BIOFUELS OPERATING SERVICES LL	205615499	<input checked="" type="checkbox"/>
13. BLACK RIVER ASSET MANAGEMENT LLC	412066451	<input checked="" type="checkbox"/>
14. LACROSSE GLOBAL FUND SVCS LLC	731666520	<input checked="" type="checkbox"/>
15. BLACK RIVER ASSET MANAGEMENT HOLDINGS	262571988	<input checked="" type="checkbox"/>
16. BRAND MANAGEMENT SOLUTION LLC	800122274	<input type="checkbox"/>
17. Cargill Asia Pacific LLC	000000002	<input checked="" type="checkbox"/>
18. CarCoal Investments, LLC	452593562	<input checked="" type="checkbox"/>
19. CARGILL CATTLE FEEDERS LLC.	202664228	<input type="checkbox"/>
20. CARGILL BIOFUELS INVESTMENT LLC	204045797	<input checked="" type="checkbox"/>
21. CARGILL EUROFINANCE HOLDINGS 2 LLC	000000003	<input checked="" type="checkbox"/>

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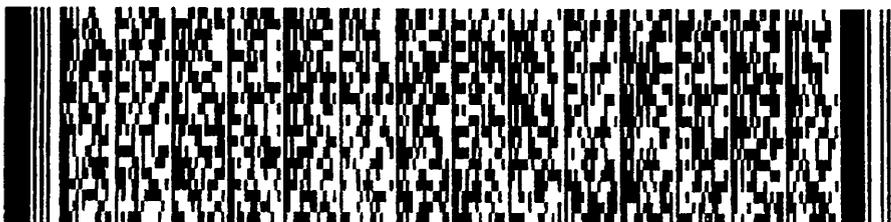
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CARGILL INCORPORATED & SUBSIDIARIES

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. CARGILL EUROFINANCE HOLDINGS 1 LLC	000000004	<input checked="" type="checkbox"/>
2. CARGILL EUROPE LLC	411430117	<input checked="" type="checkbox"/>
3. Cargill CFI, LLC (formerly Cargill)	410177680	<input checked="" type="checkbox"/>
4. CFSI Aviation LLC	000000005	<input checked="" type="checkbox"/>
5. Cargill Crop Insurance LLC	000000006	<input checked="" type="checkbox"/>
6. CVI GLOBAL VALUE FUND US DIRECT LLC	205611017	<input checked="" type="checkbox"/>
7. CVI GLOBAL VALUE FUND US EQUITY LLC	205422247	<input checked="" type="checkbox"/>
8. CVI GLOBAL VALUE FUND US FUNDING LLC	205422358	<input checked="" type="checkbox"/>
9. CARGILL IB LLC	721578262	<input checked="" type="checkbox"/>
10. CINNABARINA LLC	411986508	<input checked="" type="checkbox"/>
11. CORI TRADING LLC	161721199	<input checked="" type="checkbox"/>
12. CARGILL POINT LLC	204511686	<input checked="" type="checkbox"/>
13. CARGILL PORK LLC.	450530531	<input checked="" type="checkbox"/>
14. CRI TRADING LLC.	000000007	<input checked="" type="checkbox"/>
15. CVIMOIL LLC	205272626	<input checked="" type="checkbox"/>
16. ECHO TRAIL INVESTORS LLC	411943935	<input checked="" type="checkbox"/>
17. EXCEL RETAIL HOLDINGS LLC.	481242985	<input checked="" type="checkbox"/>
18. CARGILL FOOD INGREDIENTS US LLC	060951517	<input checked="" type="checkbox"/>
19. CARGILL FLAVOR SYSTEMS US LLC.	253022084	<input checked="" type="checkbox"/>
20. Great Lakes Investments LLC	000000008	<input checked="" type="checkbox"/>
21. GUNFLINT TRAIL INVESTORS LLC	411942248	<input checked="" type="checkbox"/>

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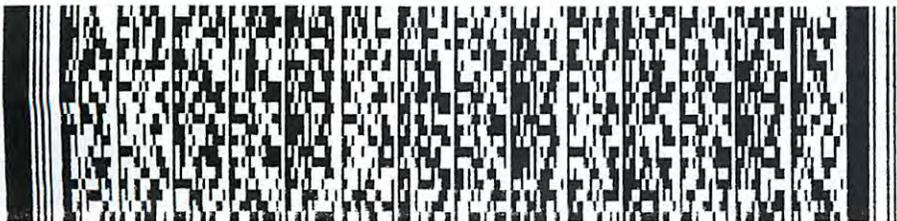
2011

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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Cargill GNS I, LLC (formerly GNSI (410177680	<input checked="" type="checkbox"/>
2. KINGSTREET MEDIA (MUSIC PUBLISHING) 2	134085604	<input checked="" type="checkbox"/>
3. LATTE STONE LLC	411979519	<input checked="" type="checkbox"/>
4. LACROSSE HOLDINGS LLC	731666520	<input checked="" type="checkbox"/>
5. LEUCANTHA LLC	411986511	<input checked="" type="checkbox"/>
6. NAREP II SLP II LLC	204710522	<input checked="" type="checkbox"/>
7. NAREP CANADIAN GPI (GP) LLC	202024063	<input checked="" type="checkbox"/>
8. CARGILL NB 931 LLC	200061795	<input checked="" type="checkbox"/>
9. CARGILL NB 932 LLC	870701415	<input checked="" type="checkbox"/>
10. CARGILL NB 933 LLC	870701417	<input checked="" type="checkbox"/>
11. CARGILL NB 934 LLC	870701418	<input checked="" type="checkbox"/>
12. CARGILL NB 935 LLC	870701420	<input checked="" type="checkbox"/>
13. CARGILL NB 936 LLC	870701421	<input checked="" type="checkbox"/>
14. CARGILL NB 937 LLC	870701424	<input checked="" type="checkbox"/>
15. CARGILL NB 938 LLC	870701426	<input checked="" type="checkbox"/>
16. CARGILL NB 939 LLC	870701428	<input checked="" type="checkbox"/>
17. CARGILL NB 940 LLC	870701429	<input checked="" type="checkbox"/>
18. CARGILL NB 941 LLC	870701431	<input checked="" type="checkbox"/>
19. CARGILL NB 942 LLC	870701432	<input checked="" type="checkbox"/>
20. CARGILL NB 943 LLC	870701434	<input checked="" type="checkbox"/>
21. CARGILL NB 944 LLC	870701436	<input checked="" type="checkbox"/>

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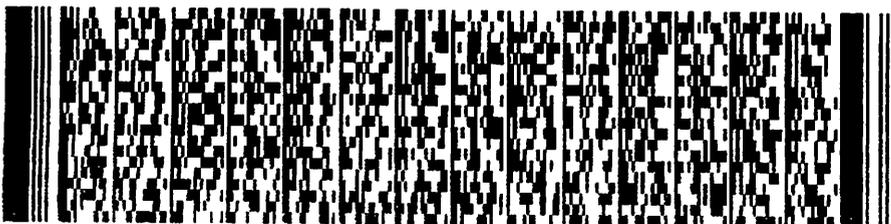
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1. CARGILL NB 945 LLC	870701438	<input checked="" type="checkbox"/>
2. NORTH STAR STEEL COMPANY LLC	416024940	<input checked="" type="checkbox"/>
3. CGL PD PORT LLC	262942591	<input checked="" type="checkbox"/>
4. CARGILL POLYOLS LLC.	391917793	<input checked="" type="checkbox"/>
5. Pramco Holdings, LLC	000000009	<input checked="" type="checkbox"/>
6. Pramco Elimination	000000010	<input checked="" type="checkbox"/>
7. Pramco II LLC	000000011	<input checked="" type="checkbox"/>
8. Pramco III LLC	000000012	<input checked="" type="checkbox"/>
9. Pramco IV LLC	000000013	<input checked="" type="checkbox"/>
10. ROSSIANA LLC	411986512	<input checked="" type="checkbox"/>
11. STEVENS POINT LLC	411996911	<input checked="" type="checkbox"/>
12. TRIFOLIATA LLC	411986507	<input checked="" type="checkbox"/>
13. TIERRA SALADA LLC	204511602	<input checked="" type="checkbox"/>
14. CARGILL TSF AMERICAS LLC.	000000014	<input checked="" type="checkbox"/>
15. CARGILL TURKEY PRODUCTION LLC	522444399	<input type="checkbox"/>
16. USAIR N655US LLC	203908654	<input checked="" type="checkbox"/>
17. WESTPOINT SLOUGH LLC	204511312	<input checked="" type="checkbox"/>
18. WHITEWATER CAPITAL 10 LLC	411941841	<input checked="" type="checkbox"/>
19. WHITEWATER CAPITAL 11 LLC	411955583	<input checked="" type="checkbox"/>
20. WHITEWATER CAPITAL 12 LLC	411955834	<input checked="" type="checkbox"/>
21. WHITEWATER CAPITAL 13 LLC	411955835	<input checked="" type="checkbox"/>

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1. WHITEWATER CAPITAL 14 LLC	411955836	<input checked="" type="checkbox"/>
2. WHITEWATER CAPITAL 15 LLC	411955838	<input checked="" type="checkbox"/>
3. WHITEWATER CAPITAL 16 LLC	411957509	<input checked="" type="checkbox"/>
4. WHITEWATER CAPITAL 17 LLC	411957511	<input checked="" type="checkbox"/>
5. WHITEWATER CAPITAL 18 LLC	411957512	<input checked="" type="checkbox"/>
6. WHITEWATER CAPITAL 19 LLC	411957515	<input checked="" type="checkbox"/>
7. WHITEWATER CAPITAL 2 LLC	411938986	<input checked="" type="checkbox"/>
8. WHITEWATER CAPITAL 20 LLC	411957516	<input checked="" type="checkbox"/>
9. WHITEWATER CAPITAL 21 LLC	411973005	<input checked="" type="checkbox"/>
10. WHITEWATER CAPITAL 22 LLC	411973006	<input checked="" type="checkbox"/>
11. WHITEWATER CAPITAL 23 LLC	411973009	<input checked="" type="checkbox"/>
12. WHITEWATER CAPITAL 24 LLC	411973013	<input checked="" type="checkbox"/>
13. WHITEWATER CAPITAL 25 LLC	411973016	<input checked="" type="checkbox"/>
14. WHITEWATER CAPITAL 26, LLC	412012568	<input checked="" type="checkbox"/>
15. WHITEWATER CAPITAL 27 LLC	412021257	<input checked="" type="checkbox"/>
16. WHITEWATER CAPITAL 28 LLC	412012574	<input checked="" type="checkbox"/>
17. WHITEWATER CAPITAL 29 LLC	412012579	<input checked="" type="checkbox"/>
18. WHITEWATER CAPITAL 3 LLC	000000015	<input checked="" type="checkbox"/>
19. WHITEWATER CAPITAL 30 LLC	412012581	<input checked="" type="checkbox"/>
20. WHITEWATER CAPITAL 31 LLC	810577130	<input checked="" type="checkbox"/>
21. WHITEWATER CAPITAL 32 LLC	810557133	<input checked="" type="checkbox"/>

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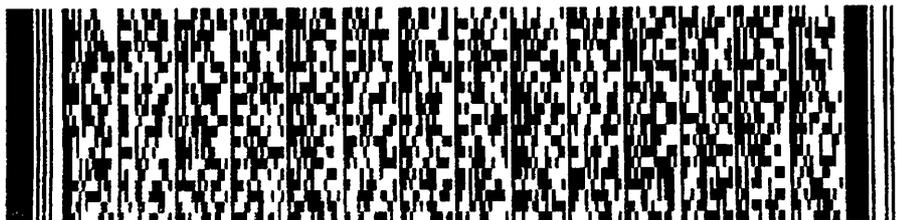
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1. WHITEWATER CAPITAL 33 LLC	000000016	<input checked="" type="checkbox"/>
2. WHITEWATER CAPITAL 34 LLC	000000017	<input checked="" type="checkbox"/>
3. WHITEWATER CAPITAL 35 LLC	000000018	<input checked="" type="checkbox"/>
4. WHITEWATER CAPITAL 4 LLC	411938990	<input checked="" type="checkbox"/>
5. WHITEWATER CAPITAL 5, LLC	411938999	<input checked="" type="checkbox"/>
6. WHITEWATER CAPITAL 6 LLC	411941837	<input checked="" type="checkbox"/>
7. WHITEWATER CAPITAL 7 LLC	411941838	<input checked="" type="checkbox"/>
8. WHITEWATER CAPITAL 8 LLC	411941839	<input checked="" type="checkbox"/>
9. WHITEWATER CAPITAL 9 LLC	411941840	<input checked="" type="checkbox"/>
10. CROSSTOWN ASIA INVESTMENTS LLC	202814782	<input checked="" type="checkbox"/>
11. CROSSTOWN CHINA INVESTMENTS 4 LLC	203978563	<input checked="" type="checkbox"/>
12. CROSSTOWN CHINA INVESTMENTS 6 LLC	204876979	<input checked="" type="checkbox"/>
13. CROSSTOWN CHINA INVESTMENTS 7 LLC	204885197	<input checked="" type="checkbox"/>
14. CROSSTOWN ASIA INVESTMENTS 8 LLC	202814782	<input checked="" type="checkbox"/>
15. CROSSTOWN CREDIT COMPANY LLC	204025262	<input checked="" type="checkbox"/>
16. CROSSTOWN FINANCIAL COMPANY LLC	000000019	<input checked="" type="checkbox"/>
17. CROSSTOWN FINANCIAL COMPANY 10 LLC	000000020	<input checked="" type="checkbox"/>
18. CROSSTOWN FINANCIAL COMPANY 2 LLC	411947812	<input checked="" type="checkbox"/>
19. CROSSTOWN FINANCIAL COMPANY 3 LLC	411949329	<input checked="" type="checkbox"/>
20. CROSSTOWN FINANCIAL COMPANY 5, LLC	411949334	<input checked="" type="checkbox"/>
21. CROSSTOWN FINANCIAL COMPANY 6 LLC	000000021	<input checked="" type="checkbox"/>

Note To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Texas Comptroller Official Use Only



VE/DE FM



**TEXAS FRANCHISE TAX
 EXTENSION AFFILIATE LIST**

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

410177680

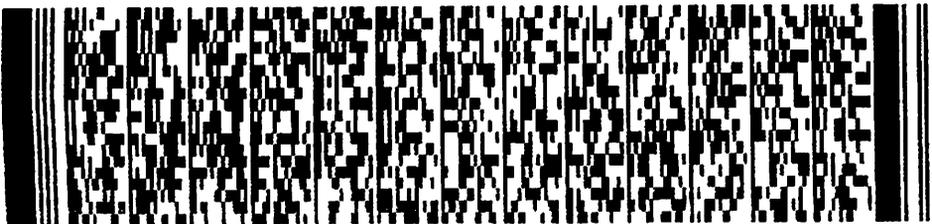
2011

CARGILL INCORPORATED & SUBSIDIARIES

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. CROSSTOWN FINANCIAL COMPANY 7 LLC	000000022	<input checked="" type="checkbox"/>
2. CROSSTOWN FINANCIAL COMPANY 8 LLC	000000023	<input checked="" type="checkbox"/>
3. CROSSTOWN FINANCIAL COMPANY 9 LLC	000000024	<input checked="" type="checkbox"/>
4. CROSSTOWN FINANCIAL COMPANY 4 LLC	411949333	<input checked="" type="checkbox"/>
5. CROSSTOWN INVESTMENTS COMPANY LLC	743114873	<input checked="" type="checkbox"/>
6. CROSSTOWN INVESTMENTS COMPANY 2 LLC	203321190	<input checked="" type="checkbox"/>
7. CROSSTOWN MUSIC COMPANY 1 LLC	204455812	<input checked="" type="checkbox"/>
8. CARGILL POWER MARKETS LLC	411889936	<input checked="" type="checkbox"/>
9. HORIZON MILLING LLC	300007111	<input checked="" type="checkbox"/>
10. Horizon Milling LP	208264383	<input checked="" type="checkbox"/>
11. CARVAL INVESTORS LLC	203793520	<input checked="" type="checkbox"/>
12. NATUREWORKS LLC	411891932	<input checked="" type="checkbox"/>
13. CARGILL INCORPORATED & SUBSIDIARIES	410177680	<input checked="" type="checkbox"/>
14. CARGILL INC & SUBS ELIM	111111111	<input checked="" type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

Note To file an extension request for a reporting entity and its affiliates Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list The filing of this list by itself does not constitute a properly filed Extension Request

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Tab #4

Detailed description of the project

In 2001, Cargill Corn Milling opened a gateway into the Texas Panhandle cattle feeding market with an innovative system of moving high moisture feed product by rail. The first manufacturing facility, constructed in Dalhart, Texas, manufactures and sells high quality feed to the cattle feedlot and dairy industries. Our Sweet Bran, Sweet Bran Custom Mix, and RAMP products are known in the marketplace for their reliable supply, consistent quality, and superior customer service. The success of these product lines have resulted in current production and sales levels that are 3-4 times the original volume. As such, Cargill is at a point where we need to expand our manufacturing capacity. After an extensive review of various locations in Texas, we have selected Bovina as the site for the new manufacturing facility. Bovina's geographical position is centrally located in the heart of our customer's feed yard businesses. Cattle on feed numbers in the region are significant and stable. The dairy industry in the region is a pocket of significant growth where the operations are large and progressive.

The subject Bovina facility will be located on a 156 acre site along US Hwy. 60, just southwest of the Bovina city limits. When fully operational, Cargill expects to employ between 25 and 30 full time employees. In addition to Cargill employees, this project will also create several full time jobs in the Bovina area for other companies that will support our business operations.

Major investment in this facility will include:

1. Rail track and rail car unload system. This includes 27,000 feet of rail track for receiving and unloading unit trains up to 120 railcars of raw material ingredients. Also includes the rail car unload system which is a rotary car dumper that will pick up each individual rail car, rotate it, and dump the car contents into our intermediate storage system.
2. Mixing, weighing, and conveying equipment. This is comprised of a series of systems to precisely weigh various ingredients, move the ingredients into product mixers, and then move the finished mix to a storage or load out area. There are approximately 20 various feed ingredients used on a regular basis with potential for additional ones based on unique customer needs. The computerized plant control systems will store customer specific product mix information which will be used within this automated system to calculate needed weights of each ingredient, obtain the ingredient from storage, and combine the appropriate items into mixers for final production.
3. Ingredient Unload and Storage. This includes bins, tanks, flat storage, and warehouse storage for the various feed ingredients we use as raw material in our products.
4. Finished Product storage and load out. Product is produced to a specific specification. Once mixed, it will either be directly loaded out for a customer or it will be stored in bulk agricultural bags for later shipment to a customer.

Construction Timeline includes:

1. Minor ground preparation and dirt work will begin September 2012.
2. Construction is planned to begin 10/15/12 with concrete work.
3. Machinery and equipment will arrive on site and be installed starting in January 2013.
4. A small admin office building will be operational around January 2013.
5. All other ingredient and plant buildings are expected to be operational in June 2013.
6. A majority of the employees will be hired in December, 2012 to allow for training prior to plant start up.
7. Plant construction will be complete and fully operational by June 30, 2013.

