

FINDINGS
of the
VAN VLECK INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
under the
TEXAS ECONOMIC DEVELOPMENT ACT

STATE OF TEXAS §

COUNTY OF MATAGORDA §

On the 18th day of November, 2013, a public meeting of the Board of Trustees (“Board”) of the Van Vleck Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board took up and considered the Application (“Application”) of Maverick Tube Corporation dba Tenaris USA (“Applicant”) for a limitation on appraised value on qualified property, pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District’s administrative staff to advise the Board in this matter.

The Board considered the presentations made at the meeting, the Comptroller's recommendation and the economic impact evaluation and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Texas Comptroller of Public Accounts published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On March 27, 2013 the District received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as Attachment A.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code Section 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Texas Comptroller’s Office for review pursuant to Texas Tax Code Section 313.025(b).
5. The Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller’s Office, by letter dated July

30, 2013, recommended that the Board approve the Application. A copy of the Comptroller's letter is attached to these findings as Attachment B.

6. The Texas Comptroller's Office performed an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Attachment C.

7. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Attachment D.

8. Findings as to each of the criterion listed in Texas Tax Code Section 313.026:

a. The recommendations of the Comptroller. Texas Tax Code Section 313.026(a)(1).

The Board finds that the Comptroller recommends approval of the Application.

b. The relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and 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, Texas Government Code, as that section existed before February 1, 1999. Texas Tax Code Section 313.026(a)(5).

The Board finds that there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.

c. The relative level of the Applicant's investment per qualifying job to be created by the Applicant. Texas Tax Code Section 313.026(a)(6).

The Board finds that the Application indicates: (i) the Applicant will provide a total of four hundred eighty (480) qualifying jobs for the Project, as defined in Texas Tax Code Section 313.021(3), (ii) the anticipated total amount of investment is \$1,356,200,000, and (iii) the investment per qualifying job is \$2,825,417.

d. The number of qualifying jobs to be created by the Applicant. Texas Tax Code Section 313.026(a)(7).

The Board finds that the Application indicates the Applicant will provide a total of four hundred eighty (480) qualifying jobs.

e. The wages, salaries, and benefits to be offered by the Applicant to the qualifying job holders. Texas Tax Code Section 313.026(a)(8).

The Board finds that the Application indicates: (i) the qualified jobs provided by the Applicant will pay an average wage of \$1,136 weekly (\$59,082 annually) and (ii) the qualifying jobholders will be offered benefits comparable with similar positions in the industry including health care insurance, retirement savings, paid vacation and job-related training and professional development programs. The Board further finds that the average wage of \$59,082 annually exceeds the regional manufacturing wage for the Houston-Galveston Council of Governments Region of \$53,711 in 2011

f. The ability of the Applicant to locate or relocate in another state or another region of this state. Texas Tax Code Section 313.026(a)(9).

The Board finds that, based on representations in the Application, the Applicant could locate or relocate the project to another state or another region of this state.

g. The impact the Project will have on this state and individual local units of governmental, 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. Texas Tax Code Section 313.026(a)(10).

The Board finds that the Project will result in revenue gains by the school district. The Board further finds that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.

h. The economic condition of the region of the state at the time the person's application is being considered. Texas Tax Code Section 313.026(a)(11).

The Board finds that the Applicant's manufacturing facility ("Project") will improve the economic condition of the County and the region.

i. 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 B, chapter 313, Texas Tax Code. Texas Tax Code Section 313.026(a)(12).

The Board finds that thirty-four (34) projects applied for value limitation agreements in the Coastal Bend Council of Governments Region during the two (2) years preceding the date of the Application that may have been eligible to apply for a limitation on appraised value under subchapter B, chapter 313, Texas Tax Code.

j. 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, Texas Education Code. Texas Tax Code Section 313.026(a)(13).

The Board finds that there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.

k. The projected market value of the qualified property of the Applicant as determined by the Comptroller. Texas Tax Code Section 313.026(a)(14).

The Board finds that the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$1,153,000,000.

l. The proposed limitation on appraised value for the qualified property of the Applicant. Texas Tax Code Section 313.026(a)(15).

The Board finds that the proposed limitation on appraised value for the qualified property of the Applicant is \$10,000,000.

m. 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. Texas Tax Code Section 313.026(a)(16).

The Board finds that 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 shown on Attachment E, based on the assumption that (i) the investment will depreciate at the rate of approximately three percent (3%) per year and (ii) the projected maintenance and operations tax rate of the District will be \$1.04 per one hundred dollars valuation in each year of the Agreement.

n. 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. Texas Tax Code Section 313.026(a)(17).

The Board finds that 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 is shown on Attachment E, based on the assumption that (i) the investment will depreciate at the rate of approximately three percent (3%) per year and (ii) the projected maintenance and operations tax rate of the District will be \$1.04 per one hundred dollars valuation in each year of the Agreement.

o. The projected effect on the Foundation School Program of payments to the District for each year of the Agreement. Texas Tax Code Section 313.026(a)(18).

The Board finds that the projected effect on the Foundation School Program of payments to the District for each year of the Agreement is shown on Attachment E.

p. The projected future tax credits if the Applicant also applies for school tax credits under Section 313.103. Texas Tax Code Section 313.026(a)(19).

The Board finds that the future tax credits are \$6,700,720 based on Applicant's representation of the investment that will be subject to tax in years one and two of the Agreement.

q. 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 section 8.n from the projected taxes stated in section 8.m. Texas Tax Code Section 313.026(a)(20).

The Board finds that 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 section 8.n from the projected taxes stated in section 8.m, including annual tax credit payments of \$52,000 in years 4 through 10, are shown on Attachment E.

9. The information in the Application submitted by Applicant is true and correct.

10. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property which will be used in connection with manufacturing.

11. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Attachment D, includes adequate and appropriate revenue protection provisions for the District.

12. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

13. The Applicant, Maverick Tube Corporation dba Tenaris USA (Tex. Taxpayer ID # 14314557662) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts.

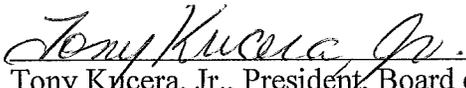
14. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

It is therefore **ORDERED** that:

1. The Application of Maverick Tube Corporation dba Tenaris USA for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.
2. The Agreement attached hereto as Attachment D is approved and is hereby authorized to be executed and delivered by and on behalf of the District.
3. These findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 18th day of November, 2013.

