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CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

December 18, 2012

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

RE: Application to the Red Oak Independent School District from Triumph
Aerostructures, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Red Oak Independent School District is notifying the Applicant Triumph Aerostructures, LLC of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the Application to the school district on December 17, 2012. The Board voted to accept the application on December 17, 2012. The application has been determined complete by the District as of December 18, 2012. **The Company has requested an expedited review by your office of this application.** Because the project is so valuable to the area, Ellis County and the City of Red Oak also request that an expedited review be made of this Application.

In September, 2012, prior to this Application, the Applicant constructed a building at the site that is the subject of this Application. In addition to new equipment, the Applicant will be relocating personal business property to the site. The Applicant now plans to consolidate and expand operations at the Red Oak site. This decision to consolidate and expand operations at this site is one of the reasons that the Applicant is now seeking a value limitation agreement. However, further development has been halted pending a determination of completeness by the Office of the Comptroller. The Applicant has provided detailed information about the location and value of the property that is excluded from this Application and has specifically noted that the existing property is not to be considered to be part of its application to the Red Oak ISD. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement.

December 18, 2012

Page 2 of 2

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application.

A paper copy of the application will be hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Ellis Appraisal District.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "K. O'Hanlon", with a stylized flourish extending from the end.

Kevin O'Hanlon
School District Consultant



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 December 17, 2012
First Name Scott	Last Name Niven	
Title Superintendent		
School District Name Red Oak ISD		
Street Address 156 Louise Ritter Blvd.		
Mailing Address 156 Louise Ritter Blvd.		
City Red Oak	State TX	ZIP 75154
Phone Number 972-617-2941	Fax Number 972-617-4333	
Mobile Number (optional)	E-mail Address scott.niven@redoakisd.org	

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

Will consultant be primary contact? ☒ Yes ☐ No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name

Bob

Last Name

Popinski

Title

Firm Name

Moak, Casey & Associates

Street Address

400 W. 15th Street, Suite 1410

Mailing Address

400 W. 15th Street, Suite 1410

City

Austin

State

TX

ZIP

78701

Phone Number

512-485-7878

Fax Number

512-485-7888

Mobile Number (Optional)

E-mail Address

bpopinski@moakcasey.com

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

Signature (Authorized School District Representative)

Date

[Signature] Supp.

12-17-12

Has the district determined this application complete? ☒ Yes ☐ No

If yes, date determined complete. December 18, 2012

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

will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

supplement

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name	Jeffrey		Last Name	McRae	
Title	President, Integrated Programs Division				
Organization	Triumph Aerostructures - Vought Aircraft Division				
Street Address	9314 W. Jefferson				
Mailing Address	9314 W. Jefferson				
City	Dallas	State	TX	ZIP	75211
Phone Number	972-946-8080		Fax Number	972-946-4222	
Mobile Number (optional)	972-514-2137		Business e-mail Address	jmcrae@triumphgroup.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	Wendy		Last Name	Hargus	
Title	Vice President, Finance				
Organization	Triumph Aerostructures - Vought Aircraft Division				
Street Address	9314 W. Jefferson				
Mailing Address	9314 W. Jefferson				
City	Dallas	State	TX	ZIP	75211
Phone Number	972-946-5030		Fax Number	972-946-5632	
Mobile Number (optional)	214-356-3755		E-mail Address	whargus@triumphgroup.com	

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

Will consultant be primary contact? ☐ Yes ☒ No



Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

David

Last Name

Black

Title

Senior Manager

Firm Name

Thomson Reuters

Street Address

2395 Midway Road, MS 135

Mailing Address

City

Carrollton

State

TX

ZIP

75006

Phone Number

972-250-8013

Fax Number

Business email Address

david.black@thomsonreuters.com

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.

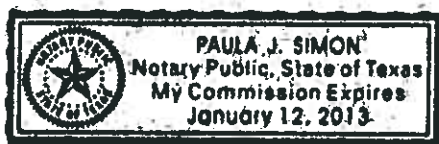
Signature (Authorized Business Representative (Applicant))

[Handwritten Signature]

Date

17 Dec 2012

GIVEN under my hand and seal of office this 17th day of December, 2012



(Notary Seal)

Paula J. Simon
Notary Public, State of Texas

My commission expires Jan 12, 2013

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

Triumph Aerostructures, LLC.

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

32042042732

NAICS code

336411

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.

N/A

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.)

Limited Liability Company

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? ☒ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

- (1) manufacturing ☒ Yes ☐ No
- (2) research and development ☐ Yes ☒ No
- (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
- (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
- (5) renewable energy electric generation ☐ Yes ☒ No
- (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
- (7) nuclear electric power generation ☐ Yes ☒ No
- (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ NoAre you including property that is owned by a person other than the applicant? ☐ Yes ☒ NoWill any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No**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 Attachment No. 4

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

See Attachment No. 4

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 1Q 2013 Begin Hiring New Employees 2Q 2013

Construction Complete 1Q 2014 Fully Operational 4Q 2014

Purchase Machinery & Equipment 2Q 2013 to 2Q 2016

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)? ☒ Yes ☐ No**Note:** Improvements made before that time may not be considered qualified property.When do you anticipate the new buildings or improvements will be placed in service? 4Q 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source

Amount

Texas Military Revolving Loan Fund (BRAC)

\$80M - \$100M

Total

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

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

Tax Abatement Agreements with the City of Red Oak, Ellis County

THE PROPERTYIdentify county or counties in which the proposed project will be located Ellis CountyCentral Appraisal District (CAD) that will be responsible for appraising the property Ellis Central Appraisal DistrictWill 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: Ellis (Including Road and Bridge) - 100%

(Name and percent of project)

City: Red Oak - 100%

(Name and percent of project)

Hospital District: _____

(Name and percent of project)

Water District: _____

(Name and percent of project)

Other (describe): _____

(Name and percent of project)

Other (describe): _____

(Name and percent of project)

Is the project located entirely within this ISD? ☒ Yes ☐ No

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

**INVESTMENT**

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$80,000,000

What is the amount of appraised value limitation for which you are applying? \$80,000,000