Tab #5

Detail if project is in multiple districts

The Sweet Bran project is not located in multiple districts, therefore this is not applicable.

Tab #6

Description of Qualified Investment

Land

The project site is 156.287 acres of land located along US Hwy. 60, approximately a half mile southwest of the Bovina city limits. The current use of the land is irrigated agricultural crop land.

Buildings

The following buildings will be built as part of the project:

Dumper Building: This is where the rail cars are “dumped”, and the beginning of the manufacturing process. This building will be structural steel frame, with a steel exterior. It will be 9,838 square feet in size.

Truck Load-out Building: This enclosed building is where semi-trucks will be loaded with finished product for delivery to our customers. The building is 9,724 square feet in size, and will be constructed of structural steel frame and steel exterior.

Ingredient Unload Building: Ingredients brought in by rail cars will be unloaded here and used in our custom mix products. This building will be constructed of structural steel and steel siding. It will be 1,800 square feet in size.

Administration/Warehouse Building: This 7,560 square foot building will house the administrative functions of the facility, as well as include some light warehousing space. This building will also be a structural steel building with steel siding.

Hoop building: The hoop building is a hoop styled building, constructed of a steel frame and concrete base, and covered with a fabric shell. The 14,400 square foot building will be used to store product that needs to be “re-worked” because it wasn’t within specs the first time produced.

Ingredient Storage Silo’s: Ingredients will be stored in six (6) carbon steel silos, each with a capacity of 2,500 cubic feet.

Paving: All traffic surfaces will be paved with either concrete or asphalt surface material.

Ag Bag Storage: There are two proposed open air storage areas to be used to store material in ag bags. These areas will be either concrete or asphalt. The two storage areas will be approximately 2.57 acres and 3.13 acres in size.

Rail: there will be approximately 26,000 feet of 115 lbs. rail track on site to accommodate rail cars delivering incoming materials.

Misc: Truck scales, bunkers, tank farm, and trailer staging areas.

Machinery and Equipment

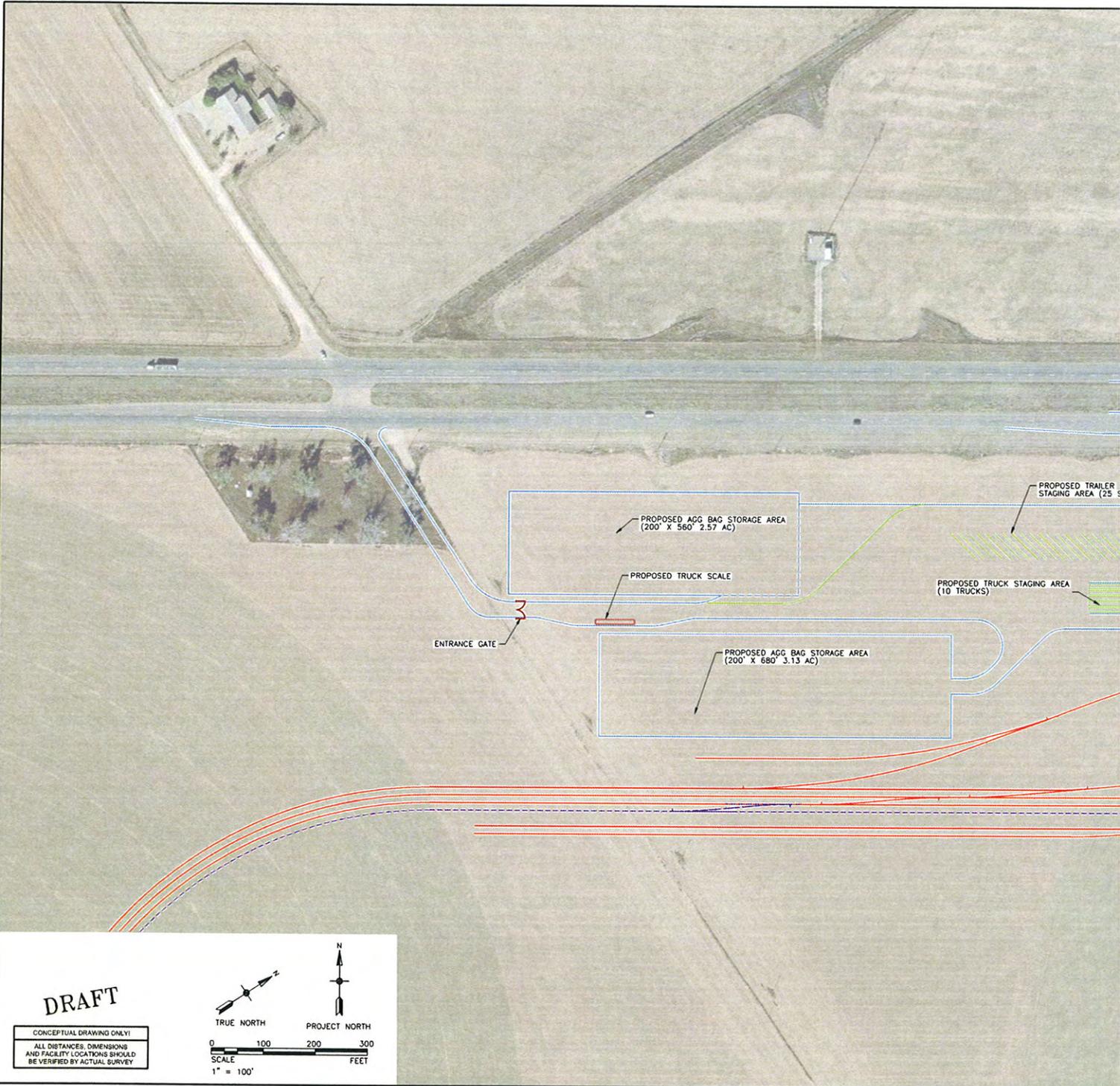
This is a list of the type of machinery and equipment that will be installed. For proprietary reasons, we cannot list equipment specifics.

- Agitators
- Blowers
- Compressors
- Conveyors
- Diverter valves/slide gates
- Filters
- Fans
- Generators
- Magnets
- Motors
- Mixers, Spreaders
- Pumps
- Rotary valves/Airlocks
- Mechanized Samplers
- Silo's, Bins
- Atmospheric Tanks, Hoppers
- Load Cells, truck Scales
- Computer Systems
- Office Equipment
- Office Furniture
- Hand Tools

Tab #7

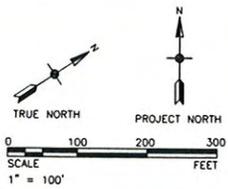
Map of qualified investment showing location of new buildings with vicinity map

The map provided under this tab shows the location of the proposed buildings and structures on the project site. The Google Map aerial photo illustrates the vicinity of the project site.

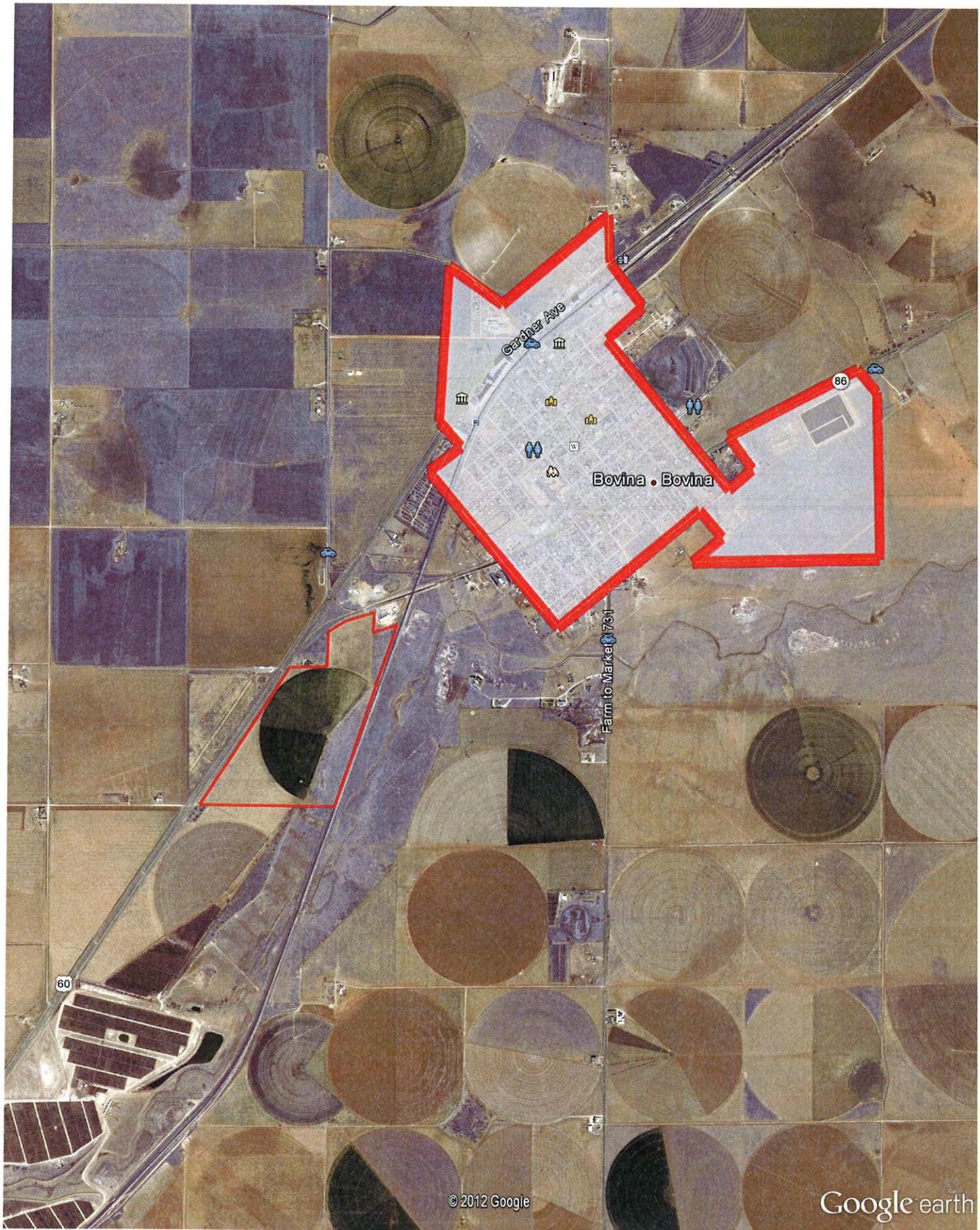


DRAFT

CONCEPTUAL DRAWING ONLY!
 ALL DISTANCES, DIMENSIONS
 AND FACILITY LOCATIONS SHOULD
 BE VERIFIED BY ACTUAL SURVEY



4/11/2017 9:56:17 AM - C:\ACTION\NAME\PROJECTS\4811188.dwg



Tab #8

Description of Qualified Property

Same as description of qualified investment; Please refer to Tab#6

Tab #9

Map of qualified property showing location of new buildings with vicinity map

Same as qualified investment; Please refer to Tab #7.

Doc	Bk	Vol	Ps
46287	OR	48	312

Exhibit "A"
Legal Description
Parmer County, Texas

TRACT 1: THAT PART OF SECTION 10 LYING SOUTH OF STATE HIGHWAY, BLOCK "E", CAPITOL SYNDICATE SUBDIVISION, PARMER COUNTY, TEXAS:

TRACT 2: THE SOUTHEAST QUARTER OF SECTION 16, SAVE AND EXCEPT 7.319 ACRES, 4.106 ACRES AND 51 ACRES, BLOCK "A", CAPITOL SYNDICATE SUBDIVISION, PARMER COUNTY, TEXAS.

SAVE AND EXCEPT all that certain tract or parcel of land situated in the County of Parmer, State of Texas, and being part of a survey originally granted to Abner Taylor, by patent No. 522, Vol. 1, Abstract No. 77, and being a part of a tract of 160 acres conveyed by Elbert L. Glocken, etux, to Luther Hastings by deed dated the 12th day of September, A.D. 1925, and recorded in Volume No. 34, Page No. 473, of the Deed Records of Parmer County, Texas; said tract or parcel of land herein conveyed, being more particularly described as follows:

Being a tract of land out of the Southeast Quarter of Section 16, Block "A", Capitol Syndicate Subdivision in Parmer County, Texas.

Beginning at a point in the South line of Section 16, at sta 560 88 on the center line of proposed Hwy 33, said point being 2538 feet West from the Southeast corner of Section 16; Thence West along the South line of Section 16, 60.3 feet to a point in the West right of way line of proposed Hwy 33; Thence North 33° 56' East along the West right of way line of proposed Hwy 33, 3188 feet to a point in the North line of the Southeast Quarter of Section 16; Thence East along the quarter Section line 60.3 feet to a point on the center line of proposed Hwy 33 at its Sta 592 76 said point being 753 feet West from the Northeast corner of the Southeast Quarter of Section 16; Thence continuing East along the quarter Section line, 60.3 feet to a point in the East right of way line of proposed Hwy 33; Thence South 33° 56' West along the East right of way line of proposed Hwy 33, 3186 feet to a point in the South line of Section 16; Thence West along the South line of Section 16, 60.3 feet to the place of beginning; containing 7.319 acres, more or less.

SAVE AND EXCEPT all that certain lot, tract or parcel of land, lying and being situated in the County of Parmer, State of Texas, known and described as follows:

A tract of land out of the Southeast quarter (SE¼) of Section 16, Block "A", Capitol Syndicate Subdivision of Parmer County, Texas, described by metes and bounds, as follows:

BEGINNING at the Northwest corner of the Southeast Quarter of Section 16 for the beginning point;

#1919539

Doc	Bk	Vol	Pg
46287	OR	48	313

THENCE East along and with the North boundary line of said Southeast Quarter, 1827.4 feet to a point in the West right of way line of U.S. Highway 60;

THENCE South 34° 00' West, 120.6 feet along the right of way line of U.S. Highway 60 to a point;

THENCE West and parallel to the North boundary line of said Southeast Quarter 1760 feet to a point in the West boundary line of said Southeast Quarter

THENCE North along the West boundary line of said Southeast Quarter, 100 feet to the place of beginning; containing 4.106 acres of land.

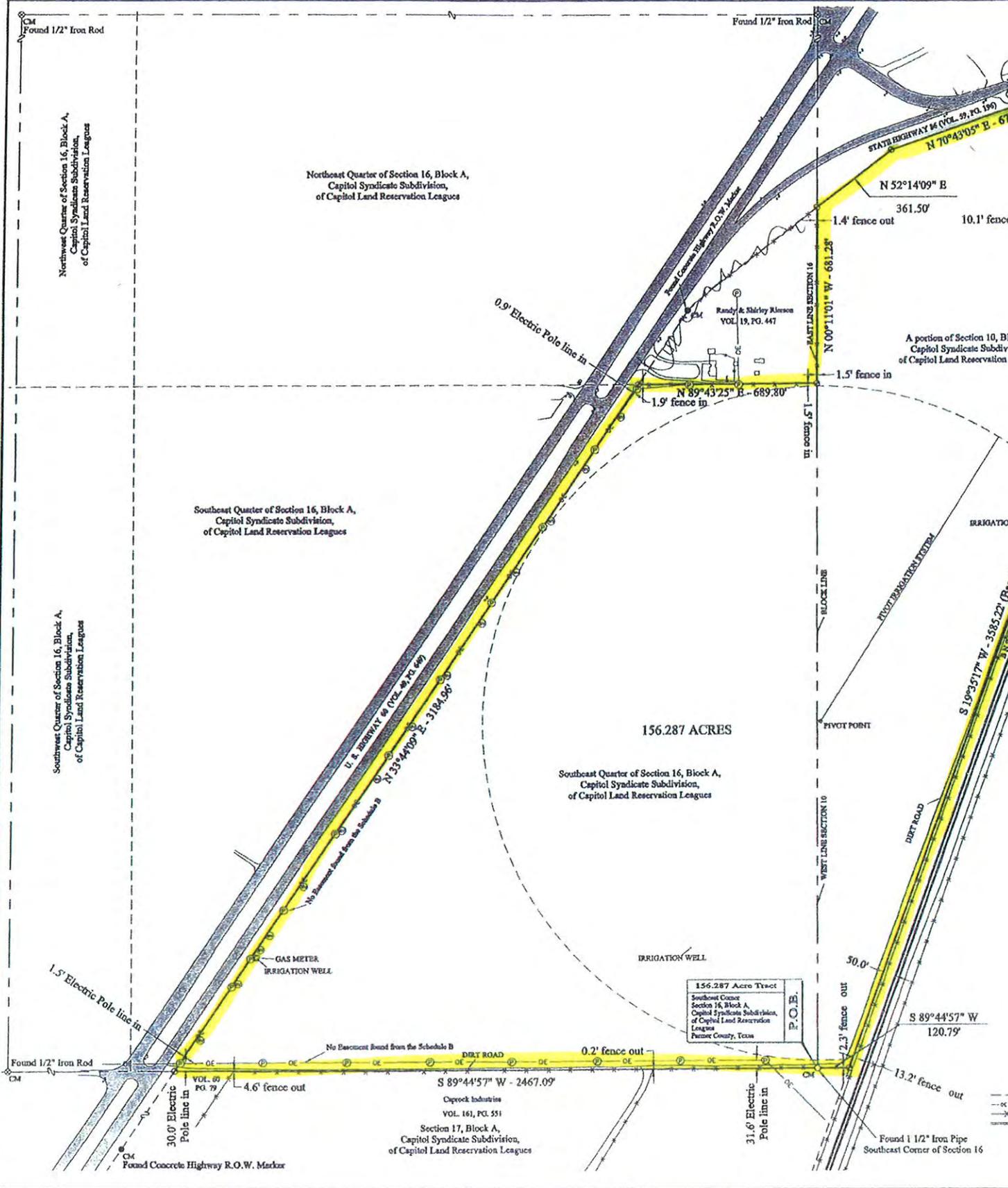
SAVE AND EXCEPT 51 acres, more or less, being all of the Southeast Quarter (SE¼) of Section 16, Block "A", Capitol Syndicate Subdivision, Parmer County, Texas, lying north and west of U.S. Highway 60 right of way.

Said tract contains a computed area of 156.287 acres of land.