VAN VLECK INDEPENDENT SCHOOL DISTRICT

By: 
Tony Kucera, Jr., President, Board of Trustees

ATTEST:
By: 
Jessie Austin, Secretary, Board of Trustees

**Van Vleck
Independent School District**

**Application for
Appraised Value Limitation on
Qualified Property**

(Tax Code Chapter 313, Subchapter B or C)



dba

Maverick Tube Corporation

Application Submitted March 26, 2013



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 03/27/2013	
First Name John	Last Name O'Brien		
Title Superintendent			
School District Name Van Vleck Independent School District			
Street Address 142 S. Fourth Street			
Mailing Address Same			
City Van Vleck	State TX	ZIP 77482	
Phone Number (979)-245-8518	Fax Number (979)-245-1214		
Mobile Number (optional)	E-mail Address jobrien@vvisd.org		

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)

First Name: George E. Last Name: Grimes, Jr. Title: Attorney Firm Name: Walsh, Anderson, Gallegos, Green & Treviño, P.C. Street Address: 100 N.E. Loop 410, Suite 900 Mailing Address: P. O. Box 460606 San Antonio, TX 78246-0606 City: San Antonio State: TX ZIP: 78216 Phone Number: (210) 979-6633 Fax Number: (210) 979-7024 Mobile Number (Optional): E-mail Address: ggrimes@wabsa.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: 4/17/13

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

If yes, date determined complete. APRIL 15, 2013

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, and Check Completed. Rows include: 1 Date application received by the ISD (1 of 16, checked), 2 Certification page signed and dated by authorized school district representative (2 of 16, checked), 3 Date application deemed complete by ISD (2 of 16, checked), 4 Certification pages signed and dated by applicant or authorized business representative of applicant (4 of 16, checked), 5 Completed company checklist (12 of 16, checked), 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, checked).

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Chris		Last Name North	
Title Chief Financial Officer - North America			
Organization Maverick Tube Corporation			
Street Address 2200 W. Loop Street, Suite 800			
Mailing Address Same as above			
City Houston		State TX	ZIP 77027-3532
Phone Number (713)-585-3055		Fax Number (281)-582-5107	
Mobile Number (optional)		Business e-mail Address cnorth@tenaris.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 Ajay		Last Name Chhabra	
Title US Controller			
Organization Maverick Tube Corporation			
Street Address 2200 W. Loop Street, Suite 800			
Mailing Address Same as above			
City Houston		State TX	ZIP 77027-3532
Phone Number 713-585-3959		Fax Number	
Mobile Number (optional) 713-289-9751		E-mail Address ACHhabra@tenaris.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)

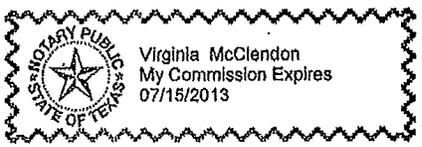
First Name		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City	State	ZIP	
Phone Number	Fax Number		
Business email Address			

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
<i>Ch. O. [Signature]</i>	<i>3/26/2013</i>

GIVEN under my hand and seal of office this 26th day of March, 2013



(Notary Seal)

Virginia McClendon
 Notary Public, State of Texas

My commission expires 7/15/2013

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

Maverick Tube Corporation DBA Tenaris USA and/or an entity designated/assigned

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

14314557662

NAICS code

331210

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.)

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? 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 No

Will any of the proposed qualified investment be leased under a capitalized lease? Yes No

Will any of the proposed qualified investment be leased under an operating lease? Yes No

Are you including property that is owned by a person other than the applicant? Yes No

Will 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 # 4.

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

See Attachment # 25.

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 Q3 2013 Begin Hiring New Employees Q4 2015

Construction Complete Q4 2016 Fully Operational Q4 2016

Purchase Machinery & Equipment 2014-2016

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? Q4 2016

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Texas Enterprise Fund	6,000,000
Texas Enterprise Zone	3,750,000
Total	9,750,000

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.)

Please see Attachment # 26 for a schedule of the potential values of local tax incentives.

THE PROPERTY

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

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

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: Matagorda, 100% City: n/a
(Name and percent of project) (Name and percent of project)

Hospital District: Matagorda Co Hospital District, 100% Water District: Coastal Plains Groundwater Dist, 100%
(Name and percent of project) (Name and percent of project)

Other (describe): Drainage District #1, 100%; Port of Bay City, 100% Other (describe): CONS & RECL District, 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.

A small portion of the land is located in Bay City ISD, however there will be no construction on the land.

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? \$1,153,000,000

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? July 2013

What is the anticipated date of the beginning of the qualifying time period? applicant requests deferral January 2, 2014

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? \$1,356,200,000

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? April 2013

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. N/A (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? 2,176

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 600

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? 480

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 970

110% of the county average weekly wage for manufacturing jobs in the county is 1,483

110% of the county average weekly wage for manufacturing jobs in the region is 1,136

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? \$59,082

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? \$59,082

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.)

The company will pay 84% of health insurance premiums for all qualifying jobs. Other benefits that will be offered by the company include Medical Insurance, Dental Insurance, Vision Insurance, Flexible Spending Accounts, Life Insurance, Accidental Death and Dismemberment, Short-Term Disability, 401(k) Plan, Gym Membership Incentive, Employee Assistance Program, and other programs. Please see attachment #6 for details regarding each type of benefit.

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	N/A
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	N/A
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	N/A
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	✓
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	N/A
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	N/A
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	N/A
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	N/A

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

25. Ability to Relocate
 26. Value of Local Tax Incentives

Schedule A (Rev. Jan. 2010): Investment

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 during this year	Column B: Building or Permanent Nonremovable Component of Building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
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)						X		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)						X		
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)								
Complete tax years of qualifying time period		1							
		2							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3					X		
		4					X		
		5							
		6							
		7							
		8							
		9							
		10							
Credit Settle-Up Period	Continue to Maintain Viable Presence	11							
		12							
		13							
Post-Settle-Up Period		14							
Post-Settle-Up Period		15							

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals. [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property]. Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: 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.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value -- for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name _____

ISD Name _____

		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 I&S - after all reductions	Final taxable value for M&O - after all reductions
		pre-year 1								
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1								
		2								
		3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post-Settle-Up Period		14								
Post-Settle-Up Period		16								

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 _____

DATE _____

Schedule C - Application: Employment Information

Applicant Name _____

ISD Name _____

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs	Qualifying Jobs		
					Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of quali- fying jobs appli- cant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre-year 1								
	Complete tax years of qualify- ing time period	1								
		2								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

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 _____



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

Applicant Name

ISD Name

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
					Sales Taxable Expenditures		Franchise Tax	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	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		Year	School Year (YYYY)	Tax/Calendar Year (YYYY)							
Complete tax years of qualify- ing time period		1									
		2									
		3									
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4									
		5									
		6									
		7									
		8									
		9									
		10									
Credit Settle-Up period	Continue to Maintain Viable Presence	11									
		12									
		13									
Post-Settle-Up Period		14									
Post-Settle-Up Period		15									

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Attachment 1

Certification Pages signed and dated by Authorized Business Representative



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

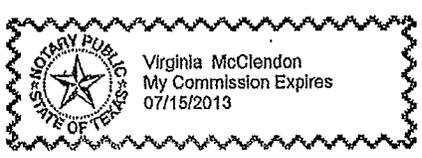
First Name		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Business email Address			

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
<i>Ch. O. [Signature]</i>	3/26/2013

GIVEN under my hand and seal of office this 26th day of March, 2013



(Notary Seal)

Virginia McClendon
 Notary Public, State of Texas

My commission expires 7/15/2013

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.