What is your total estimated *qualified* investment? \$100,000,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? April 2013

What is the anticipated date of the beginning of the qualifying time period? April 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? \$121,100,000

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value 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? December 31, 2012

Will the applicant own the land by the date of agreement execution? ☒ Yes ☐ No

Will the project be on leased land? ☐ Yes ☒ No

QUALIFIED PROPERTY (CONTINUED)

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

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

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

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ☐ Yes ☒ No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. Existing building not included in tax rolls yet 2012
(Market Value) (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

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

☐ First Quarter ☐ Second Quarter ☐ 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?
3,310

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

N/A

Total number of new jobs that will have been created when fully operational 35

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ☒ Yes ☐ No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☒ No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 28

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 \$786.50

110% of the county average weekly wage for manufacturing jobs in the county is \$1069.20

110% of the county average weekly wage for manufacturing jobs in the region is \$1057.40

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? \$55,598.40

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? \$55,598.40

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 Attachment No. 15

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.

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)*

ATTACHMENT NO. 3

Section: Applicant Business Structure

104282 8.000

TX2012

05-158

Texas Franchise Tax Affiliate Schedule

Ver. 3.0

(Rev. 9-11/4)

Tcode 13253 Annual

contact: Sheila Spagnolo, VP
610-251-1007

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

510347963

2012

TRIUMPH GROUP, LLC & SUBSIDIARIES

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate VOUGHT COMMERCIAL AIRCRAFT COMPANY		2. Affiliate taxpayer number (if none, use FEI number) 954568095		3. Affiliate NAICS code 336410	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 040110	
7. Affiliate reporting end date m m d d y y 033111		8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00	
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00		12. Gross receipts everywhere (before eliminations) 145270.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate TRIUMPH AEROSTRUCTURES HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 272891121		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 040110	
7. Affiliate reporting end date m m d d y y 033111		8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 1396672445.00	
10. Gross receipts in Texas (before eliminations) 30607180.00		11. Cost of goods sold or compensation (before eliminations) 1206415420.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate TRIUMPH INTERIORS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 204720061		3. Affiliate NAICS code 	
4. Check box if entity is disregarded for franchise tax <input checked="" type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 040110	
7. Affiliate reporting end date m m d d y y 033111		8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00	
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1082

105282 8.000

TX2012 05-166

Ver. 3.0 (Rev.9-11/4)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

510347963

2012

TRIUMPH GROUP, INC. & SUBSIDIARIES

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate TRIUMPH INSULATION SYSTEMS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 880351614		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input checked="" type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040110		7. Affiliate reporting end date m m d d y y 033111	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate TRIUMPH AEROSTRUCTURES, LLC		2. Affiliate taxpayer number (if none, use FEI number) 272570489		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input checked="" type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040110		7. Affiliate reporting end date m m d d y y 033111	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1082

ATTACHMENTS 4, 6, 8 AND 12

I. DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

OVERVIEW

The project will expand the Triumph Aerostructures Manufacturing Facilities site located in Red Oak Independent School District in Ellis County, Texas (the "Red Oak Site"). Triumph Aerostructures produces large aircraft structural components for both commercial and military aircraft. The project increases the physical footprint at the Red Oak Site to allow the transfer of work from another location in addition to new business. It is currently estimated that the project facilities will begin operation in the first quarter of 2014.

PROJECT DESCRIPTION

The project proposed in this Application includes construction of new improvements containing approximately 600,000 square feet and acquiring new machinery, equipment and other tangible personal property to be located at, in or about the new improvements and the existing building. None of this investment has been included in any previous project of the Applicant at the Red Oak Site.

QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The types of items currently planned as part of the project include, but are not limited to, a manufacturing assembly / composite fabrication / manufacturing research & development laboratory complex, together with engineering, technical and administrative office areas, that will include, but are not limited to, refrigerated storage of composite materials; automated material preparation and deposition; autoclave curing of composite structure; inert gas storage and conversion equipment; automated trimming of cured composite materials and non-destructive inspection; mechanical assembly of aircraft components with the installation and functional testing of systems components; surface preparation and painting; loading and shipping of components; environmental temperature, humidity and airborne contaminate controls; roadway improvements; storm and sanitary sewer improvements; railroad spur and track additions; building utility systems for electrical power, potable water, compressed air, vacuum systems; crane systems for assembly movement and loading; aircraft program tooling, company-owned portable durable tooling, over-the-road transportation vehicles, internal service vehicles, factory and office furnishings, information technology and computer equipment, and moveable personal property; as well as a laboratory dedicated to manufacturing research and development.

The items included in the project description do not include assets or improvements owned by the Applicant at the time of this Application which are or will be located within the reinvestment zone encompassing the Red Oak Site prior to the date on which this Application is declared complete by the Texas Comptroller of Public Accounts.

II. PRE-EXISTING PROPERTY AND EXPLANATION OF SCHEDULE A VALUES

EXISTING BUILDING

In September 2012, and prior to the filing of this Application, the Applicant completed the construction of one existing building containing approximately 255,000 square feet. Construction costs for the existing building total approximately \$24.4 million. The existing building is located at the Red Oak Site, but is not included in the project for purposes of this Application.

RELOCATED PROPERTY

The Applicant will also relocate some machinery, equipment and other tangible personal property from its facilities in Dallas County, Texas, to the new improvements and the existing building at the Red Oak Site. The relocated items are not included in the project for purposes of this Application. For the tax year 2012, the relocated items are included in Dallas County Appraisal District Business Personal Property Account Number 99000000216760850, which also includes inventory, machinery, equipment and other tangible personal property that are not being relocated to the Red Oak Site. The estimated portion of the 2012 taxable value in Dallas County Appraisal District Business Personal Property Account Number 99000000216760850 that is attributable to items to be relocated to the Red Oak Site is summarized below:

2012 Total Taxable Value	\$135,718,480
Less: 2012 Taxable Value of Inventory	<u>\$(70,506,000)</u>
Net 2012 Taxable Value of Non-Inventory	<u>\$65,212,480</u>
Estimated 2012 Taxable Value of Tangible Personal Property to be Relocated to the Red Oak Site (48.8%)	<u>\$31,810,966</u>

APPRAISAL DISTRICT ACCOUNT NUMBERS

The Applicant will request that the Ellis County Appraisal District:

- create new property account numbers for the property that is the subject of this Application in order to track the increased value attributable to the qualified property;
- create a new property account number for the existing building (or add the existing building to an existing account number for the tract of land underlying the existing building) that is not included in the project for purposes of this Application in order to separately track the value attributable to the existing building; and
- create a new property account number or numbers for the relocated property that is not included in the project for purposes of this Application in order to separately track the value attributable to the relocated property.