Doc	Bk	Vol	Pg
44287	OR	48	314

EXHIBIT "B"
Permitted Encumbrances

1. Right of Way Deed for the purposes of constructing and maintaining transmission lines dated April 1, 1926, to Texas Utilities Company, filed April 21, 1926, in Volume 35, Page 325, Deed Records of Parmer County, Texas. (Tract 1)
2. Right of Way Deed for highway purposes dated October 28, 1939, to State of Texas, filed November 28, 1939, in Volume 59, Page 196, Deed Records of Parmer County, Texas. (Tract 1)
3. Right of Way Deed for highway purposes dated June 25, 1935, to State of Texas, filed June 25, 1935, in Volume 49, Page 649, Deed Records of Parmer County, Texas. (Tract 2)
4. Partnership Agreement dated November 12, 1954, for the purpose of constructing and maintaining a natural gas pipeline, filed November 17, 1954, in Volume 1, Page 411, of the Miscellaneous Records of Parmer County, Texas, and amended by instrument dated February 10, 1970, filed March 30, 1970, in volume 147, Page 308, Deed Records of Parmer County, Texas, and transferred by Bill of Sale dated February 10, 1970, to Pioneer Natural Gas Company, filed March 30, 1970, in Volume 147, Page 309, of the Deed Records of Parmer County, Texas.
5. Easement dated February 24, 1968; to Santa Fe Pipeline Company, for the purpose of constructing and maintaining a pipeline, filed March 19, 1968, in Volume 138, Page 129, Deed Records of Parmer County, Texas.
6. Memorandum of Easement effective as of September 24, 1998, from Burlington Northern and Santa Fe Railway Company to ANT II, LLC, filed December 20, 2004, in Volume 11, Page 731, Official Public Records of Parmer County, Texas.
7. Subject to the Rules and Regulations of the High Plains Underground Water Conservation District #1.



Northwest Quarter of Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

Northeast Quarter of Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

Southeast Quarter of Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

Southwest Quarter of Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

Southeast Quarter of Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

156.287 ACRES

156.287 Acre Tract
Southeast Corner
Section 16, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation
Leagues
Patterson County, Texas

Section 17, Block A,
Capitol Syndicate Subdivision,
of Capitol Land Reservation Leagues

Surveyed and Platted by [unreadable] Surveyors, L.P.

--- Block Line
 - - - - - Boundary
 x x x x x Boundary
 --- Boundary

Tab #12

Description of all existing improvements

The Sweet Bran project is a green field development; there are no existing improvements, therefore this is not applicable. The current use is irrigated agricultural crop land.

Tab #13

Request for Waiver of Job Creation Requirement

Cargill is not requesting a waiver of the job creation requirement, therefore this is not applicable.

Calculation for 110% of the county average weekly wage for all jobs (all industries) in Parmer County:

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Parmer County	Private	00	0	10	Total, All Industries	\$635

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Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Parmer County	Private	00	0	10	Total, All Industries	\$598
2011	2nd Qtr	Parmer County	Private	00	0	10	Total, All Industries	\$658
2011	3rd Qtr	Parmer County	Private	00	0	10	Total, All Industries	\$689
2011	4th Qtr	Parmer County	Private	00	0	10	Total, All Industries	\$643

2 nd Qtr 2011	\$658
3 rd Qtr 2011	\$689
4 th Qtr 2011	\$643
1 st Qtr 2012	\$635
Total	\$2, 625
Average	\$656.25
110% (x 1.1)	\$721.88

Calculation for 110% of the county average weekly wage for manufacturing jobs in Parmer County:

Note: Tracer website for this search only reports manufacturing jobs in the Animal Food Manufacturing industry code (3111).

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Parmer County	Total All	31	4	3111	Animal Food Manufacturing	\$1,141
2011	2nd Qtr	Parmer County	Total All	31	4	3111	Animal Food Manufacturing	\$851
2011	3rd Qtr	Parmer County	Total All	31	4	3111	Animal Food Manufacturing	\$959
2011	4th Qtr	Parmer County	Total All	31	4	3111	Animal Food Manufacturing	\$877

1 st Qtr 2011	\$1,141
2 nd Qtr 2011	\$851
3 rd Qtr 2011	\$959
4 th Qtr 2011	\$877
Total	\$3,828
Average	\$957
110% (x 1.1)	\$1,052.70

Calculation for 110% of the average weekly wage for manufacturing jobs in the region:

Note: Data source is from the 2011 Manufacturing Wages by Council of Government Region for the Panhandle Regional Planning Commission.

Average Annual Wage	\$40,196
110% (x 1.1)	\$44,215.60
Divided by weeks/year	52
Average Weekly Wage	\$850.30

**2011 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$22.89	\$47,610
<u>1. Panhandle Regional Planning Commission</u>	<u>\$19.32</u>	<u>\$40,196</u>
<u>2. South Plains Association of Governments</u>	\$16.45	\$34,210
<u>3. NORTEX Regional Planning Commission</u>	\$18.14	\$37,733
<u>4. North Central Texas Council of Governments</u>	\$24.03	\$49,986
<u>5. Ark-Tex Council of Governments</u>	\$16.52	\$34,366
<u>6. East Texas Council of Governments</u>	\$18.27	\$37,995
<u>7. West Central Texas Council of Governments</u>	\$17.76	\$36,949
<u>8. Rio Grande Council of Governments</u>	\$15.69	\$32,635
<u>9. Permian Basin Regional Planning Commission</u>	\$21.32	\$44,349
<u>10. Concho Valley Council of Governments</u>	\$15.92	\$33,123
<u>11. Heart of Texas Council of Governments</u>	\$18.82	\$39,150
<u>12. Capital Area Council of Governments</u>	\$26.46	\$55,047
<u>13. Brazos Valley Council of Governments</u>	\$15.71	\$33,718
<u>14. Deep East Texas Council of Governments</u>	\$15.48	\$32,207
<u>15. South East Texas Regional Planning Commission</u>	\$28.23	\$58,724
<u>16. Houston-Galveston Area Council</u>	\$25.82	\$53,711
<u>17. Golden Crescent Regional Planning Commission</u>	\$20.38	\$42,391
<u>18. Alamo Area Council of Governments</u>	\$18.00	\$37,439
<u>19. South Texas Development Council</u>	\$13.85	\$28,806
<u>20. Coastal Bend Council of Governments</u>	\$22.35	\$46,489
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.08	\$31,365
<u>22. Texoma Council of Governments</u>	\$20.76	\$43,190
<u>23. Central Texas Council of Governments</u>	\$16.17	\$33,642
<u>24. Middle Rio Grande Development Council</u>	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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.

Employee Benefits

Please identify all employee benefits provided by and paid for (in full or in part) by the Business.

Employee Benefits Provided by Business	Total Annual Cost (show on a per employee basis)		Portion of Total Annual Cost Paid by the Business		Plan Provisions		
	Employee	Family	Employee	Family	Deductible		(Include coinsurance %, office visit co-payments, annual out-of-pocket maximums, face amounts, etc.)
Medical Insurance (IRA) We also have two other plans – deductible and HSA	\$1,200 or \$600 after approved *Wellness Incentive	\$2,724 or \$2,124 after approved *Wellness Incentive	\$2,688	\$9,528	Employee: \$1,000 Family: \$2,000		Cargill contributes half of our deductible (ie 500 ee and 1,000 family). Coinsurance – employee pays 20% after deductible and the company pays 80%. Preventative care is paid at 100% by the company for in network care. Annual in-network out of pocket max is \$3,000/yr for employee and \$6,000/yr for family.
Medical Coverage Health Savings Account	\$1,140 or \$540 after approved *Wellness Incentive	\$2,460 or \$1,860 after approved *Wellness Incentive	\$2,460	\$8,880	Employee: \$1,500 Family: \$3,000		Cargill's Health Savings Account (HSA) allows you to place pre-tax dollars from each paycheck into the employee's own bank account set up to pay for eligible health, dental, or vision expenses not paid by any other source. Includes expenses for employee and all eligible dependents. (An eligible dependent is someone who qualifies as a dependent on your federal income tax return). Employees can contribute a minimum of \$50 per year to a maximum of \$2,300 for employee only and \$4,650 for employee plus one or more dependents per year. Employees 55 and older can contribute an additional \$1,000 per year. Coinsurance – employee pays 20% after deductible and the company pays 80%. Preventative care is paid at 100% by the company for in network care. Annual in network out of pocket max is \$3,000/yr employee and \$6,000/yr family.
Medical Coverage Deductible Plan	\$1,452 or \$852 after approved *Wellness Incentive	\$3,408 or \$2,808 after approved *Wellness Incentive	\$3,420	\$11,928	Employee: \$300 Family: \$600		Coinsurance – employee pays 20% after deductible. Preventative care is paid at 100% for in-network care. Annual in-network out of pocket max is \$3,000/yr employee and \$6,000/yr family.
*Wellness Incentive	A \$600 wellness incentive is provided as a reduction from medical plan premiums for completion of a Health Assessment and tobacco free status.						If the Wellness Incentive is earned, premiums are reduced.

Tab #16

Economic Impact Analysis

Cargill is not supplying an independent Economic Impact Analysis for this application, therefore this is not applicable.

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name
ISD Name

Cargill, Inc.
Bovis ISD

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service of building during this year	Column B: Building or permanent nonremovable component of building (annual amount)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total investment (A+B+D)		
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)	2013-2014	2013	0	800,000		0	800,000		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)			14,867,600	7,085,000		0	21,962,600		
	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)			12,164,400	5,805,000		0	17,969,400		
	Complete tax years of qualifying time period			1	2014-2015	2014	0	0	0	0
				2	2015-2016	2015	0	0	0	0
				3	2016-2017	2016	0	0	0	0
				4	2017-2018	2017	0	0	0	0
				5	2018-2019	2018	0	0	0	0
				6	2019-2020	2019	0	0	0	0
				7	2020-2021	2020	0	0	0	0
				8	2021-2022	2021	0	0	0	0
				9	2022-2023	2022	0	0	0	0
				10	2023-2024	2023	0	0	0	0
				11	2024-2025	2024	0	0	0	0
				12	2025-2026	2025	0	0	0	0
	13	2026-2027	2026	0	0	0	0			
	14	2027-2028	2027	0	0	0	0			
	15	2028-2029	2028	0	0	0	0			
Tax Credit Period (with 50% cap on credit)	Value Limitation Period									
Credit Settle-Up Period	Continue to Maintain Viable Presence									
	Post-Settle-Up Period									
	Post-Settle-Up Period									

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: 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. Includes 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. The most significant examples 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.

Rachel A. Stott

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/5/12

DATE

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

Form 50-296

Applicant Name Cargill, Inc
 ISD Name Bovina ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
				Estimated Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
pre-year 1	2013-2014	2013	275,000	250,000	-	-	525,000	525,000
1	2014-2015	2014	277,750	7,000,000	27,032,000	-	34,309,750	34,309,750
2	2015-2016	2015	280,528	6,930,000	24,328,800	-	31,539,328	31,539,328
3	2016-2017	2016	283,333	6,860,700	21,625,600	-	28,769,633	10,000,000
4	2017-2018	2017	286,166	6,792,093	18,922,400	-	26,000,659	10,000,000
5	2018-2019	2018	289,028	6,724,172	16,219,200	-	23,232,400	10,000,000
6	2019-2020	2019	291,918	6,656,930	13,516,000	-	20,464,848	10,000,000
7	2020-2021	2020	294,837	6,590,361	10,812,800	-	17,697,998	10,000,000
8	2021-2022	2021	297,786	6,524,457	9,461,200	-	16,283,443	10,000,000
9	2022-2023	2022	300,763	6,459,213	9,461,200	-	16,221,176	10,000,000
10	2023-2024	2023	303,771	6,394,621	9,461,200	-	16,159,592	10,000,000
11	2024-2025	2024	306,809	6,330,675	9,461,200	-	16,098,683	16,098,683
12	2025-2026	2025	309,877	6,267,368	9,461,200	-	16,038,445	16,038,445
13	2026-2027	2026	312,976	6,204,694	9,461,200	-	15,978,870	15,978,870
14	2027-2028	2027	316,105	6,142,647	9,461,200	-	15,919,953	15,919,953
15	2028-2029	2028	319,266	6,081,221	9,461,200	-	15,861,687	15,861,687

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.

Arlene A. Stout

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/26/12

DATE

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

Applicant Name Cargill, Inc
 ISD Name Bovina ISD

Form 50-296

	Year	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 or on the new improvement"		Final taxable value for M&O—after all reductions	Final taxable value for I&S—after all reductions
	pre- year 1	2013-2014	2013	275,000	7,000,000	27,032,000	-	34,307,000	34,307,000
Complete tax years of qualifying time period	1	2014-2015	2014	277,750	6,930,000	24,328,800	-	31,536,550	31,536,550
	2	2015-2016	2015	280,528	6,860,700	21,625,600	-	28,766,828	28,766,828
	3	2016-2017	2016	283,333	6,792,093	18,922,400	-	25,997,826	25,997,826
	4	2017-2018	2017	286,166	6,724,172	16,219,200	-	23,229,538	23,229,538
	5	2018-2019	2018	289,028	6,656,930	13,516,000	-	20,461,958	20,461,958
Tax Credit Period (with 50% cap on credit)	6	2019-2020	2019	291,918	6,590,361	10,812,800	-	17,695,079	17,695,079
	7	2020-2021	2020	294,837	6,524,457	9,461,200	-	16,280,495	16,280,495
	8	2021-2022	2021	297,786	6,459,213	9,461,200	-	16,218,198	16,218,198
	9	2022-2023	2022	300,763	6,394,621	9,461,200	-	16,156,584	16,156,584
	10	2023-2024	2023	303,771	6,330,675	9,461,200	-	16,095,646	16,095,646
Credit Settle-Up Period	11	2024-2025	2024	306,809	6,267,368	9,461,200	-	16,035,377	16,035,377
	12	2025-2026	2025	309,877	6,204,694	9,461,200	-	15,975,771	15,975,771
	13	2026-2027	2026	312,976	6,142,647	9,461,200	-	15,916,823	15,916,823
Post-Settle-Up Period	14	2027-2028	2027	316,105	6,081,221	9,461,200	-	15,858,526	15,858,526
Post-Settle-Up Period	15	2028-2029	2028	319,266	6,020,408	9,461,200	-	15,800,875	15,800,875

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.

Ricky A. Stett

10/15/12

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule C- Application: Employment Information

Applicant Name: **Cargill Incorporated**
 ISD Name: **Bovina Independent School District**

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.	Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	28	\$ 83,200	25	\$ 43,683	20	\$ 45,460
	1	2014-2015	2014	16	\$ 32,000	25	\$ 47,514	20	\$ 48,973
	2	2015-2016	2015	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	3	2016-2017	2016	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	4	2017-2018	2017	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	5	2018-2019	2018	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	6	2019-2020	2019	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	7	2020-2021	2020	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	8	2021-2022	2021	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	9	2022-2023	2022	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	10	2023-2024	2023	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	11	2024-2025	2024	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	12	2025-2026	2025	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	13	2026-2027	2026	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	14	2027-2028	2027	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398
	15	2028-2029	2028	16	\$ 32,000	25	\$ 49,345	20	\$ 51,398

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.

Ricky A. Stief
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/3/12
 DATE

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

Applicant Name

Cargill, Inc.

ISD Name

Bovina ISD

Form 50-296

Sales Tax Information				Other Property Tax Abatements Sought					
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Taxable Expenditures		County	City	Hospital	Other
				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				
		2013-2014	2013	\$22 million	\$25.4 million	0%	N/A	N/A	N/A
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	2014-2015	2014	\$3 million	\$8.1 million	100%	N/A	N/A	N/A
		2015-2016	2015	\$3 million	\$8.1 million	100%	N/A	N/A	N/A
		2016-2017	2016	\$3 million	\$8.1 million	75%	N/A	N/A	N/A
		2017-2018	2017	\$3 million	\$8.1 million	50%	N/A	N/A	N/A
		2018-2019	2018	\$3 million	\$8.1 million	25%	N/A	N/A	N/A
		2019-2020	2019	\$3 million	\$8.1 million	25%	N/A	N/A	N/A
		2020-2021	2020	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2021-2022	2021	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2022-2023	2022	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2023-2024	2023	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2024-2025	2024	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2025-2026	2025	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2026-2027	2026	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2027-2028	2027	\$3 million	\$8.1 million	0	N/A	N/A	N/A
		2028-2029	2028	\$3 million	\$8.1 million	0	N/A	N/A	N/A
Credit Settle-Up Period	Continue to Maintain Viable Presence								
Post-Settle-Up Period									
Post-Settle-Up Period									

*For planning, construction and operation of the facility.

Rachel A. Stott

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/5/12

DATE

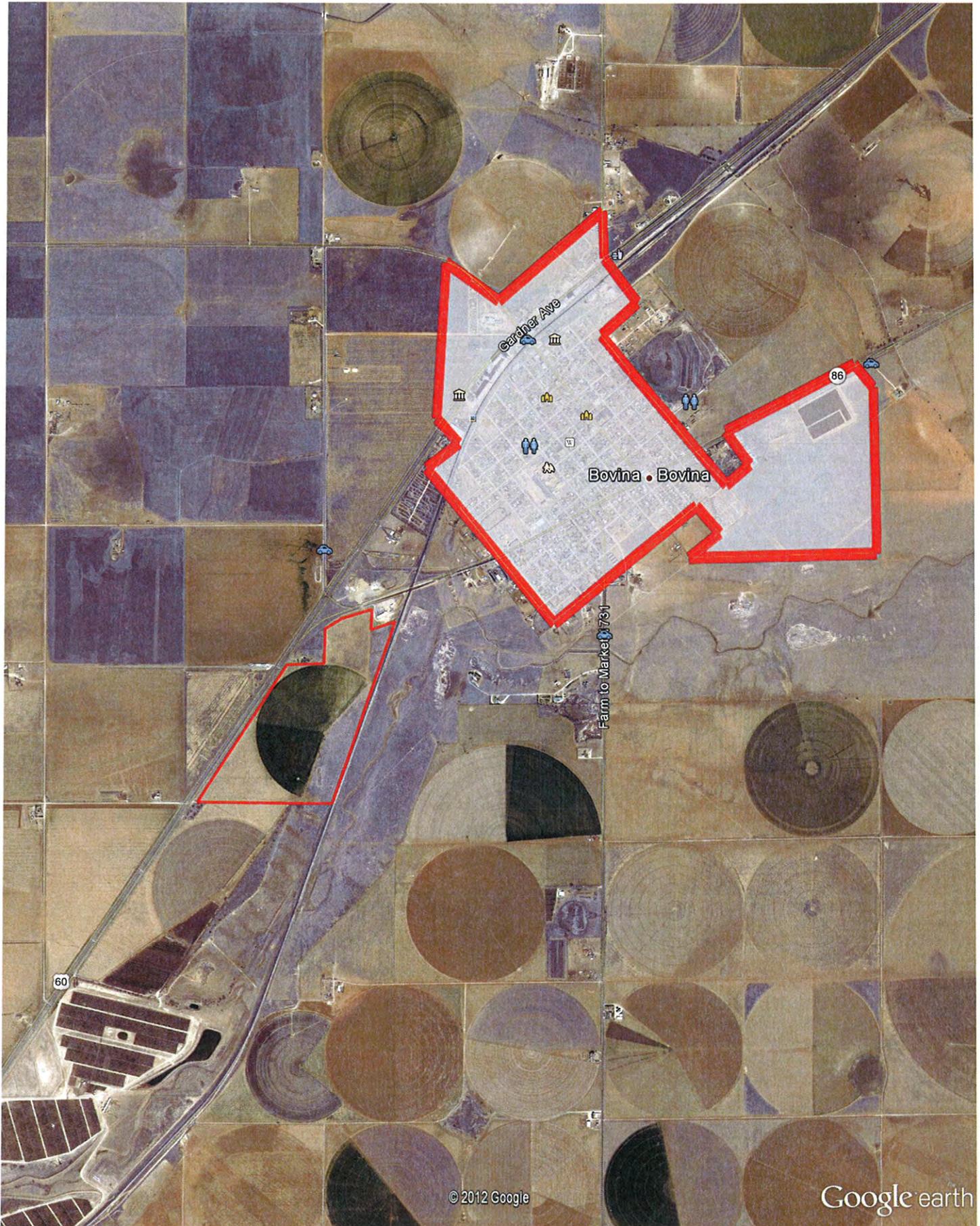
Tab #21

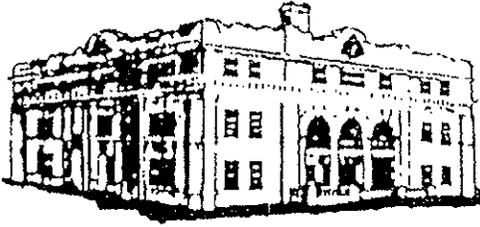
Map of Reinvestment Zone

The Reinvestment Zone boundaries for Parmer County, and for which the subject property is within, is designated as the entire unincorporated area of Parmer County. As such, we are unable to provide a detailed and certified map showing the actual boundaries and size of such a large area.