Attachment 2

Proof of Payment of Application Fee

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

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

Attachment 3

**For Applicant members, Documentation of Combined Group membership
under Texas Code 171.0001(7)**

Attachment 3

For Applicant members, Documentation of Combined Group membership under Texas Code 171.0001(7)

Form 851 (Rev. December 2010) Department of the Treasury Internal Revenue Service	Affiliations Schedule ▶ File with each consolidated income tax return. For tax year ended <u>12/31/2011</u>	OMB No. 1545-0025
	Name of common parent corporation	

Maverick Tube Corporation
 Number, street, and room of suite no. If a P.O. box, see instructions.
2200 WEST LOOP SOUTH, SUITE 800
 City or town, state, and ZIP code
HOUSTON, TX 77027

Employer identification number
42-1455766

Part I Overpayment Credits, Estimated Tax Payments, and Tax Deposits (see instructions)				
Corp. No.	Name and address of corporation	Employer identification number	Portion of overpayment credits and estimated tax payments	Portion of tax deposits with Form 7004
1	Common parent corporation		35,545,428.	
Subsidiary corporations:				
2	Maverick C & P, Inc P.O. Box 460276 Houston, TX 77056-8276	26-4515935	2,322.	
3	Tubelax Transport Services, Inc. 2200 West Loop South, Ste. 800 Houston, TX 77027	31-1841197		
4	Maverick Tube International Holdings, Inc. Tax Dept, P.O. Box 367 Chesterfield, MO 63006	20-0462543		
5	Republic Conduit Holding, LLC Tax Dept, P.O. Box 367 Chesterfield, MO 63006	20-2902341		
6	Tenaxis Coiled Tubes LLC 2200 West Loop South, Suite 800 Houston, TX 77027	26-0420516		
7	Hydril Acquisition Sub Inc. 2200 West Loop South, #800 Houston, TX 77027-3532	20-0737697		
Totals (Must equal amounts shown on the consolidated tax return.)			35,569,222.	

Part II Principal Business Activity, Voting Stock Information, Etc. (see instructions)								
Corp. No.	Principal business activity (PBA)	FBA Code No.	Did the subsidiary make any subsidiary distributions?		Stock holdings at beginning of year			
			Yes	No	Number of shares	Percent of voting power	Percent of value	Owned by corporation co.
1	Common parent corporation	331200						
Subsidiary corporations:								
2	Mfg pipe from purch	331210	X			100.00%	100.00%	1
3	ROLLING STOCK MANAGE	488210	X			100.00%	100.00%	1
4	HOLDING COMPANY	551112	X			100.00%	100.00%	1
5	HOLDING COMPANY	551112	X			100.00%	100.00%	2
6	MFG PIPE FROM PURCH	331210	X			100.00%	100.00%	1
7	Mann, Sales & Service	382700	X			100.00%	100.00%	5

Form 851 (Rev. 12-2010)

Page 2

Part III Changes in Stock Holdings During the Tax Year

Corp. No.	Name of corporation	Shareholder of Corporation No.	Date of transaction	(a) Changes		(b) Shares held after changes described in column (b)	
				Number of shares acquired	Number of shares disposed of	Percent of voting power	Percent of value
						%	%
						%	%
						%	%
						%	%
						%	%
						%	%
						%	%
						%	%

(c) If any transaction listed above caused a transfer of a share of subsidiary stock (defined to include dispositions and deconsolidations), did the share's basis exceed its value at the time of the transfer? See instructions Yes No

(d) Did any share of subsidiary stock become worthless within the meaning of section 165 (taking into account the provisions of Regulations section 1.1502-80(c)) during the taxable year? See instructions Yes No

(e) If the equitable owners of any capital stock shown above were other than the holders of record, provide details of the changes.

(f) If additional stock was issued, or if any stock was retired during the year, list the dates and amounts of these transactions.

Form 851 (Rev. 12-2010)

Part IV Additional Stock Information (see instructions)

1 During the tax year, did the corporation have more than one class of stock outstanding? Yes No
 If "Yes," enter the name of the corporation and list and describe each class of stock.

Corp. No.	Name of corporation	Class of stock

2 During the tax year, was there any member of the consolidated group that reaffiliated within 60 months of disaffiliation? Yes No
 If "Yes," enter the name of the corporation(s) and explain the circumstances.

Corp. No.	Name of corporation	Explanation

3 During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group? Yes No
 If "Yes," enter the name of the corporation and see the instructions for the percentages to enter in columns (a), (b), and (c).

Corp. No.	Name of corporation	(a) Percent of value	(b) Percent of outstanding voting stock	(c) Percent of voting power
		%	%	%
		%	%	%
		%	%	%
		%	%	%

Corp. No.	(d) Provide a description of any arrangement.

Attachment 4

Detailed description of the project

Attachment 4

Detailed description of the project

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

Global oilfield services operator Tenaris SA, parent company of Maverick Tube Corporation ("Maverick"), plans to invest an estimated \$1.36 billion in the United States to expand onshore and offshore services, including a state-of-the-art seamless pipe mill, as well as heat treatment and premium threading facilities. The mill is scheduled to begin operations in 2016 with an annual production capacity of 650,000 tons of pipeline and would be integrated with the company's U.S. manufacturing and service operations. One site under consideration for the project is located in Matagorda County.

The purpose of building the new facility and expanding Maverick's current operations is to meet the market demand for high-quality OCTG [oil country tubular goods] and line pipe products, which is growing rapidly due to the development of unconventional oil and gas reserves and the resumption of deepwater drilling activity in the Gulf of Mexico. The new investment plan will strengthen Tenaris' local production and service capabilities, allowing it to reduce lead times and serve its U.S. customers with a full range of locally manufactured seamless, welded and premium products, in a market where imported products account for over half of total consumption.

Maverick is a steel tube manufacturer based in Houston, Texas. The corporation currently has over 2,100 full-time employees in the state of Texas and plans to add 600 new full-time positions with the construction of the new facility. Should Matagorda County be finally selected, the potential site would be located on Highway 35 (7th Street) between Showboat Rd. and Farm to Market 2540.

The construction of the main steel pipe manufacturing facility is expected to take approximately 40 months and will be concluded in early 2016.

Attachment 5

**If project is located in more than one district, name other districts
and list percentage in each district**

N/A

Attachment 6

Description of Qualified Investment

Attachment 6

Description of Qualified Investment

- 1 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 Sec. 313.021

Global oilfield services operator Tenaris SA, parent company of Maverick Tube Corporation ("Maverick"), plans to invest an estimated \$1.36 billion in the United States to expand onshore and offshore services, including a state-of-the-art seamless pipe rolling mill, as well as heat treatment and premium threading facilities. The rolling mill is scheduled to begin preliminary operations in 2016 with an annual production capacity of 650,000 tons of pipeline. This facility would be integrated with the company's existing U.S. manufacturing and service operations. One site under consideration for the project is located in Matagorda County.