OTHER INVESTMENT

The Applicant has also invested \$2,018,602 in the purchase of the land for the project.

II. ABILITY TO LOCATE OR RELOCATE TO ANOTHER STATE OR ANOTHER REGION OF THE STATE

Triumph Group, Inc. and its subsidiaries are a global leader in manufacturing and overhauling aerospace structures, systems and components. Operating in 64 locations worldwide, Triumph Group designs, engineers, manufactures, repairs and overhauls a broad portfolio of aerostructures, aircraft components, accessories, subassemblies and systems.

The Applicant have sent out multiple Economic Development Survey Packages regarding locations both outside and within the State of Texas as part of its cost/benefit analysis to identify preferred potential locations. Triumph Group has the ability to locate a new facility in many locations within the United States, as well as other countries.

A possible appraised value limitation agreement with the Red Oak Independent School District would be a contributing factor for a decision by the Applicant to consolidate and expand operations at the Red Oak Site.

ATTACHMENTS 7 & 9

Maps of Qualified Investment and Property



Existing building excluded from Qualified Investment/Qualified Property

Reinvestment Zone
boundary



ATTACHMENTS 10 AND 11

Description of Land – The legal description of the approximately 122.887-acre tract of land is attached. Under an economic development agreement with the City of Red Oak, Texas, approximately 30.329 acres included in the 122.887-acre tract will be transferred to the Applicant for a nominal amount upon completion of certain improvements included in the project. In addition, the Applicant also have a stand-alone option to acquire the 30.329 acre tract.

Current Taxable Value – Attached

Detailed Map of Land – Attached

City of Red Oak Resolution and Ordinance – Attached

LEGAL DESCRIPTION

BEING a tract of land situated in the Benjamin E. Frazier Survey, Abstract No. 371, City of Red Oak, Ellis County, Texas and being part of a tract of land described in Special Warranty Deed to City of Red Oak Industrial Development Corporation recorded in Volume 1586, Page 312, Deed Records of Ellis County, Texas and being more particularly described as follows:

BEGINNING at a point in the west right-of-way line of the M.K. & T. Railroad at the southernmost corner of Lot 2, Block A, Lots 1 and 2 in Block A of Access Self Storage Addition, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet H, Page 626, Map Records of Ellis County, Texas;

THENCE with said west right-of-way line, South 28°20'46" West, a distance of 1218.31 feet to the northeast corner of Lot 45, Block A, Quail Run Estates, Phase Two, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet F, Page 296, Map Records of Ellis County, Texas;

THENCE with the north line of said Quail Run Estates, Phase Two, South 89°50'38" West, a distance of 2535.36 feet to a point in North Methodist Road;

THENCE with the west line of said City of Red Oak Industrial Development Corporation tract, North 00°15'00" East, a distance of 1458.25 feet to a point for corner;

THENCE departing said west line, South 89°59'35" East, a distance of 819.09 feet to a point in the west right-of-way line of Crockett Lane (a 65-foot wide right-of-way);

THENCE with said west right-of-way line, South 01°14'57" West, a distance of 86.62 feet to the southwest corner of the southerly terminus of said Crockett Lane;

THENCE with said southerly terminus, South 89°45'00" East, a distance of 65.00 feet to the southeast corner of said southerly terminus;

THENCE with said east right-of-way line, North 00°14'57" East, a distance of 166.07 feet to the southwest corner of Lot 1, Block D, Red Oak Industrial Park, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet E, Page 73, Map Records of Ellis County, Texas;

THENCE with the south line of said Lot 1, Block D, South 89°45'03" East, at a distance of 669.18 feet, passing the southeast corner of said Lot 1, Block D, continuing, in all a total distance of 749.18 feet to a point for corner;

THENCE North 00°14'57" East, at a distance of 533.39 feet, passing the southeast corner of the southerly terminus of Austin Boulevard (an 80-foot wide right-of-way), continuing, with the east right-of-way line of said Austin Boulevard, in all a total distance of 647.39 feet to the southernmost end of a right-of-way corner clip at the intersection of

said east right-of-way line and the south right-of-way line of Bowie Drive (a 65-foot wide right-of-way line);

THENCE with said right-of-way corner clip, North $45^{\circ}14'57''$ East, a distance of 35.36 feet to the northernmost end of said right-of-way corner clip;

THENCE South $89^{\circ}45'03''$ East, at a distance of 28.49 feet, passing the southeast corner of the easterly terminus of said Bowie drive, continuing, departing said easterly terminus, in all a distance of 793.32 feet to the beginning of a non-tangent curve to the right having a central angle of $06^{\circ}59'45''$, a radius of 5350.99 feet, a chord bearing and distance of South $86^{\circ}15'19''$ East, 652.94 feet;

THENCE in a southeasterly direction, with said curve to the right, an arc distance of 653.35 feet to a point in the west line of said Lot 1, Block A, at the end of said curve;

THENCE with said west line of Lot 1, Block A, South $00^{\circ}03'18''$ East, a distance of 1081.09 feet to the **POINT OF BEGINNING** and containing 122.887 acres or 5,352,965 square feet of land.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

2012 TAX STATEMENT
JOHN BRIDGES, RTA, CTA, CSTA
ELLIS COUNTY TAX ASSESSOR-COLLECTOR
109 S. JACKSON ST. ROOM - T125
WAXAHACHIE, TEXAS 75165