In place of that, we have included in this tab a map from Google Earth, that depicts the incorporated boundaries of the City of Bovina, outlined in red and shaded white, and the Sweet Bran site just to the southwest, outlined in red. As you can see, the Cargill Sweet Bran facility is outside the incorporated boundaries of the City of Bovina. Hence, the subject site would fall in the unincorporated area of Parmer County, and therefore be included in the Reinvestment Zone.

Refer to tab #22 for the resolution defining the Reinvestment Zone Area.





County of Parmer

Trey Ellis
County Judge

P.O. Box 506
Farwell, Texas 79325-0506
(806) 481-3383

On June 18, 2012, the Parmer County Commissioners Court voted unanimously to renew:

“A RESOLUTION DESIGNATING THE ENTIRE UNINCORPORATED AREA OF PARMER COUNTY, THAT BEING ANY AREA OUTSIDE THE TAXING JURISDICTION OF A CITY OR TOWN, AS A COMMERCIAL/INDUSTRIAL TAX ABATEMENT ZONE, TO BE KNOWN AS A REINVESTMENT ZONE.”

This Designation Renewal is Retroactive from June 18, 2012 thru June 18, 2017. See Commissioners Court Minutes from the June 18, 2012 Special Meeting.

Trey Ellis
Parmer County Judge



Tab #23

Legal Description of Reinvestment Zone

Please refer to Tab #21.

COUNTY OF PARMER POLICY STATEMENT FOR TAX ABATEMENT

I. General Purpose and Objectives

The County of Parmer is committed to the enhancement of the local economy through the promotion of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. In so far as these objectives are generally served by the enhancement and expansion of the local economy, the County of Parmer will, on a case-by-case basis, give consideration to providing Tax Abatement as a stimulation for economic development. It is the policy of the County of Parmer that said consideration will be provided in accordance with the procedures and criteria outlined in this document. Nothing herein shall imply or suggest that the County of Parmer is under any obligation to provide Tax Abatement to any Applicant. All Applicants shall be considered on a case-by-case basis.

II. Criteria

Any request for Tax Abatement shall be reviewed by the Parmer County Commissioners Court. The Commissioners Court serves as the decisive body regarding whether economic development incentives should be offered in each individual case. Their decision shall be based upon a subjective evaluation of the following criteria which each Applicant will be requested to address in narrative format.

1. Employment Impact

- a. How many jobs will be brought to Parmer County?
- b. What types of job will be created?
- c. What will the total annual payroll be?

2. Fiscal Impact

- a. How much real and personal property value will be added to the tax roles?
- b. How will this project affect existing business and/or office facilities?
- c. What infrastructure construction would be required?

3. Community Impact

- a. What effect would the project have on the local housing market?
- b. What environmental impact, if any, will be created by the project?
- c. How compatible is the project with the County's growth goals?

III. Value of Incentives

The subjective criteria outlined in Section II will be used by the Parmer County Commissioners Court in determining whether or not it is in the best interest of said Taxing Entity that Tax Abatement be offered to a particular applicant. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the County, as well as the relative impact of the project.

Abatement shall be granted effective with the January 01 valuation date immediately following the date of execution of the Agreement. Abatement shall be allowed for up to two (2) years during the period of construction and for four (4) years thereafter. If the period of construction exceeds two (2) years, the facility shall be considered completed for the purposes of Abatement and in no case shall the period of Abatement, inclusive of the construction period, exceed six (6) years.

Once a determination has been made that a Tax Abatement should be offered, the value and term of the Abatement will be determined by referencing the following as a guideline for the maximum Abatement offered:

Year One:	100%
Year Two:	100%
Year Three:	75%
Year Four:	50%
Year Five:	25%
Year Six:	25%

To be considered for an Abatement by the County of Parmer, the project must have a capital investment of no less than \$1,000,00.00 and/or, create no less than (5) five new, permanent, full-time jobs.

All tax revenue lost as a result of the Agreement shall be recaptured if the property owner fails to make improvements as provided by the agreement; or if the owner fails to create the specified number of jobs during the time specified; or if the owner fails to operate the business for at least seven years.

Tax abatement benefits shall be available to industrial, manufacturing, distribution, wholesaling and service facilities to be established or expanded.

Every effort will be made to ensure that the Tax Abatement Policy does not encourage unfair competition within the same product area. Retail businesses do not qualify for real property tax abatement.

IV. Procedural Guidelines

Any person, organization, or corporation desiring that the County of Parmer consider providing Tax Abatement to encourage location or expansion of operations within the boundaries of Parmer County shall be required to comply with the following procedural guidelines. Nothing herein shall imply or suggest that said County is under any obligation to provide Tax Abatement in any amount or value to any Applicant.

Preliminary Application Steps

- A. Applicant shall complete an "Application for Tax Abatement"
- B. Applicant shall prepare a plat showing the precise location of the property, all roadways within 500 feet of the site, and of all existing land uses and zoning within 500 feet of the site.
- C. If the property is described by metes and bounds, a complete legal description
- D. Applicant shall complete all forms and information detailed in items A thru D submit them to the Parmer County Judge, 401 Third Street, Room 104, PO Box 506, Farwell, Texas 79325.

Application Review Steps

- E. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- F. The application will be distributed to the appropriate County Departments for internal review and comment. Additional information may be requested as needed.
- G. Copies of the complete application package and staff comments will be provided to the Parmer County Commissioners Court.

Consideration of the Application

- H. The Parmer County Commissioners Court will consider the application at a Regularly Scheduled or Called meeting(s). Additional information may be requested as needed.
- I. The Parmer County Commissioners Court may consider a Resolution calling a Public Hearing to consider establishment of a Tax Reinvestment Zone.
- J. The Parmer County Commissioners Court may hold the Public Hearing to determine whether the project is "feasible and practical and would be a benefit to the land to be included in the zone and to the municipality".

- K. The Parmer County Commissioners' Court may consider adoption of an Order designating the area described in the legal description of the proposed project as a Commercial/Industrial Tax Abatement Zone.
- L. The Parmer County Commissioners Court may consider adoption of a Resolution approving the terms and conditions of a contract between the County and the Applicant, governing the provision of the tax abatement.

**COUNTY OF PARMER
APPLICATION FOR
ECONOMIC DEVELOPMENT INCENTIVES**

DATE: _____

1. Name of Proposed Facility: _____
Property/Project Description

2. Property Owner: _____
Mailing Address: _____
Telephone: _____ Fax: _____

3. Applicant's Representative: _____
Mailing Address: _____
Telephone: _____ Fax: _____

4. Property Address: _____
Property Legal Description: _____
(provide attachment if by metes and bounds)

5. Description of Project: _____

6. Date(s) Projected for Occupation of Project/Initiation of Operations: _____

7. Employment Impact:
a. How many jobs will be brought to Parmer County? _____
b. What types of jobs will be created? _____

c. What will the total annual payroll be? _____

8. Fiscal Impact:

- a. How much real and personal property value will be added to the tax roles? _____

- b. How much, if any, of the added property value will be ag exempt? _____

- c. How will this project affect existing business and/or office facilities? _____

- d. What infrastructure construction would be required? _____

- e. What is the total annual operation budget of this facility projected to be? _____

9. Community Impact:

- a. What effect would the project have on the local housing market? _____

- b. What environmental impact, if any, will be created by the project? _____

10. Type of value of incentive request: _____

PARMER COUNTY IS THE ONLY TAXING ENTITY CONSIDERING THIS APPLICATION.

**Please return to: The Parmer County Commissioners Court
C/o: Trey Ellis, County Judge
County Courthouse, 401 Third Street, Room 104
PO Box 506
Farwell, Texas 79325
806/481-3383 telephone or 806/481-9154 fax**


[Taxable Entity Search Results](#)

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

[Obtain a certification](#) for filings with the Secretary of State.

It takes up to two weeks for this search to update when payment is made through the mail or at a taxpayer service office. This agency may manually issue a Certificate of Account Status (good standing) when an entity makes a payment to bring its account current. The paper certificate issued by our office is valid and represents the entity's status with our office as of the date of the certificate.

Certification of Account Status	Officers And Directors Information
Entity Information:	CARGILL, INCORPORATED PO BOX 5626 MINNEAPOLIS, MN 55440-5626
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through May 15, 2013
Registered Agent:	CT CORP SYSTEM 350 N. ST. PAUL ST. STE. 2900 DALLAS, TX 75201
Registered Agent Resignation Date:	
State of Formation:	DE
File Number:	0000922806
SOS Registration Date:	April 8, 1937
Taxpayer Number:	14101776806

texas.gov | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

Susan Combs, Texas Comptroller • Window on State Government • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



January 17, 2013

Denise Anderson
Superintendent
Bovina Independent School District
P.O. Box 70
Bovina, Texas 79009

Dear Superintendent Anderson:

On October 12, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on October, 8 2012 to the Bovina Independent School District (Bovina ISD) by Cargill Incorporated. This letter presents the results of the comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

Bovina ISD is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$42.6 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. Cargill Incorporated is proposing the construction of a manufacturing facility in Parmer County. Cargill Incorporated is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by Cargill Incorporated, the Comptroller's recommendation is that Cargill Incorporated's application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. The school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

interest of the school district and state. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of October 12, 2012, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Cargill Incorporated
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Bovina ISD
2010-11 Enrollment in School District	503
County	Parmer
Total Investment in District	\$47,878,300
Qualified Investment	\$42,601,500
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	25
Number of qualifying jobs committed to by applicant	20
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$850
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$850
Minimum Annual Wage committed to by applicant for qualified jobs	\$44,216
Investment per Qualifying Job	\$2,393,915
Estimated 15 year M&O levy without any limit or credit:	\$3,229,995
Estimated gross 15 year M&O tax benefit	\$1,359,059
Estimated 15 year M&O tax benefit (after deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$1,268,607
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$476,830
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$1,961,388
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	39.3%
Percentage of tax benefit due to the limitation	64.9%
Percentage of tax benefit due to the credit.	35.1%

This presents the Comptroller's economic impact evaluation of Cargill Incorporated (the project) applying to Bovina Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create 25 new jobs when fully operational. Twenty jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Parmer County is located was \$40,196 in 2011. Currently, there is no annual average manufacturing wage for Parmer County. The annual average wage for all industries was \$34,125 for 2011-2012 for Parmer County. In addition to a salary of \$44,216, each qualifying position will receive medical insurance, medical coverage health savings account, medical coverage deductible plan, and wellness incentive. The project's total investment is \$47.9 million, resulting in a relative level of investment per qualifying job of \$2.4 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Cargill Incorporated's application, "after an extensive review of various locations in Texas, we have selected Bovina as the site for the new manufacturing facility. Bovina's geographical position is centrally located in the heart of our customer's feed yard businesses. Cattle on feed numbers in the region are significant and stable. The dairy industry in the region is a pocket of significant growth where the operations are large and progressive."

Number of new facilities in region [313.026(12)]

During the past two years, no projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Cargill Incorporated project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Cargill Incorporated's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Cargill Incorporated

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	53	71	124	\$3,421,675	\$3,578,325	\$7,000,000
2014	25	37	62	\$1,187,850	\$2,812,150	\$4,000,000
2015	25	38	63	\$1,233,625	\$2,766,375	\$4,000,000
2016	25	30	55	\$1,233,625	\$2,766,375	\$4,000,000
2017	25	29	54	\$1,233,625	\$2,766,375	\$4,000,000
2018	25	28	53	\$1,233,625	\$2,766,375	\$4,000,000
2019	25	24	49	\$1,233,625	\$2,766,375	\$4,000,000
2020	25	22	47	\$1,233,625	\$2,766,375	\$4,000,000
2021	25	26	51	\$1,233,625	\$2,766,375	\$4,000,000
2022	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2023	25	24	49	\$1,233,625	\$3,766,375	\$5,000,000
2024	25	22	47	\$1,233,625	\$2,766,375	\$4,000,000
2025	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2026	25	20	45	\$1,233,625	\$2,766,375	\$4,000,000
2027	25	18	43	\$1,233,625	\$2,766,375	\$4,000,000
2028	25	16	41	\$1,233,625	\$3,766,375	\$5,000,000

Source: CPA, REMI, Cargill Incorporated

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Bovina ISD's ad valorem tax base in 2011-2012 was \$70.5 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Bovina ISD's estimated wealth per WADA was \$90,519. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Parmer County, with all property tax incentives sought being granted using estimated market value from Cargill Incorporated's application. Cargill Incorporated has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Cargill Incorporated project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Bovina ISD I&S Levy	Bovina ISD M&O Levy	Bovina ISD M&O and I&S Tax Levies (Before Credit Credited)	Bovina ISD M&O and I&S Tax Levies (After Credit Credited)	Parmer County	Estimated Total Property Taxes
			0.0000	0.0000	1.0400			0.4782	
2014	\$34,309,750	\$34,309,750		\$0	\$356,821	\$356,821	\$356,821	\$0	\$356,821
2015	\$31,539,328	\$31,539,328		\$0	\$328,009	\$328,009	\$328,009	\$0	\$328,009
2016	\$28,769,633	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$34,394	\$138,394
2017	\$26,000,659	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$62,168	\$114,168
2018	\$23,232,400	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$83,323	\$135,323
2019	\$20,464,848	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$73,397	\$125,397
2020	\$17,697,998	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$84,632	\$136,632
2021	\$16,283,443	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,867	\$129,867
2022	\$16,221,176	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,570	\$129,570
2023	\$16,159,592	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$77,275	\$129,275
2024	\$16,098,683	\$16,098,683		\$0	\$167,426	\$167,426	\$54,596	\$76,984	\$131,580
2025	\$16,038,445	\$16,038,445		\$0	\$166,800	\$166,800	\$166,800	\$76,696	\$243,496
2026	\$15,978,870	\$15,978,870		\$0	\$166,180	\$166,180	\$166,180	\$76,411	\$242,591
2027	\$15,919,953	\$15,919,953		\$0	\$165,568	\$165,568	\$165,568	\$76,129	\$241,697
2028	\$15,861,687	\$15,861,687		\$0	\$164,962	\$164,962	\$164,962	\$75,851	\$240,812
						Total	\$1,870,935	\$952,696	\$2,823,632

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Cargill Incorporated

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Bovina ISD I&S Levy	Bovina ISD M&O Levy	Bovina ISD M&O and I&S Tax Levies	Parmer County	Estimated Total Property Taxes	
			0.0000	0.0000	1.0400		0.4782		
2014	\$34,309,750	\$34,309,750		\$0	\$356,821	\$356,821	\$164,069	\$520,891	
2015	\$31,539,328	\$31,539,328		\$0	\$328,009	\$328,009	\$150,821	\$478,830	
2016	\$28,769,633	\$28,769,633		\$0	\$299,204	\$299,204	\$137,576	\$436,781	
2017	\$26,000,659	\$26,000,659		\$0	\$270,407	\$270,407	\$124,335	\$394,742	
2018	\$23,232,400	\$23,232,400		\$0	\$241,617	\$241,617	\$111,097	\$352,714	
2019	\$20,464,848	\$20,464,848		\$0	\$212,834	\$212,834	\$97,863	\$310,697	
2020	\$17,697,998	\$17,697,998		\$0	\$184,059	\$184,059	\$84,632	\$268,691	
2021	\$16,283,443	\$16,283,443		\$0	\$169,348	\$169,348	\$77,867	\$247,215	
2022	\$16,221,176	\$16,221,176		\$0	\$168,700	\$168,700	\$77,570	\$246,270	
2023	\$16,159,592	\$16,159,592		\$0	\$168,060	\$168,060	\$77,275	\$245,335	
2024	\$16,098,683	\$16,098,683		\$0	\$167,426	\$167,426	\$76,984	\$244,410	
2025	\$16,038,445	\$16,038,445		\$0	\$166,800	\$166,800	\$76,696	\$243,496	
2026	\$15,978,870	\$15,978,870		\$0	\$166,180	\$166,180	\$76,411	\$242,591	
2027	\$15,919,953	\$15,919,953		\$0	\$165,568	\$165,568	\$76,129	\$241,697	
2028	\$15,861,687	\$15,861,687		\$0	\$164,962	\$164,962	\$75,851	\$240,812	
						Total	\$3,229,995	\$1,485,177	\$4,715,172
						Difference	\$1,359,060	\$532,480	\$1,891,540

Source: CPA, Cargill Incorporated

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$2,899,466. The estimated gross 13 year M&O tax benefit, or levy loss, is \$1,359,059.

Attachment 3 is an economic overview of Parmer County.