The purpose of building the new facility and expanding Maverick's current operations is to meet the market demand for high-quality OCTG [oil country tubular goods] and line pipe products, which is growing rapidly due to the development of unconventional oil and gas reserves and the resumption of deepwater drilling activity in the Gulf of Mexico. The new investment plan will strengthen Tenaris' local production and service capabilities, allowing it to reduce lead times and serve its U.S. customers with a full range of locally manufactured seamless, welded and premium products, in a market where imported products account for over half of total consumption.

Maverick is a steel tube manufacturer based in Houston, Texas. The corporation currently has over 2,100 full-time employees in the state of Texas and plans to add 600 new full-time positions with the construction of the new facility in Matagorda County. The potential site is located in Bay City on 7th Street between Showboat Rd. and Farm to Market 2540.

The construction of the main steel pipe manufacturing facility is expected to take approximately 40 months and will be concluded in early 2016.

Attachment 7

**Map of Qualified Investment showing location of new buildings or new improvements
with vicinity map.**

Attachment 7

A map of the qualified investment showing location of new buildings or new improvements with vicinity map



Attachment # 8

Description of Qualified Property

Attachment # 8

Description of Qualified Property

Description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment

Building- Maverick will be constructing a 100,000 sqm. (1,076,391 sq. ft.) industrial building, as well as other facilities (warehouses, shops, offices, ect.) totaling 40,000 sqm. (430,556 sq. ft.)

Machinery and Equipment- The machinery and equipment purchased will aid in the functions of a rolling mill and a heat treatment facility

See details of qualified investment in Attachment 6.

Attachment 9

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

Attachment 10

Description of Land

Attachment 10

Description of Land

- 1 Legal Description of the land:
See attached PDF.
- 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
See attached PDF.
 Property Legal Description w Tax Values
- 3 Owner
See attached PDF.
- 4 The current taxable value of the land. Attach estimate if land is part of larger parcel.
\$209,151 See attached PDF.

MATAGORDA COUNTY VAN VLECK SITE

A	B	C	D	E	Taxable Value of Land
<u>Legal Description</u>	<u>Acreage</u>	<u>Owner(s)</u>	<u>Ownership %</u>	<u>Stipulator</u>	
1					
2					
3	AB 0150, John Duncan, Tr 28	Francis W. & Carol Milberger	100%	Arthur J. and Sue Milberger	620
4					
5	T M Duke AB 29, Tr 1A	Francis & Lillian Milberger Family PTR LTD	1/3 Und Int	unknown	24,936
6	same	Bryan M. & Arthur J. Milberger	2/3 Und Int		48,404
7					
8	W J Maynard AB 356, Tr 18	Arthur J. & Bryan M. Milberger Trustee	25%UND INT	Bryan M. Milberger Trust	9,865
9	same	Arthur J. & Bryan Milberger Trustee	same	Arthur J. Milberger Trust	9,865
10	same	Arthur J. & Bryan Milberger Trustee	same	Mary Ellen Milberger Trust	9,865
11	same	Arthur J. And Bryan M. Milberger Trustee	same	Francis Wayne Milberger Trust	9,865
12					
13	AB 0150, John Duncan Tr 35A	Francis W. & Carol Milberger	100%	Arthur J. & Sue Milberger	5,070
14					
15	AB 0150, John Duncan Tr 35B	Francis W. & Carol Milberger	100%	Arthur J. & Sue Milberger	2,070
16					
17	AB 0150, John Duncan Tr 35	Francis W. & Carol Milberger	100%	Arthur J. & Sue Milberger	11,650
18					
19	AB 0150, John Duncan Tr 1	Francis W. & Carol Milberger	100%	Arthur J. & Sue Milberger	13,130
20					
21	AB 0356, W J Maynard Tr 17	Arthur J. & Sue K. Milberger	1/3 UND INT		5,327
22	AB 0356, W J Maynard Tr 17A	Francis W. & Carol Milberger	same		5,326
23	AB 0356, W J Maynard Tr 17B	Bryan M. Milberger	same		5,326
24					
25	AB 356, W J Maynard Tr 18A	Arthur J. Milberger & Bryan M. Trustee	25% UND INT	Mary Ellen Milberger Trust	10,693
26	same	same	same	Francis Wayne Milberger Trust	10,693
27	same	same	same	Arthur J. Milberger Trust	10,693
28	same	same	same	Bryan M. Milberger Trust	10,693
29					
30	AB 275, I & G N RR Co, Tr 3	Francis W. & Carol Milberger	100%	Arthur J. and Sue Milberger	3,120
31					
32	AB 476, M Oconnell, Tr 4	Francis W. & Carol Milberger	100%	Arthur J. and Sue Milberger	1,940
33	Total Acreage	998.998 ac		Total	209,151

MATAGORDA COUNTY VAN VLECK SITE

Prepared by Cheryl Stewart
 Broker/Owner of Property Connections

F	
1	Address
2	
3	1700 Saddlewood Blvd., Kerrville, TX 78028
4	
5	PO Box 2249, Bay City, TX 77404-2249
6	same
7	
8	PO Box 350, Bay City, TX 77404-0350
9	same
10	same
11	same
12	
13	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
14	
15	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
16	
17	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
18	
19	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
20	
21	PO Box 350, Bay City, TX 77404-0350
22	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
23	PO Box 290, Bay City, TX 77404-0290
24	
25	PO Box 350, Bay City, TX 77404-0350
26	same
27	same
28	same
29	
30	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
31	
32	1700 Saddlewood Blvd., Kerrville, TX 78028-7170
33	

Attachment 11

A detailed map showing the location of the land with vicinity map

Attachment 11

A detailed map showing the location of the land with vicinity map



Attachment 12

A description of all existing (if any) improvements

N/A

Attachment 13

Request for waiver of Job Creation Requirement (if applicable)

N/A

Attachment 14

Calculation of three possible wage requirements with TWC documentation

Attachment 14

**Calculations three possible wage requirement with TWC documents
Based on most recent data available**

County average weekly wage for all jobs

Year	Period	Industry	Avg Weekly Wages
2012	2nd Quarter	Total, All industrie	861
2012	1st Quarter	Total, All industrie	939
2011	4th Quarter	Total, All industrie	884
2011	3rd Quarter	Total, All industrie	842
		Total	3526
		Weekly average	882
		110% of Weekly /	970

County average weekly wage for manufacturing jobs

Year	Period	Industry	Avg Weekly Wages
2012	2nd Quarter	Manufacturing	1619
2012	1st Quarter	Manufacturing	1115
2011	4th Quarter	Manufacturing	1290
2011	3rd Quarter	Manufacturing	1369
		Total	5393
		Weekly average	1348
		110% of Weekly /	1483

2011 Manufacturing Wages by Council of Government Regions



Houston-Galveston Area Council

**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.

Attachment 15

Description of Benefits

Attachment 15

Description of Benefits

Describe each type of benefits to be offered to qualifying jobholders.