Attachment 10 & 11
Page 3 of 5

Certified Owner

www.elliscountytax.com

Legal Description

LOT 1 BLK A TRIUMPH AEROSTRUCTURES
28.678 AC

TRIUMPH AEROSTRUCTURES REAL ESTATE INVES
9314 W JEFFERSON BLVD
DALLAS TX 75211-9301

Legal Acres: 28.6780
Parcel Address: 300 AUSTIN BLVD 75154



Account No: 255110

As of Date October 29, 2012 Print Date October 29, 2012

Market Value	Appraised Value	Assessed Value	Capped Value	Homestead Value	Agriculture Value	Non-Qualifying Value
Land Improvement						
\$378,550	\$378,550	\$378,550				\$378,550
Taxing Unit	ASSESSED Value 100%	Exemptions Code	Amount	Taxable Value	Tax Rate	2012 Tax Due
ELLIS COUNTY	\$378,550		\$0	\$378,550	.38009100	\$1,438.83
LTRD	\$378,550		\$0	\$378,550	.03350800	\$128.84
RED OAK ISD	\$378,550		\$0	\$378,550	1.54000000	\$5,828.67
CITY OF RED OAK	\$378,550		\$0	\$378,550	.64900000	\$2,456.79
TOTAL LEVY:						\$9,852.13
STATEMENT WAS ALSO SENT TO A MORTGAGE COMPANY IF APPLICABLE.						TOTAL TAX PAID TO DATE: \$0.00
OVER 65 OR DISABLED MAY BE ELIGIBLE FOR QUARTER PAY.						TOTAL TAX REMAINING DUE: \$9,852.13
APPLY FOR EXEMPTIONS AT APPRAISAL DISTRICT AT NO COST 972-937-3552						
Exemptions:						

AMOUNT DUE IF PAID BY END OF MONTH:

OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	JANUARY 2013	FEBRUARY 2013	MARCH 2013
\$9,852.13	\$9,852.13	\$9,852.13	\$9,852.13	\$10,541.79	\$10,738.82

PLEASE PUT YOUR ACCOUNT NUMBER ON ALL CORRESPONDENCE
TAXES ARE DUE UPON RECEIPT, TAXES WILL BECOME DELINQUENT FEB 1, 2013 PENALTY AND INTEREST WILL BE ADDED MONTHLY
BEGINNING FEB. 1, 2013 AS FOLLOWS
FEBRUARY - 7% MARCH - 9% APRIL - 11% MAY - 13% JUNE - 15% JULY - 18% + UP TO 20% ATTORNEY FEE

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

****PAY TAXES ONLINE AT WWW.ELLISCOUNTYTAX.COM WITH VISA OR MASTERCARD OR DISCOVER OR ECHECK****

ACCOUNT NUMBER	CAD NUMBER	PAY BY:	AMOUNT DUE:
255110	72881190100100111	JANUARY 31, 2013	\$9,852.13
		AMOUNT PAID:	

TRIUMPH AEROSTRUCTURES REAL ESTATE INVES
9314 W JEFFERSON BLVD
DALLAS TX 75211

PAY TO:
JOHN BRIDGES, RTA, CTA, CSTA
TAX ASSESSOR-COLLECTOR
P. O. DRAWER 188 -
WAXAHACHIE, TEXAS 75168-0188
PHONE: 972-825-5150



OVILLA ROAD (F.M. 664)

BOWIE DRIVE
AUSTIN BLVD.

LOT 1 BLOCK D
RED OAK INDUSTRIAL PARK
CAB. E PG. 73

CROCKETT LANE

RED OAK ESTATES
CAB. B PG. 81

DOVE AVENUE

N. METHODIST ST.

122.887 ACRES
5352865 SQ. FT.

CITY OF RED OAK INDUSTRIAL
DEVELOPMENT CORP.
VOL. 1586 PG. 312
D.R.E.C.T.

P.O.B.

M.K. & T. RAILROAD

122.887 ACRES
BENJAMIN E.
FRAZIER SURVEY
ABSTRACT NO. 371
CITY OF RED OAK
ELLIS COUNTY, TEXAS



NOTES

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.



12700 Pike Central Dist. Suite 1100
Dallas, Texas 75241
Tel No (972) 770-1700
Fax No (972) 750-3030

Scale	Drawn By	Checked By	Date	Project No.	Sheet No.
1" = 500'	SHD	DAW	AUG 2011	06-000-002	1 of 1

ATTACHMENT NO. 14

Section: Wage and Employment Information

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (48 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2012	1st Qtr	Ellis County	Private	00	0	10	Total, All Industries	\$719
2012	2nd Qtr	Ellis County	Private	00	0	10	Total, All Industries	\$693
2011	3rd Qtr	Ellis County	Private	00	0	10	Total, All Industries	\$721
2011	4th Qtr	Ellis County	Private	00	0	10	Total, All Industries	\$727
								<hr/>
								\$2,860.00
								÷ 4
								<hr/>
								\$ 715.00
								x 110%
								<hr/>
								\$ 786.50

Quarterly Employment and Wages (QCEW)[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Ellis County	Private	31	2	31-33	Manufacturing	\$988
2012	2nd Qtr	Ellis County	Private	31	2	31-33	Manufacturing	\$951
2011	3rd Qtr	Ellis County	Private	31	2	31-33	Manufacturing	\$1,005
2011	4th Qtr	Ellis County	Private	31	2	31-33	Manufacturing	\$944
								<hr/>
								\$3,888.00
								÷ 4
								\$ 972.00
								x 110%
								<u>\$1,069.20</u>

**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>	\$19.32	\$40,196
<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.