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

Attachments

1. Schedules A, B, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Schedule A (Rev. May 2010): Investment Amended: Inserted corrected Schedule A

Applicant Name: Cargill, Inc.
 ISD Name: Bovina ISD

Form 50-296

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 final 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 (original cost) placed in service during this year	Building or permanent nonremovable component of building (annual amount only)	Sum of A and B (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 (eligible to become qualified property)	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2013-2014	2013	15,520,800	7,540,000		210,000	23,370,800
					12,698,800	6,741,900		5,066,800	24,507,500
					0	600,000		0	600,000
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
					0	0		0	0
Complete tax years of qualifying time period	1	2014-2015	2014	0	0		0	0	
	2	2015-2016	2015	0	0		0	0	
	3	2016-2017	2016	0	0		0	0	
	4	2017-2018	2017	0	0		0	0	
	5	2018-2019	2018	0	0		0	0	
	6	2019-2020	2019	0	0		0	0	
	7	2020-2021	2020	0	0		0	0	
	8	2021-2022	2021	0	0		0	0	
	9	2022-2023	2022	0	0		0	0	
	10	2023-2024	2023	0	0		0	0	
	11	2024-2025	2024	0	0		0	0	
	12	2025-2026	2025	0	0		0	0	
	13	2026-2027	2026	0	0		0	0	
	14	2027-2028	2027	0	0		0	0	
	15	2028-2029	2028	0	0		0	0	
	Post-Settle-Up Period								
	Post-Settle-Up Period								

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

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

DATE
 10/26/12

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

Applicant Name Cargill, Inc
 ISD Name Bovina ISD

Form 50-296

	Complete tax years of qualifying time period	Year	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 or on the new improvement		Exempted Value	Final taxable value for IRS - after all reductions
	1	pre-year 1	2013-2014	2013	275,000	250,000	-	-	525,000	525,000
	2		2014-2015	2014	277,750	7,000,000	27,032,000	-	34,309,750	34,309,750
	3		2015-2016	2015	280,528	6,930,000	24,328,800	-	31,539,328	31,539,328
	4		2016-2017	2016	283,333	6,860,700	21,625,600	-	28,769,633	10,000,000
	5		2017-2018	2017	286,166	6,792,093	18,922,400	-	26,000,659	10,000,000
	6		2018-2019	2018	289,028	6,724,172	16,219,200	-	23,232,400	10,000,000
	7		2019-2020	2019	291,918	6,656,930	13,516,000	-	20,464,848	10,000,000
	8		2020-2021	2020	294,837	6,590,361	10,812,800	-	17,697,998	10,000,000
	9		2021-2022	2021	297,786	6,524,457	9,461,200	-	16,283,443	10,000,000
	10		2022-2023	2022	300,763	6,459,213	9,461,200	-	16,221,176	10,000,000
	11		2023-2024	2023	303,771	6,394,621	9,461,200	-	16,159,592	10,000,000
	12		2024-2025	2024	306,809	6,330,675	9,461,200	-	16,098,683	16,098,683
	13		2025-2026	2025	309,877	6,267,368	9,461,200	-	16,038,445	16,038,445
	14		2026-2027	2026	312,976	6,204,694	9,461,200	-	15,978,870	15,978,870
	15		2027-2028	2027	316,105	6,142,647	9,461,200	-	15,919,953	15,919,953
	15		2028-2029	2028	319,266	6,081,221	9,461,200	-	15,861,687	15,861,687

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.

Signature of Authorized Company Representative: *[Signature]*

DATE: *10/26/12*

Amended: Inserted corrected Schedule C

Schedule C - Application: Employment Information

Applicant Name: Cargill, Incorporated
 ISD Name: Bovina Independent School District

Form 50-296

Complete tax years of qualifying time period	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.	Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	28	\$ 83,200	25	\$ 43,683	20	\$ 45,460
	1	2014-2015	2014	-	-	25	\$ 47,514	20	\$ 48,973
	2	2015-2016	2015	-	-	25	\$ 49,345	20	\$ 51,398
	3	2016-2017	2016	-	-	25	\$ 49,345	20	\$ 51,398
	4	2017-2018	2017	-	-	25	\$ 49,345	20	\$ 51,398
	5	2018-2019	2018	-	-	25	\$ 49,345	20	\$ 51,398
	6	2019-2020	2019	-	-	25	\$ 49,345	20	\$ 51,398
	7	2020-2021	2020	-	-	25	\$ 49,345	20	\$ 51,398
	8	2021-2022	2021	-	-	25	\$ 49,345	20	\$ 51,398
	9	2022-2023	2022	-	-	25	\$ 49,345	20	\$ 51,398
	10	2023-2024	2023	-	-	25	\$ 49,345	20	\$ 51,398
	11	2024-2025	2024	-	-	25	\$ 49,345	20	\$ 51,398
	12	2025-2026	2025	-	-	25	\$ 49,345	20	\$ 51,398
	13	2026-2027	2026	-	-	25	\$ 49,345	20	\$ 51,398
	14	2027-2028	2027	-	-	25	\$ 49,345	20	\$ 51,398
	15	2028-2029	2028	-	-	25	\$ 49,345	20	\$ 51,398

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



10/26/12

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

Applicant Name: Cargill, Inc. ISD Name: Bovina ISD Form 60-296

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	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		County	City	Hospital	Other	
Complete tax years of qualifying time period	1	2014-2015	2014	\$3 million	\$8.1 million	128,160	100%	N/A	N/A	N/A	N/A
	2	2015-2016	2015	\$3 million	\$8.1 million	128,160	100%	N/A	N/A	N/A	N/A
	3	2016-2017	2016	\$3 million	\$8.1 million	128,160	75%	N/A	N/A	N/A	N/A
	4	2017-2018	2017	\$3 million	\$8.1 million	128,160	50%	N/A	N/A	N/A	N/A
	5	2018-2019	2018	\$3 million	\$8.1 million	128,160	25%	N/A	N/A	N/A	N/A
	6	2019-2020	2019	\$3 million	\$8.1 million	128,160	25%	N/A	N/A	N/A	N/A
	7	2020-2021	2020	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	8	2021-2022	2021	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	9	2022-2023	2022	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	10	2023-2024	2023	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	11	2024-2025	2024	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	12	2025-2026	2025	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	13	2026-2027	2026	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	14	2027-2028	2027	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A
	15	2028-2029	2028	\$3 million	\$8.1 million	128,160	0	N/A	N/A	N/A	N/A

*For planning, construction and operation of the facility.

Signature of Authorized Company Representative: [Signature]

DATE: 10/5/12

Attachment 2



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael L. Williams
Commissioner

January 14, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Cargill Incorporated project for the Bovina Independent School District (BISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal Brown and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Cargill Incorporated project on BISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/bd

January 14, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Cargill Incorporated project on the number and size of school facilities in Bovina Independent School District (BISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the BISD superintendent, Denise Anderson, the TEA has found that the Cargill Incorporated project would not have a significant impact on the number or size of school facilities in BISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/bd

Bovina ISD Financial Impact of Chapter 313 Agreement

Summary of the District's Financial Impact of Chapter 313 Agreement with Cargill Incorporated

Prepared by

Randy McDowell, RTSBA

School Financial Consultant

&

Neal Brown

School Finance Specialist, Region 16 ESC

Bovina ISD Financial Impact of Chapter 313 Agreement

Summary of Bovina ISD Financial Impact of the Limited Appraised Value Application from Cargill Incorporated

Introduction

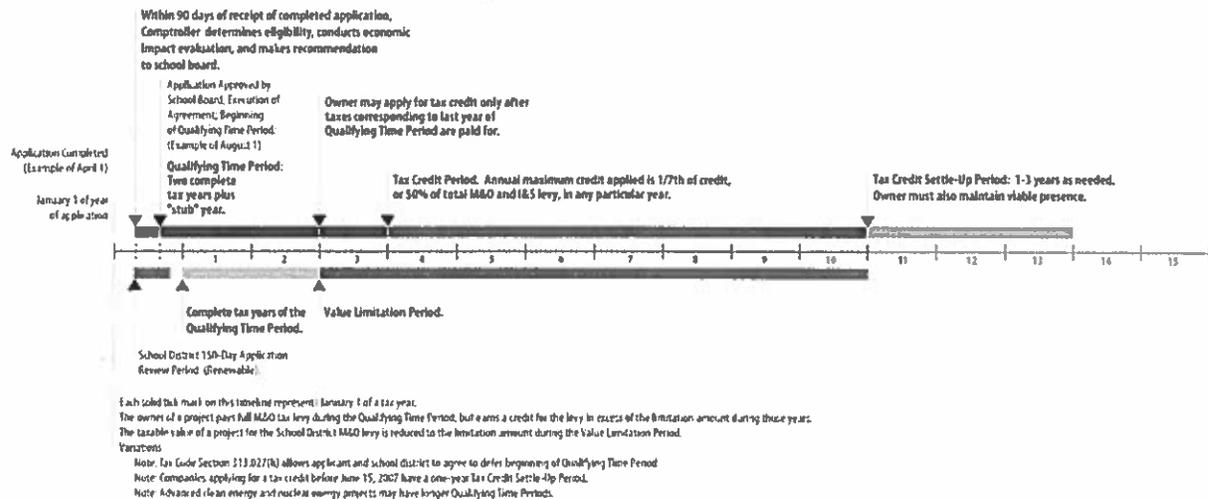
Cargill Incorporated, applied for a property value limitation from Bovina Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 8, 2012 and subsequently approved for consideration by the Bovina ISD Board of Trustees. Cargill Incorporated ("Cargill Inc"), is requesting the property value limitation as a "manufacturing" company as listed in Sec. 313.024.(b) of the Tax Code.

"The Economic Development Act ", Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below.

Bovina ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company. The first two years of the agreement are considered the qualifying time period and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity's taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller's Office. Bovina ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million and less than \$90 million, thus Bovina ISD has a

Bovina ISD Financial Impact of Chapter 313 Agreement

minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Bovina ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The "Additional Value from Cargill Inc" represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company's taxable value will be limited to the \$10,000,000 minimum qualified investment of Bovina ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value from Cargill Inc	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	34,309,750	n/a	0	34,309,750
Jan. 1, 2015	31,539,328	n/a	0	31,539,328
Jan. 1, 2016	28,769,633	(10,000,000)	18,769,633	10,000,000
Jan. 1, 2017	26,000,659	(10,000,000)	16,000,659	10,000,000
Jan. 1, 2018	23,232,400	(10,000,000)	13,232,400	10,000,000
Jan. 1, 2019	20,464,848	(10,000,000)	10,464,848	10,000,000
Jan. 1, 2020	17,697,998	(10,000,000)	7,697,998	10,000,000
Jan. 1, 2021	16,283,443	(10,000,000)	6,283,443	10,000,000
Jan. 1, 2022	16,221,176	(10,000,000)	6,221,176	10,000,000
Jan. 1, 2023	16,159,592	(10,000,000)	6,159,592	10,000,000
Jan. 1, 2024	16,098,683	n/a	0	16,098,683
Jan. 1, 2025	16,038,445	n/a	0	16,038,445
Jan. 1, 2026	15,978,870	n/a	0	15,978,870

Bovina ISD Financial Impact of Chapter 313 Agreement

Cargill Incorporated's Tax Benefit from Agreement

The projected amount of the net tax savings for Cargill Inc. is \$1.268 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	356,821	0	n/a	0	0
2015-2016	328,009	0	n/a	0	0
2016-2017	299,204	195,204	n/a	(90,452)	104,752
2017-2018	270,407	166,407	52,000	0	218,407
2018-2019	241,617	137,617	52,000	0	189,617
2019-2020	212,834	108,834	52,000	0	160,834
2020-2021	184,059	80,059	52,000	0	132,059
2021-2022	169,348	65,348	52,000	0	117,348
2022-2023	168,700	64,700	52,000	0	116,700
2023-2024	168,060	64,060	52,000	0	116,060
2024-2025	167,426	0	112,830	0	112,830
2025-2026	166,800	0	0	0	0
2026-2027	166,180	0	0	0	0
Totals	2,899,466	882,229	476,830	(90,452)	1,268,607

Bovina ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Bovina ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the manufacturing company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the "Calculation of LAVA Impact on District's Finances" section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2012-2013 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$59.97 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district's tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of .5% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Bovina ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Cargill Inc. (Table III), the addition of Cargill Inc's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Cargill Inc's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues without Cargill Inc:

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	
2014-2015	78,080,049	676,720	2,492,335	0	3,169,055	534,518	3,703,574
2015-2016	78,470,449	680,103	2,481,029	0	3,161,132	534,132	3,695,264
2016-2017	78,862,801	683,504	2,469,726	0	3,153,230	532,797	3,686,026
2017-2018	79,257,115	686,921	2,458,425	0	3,145,347	531,465	3,676,811
2018-2019	79,653,401	690,356	2,447,127	0	3,137,483	530,136	3,667,619
2019-2020	80,051,668	693,808	2,435,832	0	3,129,639	528,811	3,658,450
2020-2021	80,451,926	697,277	2,424,539	0	3,121,815	527,489	3,649,304
2021-2022	80,854,186	700,763	2,413,248	0	3,114,011	526,170	3,640,181
2022-2023	81,258,457	704,267	2,401,959	0	3,106,226	524,854	3,631,080
2023-2024	81,664,749	707,788	2,390,672	0	3,098,460	523,542	3,622,003
2024-2025	82,073,073	711,327	2,379,387	0	3,090,714	522,234	3,612,948
2025-2026	82,483,438	714,884	2,368,103	0	3,082,987	520,928	3,603,915
2026-2027	82,895,856	718,458	2,356,821	0	3,075,280	519,626	3,594,905

Bovina ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Cargill Inc without Chapter 313 Agreement:

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	
2014-2015	112,389,799	974,082	2,194,973	0	3,169,055	769,395	3,938,450
2015-2016	110,009,777	953,455	2,207,678	0	3,161,132	520,220	3,681,352
2016-2017	107,632,434	932,850	2,220,379	0	3,153,230	518,689	3,671,919
2017-2018	105,257,774	912,269	2,233,077	0	3,145,347	517,153	3,662,500
2018-2019	102,885,801	891,711	2,245,772	0	3,137,483	515,611	3,653,095
2019-2020	100,516,516	871,177	2,258,463	0	3,129,639	514,063	3,643,702
2020-2021	98,149,924	850,665	2,271,150	0	3,121,815	512,507	3,634,322
2021-2022	97,137,629	841,892	2,272,119	0	3,114,011	518,152	3,632,163
2022-2023	97,479,633	844,856	2,261,370	0	3,106,226	524,082	3,630,308
2023-2024	97,824,341	847,844	2,250,617	0	3,098,460	522,780	3,621,240
2024-2025	98,171,756	850,855	2,239,859	0	3,090,714	521,481	3,612,195
2025-2026	98,521,883	853,889	2,229,098	0	3,082,987	520,185	3,603,172
2026-2027	98,874,726	856,947	2,218,333	0	3,075,280	518,892	3,594,172

TABLE V – District Revenues with Cargill Inc with Chapter 313 Agreement:

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O Taxes	Payment	Total District Revenue
	Total Taxable Value	Taxes Comp Rate	State Revenue		Harmless Revenue	> Comp Rate	for District Losses	
2014-2015	112,389,799	974,082	2,194,973	0	3,169,055	769,395	0	3,938,450
2015-2016	110,009,777	953,455	2,207,678	0	3,161,132	520,220	0	3,681,352
2016-2017	88,662,801	770,174	2,383,056	0	3,153,230	426,237	90,452	3,671,919
2017-2018	89,257,115	773,591	2,371,755	0	3,145,347	531,167	0	3,676,514
2018-2019	88,653,401	777,028	2,360,457	0	3,137,483	529,841	0	3,667,324
2019-2020	90,051,668	780,478	2,349,162	0	3,129,639	528,517	0	3,658,157
2020-2021	90,451,926	783,947	2,337,869	0	3,121,815	527,197	0	3,649,013
2021-2022	90,854,186	787,433	2,326,578	0	3,114,011	525,881	0	3,639,891
2022-2023	91,258,457	790,937	2,315,289	0	3,106,226	524,567	0	3,630,793
2023-2024	91,664,749	794,458	2,304,002	0	3,098,460	523,257	0	3,621,717
2024-2025	98,171,756	850,855	2,239,859	0	3,090,714	556,523	0	3,647,237
2025-2026	98,521,883	853,889	2,229,098	0	3,082,987	520,185	0	3,603,172
2026-2027	98,874,726	856,947	2,218,333	0	3,075,280	518,892	0	3,594,172

Bovina ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Bovina ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Cargill Incorporated mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Bovina ISD by Cargill Incorporated, the projected amount of these payments over the life of the agreement is \$564,367 of the \$1.268 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Bovina ISD Share \$100/ADA	Cargill Incorporated Share
2014-2015	0	44,068	(44,068)
2015-2016	0	43,958	(43,958)
2016-2017	104,752	43,848	60,904
2017-2018	218,407	43,738	174,669
2018-2019	189,617	43,629	145,988
2019-2020	160,834	43,520	117,315
2020-2021	132,059	43,411	88,648
2021-2022	117,348	43,302	74,045
2022-2023	116,700	43,194	73,506
2023-2024	116,060	43,086	72,974
2024-2025	112,830	42,978	69,852
2025-2026	0	42,871	(42,871)
2026-2027	0	42,764	(42,764)
Totals	1,268,607	564,367	704,240

Bovina ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
K thru 5	17	374	233	141
6-8	6	120	101	19
9-12	19	380	121	259
Total	42	874	455	419

The building capacities are based on 22 students per classroom for the elementary campuses, 20 students for the Jr. High and high school. Bovina ISD is a kindergarten through 12th grade district.

Cargill Incorporated provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that twenty five full-time employees are expected. It is not known whether these would be new employees to the Bovina ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new twenty five positions equates to 13 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Bovina ISD as displayed in Table VII above.

Bovina ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Cargill Incorporated, would be beneficial to both Cargill Inc. and Bovina ISD under the current school finance system.

Cargill Inc. would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Cargill Inc. is projected to benefit from a 53% tax savings over the eleven year period of this agreement. Cargill Inc. also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Bovina ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Cargill Inc. to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

Attachment 3

Parmer County

Population

- Total county population in 2010 for Parmer County: 9,340 , up 1.5 percent from 2009. State population increased 1.8 percent in the same time period.
- Parmer County was the state's 172th largest county in population in 2010 and the 66 th fastest growing county from 2009 to 2010.
- Parmer County's population in 2009 was 40.0 percent Anglo (below the state average of 46.7 percent), 1.5 percent African-American (below the state average of 11.3 percent) and 57.3 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Parmer County:

Friona:	3,538	Bovina:	1,716
Farwell:	1,252		

Economy and Income

Employment

- September 2011 total employment in Parmer County: 4,532 , up 1.7 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Parmer County unemployment rate: 5.1 percent, up from 4.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Parmer County's ranking in per capita personal income in 2009: 174th with an average per capita income of \$30,260, down 4.5 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Parmer County averaged \$491.23 million annually from 2007 to 2010. County total agricultural values in 2010 were up 33.5 percent from 2009. Major agriculture related commodities in Parmer County during 2010 included:
 - Wheat • Ensilage • Corn • Other Beef • Fed Beef
- 2011 oil and gas production in Parmer County: barrels of oil and Mcf of gas. In September 2011, there were 0 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Parmer County during the fourth quarter 2010: \$4.96 million, up 8.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Friona:	\$2.91 million, up 7.2 percent from the same quarter in 2009.
Bovina:	\$461,898.00, up 4.2 percent from the same quarter in 2009.
Farwell:	\$971,217.00, up 4.6 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Parmer County through the fourth quarter of 2010: \$19.01 million, up 1.0 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Friona:	\$11.23 million, up 1.2 percent from the same period in 2009.
Bovina:	\$1.77 million, up 0.9 percent from the same period in 2009.
Farwell:	\$3.97 million, up 8.0 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Parmer County during 2010: \$19.01 million, up 1.0 percent from 2009.
- Parmer County sent an estimated \$1.19 million (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Friona:	\$11.23 million, up 1.2 percent from 2009.
Bovina:	\$1.77 million, up 0.9 percent from 2009.