Medical Insurance: includes major medical, prescription drug benefits, hospitalization, emergency room care, and many other forms of coverage

Dental Insurance: includes coverage for preventative care treatments and services, orthodontics, and other services

Vision Insurance: includes services and treatments ranging from eye exams to contact lenses and frames

Maverick will provide 84% of health insurance premium coverage to all qualifying jobs.

Flexible

Spending Accounts: funded with employee pre-tax contributions, up to \$2,500 for qualified medical expenses for employee and/or dependants, as well as up to \$5,000 for dependant care expenses

Life

Insurance: equal to two times base annual salary, supplemental life insurance may be purchased

Accidental Death and Dismemberment (AD&D): coverage up to 2 times base annual salary, supplemental coverage may be purchased

Short-Term Disability: equal to 60% of base monthly earnings up to \$10000 per month

401(k) Plan: Matching contributions on a \$1.00 for \$1.00 basis up to 5% of employee contributions

Gym Membership Incentive: \$30 per month per employee toward gym membership

Employee Assistance Program: provides additional assistance at no cost or reduced cost

Other Programs: includes tuition reimbursement, paid vacation, and paid company holidays

Attachment 16

Economic Impact

A Report of the Economic Impact of Tenaris USA in Van Vleck, Texas

March 23, 2013

Prepared by:

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www.impactdatasource.com

ImpactDataSource

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Executive Summary

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Tenaris USA's proposed facility in Van Vleck, Texas will have on the economy of Matagorda County and the costs and benefits for local taxing districts over thirty years of construction and operations of the facility.

Although the facility is not located in within a city's limits, this analysis calculated revenues for cities in the county, including Bay City -- largely revenues generated on workers' and out-of-town visitors' spending.

Description of the Facility

Tenaris SA, through its subsidiary Maverick Tube Corporation, plans to construct a seamless pipe mill, as well as heat treatment and premium threading facilities, in Matagorda County, Texas.

The company plans to spend \$1.3 billion on the facility largely over three years: \$12 million on land, \$358.2 million on buildings and other real property improvements and \$944.1 million on machinery and equipment.

The facility will create 600 jobs over three years with average annual salaries of \$66,000.

Economic Impact During Construction

An estimated \$641,430,000 will be spent onsite, constructing the facility and installing equipment

This construction activity will pump money into the area's economy including generating taxable sales in the county and sales taxes for area cities.

Overall, the project's development and construction will generate \$1.4 billion in economic output from this construction activity (the amount of money that the project's construction will pump into the area's economy), support 3,037 direct and indirect construction jobs during the multi-year construction period, and generate \$425.6 million in direct and indirect construction salaries for area workers.

In addition, the facility's construction will generate the following estimated revenues for local taxing districts:

Estimated Total Cities and County Revenues Generated by Construction Activities			
	Cities	County	Total
Sales tax collections	\$3,717,384	\$0	\$3,717,384
Hotel occupancy tax collections	\$1,106,328	\$0	\$1,106,328
Estimated development and building permits and fees	\$0	\$4,810,725	\$4,810,725
Total revenues during construction	\$4,823,712	\$4,810,725	\$9,634,437

The Estimated Economic Impact of the Facility over the First Thirty Years of Operations

The facility will have the following economic impact on Matagorda County over the first thirty years of operations:

Economic Impact over the First Thirty Years	
Economic output to be generated for the area:	
Direct economic output (revenues of the facility)	\$64,345,561,828
Indirect and induced economic impact	\$68,195,035,064
Total economic output to be generated	\$132,540,596,892
Total number of permanent direct and indirect jobs to be created	1,998
Number of direct and indirect workers who will move to the county	1,149
Number of new residents in the county	3,734
Number of new residential properties to be built in the county	574
Number of new students expected in area schools	747
Salaries to be paid to direct and indirect workers	\$4,359,484,621
Taxable sales and purchases expected in the county	\$958,588,041
The value in Year 10 of new residential property to be built in the county for some direct and indirect workers who may move to the county	\$74,893,981
The facility's assets added to local tax rolls	\$1,314,300,000

Costs and Benefits for Local Taxing Districts over the First Thirty Years of Operations

The additional public benefits less additional public costs, tax and other incentives will result in the following net benefits for cities in the county, the County and other local taxing districts over the first thirty years of the facility's operations:

Net Benefits for Local Taxing Districts Over the First Thirty Years of the Facility's Operation				
	Benefits*	Costs	Non-Tax Incentives	Net Benefits
Cities in the county	\$95,751,521	\$61,148,075		\$34,603,446
Matagorda County	\$16,811,739	\$4,084,708	\$4,200,000	\$8,527,031
Van Vleck ISD	\$147,965,564			\$147,965,564
Matagorda County C&R District	\$1,129,961	\$0		\$1,129,961
Coastal Plains Groundwater Cons. Dist.	\$1,151,598	\$0		\$1,151,598
Matagorda County Drainage District # 1	\$14,509,902	\$0		\$14,509,902
Matagorda County Hospital District	\$32,257,032	\$0		\$32,257,032
Port of Bay City	\$4,610,718	\$0		\$4,610,718
Total	\$314,188,034	\$65,232,783	\$4,200,000	\$244,755,252

*Benefits include property tax collections after some taxes may be abated and exempt for the firm

Summary of Tax and Non-Tax Economic Development Incentives Being Requested by the Firm

The firm is requesting that state and local tax and other incentives for the project. These incentives are shown below.

State and Local Tax and Other Incentives Being Requested by the Firm, Shown in Millions of Dollars

	Type Incentive	Total Tax Burden	Incentive	Net Tax Burden
Tax Incentives:				
Matagorda County Section 312 & 381 25 Yr Agreement	Property	\$55.2	(\$55.2)	\$0.0
Van Vleck ISD 313 10 Yr Agreement	Property	\$106.4	(\$93.4)	\$13.0
Port of Bay City Authority 312 10 Yr Abatement	Property	\$3.0	(\$3.0)	\$0.0
Matagorda County Hospital District 312 10 Yr Abatement	Property	\$21.3	(\$21.3)	\$0.0
Matagorda County Drainage Districts 312 10 Yr Abatement	Property	\$9.6	(\$9.6)	\$0.0
Matagorda County Section 381 Years 26-30 Agreement	Property	\$3.5	(\$1.4)	\$2.1
Enterprise Zone/Enterprise Project - Sales Tax Reduction	Sales	\$27.1	(\$7.5)	\$19.6
Freeport Exemptions on Inventory	Property	\$59.1	(\$40.8)	\$18.4
Foreign Trade Subzone	Property	\$12.3	(\$12.3)	\$0.0
Tax Incentives Subtotal		\$298.0	(\$244.9)	\$53.1
Economic Incentives:				
Matagorda County Econ Dev Corp Site Cost Contribution	Cash		(\$1.8)	
Texas Enterprise Fund	Cash		(\$6.0)	
Employee Recruitment	TBD		\$0.0	
Employee Training	Cash		(\$0.9)	
Training Facility Space and Equipment	Cash		(\$0.5)	
Infrastructure Incentives	TBD		(\$1.0)	
Permitting Assistance	TBD		\$0.0	
Economic Incentives Subtotal			(\$10.2)	

Details of Impact DataSource's economic and fiscal impact study, summarized in above, are on the following pages.