\$49,986.00
x 110%
\$54,984.60
+ 52 weeks
\$ 1,057.40

ATTACHMENT NO. 15

Section: Description of Benefits

**Triumph Aerostructures
Salaried Benefits
2013 Plan Year**

Type of Benefit	Plan
Medical	Aetna 90/10
Medical	Aetna 80/20
Medical	Aetna High Deductible Health Savings Account 80/20
Medical	Waive Coverage
Dental	Delta Dental - Delta Basic - Preventative
Dental	Delta Dental - Delta Care without Orthodontia
Dental	Delta Dental - Delta Care Plus with Orthodontia
Dental	Waive Coverage
Vision	Aetna Medical
Vision	VSP B - Supplemental Vision
Vision	VSP C - Supplemental Vision
Wellness	100% Covered
Hearing	No Deductible, 1 exam per year, 1 hearing aid per ear every 3 benefit plan years, \$750 max per ear/per benefit plan year.
Employee Life Insurance	Basic Life Insurance - \$50,000 - no cost to employee
Optional Life Insurance	Available to employee to elect coverage of 1-8 times your pay
Optional Dependent Life Insurance	Spouse Coverage - \$10,000, \$25,000 or \$50,000
Optional Dependent Life Insurance	Child Coverage - \$5,000 per child or \$10,000 per child
Stock Purchase Plan	Employee Stock Purchase Plan - Triumph Stock - Administered by ComputerShare
Group Legal Services	Provided by Hyatt Legal
401(k) Plan	Triumph Group 401(k) Plan - Administered by Vanguard

DATE

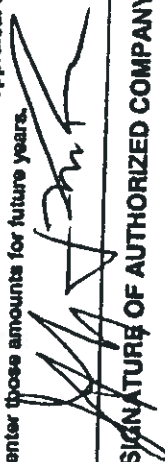
Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Triumph Aerostructures

Form 50-296

Red Oak

Applicant Name ISD Name	Year	Aug-May School Year (YYYY- YYYY)	Prop Tax as of Jan 1	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	Total Market Value of tangible personal property in the new building or		Final taxable value for M&O - after all reductions	Final taxable value for M&O - after all reductions
	pre- year 1	2013-2014	2013	2,018,602	0	0		2,018,602	2,018,602
	1	2014-2015	2014	2,018,602	60,893,729	44,339,310		107,251,641	107,251,641
	2	2015-2016	2015	2,018,602	58,200,000	48,853,978		109,072,580	109,072,580
	3	2016-2017	2016	2,018,602	57,300,000	46,811,555		106,130,158	80,000,000
	4	2017-2018	2017	2,018,602	56,400,000	45,474,617		103,893,219	80,000,000
	5	2018-2019	2018	2,018,602	55,500,000	42,507,153		100,025,755	80,000,000
	6	2019-20	2019	2,018,602	54,600,000	38,266,536		94,885,139	80,000,000
	7	2020-21	2020	2,018,602	53,700,000	38,063,943		93,782,545	80,000,000
	8	2021-22	2021	2,018,602	52,800,000	34,975,443		89,794,046	80,000,000
	9	2022-23	2022	2,018,602	51,900,000	32,334,162		86,252,764	80,000,000
	10	2023-24	2023	2,018,602	51,000,000	30,067,651		83,086,253	80,000,000
	11	2024-25	2024	2,018,602	50,100,000	28,126,311		80,244,913	80,244,913
	12	2025-26	2025	2,018,602	49,200,000	26,333,358		77,551,961	77,551,961
	13	2026-27	2026	2,018,602	48,300,000	24,554,320		74,872,922	74,872,922
	14	2027-28	2027	2,018,602	47,400,000	22,792,553		72,211,155	72,211,155
	15	2028-29	2028	2,018,602	46,500,000	21,507,552		70,026,155	70,026,155