Farwell: \$3.97 million, up 8.0 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Parmer County based on the sales activity month of August 2011: \$47,828.47, up 17.8 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Friona:	\$33,053.61, up 24.9 percent from August 2010.
Bovina:	\$7,125.86, up 8.2 percent from August 2010.
Farwell:	\$7,649.00, up 1.4 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Parmer County based on sales activity months from September 2010 through August 2011: \$563,096.87, up 13.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Friona:	\$374,298.16, up 18.5 percent from fiscal 2010.
Bovina:	\$93,210.32, up 12.4 percent from fiscal 2010.
Farwell:	\$95,588.39, down 0.1 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Parmer County based on sales activity months through August 2011: \$369,377.18, up 13.9 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Friona:	\$245,944.88, up 16.7 percent from the same period in 2010.
Bovina:	\$60,771.65, up 12.4 percent from the same period in 2010.
Farwell:	\$62,660.65, up 5.3 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Parmer County based on sales activity in the 12 months ending in August 2011: \$563,096.87, up 13.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Friona:	\$374,298.16, up 18.5 percent from the previous 12-month period.
Bovina:	\$93,210.32, up 12.4 percent from the previous 12-month period.
Farwell:	\$95,588.39, down 0.1 percent from the previous 12-month period.

■ ***City Calendar Year-To-Date (RJ 2011)***

- Payment to the cities from January 2011 through October 2011:

Friona:	\$311,126.74, up 18.7 percent from the same period in 2010.
Bovina:	\$78,872.66, up 15.8 percent from the same period in 2010.
Farwell:	\$80,323.34, up 6.1 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Parmer County based on sales activity months in 2010: \$518,071.45, up 6.9 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Friona:	\$339,173.43, up 9.2 percent from 2009.
Bovina:	\$86,486.52, up 7.5 percent from 2009.
Farwell:	\$92,411.50, down 1.4 percent from 2009.

Property Tax

- As of January 2009, property values in Parmer County: \$903.59 million, up 6.3 percent from January 2008 values. The property tax base per person in Parmer County is \$97,265, above the statewide average of \$85,809. About 0.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Parmer County's ranking in state expenditures by county in fiscal year 2010: 205th. State expenditures in the county for FY2010: \$17.09 million, down 0.4 percent from FY2009.
- In Parmer County, 3 state agencies provide a total of 20 jobs and \$166,366.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Transportation
 - Department of Public Safety
 - AgriLife Extension Service

Higher Education

- Community colleges in Parmer County fall 2010 enrollment:
 - None.
- Parmer County is in the service area of the following:
 - Amarillo College with a fall 2010 enrollment of 11,540. Counties in the service area include:
 - Carson County
 - Castro County
 - Deaf Smith County
 - Moore County
 - Oldham County
 - Parmer County
 - Potter County
 - Randall County
 - Swisher County
- Institutions of higher education in Parmer County fall 2010 enrollment:
 - None.

School Districts

- Parmer County had 4 school districts with 11 schools and 2,400 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Bovina ISD had 510 students in the 2009-10 school year. The average teacher salary was \$39,247. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.
 - Farwell ISD had 538 students in the 2009-10 school year. The average teacher salary was \$40,231. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
 - Friona ISD had 1,212 students in the 2009-10 school year. The average teacher salary was \$42,516. The percentage of students meeting the 2010 TAKS passing standard for all tests was 73 percent.
 - Lazbuddie ISD had 140 students in the 2009-10 school year. The average teacher salary was \$37,669. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Cargill Incorporated**

Prepared by

Randy McDowell, RTSBA

School Financial Consultant

&

Neal Brown

School Finance Specialist, Region 16 ESC

Bovina ISD Financial Impact of Chapter 313 Agreement

Summary of Bovina ISD Financial Impact of the Limited Appraised Value Application from Cargill Incorporated

Introduction

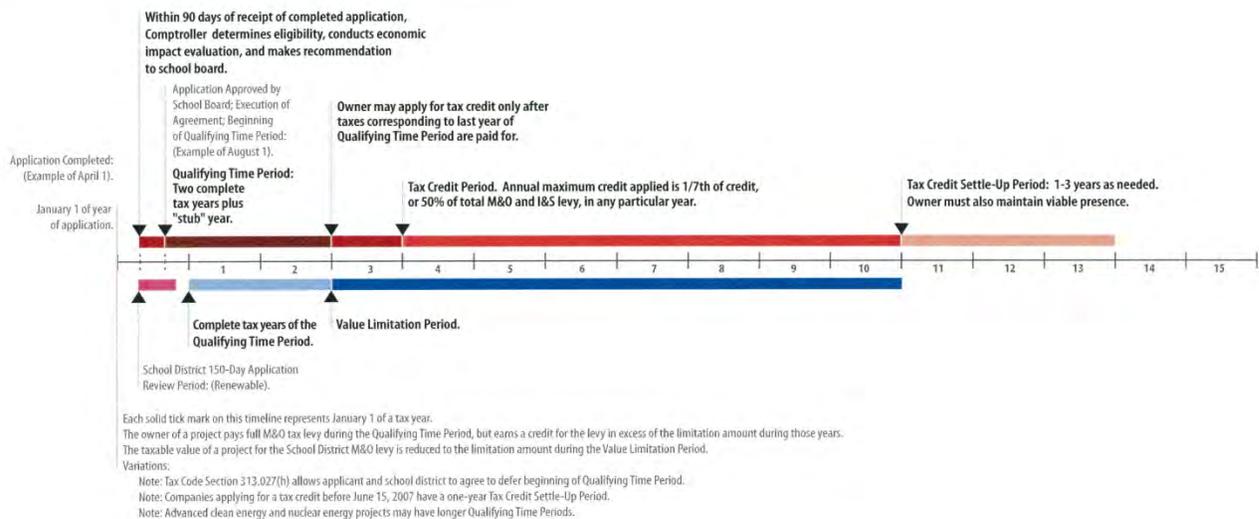
Cargill Incorporated, applied for a property value limitation from Bovina Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 8, 2012 and subsequently approved for consideration by the Bovina ISD Board of Trustees. Cargill Incorporated (“Cargill Inc”), is requesting the property value limitation as a “manufacturing” company as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below.

Bovina ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company. The first two years of the agreement are considered the qualifying time period and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity’s taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller’s Office. Bovina ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million and less than \$90 million, thus Bovina ISD has a

Bovina ISD Financial Impact of Chapter 313 Agreement

minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Bovina ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The "Additional Value from Cargill Inc" represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company's taxable value will be limited to the \$10,000,000 minimum qualified investment of Bovina ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value from Cargill Inc	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	34,309,750	n/a	0	34,309,750
Jan. 1, 2015	31,539,328	n/a	0	31,539,328
Jan. 1, 2016	28,769,633	(10,000,000)	18,769,633	10,000,000
Jan. 1, 2017	26,000,659	(10,000,000)	16,000,659	10,000,000
Jan. 1, 2018	23,232,400	(10,000,000)	13,232,400	10,000,000
Jan. 1, 2019	20,464,848	(10,000,000)	10,464,848	10,000,000
Jan. 1, 2020	17,697,998	(10,000,000)	7,697,998	10,000,000
Jan. 1, 2021	16,283,443	(10,000,000)	6,283,443	10,000,000
Jan. 1, 2022	16,221,176	(10,000,000)	6,221,176	10,000,000
Jan. 1, 2023	16,159,592	(10,000,000)	6,159,592	10,000,000
Jan. 1, 2024	16,098,683	n/a	0	16,098,683
Jan. 1, 2025	16,038,445	n/a	0	16,038,445
Jan. 1, 2026	15,978,870	n/a	0	15,978,870

Bovina ISD Financial Impact of Chapter 313 Agreement

Cargill Incorporated's Tax Benefit from Agreement

The projected amount of the net tax savings for Cargill Inc. is \$1.268 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	356,821	0	n/a	0	0
2015-2016	328,009	0	n/a	0	0
2016-2017	299,204	195,204	n/a	(90,452)	104,752
2017-2018	270,407	166,407	52,000	0	218,407
2018-2019	241,617	137,617	52,000	0	189,617
2019-2020	212,834	108,834	52,000	0	160,834
2020-2021	184,059	80,059	52,000	0	132,059
2021-2022	169,348	65,348	52,000	0	117,348
2022-2023	168,700	64,700	52,000	0	116,700
2023-2024	168,060	64,060	52,000	0	116,060
2024-2025	167,426	0	112,830	0	112,830
2025-2026	166,800	0	0	0	0
2026-2027	166,180	0	0	0	0
Totals	2,899,466	882,229	476,830	(90,452)	1,268,607

Bovina ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Bovina ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the manufacturing company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2012-2013 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$59.97 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of .5% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2012 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Bovina ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Cargill Inc. (Table III), the addition of Cargill Inc's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Cargill Inc's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues without Cargill Inc:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	78,080,049	676,720	2,492,335	0	3,169,055	534,518	3,703,574
2015-2016	78,470,449	680,103	2,481,029	0	3,161,132	534,132	3,695,264
2016-2017	78,862,801	683,504	2,469,726	0	3,153,230	532,797	3,686,026
2017-2018	79,257,115	686,921	2,458,425	0	3,145,347	531,465	3,676,811
2018-2019	79,653,401	690,356	2,447,127	0	3,137,483	530,136	3,667,619
2019-2020	80,051,668	693,808	2,435,832	0	3,129,639	528,811	3,658,450
2020-2021	80,451,926	697,277	2,424,539	0	3,121,815	527,489	3,649,304
2021-2022	80,854,186	700,763	2,413,248	0	3,114,011	526,170	3,640,181
2022-2023	81,258,457	704,267	2,401,959	0	3,106,226	524,854	3,631,080
2023-2024	81,664,749	707,788	2,390,672	0	3,098,460	523,542	3,622,003
2024-2025	82,073,073	711,327	2,379,387	0	3,090,714	522,234	3,612,948
2025-2026	82,483,438	714,884	2,368,103	0	3,082,987	520,928	3,603,915
2026-2027	82,895,856	718,458	2,356,821	0	3,075,280	519,626	3,594,905

Bovina ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Cargill Inc without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	112,389,799	974,082	2,194,973	0	3,169,055	769,395	3,938,450
2015-2016	110,009,777	953,455	2,207,678	0	3,161,132	520,220	3,681,352
2016-2017	107,632,434	932,850	2,220,379	0	3,153,230	518,689	3,671,919
2017-2018	105,257,774	912,269	2,233,077	0	3,145,347	517,153	3,662,500
2018-2019	102,885,801	891,711	2,245,772	0	3,137,483	515,611	3,653,095
2019-2020	100,516,516	871,177	2,258,463	0	3,129,639	514,063	3,643,702
2020-2021	98,149,924	850,665	2,271,150	0	3,121,815	512,507	3,634,322
2021-2022	97,137,629	841,892	2,272,119	0	3,114,011	518,152	3,632,163
2022-2023	97,479,633	844,856	2,261,370	0	3,106,226	524,082	3,630,308
2023-2024	97,824,341	847,844	2,250,617	0	3,098,460	522,780	3,621,240
2024-2025	98,171,756	850,855	2,239,859	0	3,090,714	521,481	3,612,195
2025-2026	98,521,883	853,889	2,229,098	0	3,082,987	520,185	3,603,172
2026-2027	98,874,726	856,947	2,218,333	0	3,075,280	518,892	3,594,172

TABLE V – District Revenues with Cargill Inc with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
		Taxes Comp Rate	State Revenue					
2014-2015	112,389,799	974,082	2,194,973	0	3,169,055	769,395	0	3,938,450
2015-2016	110,009,777	953,455	2,207,678	0	3,161,132	520,220	0	3,681,352
2016-2017	88,862,801	770,174	2,383,056	0	3,153,230	428,237	90,452	3,671,919
2017-2018	89,257,115	773,591	2,371,755	0	3,145,347	531,167	0	3,676,514
2018-2019	89,653,401	777,026	2,360,457	0	3,137,483	529,841	0	3,667,324
2019-2020	90,051,668	780,478	2,349,162	0	3,129,639	528,517	0	3,658,157
2020-2021	90,451,926	783,947	2,337,869	0	3,121,815	527,197	0	3,649,013
2021-2022	90,854,186	787,433	2,326,578	0	3,114,011	525,881	0	3,639,891
2022-2023	91,258,457	790,937	2,315,289	0	3,106,226	524,567	0	3,630,793
2023-2024	91,664,749	794,458	2,304,002	0	3,098,460	523,257	0	3,621,717
2024-2025	98,171,756	850,855	2,239,859	0	3,090,714	556,523	0	3,647,237
2025-2026	98,521,883	853,889	2,229,098	0	3,082,987	520,185	0	3,603,172
2026-2027	98,874,726	856,947	2,218,333	0	3,075,280	518,892	0	3,594,172

Bovina ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Bovina ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Cargill Incorporated mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Bovina ISD by Cargill Incorporated, the projected amount of these payments over the life of the agreement is \$564,367 of the \$1.268 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Bovina ISD Share \$100/ADA	Cargill Incorporated Share
2014-2015	0	44,068	(44,068)
2015-2016	0	43,958	(43,958)
2016-2017	104,752	43,848	60,904
2017-2018	218,407	43,738	174,669
2018-2019	189,617	43,629	145,988
2019-2020	160,834	43,520	117,315
2020-2021	132,059	43,411	88,648
2021-2022	117,348	43,302	74,045
2022-2023	116,700	43,194	73,506
2023-2024	116,060	43,086	72,974
2024-2025	112,830	42,978	69,852
2025-2026	0	42,871	(42,871)
2026-2027	0	42,764	(42,764)
Totals	1,268,607	564,367	704,240

Bovina ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth

On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
K thru 5	17	374	233	141
6-8	6	120	101	19
9-12	19	380	121	259
Total	42	874	455	419

The building capacities are based on 22 students per classroom for the elementary campuses, 20 students for the Jr. High and high school. Bovina ISD is a kindergarten through 12th grade district.

Cargill Incorporated provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that twenty five full-time employees are expected. It is not known whether these would be new employees to the Bovina ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new twenty five positions equates to 13 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Bovina ISD as displayed in Table VII above.

Bovina ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Cargill Incorporated, would be beneficial to both Cargill Inc. and Bovina ISD under the current school finance system.

Cargill Inc. would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Cargill Inc. is projected to benefit from a 53% tax savings over the eleven year period of this agreement. Cargill Inc. also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Bovina ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Cargill Inc. to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

185/Parmer

185-901/Bovina ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	20,067,787	.9719	20,647,996	20,647,996
B. Multi-Family Residences	72,709	N/A	72,709	72,709
C. Vacant Lots	139,101	N/A	139,101	139,101
D. Rural Real (Taxable)	32,223,315	.7050	45,707,204	45,707,204
F1. Commercial Real	1,977,897	N/A	1,977,897	1,977,897
F2. Industrial Real	5,774,165	N/A	5,774,165	5,774,165
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	18,774,967	.9561	19,637,033	19,637,033
L1. Commercial Personal	2,562,231	N/A	2,562,231	2,562,231
L2. Industrial Personal	3,703,464	N/A	3,703,464	3,703,464
M. Other Personal	49,062	N/A	49,062	49,062
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	71,588	N/A	71,588	71,588

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
Subtotal	85,416,286		100,342,450	100,342,450
Less Total Deductions	10,164,643		10,404,625	10,404,625
Total Taxable Value	75,251,643		89,937,825	89,937,825 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	9,456,077	.9513	9,940,163
Prod Value Qualified Acres	22,767,238	.6365	35,767,041
Taxable Value	32,223,315		45,707,204

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
93,922,020	89,937,825	93,922,020	89,937,825	90,294,460	90,294,460

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,984,195	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
93,922,020	89,937,825	93,922,020	89,937,825	90,294,460	90,294,460

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your taxable value to be invalid, and state value was certified because your local value:

- 1) was invalid in one or more of the previous two years or
- 2) is less than 90% of the lower end of the margin of error range or
- 3) The appraisal district that appraises property for the school district was not in compliance with the scoring requirement of the Comptroller's most recent review of the appraisal district conducted under section 5.102, Tax Code (MAP Review)

**LIMITATION ON APPRAISED
VALUE AGREEMENT**

BOVINA INDEPENDENT SCHOOL DISTRICT

and

CARGILL, INCORPORATED

March 4, 2013

THIS LIMITATION ON APPRAISED VALUE AGREEMENT, (“Agreement”) is executed and delivered by and between Bovina Independent School District (the ”District”), with its central administrative office located in Parmer County, Texas (“County”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code (“TEC”), and Cargill, Incorporated (“Applicant”) and relates to a limitation of the Appraised Value of property for the District’s maintenance and operation taxes pursuant to Chapter 313 of the Texas Tax Code (the “Code”). The District and Applicant are collectively referred to herein as the “Parties” and each individually as a “Party.”

RECITALS

WHEREAS, the Superintendent of Schools of the District, acting as agent for the District’s Board of Trustees (“Board of Trustees”), timely received from Applicant a completed Application for an Appraised Value Limitation on Qualified Property pursuant to 34 Texas Administrative Code §9.1053, including any agreed and accepted amendments thereto (“Application”), on or about October 8, 2012 (the “Completed Application Date”); and,

WHEREAS, the District received the application fee as required by §313.025(a)(1) of the Code and the District Policy CCG (LOCAL), if any, on or about the Completed Application Date thus establishing the effective filing date of such Application as of October 8, 2012; and,

WHEREAS, the District timely delivered the requisite number of copies of the Application to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to §313.025(a-1) and (b) of the Code and the Comptroller deemed the Application complete and thereafter began its analysis of the Application on October 19, 2012 (the “Application Review Start Date”); and,

WHEREAS, the Comptroller conducted an economic impact evaluation of the Application pursuant to §313.025(b) of the Code; and,

WHEREAS, pursuant to §313.025(b-1) of the Code, the Comptroller delivered to the Texas Education Agency (“TEA”) a copy of the Application and the TEA then timely submitted a written report addressing the effects of the Application on the number or size of the District’s instructional facilities to the Comptroller; and,

WHEREAS, pursuant to §313.025(d) of the Code, the Board of Trustees timely received on January 17, 2013 the recommendation of the Comptroller and a report indicating that the Application was in compliance with the provisions of the Texas Economic Development Act, Code §§313.001, *et seq.* (the “Recommendation”); and,

WHEREAS, the Board of Trustees has carefully considered the school finance information together with the Recommendation and information provided by the Comptroller, including the economic impact evaluation; and,

WHEREAS, pursuant to §313.025(e) of the Code, the Board of Trustees at its Board meeting held on March 4, 2013 made written factual findings as required by §313.025(f) and

based on the criteria set out in §313.026 of the Code has delivered a copy of such findings to the Applicant; and,

WHEREAS, pursuant to §313.025(f) of the Code, the Board of Trustees at its Board meeting held on March 4, 2013 further found that: (a) the information in the Application is true and correct; (b) the Board agrees with the Comptroller's Recommendation; (c) this Agreement is in the best interest of the State of Texas and the District; (d) the Applicant is eligible for the limitation on Appraised Value of the Qualified Property; and

WHEREAS, the Board of Trustees approves the form of this Agreement for a Limitation on Appraised Value of Property and authorizes the execution and delivery of such Agreement by the President of the District's Board of Trustees to the Applicant.