A Report of the Projected Economic Impact from Tenaris SA

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis was to determine the impact that Tenaris USA's planned facility in Van Vleck, Texas will have on the economy of the area and the costs and benefits for local taxing districts during development and construction and over the first thirty years of operations.

Although the facility is not located in within a city's limits, this analysis calculated revenues for cities in the county, including Bay City -- largely revenues generated on workers' and out-of-town visitors' spending.

Description of the Facility

Tenaris SA, through its subsidiary Maverick Tube Corporation, plans to construct a seamless pipe mill, as well as heat treatment and premium threading facilities, in Matagorda County, Texas.

The company plans to spend \$1.3 billion on the facility largely over three years: \$12 million on land, \$358.2 million on buildings and other real property improvements and \$944.1 million on machinery and equipment.

The facility will create 600 jobs over three years with average annual salaries of \$66,000.

The types of economic impacts that the facility will generate for the area a is discussed next.

Types of Economic Impacts that the Facility Will Provide During its Construction and Operations

This analysis calculates the direct economic impact during the construction of facility and during the first thirty years of its operations. In addition, indirect and induced impacts were calculated.

Three of the economic impacts calculated are economic output, jobs and salaries.

Economic Output

Economic outputs are the value of the goods and services produced by organizations or their revenues and, at a local level, represent the increase in gross area product. This measure of economic activity

is equivalent on a local level to our nation's gross domestic product -- the value of goods and services produced in our nation in a year.

Direct Economic Impacts

Direct economic impacts include (1) the spending at the project on construction and direct construction jobs and salaries and (2) revenues generated by the facility during its operations and permanent direct jobs and salaries created by the facility's operations.

Indirect Economic Impacts

Indirect revenues, jobs and salaries are created in new or existing firms in the area, such as service firms and materials suppliers that may supply goods and services during the construction and during operations of the facility.

Induced Economic Impacts

In addition, induced revenues, jobs and salaries will be created and supported in new or existing businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families.

To estimate the indirect and induced economic impact of the facility on the area, regional economic multipliers were used. Regional economic multipliers for Texas and Matagorda County are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: an output multiplier, an employment multiplier and an earnings multiplier.

An output multiplier was used to estimate the indirect and induced output or revenues created and supported in the area. An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs.

The multipliers show the estimated indirect and induced revenues of other businesses in the area for every dollar spent to construct the facility or revenues earned by the facility from its operations. An employment multiplier shows the number of indirect and induced jobs created for every direct construction and operations job at the facility and the amount of salaries paid to these workers for every dollar paid to a direct construction and operations worker at the facility. Indirect and induced multipliers shown on the following page were used in this analysis:

Indirect and Induced Multipliers Used in this Analysis

	During Construction	During Operations
Output multiplier:		
Indirect	0.6762	0.4769
Induced	0.5422	0.5829
Total	1.2183	1.0598
Employment multiplier:		
Indirect	0.5191	1.0486
Induced	0.4247	1.2816
Total	0.9438	2.3303
Earnings multiplier:		
Indirect	0.4899	0.7670
Induced	0.4008	0.9374
Total	0.8907	1.7044

The firm's investment is detailed next.

The Firm's Investment in the Facility and Jobs

Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next ten years will be as follows:

Timeline for Permanent Employment and Investment					
	Number of New Workers to be Hired Each Year	Buildings and Other Real Property Land mprovements	Machinery and Equipment	Total Capital Investment	
Year 1	0	\$12,000,000	\$27,300,000	\$62,000,000	\$101,300,000
Year 2	0	\$0	\$107,000,000	\$281,000,000	\$388,000,000
Year 3	200	\$0	\$142,000,000	\$364,000,000	\$506,000,000
Year 4	215	\$0	\$81,900,000	\$237,100,000	\$319,000,000
Year 5	185	\$0	\$0	\$0	\$0
Year 6		\$0	\$0	\$0	\$0
Year 7		\$0	\$0	\$0	\$0
Year 8		\$0	\$0	\$0	\$0
Year 9		\$0	\$0	\$0	\$0
Year 10		\$0	\$0	\$0	\$0
Total	600	\$12,000,000	\$358,200,000	\$944,100,000	\$1,314,300,000

The economic impacts during the facility's construction are discussed next.
How the facility will impact the economy of the area is discussed next.

Economic Impacts and Revenues for Area Cities and the County to be Generated During Construction

The facility plans to spend the following estimated amounts constructing the facility and installing equipment:

Construction and Equipment Installation Costs	
Year 1	\$45,900,000
Year 2	\$191,300,000
Year 3	\$251,200,000
Year 4	\$153,030,000
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Year 10	\$0
Total	\$641,430,000

This construction activity will pump money into the area's economy including generating taxable sales in the county and sales taxes for area cities.

Construction Economic Output/Increase in Gross State Product

The facility's construction will provide direct, indirect and induced economic output/increase in gross area product, as shown below.

Economic Output/Increase in Gross Area Product by Construction Activities			
Year	Direct Construction Output	Indirect and Induced Output	Total Output
2013	\$45,900,000	\$55,920,888	\$101,820,888
2014	\$191,300,000	\$233,064,616	\$424,364,616
2015	\$251,200,000	\$306,041,984	\$557,241,984
2016	\$153,030,000	\$186,439,510	\$339,469,510
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$641,430,000	\$781,466,998	\$1,422,896,998

Construction Employment

The number of construction workers employed during the facility's construction is shown below.