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

17 Dec 2012
DATE

Schedule C- Application: Employment Information

Applicant Name
ISD Name

Triumph Aerostructures
Red Oak

Form 50-296

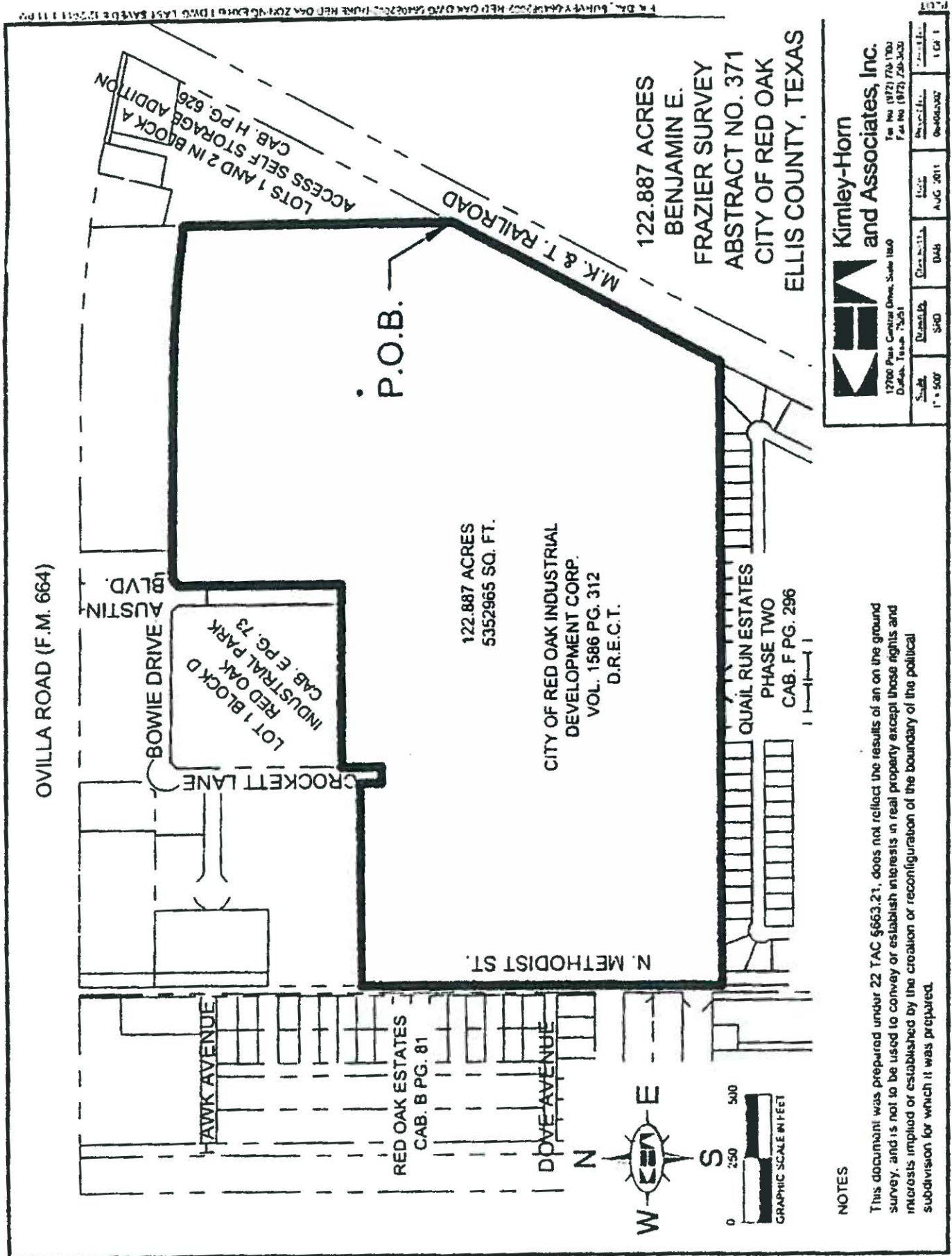
	Year	School Year (YYYY-YYYY)	Calendar Year (Fill in actual Calendar year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction Man Hours	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	337,956.0	\$37,440	35	\$ 56,784	28	\$ 56,784
	1	2014-2015	2014			35	\$ 56,784	28	\$ 56,784
	2	2015-2016	2015			35	\$ 56,784	28	\$ 56,784
	3	2016-2017	2016			35	\$ 56,784	28	\$ 56,784
	4	2017-2018	2017			35	\$ 56,784	28	\$ 56,784
	5	2018-2019	2018			35	\$ 56,784	28	\$ 56,784
	6	2019-20	2019			35	\$ 56,784	28	\$ 56,784
	7	2020-21	2020			35	\$ 56,784	28	\$ 56,784
	8	2021-22	2021			35	\$ 56,784	28	\$ 56,784
	9	2022-23	2022			35	\$ 56,784	28	\$ 56,784
	10	2023-24	2023			35	\$ 56,784	28	\$ 56,784
	11	2024-25	2024			35	\$ 56,784	28	\$ 56,784
	12	2025-26	2025			35	\$ 56,784	28	\$ 56,784
	13	2026-27	2026			35	\$ 56,784	28	\$ 56,784
	14	2027-28	2027			35	\$ 56,784	28	\$ 56,784
	15	2028-29	2028			35	\$ 56,784	28	\$ 56,784
Tax Credit Period (with 50% cap on credit)									
	Complete tax years of qualifying time period								
	Value Limitation Period								
	Credit Settle-Up Period								
	Continue to Maintain Viable Presence								
	Post-Settle-Up Period								
	Post-Settle-Up Period								

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

12 DEC 2012
DATE



NOTES

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Kimley-Horn and Associates, Inc.
 12700 Pine Central Drive, Suite 1800
 Dallas, Texas 75241
 Tel: (972) 770-1700
 Fax: (972) 758-3000

Scale	Project	Client	Date	Drawn	Check	Issue
1" = 500'	SHO	DAE	AUG. 2011	06-08-2007	06-08-2007	1 of 1

LEGAL DESCRIPTION

BEING a tract of land situated in the Benjamin E. Frazier Survey, Abstract No. 371, City of Red Oak, Ellis County, Texas and being part of a tract of land described in Special Warranty Deed to City of Red Oak Industrial Development Corporation recorded in Volume 1586, Page 312, Deed Records of Ellis County, Texas and being more particularly described as follows:

BEGINNING at a point in the west right-of-way line of the M.K. & T. Railroad at the southernmost corner of Lot 2, Block A, Lots 1 and 2 in Block A of Access Self Storage Addition, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet H, Page 626, Map Records of Ellis County, Texas;

THENCE with said west right-of-way line, South 28°20'46" West, a distance of 1218.31 feet to the northeast corner of Lot 45, Block A, Quail Run Estates, Phase Two, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet F, Page 296, Map Records of Ellis County, Texas;

THENCE with the north line of said Quail Run Estates, Phase Two, South 89°50'38" West, a distance of 2535.36 feet to a point in North Methodist Road;

THENCE with the west line of said City of Red Oak Industrial Development Corporation tract, North 00°15'00" East, a distance of 1458.25 feet to a point for corner;

THENCE departing said west line, South 89°59'35" East, a distance of 819.09 feet to a point in the west right-of-way line of Crockett Lane (a 65-foot wide right-of-way);

THENCE with said west right-of-way line, South 01°14'57" West, a distance of 86.62 feet to the southwest corner of the southerly terminus of said Crockett Lane;

THENCE with said southerly terminus, South 89°45'00" East, a distance of 65.00 feet to the southeast corner of said southerly terminus;

THENCE with said east right-of-way line, North 00°14'57" East, a distance of 166.07 feet to the southwest corner of Lot 1, Block D, Red Oak Industrial Park, an addition to the City of Red Oak, Texas according to the plat recorded in Cabinet E, Page 73, Map Records of Ellis County, Texas;

THENCE with the south line of said Lot 1, Block D, South 89°45'03" East, at a distance of 669.18 feet, passing the southeast corner of said Lot 1, Block D, continuing, in all a total distance of 749.18 feet to a point for corner;

THENCE North 00°14'57" East, at a distance of 533.39 feet, passing the southeast corner of the southerly terminus of Austin Boulevard (an 80-foot wide right-of-way), continuing, with the east right-of-way line of said Austin Boulevard, in all a total distance of 647.39 feet to the southernmost end of a right-of-way corner clip at the intersection of

said east right-of-way line and the south right-of-way line of Bowie Drive (a 65-foot wide right-of-way line);

THENCE with said right-of-way corner clip, North $45^{\circ}14'57''$ East, a distance of 35.36 feet to the northernmost end of said right-of-way corner clip;