NOW, THEREFORE, for and in consideration of the promises, including the foregoing recitals, and the mutual covenants and agreements herein contained, the Parties hereby agree as follows:

ARTICLE 1 - AUTHORITY, TERM AND DEFINITIONS

Section 1.1 DISTRICT AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District under §313.051 of the Code.

Section 1.2 TERM

1.2.1 This Agreement shall commence and first become effective on March 4, 2013, the date this Agreement was approved by the District's Board of Trustees and executed by the District's Board President, for the ad valorem property valuations assessed against the Qualified Property and investments made pursuant to this Agreement (the "Commencement Date"). The limitation on the local ad valorem property values shall terminate on December 31 of the tenth (10th) full calendar year of this Agreement, as set out on Schedule 1.2 attached hereto¹, unless sooner terminated as herein provided. The early termination of this Agreement shall not release any obligation, right, or remedy arising from any failure to comply with any term of this Agreement prior to such termination. Each Party shall have the right to enforce the payment of any amount owed before the termination of this Agreement.

1.2.2 The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until January 1 following the end of the second full tax year that begins after the Commencement Date or such later date as reflected herein. The period that begins on the Commencement Date and ends on December 31 of the second tax year that begins after the Commencement Date shall be referred to herein as the "Qualifying Time Period" as that term is defined in §313.021(4) of the Code.

1.2.3 For three (3) years after December 31 of the tenth (10th) full year of this

¹ All references to Agreement years shall be as shown on Schedule 1.2.

Agreement, Applicant shall (a) Maintain a Viable Presence in the District, as that term is defined herein; and (b) make any payments in lieu of taxation as provided in Article 4. Unless sooner terminated, this Agreement shall end on December 31 of the thirteenth (13th) full year of this Agreement. Nothing contained in this Agreement shall extend the tax limitation beyond ten (10) full calendar years from the Commencement Date.

1.2.4 The tax years for which this Agreement is effective, unless sooner terminated, are set forth in Schedule 1.2 of this Agreement, which is incorporated herein by reference.

Section 1.3 DEFINITIONS

Capitalized terms used herein and not specifically defined shall have the definitions as set forth in Schedule 1.3 of this Agreement, which is incorporated herein by reference.

ARTICLE 2 - PROPERTY AND USE DESCRIPTIONS

Section 2.1 REINVESTMENT ZONE OR ENTERPRISE ZONE

The property upon which the Qualified Investment will be located will be located entirely within a Reinvestment Zone, so designated under Chapter 311 or 312 of the Code, or an Enterprise Zone under Chapter 2303 of the Texas Government Code. The description of the Reinvestment Zone or Enterprise Zone and maps showing the location thereof are attached to this Agreement as Schedule 2.1, which is incorporated herein by reference.

Section 2.2 QUALIFIED PROPERTY

Applicant's Qualified Property is described in Schedule 2.3, which is incorporated herein by reference. The Parties expressly agree that the location of the Qualified Property shall be within the Reinvestment Zone as set out in Schedule 2.1, and such location may not be materially changed from its current configuration without the express written authorization of the Parties; provided that, the Parties acknowledge Applicant may be required to re-configure and change certain aspects as construction progresses and District agrees not to unreasonably withhold consent to changes that do not change in a substantial way the overall concept of the Qualified Investment.

Section 2.3 QUALIFIED INVESTMENT

2.3.1 Applicant's Qualified Investment is described in Schedule 2.3, which is incorporated herein by reference. Property not specifically referenced in Schedule 2.3 and not otherwise meeting the requirements of Chapter 313 and this Agreement shall not be considered to be a Qualified Investment for purposes of this Agreement and will not be subject to this Agreement.

2.3.2 Schedule 2.3 may be amended by adding or removing Qualified Property pursuant to: (a) the provisions of Comptroller's Rule 9.1055; and (b) approval by the District's Board of Trustees pursuant to §313.027(e) of the Code, which approval shall not be unreasonably

withheld by the District.

2.3.3 Property owned by Applicant which is not described in Schedule 2.3 may not be considered to be Qualified Property unless the Applicant (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the applicant requests that the limitation apply; (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and (c) provides any additional information reasonably requested by the District or the Comptroller for the purpose of re-evaluating the new or changed conditions.

2.3.4 In the event that Applicant fails to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period, this Agreement shall become null and void on January 1, 2016.

Section 2.4 EXISTING IMPROVEMENTS AND PERSONAL PROPERTY

Certain improvements and personal property may have existed in the Reinvestment Zone or Enterprise Zone prior to the Application Date. The Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the submission of a Completed Application may not be considered Qualified Property under Chapter 313 of the Code or this Agreement. Further, the Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the approval of this Agreement by the Parties may not be considered part of the required Qualified Investment under Chapter 313 of the Code or this Agreement.

Section 2.5 INVENTORY OF QUALIFIED PROPERTY

2.5.1 Upon any change to the Qualified Property, or upon the reasonable request of the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components on the Qualified Property to which the value limitation applies. Such description shall include maps or surveys detailed enough to locate all such property within the boundaries of the real property subject to this Agreement.

2.5.2 At the end of the Qualifying Time Period, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified Property to which the value limitation applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property subject to this Agreement.

Section 2.6 QUALIFYING USE

Applicant's property which is the subject of a limitation on the local ad valorem property

values under this Agreement is eligible for a tax limitation as a manufacturing facility under §313.024(b)(1) of the Code.

Section 2.7 APPRAISAL LIMITATION

Upon Applicant's Qualified Investment in the amount of \$10,000,000.00 or more during the Qualifying Time Period, and unless this Agreement is terminated as herein provided, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of the Market Value of the Qualified Property or \$10,000,000.00 for the third (3rd) through the tenth (10th) full calendar years of the tax limitation under this Agreement, as provided in Chapter 313 of the Code.

ARTICLE 3 – PROTECTION OF DISTRICT REVENUES

Section 3.1 INTENT OF THE PARTIES

The Parties understand and agree that the Applicant shall compensate the District for any loss in District Funding Revenue incurred because of District's participation in this Agreement. Such reimbursement shall be in addition to the receipt of payments in lieu of taxation or payment of Extraordinary Education-Related Expenses reasonably incurred by the District, subject to any limitation as may be set forth in Article 4 of this Agreement. APPLICANT UNDERSTANDS AND AGREES THAT IT SHALL BEAR ANY NEGATIVE FINANCIAL CONSEQUENCE SUFFERED BY THE DISTRICT AS A RESULT OF THE DISTRICT ENTERING INTO THIS AGREEMENT. THE PURPOSE OF THIS SECTION 3.1 IS TO ENSURE THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO THE DISTRICT IS BORNE BY THE APPLICANT AND NOT BY THE DISTRICT.

Section 3.2 CALCULATING LOSS OF DISTRICT REVENUES

Any compensation paid by the Applicant to the District for loss of District Funding Revenues shall be determined in accordance with then-current School Finance Law. Any calculation to make the District whole after a loss under this Article 3 shall be made in accordance with Schedule 3.2 of this Agreement, which is incorporated herein by reference, and subject to the provisions of Article 5 herein.

Section 3.3 COMPENSATION FOR LOSS OF OTHER REVENUES

To the extent not included in the amounts calculated pursuant to Schedule 3.2, Applicant, on an annual basis, shall also pay to the District all non-reimbursed costs incurred in paying or otherwise crediting amounts for the benefit of Applicant, including, but not limited to (a) any Maintenance and Operations Revenue or Tax Credit to which the Applicant may be entitled pursuant to Chapter 313 of the Code for which the District does not receive reimbursement from the State, whether pursuant to TEC §42.2515 or otherwise; (b) all non-reimbursed costs incurred by the District for Extraordinary Education-Related Expenses related to the project, which do not exceed any limitations set forth in Article 4 of this Agreement, and not otherwise directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring

of additional personnel to accommodate a temporary increase in student enrollment attributable to the project; (c) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (d) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (e) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly.

Section 3.4 THIRD PARTY CALCULATIONS

All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Four Thousand Dollars, (\$4,000.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 3.5 DATA FOR CALCULATIONS

The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to §26.01 of the Code in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time to time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Parmer County Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 3.6 DELIVERY OF CALCULATIONS

3.6.1 All calculations required under Article 3 or Article 4 shall be made by the Consultant on or before November 30 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant's offices, personnel, books, and records pertaining to all calculations and fees.

3.6.2 In the event the District receives the Consultant's invoice for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt.

Section 3.7 PAYMENT BY APPLICANT

On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 5.1, the Applicant shall pay any amount determined to be due and owing to the District (subject to final settle up), any amount billed by the Consultant, and any reasonable and necessary expenses paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement.

Section 3.8 CHALLENGING CALCULATION RESULTS

The Applicant may appeal the Consultant's results, in writing, within thirty (30) days of receipt of such results. The Consultant will issue a final determination of the calculations within 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 15 days of its receipt, pursuant to District Policy GK (LOCAL).

Section 3.9 EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT

In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article 3 of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

Section 3.10 EFFECT OF STATUTORY OR OTHER LEGAL CHANGES

If the District will receive less District Funding Revenue, or, if applicable, will be required to increase its payment of funds to the State due to the District's participation in this Agreement because of changes to School Finance Law or administrative or legal interpretations by the office of the Comptroller, the Commissioner of Education, the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, then the Applicant shall make payments to the District within thirty (30) days of receipt of written notice, up to the limit on the revenue protection amount set forth in Section 5.1 below. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of District Funding Revenue not less than that which the District would have received from State and local funds had the District not entered into this Agreement.

ARTICLE 4 - PAYMENTS IN LIEU OF TAXATION

Section 4.1 SEPARATE AND INDEPENDENT INDEMNITY AMOUNTS

In addition to payment of the amounts set forth under Article 3 of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall be responsible

to the District for payments in lieu of taxation (“PILOT”) and payments for Extraordinary Education-Related Expenses (“PEERE”), as set forth in this Article 4. Any and all obligations for any PILOT and PEERE payments shall be separate and independent of Applicant’s obligations under Article 3 of this Agreement.

Section 4.2 CALCULATION OF PAYMENTS IN LIEU OF TAXATION

4.2.1 Subject to Section 5.1, for each of years one (1) through thirteen (13) of this Agreement, the District shall be entitled to receive as payments in lieu of taxation as follows:

- Year 1: An amount equal to Fifty Dollars (\$50.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year.
- Year 2: An amount equal to One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year.
- Years 3 – 10: The lesser of One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), or forty (40) percent of Net Tax Savings.
- Years 11-13: The lesser of One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA) or the average of the in lieu payment for years 3 through 10.

4.2.2 Payment of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement and is subject to the limitations contained in Section 5.1. Payments made under this Article 4 shall not exceed the Aggregate Limit.

Section 4.3 PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

4.3.1 Applicant agrees and acknowledges that construction and installation of its Qualified Property may bring an extraordinary influx of workers into the District. Applicant further agrees and acknowledges that these workers may cause an undetermined increase in enrollment for the District, and that such increase may subject the District to Extraordinary Education-Related Expenses that are not directly funded in school financing funding formulas. Accordingly, Applicant agrees to reimburse to the District for any documented Extraordinary Education-Related Expenses paid by the District arising from Applicant’s Qualified Investment. Any such reimbursement shall not exceed \$10,000 during the Qualifying Time Period of this Agreement or \$5,000 thereafter through year ten (10), unless otherwise agreed in writing by the Parties.

4.3.2 In the event that the District incurs reimbursable Extraordinary Education-Related Expenses, the District will notify Applicant and provide a detailed explanation for such expenses prior to reimbursement by Applicant.

4.3.3 Payments of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement.

ARTICLE 5 - LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1 LIMITATION AFTER FIRST THREE YEARS

5.1.1 For each of the Tax Years, other than years one (1) through three (3), and notwithstanding anything to the contrary in this Agreement, in no **event** shall the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such Tax Year exceed the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year if the Parties had not entered into this Agreement.

5.1.2 A comparison of (a) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such Tax Year; and (b) the taxes Applicant would have paid to the District if this Agreement had not been entered into shall be included in the Consultant's calculations made pursuant to Section 3.4 of this Agreement. The Consultant shall include a credit for the amount of taxes actually paid by the Applicant on the Qualified Property when making this comparison.

5.1.3 During Tax Years four (4) through ten (10), should the sum of the Applicant's maintenance and operations ad valorem taxes plus the sum of all payments otherwise due from the Applicant under Article 3 and Article 4 exceed the maintenance and operations ad valorem taxes that the Applicant would have paid if the Parties had not entered into this Agreement, then the payments due from the Applicant to the District under Articles 3 and 4 shall be reduced until such excess is eliminated.

Section 5.2 OPTION TO CANCEL AGREEMENT

5.2.1 For years four (4) through ten (10) of this Agreement, in the event that payments by Applicant to the District become limited as described in Section 5.1 above, the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option by notifying the District of its election in writing not later than July 31 of any year next following the tax year in which the payments were limited. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.2 For years three (3) through ten (10) of this Agreement, the Applicant shall have the option to terminate this Agreement in the event that the Appraised Value of the Qualified Property falls below the Tax Limitation Amount. The Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing not later than October 31 of any year. The cancellation of this Agreement under this Subsection shall be effective

immediately.

5.2.3 The Applicant shall have the right to terminate this Agreement in the event of a change in the School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other statutory or regulatory change which materially reduces the benefits to Applicant under this Agreement. Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.4 The rights and obligations of the Parties under this Agreement through and including the Tax Year during which notice of termination of this Agreement is delivered shall survive such termination and remain until satisfied.

Article 6 – TAX CREDITS

Section 6.1 TAX CREDIT DESCRIPTION AND ELIGIBILITY

6.1.1 Upon the Applicant's compliance with all requirements of Chapter 313 of the Code and the Comptroller, and in addition to the limitation on the Appraised Value of the Qualified Property as described in Article 5 above, the Applicant shall be entitled to a Tax Credit from the District in an amount equal to the amount of ad valorem taxes paid to the District on that portion of the Appraised Value of the Qualified Property that exceeds the amount of the limitation agreed to by the Parties in each year of the Qualifying Time Period.

6.1.2 The application for a Tax Credit as described in this Article 6 shall be made in accordance with §313.103 of the Code and is solely the Applicant's responsibility.

Section 6.2 DISTRICT OBLIGATIONS REGARDING TAX CREDITS

6.2.1 The District shall timely comply with and, to the extent possible, cause the timely compliance by the Appraisal District of all District obligations regarding Tax Credits under the Code and Comptroller Rules.

6.2.2 The Board of Trustees shall grant Applicant's application for the tax credit as provided in §313.104 of the Code as well as Comptroller and/or TEA rules.

Section 6.3 TAX CREDIT PROTECTION REVENUE LOSS

If the District does not receive aid pursuant to TEC §42.215 of the Texas Education Code (or similar or successor statute) after Applicant receives a Tax Credit as described under this Article 6, and such failure is not the result of District's failure to comply with the requirements of obtaining such aid, then the District shall so notify the Applicant in writing. The Applicant shall, within thirty (30) days after notice, pay to the District the amount of such aid the District did not receive. Conversely, the District shall refund to the Applicant the amount of state aid the District received that was solely attributable to any portion of such state aid paid by Applicant to

the District.

ARTICLE 7 - ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1 INFORMATION REQUESTS

7.1.1 Upon written request, Applicant shall be obligated to provide the District and the Appraisal District with all information and data necessary to determine whether all obligations under this Agreement are being met. In the event that the District requests information which the Applicant regards as being technical or business information which is proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party, and subject to §313.028 of the Code, Applicant shall inform the District of its concerns and suitable arrangements shall be made for the District to have access to the information in a manner which does not compromise the confidentiality of the information to other third parties.

7.1.2 Applicant shall be obligated to provide the Comptroller or other governmental agency with all information required for such agency to complete any reports or analysis pursuant to Chapter 313 of the Code, Comptroller or TEA rule, or other law or administrative regulation.

7.1.3 Applicant shall allow authorized employees of the District and Appraisal District access to all property that is subject to a limitation on the local ad valorem property values called for under this Agreement during the term of this Agreement for the purposes of appraisal or determination of compliance with this Agreement. All inspections or appraisals will be made at a mutually agreeable time after no less than forty-eight (48) hours prior written notice.

7.1.4 Applicant shall timely make any reports that may be required under law or administrative regulation, including but not limited to the annual report or certifications that may be required by the Comptroller under the provisions of the Comptroller's Rules or the Texas Tax Code, including § 313.032 of the Code. Applicant shall forward a copy of all such required reports or certifications to the District at the time of such filing. Timely performance of all required filings shall be a material obligation under this Agreement.

Section 7.2 MAINTAINING VIABLE PRESENCE

By entering into this Agreement, Applicant represents, covenants, and warrants that it will abide by all of the terms of this Agreement and that it will Maintain a Viable Presence as defined in this Agreement) in the District for a period of at least three (3) years after the termination of the limitation on the local ad valorem property values called for under this Agreement. Applicant shall not be in breach of this covenant to Maintain a Viable Presence to the extent such failure is caused by an event of Force Majeure, provided Applicant makes commercially reasonable efforts to Maintain a Viable Presence at the conclusion of any period of Force Majeure.

ARTICLE 8 - BREACH

As stated in Section 2.3.4 above, the failure by Applicant to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period shall result in this Agreement being null and void as of December 31, 2015. This Article 8 shall control in all other instances of Applicant's failure to perform according to the terms of this Agreement.

Section 8.1 DISTRICT'S DETERMINATION OF BREACH

8.1.1 In the event Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or should Applicant or Applicant's successor in interest fail to comply with any material term or meet any material obligation of this Agreement, after the notice and cure period provided herein, District shall be entitled to: (a) the recapture of all ad valorem tax revenue that would have been due from Applicant without the benefit of this Agreement; and (b) all penalty and interest as calculated under Section 8.4. For purposes of the recapture calculation, the Applicant shall be entitled to a credit for all payments made under Article 3 and Article 4.

8.1.2 Notwithstanding Section 8.1.1, in the event the District determines that the Applicant has failed to Maintain a Viable Presence and provides written notice of termination, Applicant shall pay to District liquidated damages equal to the total of the District ad valorem taxes that would have been due from Applicant without the benefit of this Agreement for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement, plus penalty and interest. Applicant shall be entitled to a credit for all payments made to the District pursuant to Article 3 and Article 4.