Construction Workers Employed During Construction		
Year	Construction Costs	Number of Construction Workers
2013	\$45,900,000	469
2014	\$191,300,000	1,875
2015	\$251,200,000	2,500
2016	\$153,030,000	1,406
2017	\$0	0
2018	\$0	0
2019	\$0	0
2020	\$0	0
2021	\$0	0
2022	\$0	0
Total	\$641,430,000	

During construction, the following number of direct, indirect and induced jobs will be supported:

Direct, Indirect and Induced Employment During Construction			
Year	Direct Construction Employment	Indirect and Induced Employment	Total Employment
2013	469	443	912
2014	1,875	1,770	3,645
2015	2,500	2,360	4,860
2016	1,406	1,327	2,733
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0
2022	0	0	0

Construction Payroll

Construction workers will have the following payrolls:

Direct Construction Payroll			
Year	Construction Costs	Mean Annual Construction Salaries	Total Construction Payroll
2013	\$45,900,000	\$34,170	\$16,025,730
2014	\$191,300,000	\$35,195	\$65,990,813
2015	\$251,200,000	\$36,251	\$90,627,383
2016	\$153,030,000	\$37,338	\$52,497,905
2017	\$0	\$38,459	\$0
2018	\$0	\$39,612	\$0
2019	\$0	\$40,801	\$0
2020	\$0	\$42,025	\$0
2021	\$0	\$43,286	\$0
2022	\$0	\$44,584	\$0
Total	\$641,430,000		\$225,141,830

The direct, indirect and induced payrolls during construction will be the following:

Direct, Indirect and Induced Payroll During Construction			
Year	Direct Construction Payroll	Indirect and Induced Payroll	Total Payroll
2013	\$16,025,730	\$14,274,438	\$30,300,168
2014	\$65,990,813	\$58,779,337	\$124,770,149
2015	\$90,627,383	\$80,723,622	\$171,351,005
2016	\$52,497,905	\$46,760,934	\$99,258,839
2017	\$0	\$0	\$0
2018	\$0	\$0	\$0
2019	\$0	\$0	\$0
2020	\$0	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	\$0	\$0
Total	\$225,141,830	\$200,538,331	\$425,680,161

Summary of Economic Impacts

As discussed above, contractors in the area will work on the project and they will hire workers and pay salaries. Plus, this activity will create and support spin-off or indirect and induced revenues, jobs and salaries in businesses in the area. In total, the project's development and construction activities will have the following impact on the area's economy:

Summary of Economic Impacts During Construction of the Facility				
	Direct	Indirect	Induced	Total
Economic output or revenues for businesses in the area	\$641,430,000	\$433,714,184	\$347,752,814	\$1,422,896,998
Average number of construction jobs to be created and supported during construction	1563	811	664	3037
Salaries to be paid to construction workers	\$225,141,830	\$110,296,082	\$90,242,249	\$425,680,161

As shown above, the project's development and construction will generate \$1.4 billion in economic output from this construction activity (the amount of money that the project's construction will pump into the area's economy), support 3,037 direct and indirect construction jobs during the multi-year construction period, and generate \$425.6 million in direct and indirect construction salaries for area workers.

Taxable Sales to be Generated During Construction

Activities to construct the facility will generate the following estimated taxable spending in the county:

Taxable Spending During Construction of the Facility	
Purchases of construction materials:	
Total construction costs	\$641,430,000
Percent that are local costs	40%
Percent for materials	60%
Percent of materials subject to local sales tax with site as point of sale	3%
Total local taxable construction materials	\$153,943,200
Taxable direct and indirect construction worker spending:	
Total direct and indirect construction salaries	\$425,680,161
Percent of salaries spent on taxable goods and services	25%
Percent of taxable spending in the county	30%
Total taxable construction worker spending in the community	\$31,926,012
Total taxable spending in the county	\$185,869,212
Taxable spending in cities in the county that collect sales tax	\$31,926,012

Sales Taxes to be Generated During Construction

The facility's construction activities will generate the following sales taxes for area cities and the county:

Sales Taxes to be Generated During Construction		
Local sales tax rate:		
Average for area cities		2.0%
Matagorda County		0.0%
Taxable sales in cities in the county		\$185,869,212
Sales taxes to be collected:		
Cities in the county		\$3,717,384
Matagorda County		\$0
Total sales tax collections		\$3,717,384

Lodging Sales to be Generated During Construction

Activities to construct the facility will generate the following estimated spending motels in cities in the county by construction workers and out-of-town visitors to the facility during construction:

Spending on Lodging During Construction of the Facility	
Average number of direct construction workers each year during construction	1,563
Percent of workers likely to stay in local motels	35%
Average number of nights each year in a local motel	100
Number of years of construction	4
Total number of room nights during construction	218,750
Spending on lodging during construction:	
Total room nights	218,750
Average nightly room rates at motels used by construction workers	\$85
Percent of lodging in cities in the county that have hotel occupancy taxes	85%
Total spending by construction workers on lodging in cities in the county	\$15,804,688

Hotel Occupancy Taxes to be Generated During Construction

The facility's construction activities will generate the following hotel occupancy for cities in the county:

Hotel Occupancy Taxes to be Generated During Construction	
Average local hotel occupancy taxes for area cities	7.0%
Estimated lodging sales in area cities	\$15,804,688
Hotel occupancy taxes to be collected by area cities	\$1,106,328

Estimated County Development and Building Permits and Fees

The County may collect the following estimated amounts for permits and fees during construction:

Estimated County Development and Building Permits and Fees	
Value of construction	\$641,430,000
Total permits and fees:	
Estimated percent of construction costs	0.75%
Estimated permits and fees	\$4,810,725

Total Cities and County Revenues Generated by Construction Activities

The total cities and county revenues generated by construction activities is shown below:

Estimated Total Cities and County Revenues Generated by Construction Activities			
	Cities	County	Total
Sales tax collections	\$3,717,384	\$0	\$3,717,384
Hotel occupancy tax collections	\$1,106,328		\$1,106,328
Estimated development and building permits and fees		\$4,810,725	\$4,810,725
Total revenues during construction	\$4,823,712	\$4,810,725	\$9,634,437

In addition to the economic impact from the construction activities, the economic activities created by the facility's operations -- once the facility is constructed and begins operations -- along with new permanent workers that will be employed at the facility, will also generate solid economic impacts for the area. These economic impacts from the facility's operations are discussed next.

The Estimated Economic Impact of the Facility over the First Thirty Years of Operations

The facility will have the following economic impact on Matagorda County over the first thirty years of its operations:

Economic Impact over the First Thirty Years of Operations	
Economic output to be generated for the area:	
Direct economic output (revenues of the facility)	\$64,345,561,828
Indirect and induced economic impact	\$68,195,035,064
Total economic output to be generated	\$132,540,596,892
Total number of permanent direct and indirect jobs to be created	1,998
Number of direct and indirect workers who will move to the county	1,149
Number of new residents in the county	3,734
Number of new residential properties to be built in the county	574
Number of new students expected in area schools	747
Salaries to be paid to direct and indirect workers	\$4,359,484,621
Taxable sales and purchases expected in the county	\$958,588,041
The value in Year 10 of new residential property to be built in the county for some direct and indirect workers who may move to the county	\$74,893,981
The facility's assets added to local tax rolls	\$1,314,300,000

How this economic activity generated by the facility's operations translates into additional costs and benefits for local taxing districts is discussed next.

Costs and Benefits for Local Taxing Districts over the First Thirty Years of the Facility's Operations

Local taxing districts can expect costs and benefits over the first thirty years from the facility's operations, as scheduled on the following page, beginning with the additional revenues to be received.

Additional Revenues for Local Taxing Districts from the Facility's Operations

Local taxing districts can expect to receive the following revenues over the first thirty years from the facility, its employees and workers in indirect jobs created in the community.