THENCE South $89^{\circ}45'03''$ East, at a distance of 28.49 feet, passing the southeast corner of the easterly terminus of said Bowie drive, continuing, departing said easterly terminus, in all a distance of 793.32 feet to the beginning of a non-tangent curve to the right having a central angle of $06^{\circ}59'45''$, a radius of 5350.99 feet, a chord bearing and distance of South $86^{\circ}15'19''$ East, 652.94 feet;

THENCE in a southeasterly direction, with said curve to the right, an arc distance of 653.35 feet to a point in the west line of said Lot 1, Block A, at the end of said curve;

THENCE with said west line of Lot 1, Block A, South $00^{\circ}03'18''$ East, a distance of 1081.09 feet to the **POINT OF BEGINNING** and containing 122.887 acres or 5,352,965 square feet of land.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

AN RESOLUTION OF THE CITY OF RED OAK, TEXAS

RESOLUTION NO. 11-034R

**A RESOLUTION OF THE CITY OF RED OAK, TEXAS, ADOPTING
GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS WITHIN
THE CITY OF RED OAK; PROVIDING A REPEALING CLAUSE; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, economic development through the creation of a new industry and expansion of existing industry that results in new wealth and/or job opportunities is important for the well being of the local economy; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within the community; and

WHEREAS, the City of Red Oak must compete with other localities throughout the United States currently offering tax incentives to attract new facilities and plant modernization projects; and

WHEREAS, the abatement of property taxes, when offered to attract new and expanded businesses has been shown to be an effective method of enhancing and diversifying City economy and creating community and area wealth; and

WHEREAS, Chapter 312 of the TEXAS TAX CODE requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to the granting of any future tax abatement or creation of a reinvestment zone; and

WHEREAS, the city council has previously adopted appropriate guidelines, which have expired; and

WHEREAS, the city council desires to adopt new guidelines for tax abatement criteria; and

WHEREAS, these Guidelines and Criteria shall not be construed as implying or suggesting the City of Red Oak is under obligation to provide tax abatements or other incentives to any applicant; and all applicants shall be considered on a case-by-case basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RED OAK, ELLIS COUNTY, TEXAS, THAT:

SECTION 1.

That the City Council hereby establishes guidelines and criteria governing property tax abatement agreements as set forth on Exhibit A, which is attached hereto and incorporated herein, as the "City of Red Oak Tax Abatement Guidelines and Criteria." The City of Red Oak Tax Abatement Guidelines and Criteria shall be effective for two (2) years from the date of adoption and may only be amended or repealed by a three-fourths (¾) vote of the city council as provided by law.

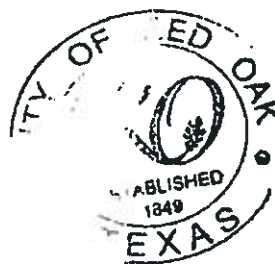
SECTION 2.

All provisions of resolutions of the City of Red Oak, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 3.

This resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED by the City Council of the City of Red Oak, Texas, on the 8th day of August, 2011.



APPROVED:


ALAN HUGLEY, MAYOR

ATTEST:


CYNTHIA OLGUIN, CITY SECRETARY

APPROVED AS TO FORM:

ROBERT E. HAGER, CITY ATTORNEY
(REH/vdb)

**CITY OF RED OAK
TAX ABATEMENT GUIDELINES AND CRITERIA****POLICY STATEMENT**

The City of Red Oak is committed to the promotion of quality development in all parts of the City and to the ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Red Oak will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in Red Oak. It is the policy of the City that said consideration will be provided in accordance with the procedures and criteria outlined in this document. However, nothing herein shall imply or suggest that the City is under obligation to provide any incentive to any applicant. All applications shall be considered on a case-by-case basis.

DEFINITIONS - Section 1.

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain improvements on real property and/or tangible personal property in a reinvestment zone designated by the City of Red Oak for economic development purposes.
- (b) "Agreement" means a contractual agreement between a property owner and a taxing jurisdiction for the purpose of tax abatement.
- (c) "Base Year Value" means the assessed value of either the applicant's subject real property and improvements on January 1 of the year of the execution of the agreement plus the agreed upon value of any property improvements made after January 1 but before execution of the agreement, and/or the assessed value of any tangible personal property located on the owner's real property at any time prior to the abatement period covered by the agreement.
- (d) "Deferred Maintenance" means improvements necessary for the continued operation which do not improve productivity or alter the process technology.
- (e) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.
- (f) "Enterprise Zone" means an area designated pursuant to the Texas Enterprise Zone Act (Chapter 2303, Government Code).
- (g) "Expansion" means the addition of buildings, structures, fixed machinery, equipment, or tangible personal property for the purpose of increasing production capacity.
- (h) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (i) "Lease" means a relationship whereby the business applying for a tax abatement has a contract for exclusive possession of either the real property on which improvements are to be made and/or moveable personal property to be used for the operation of the business for a defined period of time.

- (j) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology, or substantially lowers the unit cost of operation and/or extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of Deferred Maintenance.
- (k) "New Facility" means a property previously undeveloped which is placed into service by means other than, or in conjunction with, Expansion or Modernization.
- (l) "Personal Property" means equipment and/or tools, used or bought or leased for use, in the operation of the business applying for tax abatement, other than that which was located on the real property at any time before the period covered by the tax abatement agreement, and other than inventory, supplies, and/or office equipment.
- (m) "Real Property" means the area of land defined by legal description as being owned or leased by the business applying for a tax abatement, including any improvements thereto, which is to be improved and valued for property tax purposes, and which is to be included in the Reinvestment Zone.
- (n) "Reinvestment Zone" means an area designated as such for the purposes of tax abatement as authorized by the City in accordance with The Property Tax Code Annotated Chapter 312.201 et seq (of Subchapter B) (Vernon 1992) and (Supp. 1995), as amended.