8.1.3 Prior to making a determination that Applicant has committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which the District believes constitute the material breach and, if a cure is feasible, the cure proposed by the District. After receipt of the notice, Applicant shall have ninety (90) days to present any facts or argument to the Board of Trustees showing that it is not in material breach of its obligations under this Agreement or that it has cured any such material breach.

8.1.4 Upon the expiration of Applicant's opportunity to respond, the Board of Trustees shall conduct a hearing to determine whether or not a material breach of this Agreement has occurred and, if so, the date such material breach occurred. Applicant shall have the opportunity to be heard before the Board of Trustees at such hearing. In the event that the Board of Trustees determines that a material breach has occurred, it shall also determine the amounts of recaptured taxes to be paid by Applicant to District under Section 8.2 below.

8.1.5 After a determination under Section 8.1.2, the Board of Trustees shall notify Applicant, in writing, of its determination and the amount of recaptured taxes owed by Applicant, if any.

Section 8.2 REMEDIES AFTER BREACH

8.2.1 In the event of default or breach by Applicant, the District's damages shall not exceed the greater of (a) any amounts of recaptured taxes plus penalty and interest; or (b) the sum of the difference between the payments and credits due and owing to the Applicant at the time of default and the District taxes that would have been payable to the District had this Agreement not been executed.

8.2.2 The District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

8.2.3 The Parties understand and agree that the damages and remedies set forth in this Section 8.2 shall be the sole and exclusive remedies, both legal and equitable, available to the District.

8.2.4 In accordance with §313.0275 of the Code, for any full tax year which beginning after the project has become operational, Applicant shall cure those material breaches defined in 8.3(d), 8.3(e), or 8.3(f), below, without the termination of this Agreement. In order to cure its noncompliance with 8.3(d), 8.3(e), or 8.3(f) for the particular Tax Year of noncompliance only, Applicant may pay liquidated damages as required by §313.0275(b) of the Code, in accordance with §313.0275(c).

Section 8.3 MATERIAL BREACH BY APPLICANT

Any one of the following acts or omissions shall constitute a material breach of this Agreement by Applicant:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application.
- (b) Applicant fails to Maintain a Viable Presence in the District, as required by this Agreement, through the final termination date of this Agreement.
- (c) Applicant fails to timely make any payment required under Articles 3 or 4 of this Agreement.
- (d) Applicant fails to create and maintain, at a minimum, the number of New Jobs it committed to create in its Application.
- (e) Applicant fails to create and maintain, at a minimum, the number of Qualifying Jobs it committed to create and maintain on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created on the project as Qualifying Jobs.

- (g) Applicant makes any payments to the District or to any other person or entity in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Code, in excess of the amounts set forth in Articles 3 and 4, above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or not made in recognition of or consideration for this Agreement are not barred by this provision.
- (h) Applicant fails to comply with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules or Chapter 313 of the Code.

Section 8.4 CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty and interest due in the event of a breach of this Agreement, the District shall determine the base amount of taxes owed less any Tax Credit under Article 6 of this Agreement for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Years less all credits under Article 6 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in the Code § 33.01(a) or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in the Code § 33.01(c), or its successor statute.

Section 8.5 DISPUTE RESOLUTION

8.5.1 After the Applicant receives notice of breach from District, the Applicant shall have ninety (90) days to either (a) tender payment, (b) submit evidence of its efforts to cure, or (c) submit to the District written notice of dispute mediation. The mediation shall be conducted by a mutually agreeable mediator at a mutually convenient time and place. If no mediator is agreed upon by the Parties, a mediator shall be appointed by the judge of the state district court in the judicial district containing the administrative offices of the District. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. The Parties shall each bear one-half of the mediation fees and expenses.

8.5.2 In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 8.2 and as set forth in Chapter 33, Subchapters B and C of the Code. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to §§6.30 and 33.07 of the Code.

8.5.3 In any event where a dispute between the Parties cannot be resolved by the Parties, and after completing the mediation procedures required above, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, except as may be limited by this Agreement, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

ARTICLE 9 - MISCELLANEOUS PROVISIONS

Section 9.1 NOTICES

All notices required to be sent under this Agreement shall be given in writing via certified mail, return receipt requested to the Parties hereto as follows:

To the District:

Name: Bovina Independent School District
Attn: Denise Anderson, Superintendent
(or the successor superintendent)
Address: P.O. Box 70
City/Zip: Bovina, Texas 79009
Phone #: (806) 251-1336 Ext. 222
Fax #: (806) 251-1578
Email: denise.anderson@region16.net

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
P.O. Box 9158
Amarillo TX 79105-9158
Phone #: 806-379-1306
Fax #: 806-379-0316
fred.stormer@uwlaw.com

To the Applicant:

Name: Dean Jacobs
Address: 15407 McGinty Road West
City/Zip: Wayzata, MN 55391
Phone #: (952) 742-6444
Fax #: (952) 367-1689
Email: dean_jacobs@cargill.com

Section 9.2 AMENDMENT

This Agreement may not be modified, amended, or terminated except by written mutual agreement of the District and the Applicant. No amendment to this Agreement shall be effective until the same is approved, accepted, and signed by the Parties.

Section 9.3 ASSIGNMENT

Applicant may assign this Agreement, or a portion of this Agreement, to a new Applicant or lessee of the Qualified Property upon the written approval of the District, which approval shall not be unreasonably withheld. It shall not be unreasonable for the District to withhold approval

if the Applicant is liable to the District for outstanding taxes or other obligations arising under this Agreement.

Section 9.4 ENTIRE AGREEMENT

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

Section 9.5 MAINTENANCE OF APPRAISAL DISTRICT RECORDS

When appraising an Applicant's Qualified Property subject to a limitation on Appraised Value under this Agreement, the chief appraiser of the Appraisal District shall determine the market value of the property and include both the market value and the appropriate value under this Agreement in its appraisal records.

Section 9.6 GOVERNING LAW AND VENUE

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law rules that would direct the application of the laws of another jurisdiction. The exclusive venue for any action between the Parties shall be in the state district court in the county of the District's central administrative office.

Section 9.7 AUTHORITY TO EXECUTE AGREEMENT

By signing below, each of the Parties expressly warrants that he or she has been authorized to execute this Agreement for and on behalf of the respective Party.

Section 9.8 SEVERABILITY

Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement unless the invalidity of any provision(s) would have a material adverse effect on the purpose and intent of this Agreement. If the invalidity has a material adverse effect, the Parties shall make a good faith effort to renegotiate the terms of this Agreement consistent with the purpose and intent of the Parties prior to bringing any action.

Section 9.9 EXECUTION OF COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

Section 9.10 ACCURACY OF REPRESENTATIONS IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. Applicant warrants that all information, facts, and representations contained therein a true and correct, to the best of Applicant’s knowledge. The Parties agree that the Application and all related schedules and attachments are included by reference in this Agreement as if fully set forth herein. It is expressly understood and agreed that this Agreement shall be void and of no further effect if any material misrepresentations were made in the Application.

Section 9.11. BINDING ON SUCCESSORS

In the event the District should merge or consolidate with another school district or other governmental entity, this Agreement shall be binding on the successor school district or governmental entity, and the duties and obligations of Applicant shall inure to the benefit of such successor school district or governmental entity.

Section 9.12 PUBLICATION

The Parties hereby acknowledge that certain documentation relating to the Application, including this Agreement and all economic analyses submitted to the District, are to be published for public inspection. Information that is confidential under §313.028 of the Code is excepted from publication.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on this 4th day of March, 2013.

CARGILL, INCORPORATED
Texas Taxpayer ID No. 14101776806

By: _____ Date: _____

Printed Name: _____

BOVINA INDEPENDENT SCHOOL DISTRICT

By _____ Date: _____
Larry Mitchell, President

Attest:

By _____

SCHEDULE 1.2

<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
0	January 1, 2013	2013-14	2013	No appraisal limitation.
1	January 1, 2014	2014-15	2014	No appraisal limitation.
2	January 1, 2015	2015-16	2015	No appraisal limitation.
3	January 1, 2016	2016-17	2016	\$10 million appraisal limitation.
4	January 1, 2017	2017-18	2017	\$10 million appraisal limitation. Possible tax credit for Applicant.
5	January 1, 2018	2018-19	2018	\$10 million appraisal limitation. Possible tax credit for Applicant.
6	January 1, 2019	2019-20	2019	\$10 million appraisal limitation. Possible tax credit for Applicant.
7	January 1, 2020	2020-21	2020	\$10 million appraisal limitation. Possible tax credit for Applicant.
8	January 1, 2021	2021-22	2021	\$10 million appraisal limitation. Possible tax credit for Applicant.
9	January 1, 2022	2022-23	2022	\$10 million appraisal limitation. Possible tax credit for Applicant.
10	January 1, 2023	2023-24	2023	\$10 million appraisal limitation. Possible tax credit for Applicant.
11	January 1, 2024	2024-25	2024	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
12	January 1, 2025	2025-26	2025	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
13	January 1, 2026	2026-27	2026	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.

SCHEDULE 1.3

DEFINITIONS

Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which the term is used clearly indicates a different meaning:

"Aggregate Limit" means, for any year of this Agreement, the total of the Annual Limit amount for the current year and all previous years of the Agreement, less amounts paid by the Applicant to or on behalf of the District under Article 4.

"Agreement" means this Agreement.

"Annual Limit" means the maximum annual benefit that can be paid directly to the District under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for the first year of the Qualifying Time Period under this Agreement.

"Application Date" means the date as set forth in the Recitals.

"Applicant" means the company listed in the Preamble of this Agreement, who filed its Application with the District for a Limitation on Qualified Property on the Application Date, pursuant to Chapter 313 of the Code. The term shall also include the Applicant's permitted successors in interest.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, Property Tax Code) which filing with the District by Applicant was completed on the Application Date (unless otherwise specified in the Recitals) by the tender of its Application fee.

"Appraisal District" means the Parmer County Appraisal District.

"Appraised Value" has the same meaning as in Section 1.04(8) of the Texas Tax Code.

"Comptroller" means the Texas Comptroller of Public Accounts.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth in title 34 of the Texas Administrative Code or Chapter 313 of the Texas Tax Code, together with any court or administrative decisions interpreting same.

"County" means the County identified in the Preamble of this Agreement, which shall be the county in which the School District's administrative offices are located.

“District” or “School District” means the Bovina Independent School District listed in the Preamble of this Agreement, being a duly incorporated and operating independent school district in the State of Texas, having the power to levy, assess, and collect ad valorem taxes within its boundaries.

“District Funding Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to TEC §45.002 and Article VII §3 of the Texas Constitution. The term also includes all State revenues to which the District is or may be entitled under Chapters 41 and 42 of the TEC or any other statutory provision as well as any amendment or successor statute to these provisions. The term shall exclude any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEC.

“Enterprise Zone” means the District’s enterprise zone, if any, created pursuant to Chapter 2303 of the Texas Government Code and as further described by the legal description attached hereto as Schedule 2.1.

“Extraordinary Education-Related Expenses” means those additional expenses that the District incurs related to the project that are not directly funded in state aid formulas including, but not limited to, expenses for portable classrooms and hiring additional personnel attributable to increased enrollment due to project personnel.

“Force Majeure” means a failure caused by a provision of law, rules, regulations, or orders of any governmental authority having jurisdiction over the Applicant or the Qualified Investment, or any arrest, restraint, or decree of any court, natural disaster, riot, war, labor dispute, act of God, act of terrorism, or any other cause which inhibits performance and over which Applicant has no reasonable control.

“Maintain a Viable Presence” means the operation over the life of this Agreement of the facility, facilities, or property for which the tax limitation agreement is granted and the retention over the entire term of this Agreement, as defined in Section 1.2 above, of not fewer than the number of Qualifying Jobs and New Jobs required by the Code, or as found by the District’s Board of Trustees to exceed the industry standard for number of jobs. Applicant shall be deemed to have maintained a viable presence following an event of Force Majeure that halts facility operations so long as Applicant commences repairs and/or reconstruction of the damaged within one hundred eighty (180) days after the event of Force Majeure. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of the court or environmental agency.

“Maintenance and Operations Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to § 45.002 of the Texas Education Code and Article VII § 3 of the Texas Constitution, plus all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these

provisions.

“Net Tax Savings” means an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Article III of this Agreement.

“New Jobs” means the jobs defined by 34 Tex. Admin. Code § 9.1051 and which Applicant will create by and through the project which is the subject of its Application. Under Texas Tax Code § 313.024(d), Eighty Percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

“Qualified Investment” has the meaning as that term is defined in §313.021(1) of the Code.

“Qualified Property” has the meaning as that term is defined in §313.021(2) of the Code.

“Qualifying Job” means the number of New Jobs Applicant will create by and through the project that is the subject of this Application and which meet the requirements of Texas Tax Code 313.021(3).

“Qualifying Time Period” has the meaning as that term is defined in §313.021(4) of the Code.

“Reinvestment Zone” means the District’s Reinvestment Zone created pursuant to Code §312.0025 by action of the Board of Trustees or by the County and as further described by the description and/or depiction of said Reinvestment Zone attached hereto as Schedule 2.1, which is incorporated herein by reference for all purposes.

“School Finance Law” means Chapters 41 and 42 of the TEC, the Texas Economic Development Act (Chapter 313, Code), Chapter 403, Subchapter M, Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to the District either with or without the limitation of property values made pursuant to this Agreement.

“State” means the State of Texas.

“Tax Credit” means the credit to be received by the Applicant as computed under the provisions of Subchapter D of the Texas Economic Development Act and 34 Tex. Admin. Code §9.1056, provided that the Applicant timely complies with the requirements under such provisions, including the filing of a completed application under §313.103 of the Code and 34 Tex. Admin. Code §9.1054.

“Tax Limitation Amount” means the amount of Ten Million Dollars (\$10,000,000.00), for the purposes of this Agreement and §313.027 of the Code.

“Taxable Value” has the same meaning as in Section 1.04(10) of the Texas Tax Code.

Proposed

SCHEDULE 2.1

DESCRIPTION AND MAP OF REINVESTMENT ZONE and/or ENTERPRISE ZONE

The Reinvestment Zone boundaries for Parmer County, and for which the subject property is within, is designated as the entire unincorporated area of Parmer County. As such, it is impractical to provide a detailed and certified map showing the actual boundaries and size of such a large area.

The following map depicts the incorporated boundaries of the City of Bovina, outlined in red and shaded white, and the Sweet Bran site just to the southwest, outlined in red. The Cargill Sweet Bran facility is outside the incorporated boundaries of the City of Bovina. Hence, the subject site would fall in the unincorporated area of Parmer County, and therefore be included in the Reinvestment Zone.

Proposed



Google Earth Pro



SCHEDULE 2.3

DESCRIPTION OF QUALIFIED INVESTMENT AND/OR QUALIFIED PROPERTY

The property for which the Applicant is requesting an appraised value limitation shall include, but is not limited to, the following:

Land

The project site is 156.287 acres of land located along US Hwy. 60, approximately a half mile southwest of the Bovina city limits. The current use of the land is irrigated agricultural crop land.

Buildings

The following buildings will be built as part of the project:

Dumper Building: This is where the rail cars are "dumped", and the beginning of the manufacturing process. This building will be structural steel frame, with a steel exterior. It will be 9,838 square feet in size.

Truck Load-out Building: This enclosed building is where semi-trucks will be loaded with finished product for delivery to our customers. The building is 9,724 square feet in size, and will be constructed of structural steel frame and steel exterior.

Ingredient Unload Building: Ingredients brought in by rail cars will be unloaded here and used in our custom mix products. This building will be constructed of structural steel and steel siding. It will be 1,800 square feet in size.

Administration/Warehouse Building: This 7,560 square foot building will house the administrative functions of the facility, as well as include some light warehousing space. This building will also be a structural steel building with steel siding.

Hoop building: The hoop building is a hoop styled building, constructed of a steel frame and concrete base, and covered with a fabric shell. The 14,400 square foot building will be used to store product that needs to be "re-worked" because it wasn't within specs the first time produced.

Ingredient Storage Silo's: Ingredients will be stored in six (6) carbon steel silos, each with a capacity of 2,500 cubic feet.

Paving: All traffic surfaces will be paved with either concrete or asphalt surface material.

Ag Bag Storage: There are two proposed open air storage areas to be used to store material in ag bags. These areas will be either concrete or asphalt. The two storage areas will be approximately 2.57 acres and 3.13 acres in size.

Rail: there will be approximately 26,000 feet of 115 lbs. rail track on site to accommodate rail cars delivering incoming materials.

Misc: Truck scales, bunkers, tank farm, and trailer staging areas.

Machinery and Equipment

Agitators	Magnets
Atmospheric Tanks, Hoppers	Motors
Blowers	Mixers, Spreaders
Compressors	Pumps
Conveyors	Office Furniture
Diverter valves/slide gates	Hand Tools
Filters	
Fans	
Generators	
Load Cells, truck Scales Computer Systems Office Equipment	
Rotary valves/Airlocks Mechanized Samplers Silo's, Bins	

All of the improvements that make up the qualified investment and/or qualified property will be made within the project area, which is completely within the reinvestment zone as shown in Schedule 2.1.

None of the foregoing listed property is covered under an existing County Appraisal District account number.

All of the property for which the Applicant is seeking a limitation of appraised value will be owned by the Applicant, Cargill Incorporated, or a valid assignee pursuant to this Agreement.

EXHIBIT A
to
SCHEDULE 2.3

MAP OF QUALIFIED PROPERTY/PROJECT AREA



SCHEDULE 3.2

CALCULATIONS FOR LOSS OF REVENUES BY DISTRICT

The District Funding Revenue amount owed by Applicant to District will equal:

- (a) Original District Funding Revenue minus New District Funding Revenue, where;
 - i. “Original District Funding Revenue” means the total State and local District Funding Revenue that the District would have received for the school year under the School Finance Law absent this Agreement, effective for said school year.
 - ii. “New District Funding Revenue” means the total State and local District Funding Revenue that the District actually received under the School Finance Law for said school year.
- (b) In making the calculations required by this Schedule 3.2:
 - i. The Taxable Value of property for each school year will be determined under the School Finance Law.
 - ii. All calculations using the Original District Funding Revenue and the New District Funding Revenue made for years three (3) through ten (10) of this Agreement shall be based upon the limitation of value on the Qualified Property using the Tax Limitation Amount so that Applicant is not responsible for protecting the District against any decrease in the amount of local ad valorem taxes collected.
 - iii. All calculations made under this Schedule shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.
 - iv. The calculation made under this Schedule cannot result in a negative number. In the event that the calculation is a negative number, the loss to the District under this Schedule will be considered to be zero.

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



February 28, 2013

Denise Anderson
Superintendent
Bovina Independent School District
P.O. Box 70
Bovina, Texas 79009

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Bovina Independent School District
and Cargill, Incorporated

Dear Superintendent Anderson:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Bovina Independent School District and Cargill, Incorporated (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

If you need additional information or have questions, please contact me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R.B. Wood".

Robert B. Wood
Director
Economic Development & Analysis

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Rick Stock, Cargill Incorporated