ABATEMENT AUTHORIZED - Section 2

- (a) Eligible Facilities. Upon application, eligible facilities shall be considered for Tax Abatement as hereinafter provided.
- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the City of Red Oak and the property owner or lessee, subject to such limitations as the City of Red Oak may require.
- (c) New and Existing Facilities. Abatement may be granted to the taxable value of the New Facilities and improvements to existing Facilities for the purpose of Modernization or Expansion.
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment site improvements, related fixed improvements, tangible personal property, and the increased value of the Real Property.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for Tax Abatement: supplies; inventory; Deferred Maintenance; property to be rented or leased except as provided in Section (f); and property that is associated with any activity which is illegal under federal, state and local law.

(f) Owned/Leased Facilities. If a Leased Facility is granted abatement, the agreement shall be executed with the owner and lessee. Prior to any tax abatement agreement being executed, a copy of the lease shall be provided to the City.

(g) Economic Qualification. In order to be eligible for designation as a reinvestment zone and receive value added tax abatement, the planned improvement:

- (1) must be expected to have an increased appraised ad valorem tax value of at least \$500,000 based upon the Ellis County Appraisal District's assessment of eligible property. However, this requirement may be waived at the discretion of City Council; or
- (2) must be expected to prevent the loss of payroll, or retain, increase, or create payroll in Red Oak, Texas.

(h) Standards for Tax Abatement. Any request for tax abatement may be reviewed by the City Council appointed Board of the City of Red Oak Industrial Development Corporation. This committee may serve as a recommending body to the City Council whether tax abatement should be offered in each individual case. A determination for a tax abatement shall be based upon a subjective evaluation of the following criteria, as well as others, to determine whether to grant tax abatement and, if so, the percentage of value to be abated and the duration of the tax abatement:

- (1) value of land and existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) Economic Life of proposed investments;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number of type of new jobs to be created by proposed improvements;
- (6) amount of local payroll to be created;
- (7) whether the new jobs to be created will be filled by persons residing or projected to reside within the City of Red Oak;

- (8) amount of local sales taxes to be generated directly;
- (9) amount property tax base valuation will be increased during the term of Abatement and after the expiration of the Abatement;
- (10) whether the applicant is qualified for the freeport exemption, and if so, what percentage of inventory valuations qualify and the dollar value of exemption each year for each taxing entity;
- (11) the costs to be incurred by the City of Red Oak to provide infrastructure or services directly resulting from the new improvements;
- (12) the amount of ad valorem taxes to be paid to the City of Red Oak during the abatement period considering (a) the existing valued base year; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period;
- (13) the population growth of the City of Red Oak that occurs directly as a result of the proposed improvements and how this will effect the Red Oak ISD and infrastructure needs of the City;
- (14) the types and values of public improvements, if any, to be made by applicant seeking abatement;
- (15) whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (16) the impact on the business opportunities of existing businesses;
- (17) the attraction of other new businesses to the area;
- (18) the overall compatibility with the zoning ordinance and comprehensive plan for the City Council;
- (19) whether the project is environmentally compatible with no negative impact on quality of life perceptions;
- (20) any other factor(s) related to the proposed improvements that may have an effect, positive or negative, on the City of Red Oak and other affected taxing entities.

Each application shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

(i) Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

- (1) there would be a substantial adverse effect on the provision of government service or tax base;
- (2) the applicant has insufficient financial capacity;
- (3) planned or potential use of the property would constitute a hazard to public safety, health or morals;
- (4) violation of other codes or laws; or
- (5) any other reason deemed appropriate by the City Council of the City of Red Oak.

(j) Taxability. From the execution of the Abatement to the end of the Agreement period taxes shall be payable as follows:

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

(k) The additional value of new eligible property shall be fully taxable at the end of the Abatement period.

(l) The adoption of these guidelines and criteria for tax abatement shall not limit the discretion of the City Council to decide whether to enter into a specific tax abatement agreement and shall not create any property, contract or other legal right in any person to have the City Council consider or grant a specific application or request for tax abatement.

(m) Property that is in a Reinvestment Zone and that is owned or leased by a member of the City Council or planning and zoning commission is excluded from property tax abatement.

APPLICATION - Section 3.

(a) Any present or potential owner of taxable property in Red Oak, Texas may request the creation of a reinvestment zone and tax abatement by filing a written request with the City of Red Oak. The application may then be forwarded to the City of Red Oak Industrial Development Corporation for review and possible recommendation to the City Council of the City of Red Oak for that final disposition.

(b) The application shall consist of a completed application form which shall provide detailed

information on the items described in Section 2(h) hereof, a map and legal description and a time schedule for undertaking and completing the planned improvements. In the case of Modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

(c) The applicant shall state the value and account numbers used by the Ellis County Appraisal District as of the January 1 valuation date prior to the date of the execution of a Tax Abatement Agreement as follows:

Account Number: _____

Personal Property \$ _____

Account Number: _____

Land \$ _____

Improvements \$ _____

(d) The City of Red Oak shall give notice as provided by the Texas Property Tax Code.

AGREEMENT - Section 4.

After approval, the City of Red Oak shall formally pass a resolution and execute an Agreement with the owner of the Facility and/or lessee, in full compliance with Chapter 312 of the Texas Tax Code.

ADMINISTRATION - Section 5

(a) The Chief Appraiser for the Ellis County Appraisal District will annually determine an appraised value of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving Abatement shall furnish the Appraiser and the City of Red Oak with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the City of Red Oak of the amount on the assessment.

(b) Upon completion of construction, the designated representative of the City of Red Oak shall annually evaluate each Facility receiving Abatement to insure compliance with the Agreement, and a formal report shall be made to the City Council of Red Oak regarding the findings of each evaluation.

STATE ADMINISTRATION - Section 6

Pursuant to Chapter 312 of the Texas Tax Code, as amended, the City is required to deliver to the Texas Department of Commerce or its successor and the State Comptroller before April 1 of the year following which a Reinvestment Zone is designated or a tax abatement agreement is executed a report providing all of the information required by Chapter 312. The Director of Economic Development for the City is established as the City Liaison with the State for this purpose.

SUNSET PROVISIONS - Section 7.

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters vote of the City Council of the City of Red Oak, at which time all reinvestment zones and Tax Abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed, or eliminated.