Additional Revenues For Local Taxing Districts Over the First Thirty Years of the Facility's Operation				
	Sales Taxes	Property Taxes*	Utilities	Utility Franchise Fees
Cities in the county	\$19,171,761	\$14,401,460	\$51,467,318	\$3,540,026
Matagorda County	\$0	\$12,727,031		
Van Vleck ISD		\$147,965,564		
Matagorda County C&R District		\$1,129,961		
Coastal Plains Groundwater Cons. Dist.		\$1,151,598		
Matagorda County Drainage District # 1		\$14,509,902		
Matagorda County Hospital District		\$32,257,032		
Port of Bay City		\$4,610,718		
Total	\$19,171,761	\$228,753,265	\$51,467,318	\$3,540,026
	Hotel Occupancy Taxes	Other Taxes and User Fees	Total Additional Revenues	
Cities in the county	\$4,720,132	\$2,450,825	\$95,751,521	
Matagorda County		\$4,084,708	\$16,811,739	
Van Vleck ISD			\$147,965,564	
Matagorda County C&R District			\$1,129,961	
Coastal Plains Groundwater Cons. Dist.			\$1,151,598	
Matagorda County Drainage District # 1			\$14,509,902	
Matagorda County Hospital District			\$32,257,032	
Port of Bay City			\$4,610,718	
Total	\$4,720,132	\$6,535,532	\$314,188,034	

*Collections after some property taxes are abated and exempt for the firm

Additional Costs for Local Taxing Districts from the Facility's Operations

Local taxing districts will incur the following costs over the first thirty years, as a result of the facility and direct and indirect employees.

Costs for Local Taxing Districts Over the First Thirty Years of the Facility's Operation			
	Costs of Services to New Residents	Costs of Providing Monthly Utility Services	Total
Cities in the county	\$12,254,123	\$48,893,952	\$61,148,075
Matagorda County	\$4,084,708		\$4,084,708
Van Vleck ISD			\$0
Matagorda County C&R District			\$0
Coastal Plains Groundwater Cons. Dist.			\$0
Matagorda County Drainage District # 1			\$0
Matagorda County Hospital District			\$0
Port of Bay City			\$0
Total	\$16,338,831	\$48,893,952	\$65,232,783

Non-tax Incentives Being Requested by the Firm from the County

The firm is requesting the following non-tax economic development incentives from the County:

Non-Tax Incentives being Requested by the Firm from the County	
Matagorda County Econ Dev Corp Site Cost Contribution	\$1,800,000
Employee Recruitment	\$0
Employee Training	\$900,000
Training Facility Space and Equipment	\$500,000
Infrastructure Incentives	\$1,000,000
Total local non-tax incentives being requested	\$4,200,000

Additional Net Benefits for Local Taxing Districts from the Facility's Operations

The additional public benefits less additional public costs will result in the following net benefits for cities in the county, the County and other local taxing districts over the first thirty years of the facility's operations:

Net Benefits for Local Taxing Districts Over the First Thirty Years of the Facility's Operation				
	Net Tax Collections	Costs	Non-Tax Incentives	Net Benefits
Cities in the county	\$95,751,521	\$61,148,075		\$34,603,446
Matagorda County	\$16,811,739	\$4,084,708	\$4,200,000	\$8,527,031
Van Vleck ISD	\$147,965,564			\$147,965,564
Matagorda County C&R District	\$1,129,961	\$0		\$1,129,961
Coastal Plains Groundwater Cons. Dist.	\$1,151,598	\$0		\$1,151,598
Matagorda County Drainage District # 1	\$14,509,902	\$0		\$14,509,902
Matagorda County Hospital District	\$32,257,032	\$0		\$32,257,032
Port of Bay City	\$4,610,718	\$0		\$4,610,718
Total	\$314,188,034	\$65,232,783	\$4,200,000	\$244,755,252

Possible value limitation and tax credits for the school district, Van Vleck ISD, are discussed later in this report.

Discounted Cash Flow for Local Taxing Districts During the Facility's Operations

The discounted cash flow over the first thirty years for each local taxing district from the new facility is as follows:

Discounted Cash Flow Over the First Thirty Years of Operations	
Cities in the county	\$13,915,713
Matagorda County	\$748,675
Van Vleck ISD	\$51,711,001
Matagorda County C&R District	\$589,506
Coastal Plains Groundwater Cons. Dist.	\$600,794
Matagorda County Drainage District # 1	\$5,894,279
Matagorda County Hospital District	\$13,090,847
Port of Bay City	\$4,610,718
Total	\$91,161,533

The above discounted cash flow or present value of net benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable -- by expressing them in today's dollars or in present value.

Summary of Tax and Non-Tax Economic Development Incentives Being Requested by the Firm

The firm is requesting that state and local tax and other incentives for the project. These incentives are shown below.

State and Local Tax and Other Incentives Being Requested by the Firm, Shown in Millions of Dollars				
	Type Incentive	Total Tax Burden	Incentive	Net Tax Burden
Tax Incentives:				
Matagorda County Section 312 & 381 25 Yr Agreement	Property	\$55.2	(\$55.2)	\$0.0
Van Vleck ISD 313 10 Yr Agreement	Property	\$106.4	(\$93.4)	\$13.0
Port of Bay City Authority 312 10 Yr Abatement	Property	\$3.0	(\$3.0)	\$0.0
Matagorda County Hospital District 312 10 Yr Abatement	Property	\$21.3	(\$21.3)	\$0.0
Matagorda County Drainage Districts 312 10 Yr Abatement	Property	\$9.6	(\$9.6)	\$0.0
Matagorda County Section 381 Years 26-30 Agreement	Property	\$3.5	(\$1.4)	\$2.1
Enterprise Zone/Enterprise Project - Sales Tax Reduction	Sales	\$27.1	(\$7.5)	\$19.6
Freeport Exemptions on Inventory	Property	\$59.1	(\$40.8)	\$18.4
Foreign Trade Subzone	Property	\$12.3	(\$12.3)	\$0.0
Tax Incentives Subtotal		\$298.0	(\$244.9)	\$53.1
Economic Incentives:				
Matagorda County Econ Dev Corp Site Cost Contribution	Cash		(\$1.8)	
Texas Enterprise Fund	Cash		(\$6.0)	
Employee Recruitment	TBD			
Employee Training	Cash		(\$0.9)	
Training Facility Space and Equipment	Cash		(\$0.5)	
Infrastructure Incentives	TBD		(\$1.0)	
Permitting Assistance	TBD			
Economic Incentives Subtotal		\$0.0	(\$10.2)	

Possible School District Value Limitation and Tax Credits Under Texas Tax Code Chapter 313

The school district, Van Vleck ISD, may be asked for value limitation and tax credits for the facility under Chapter 313 of the Texas Tax Code. This analysis assumes that this value limitation will begin when the facility's property is fully placed on school district tax rolls.

In 2001, the 77th Texas Legislature enacted House Bill 1200 creating Tax Code Chapter 313, Texas Economic Development Act. This Act allows school districts to attract new taxable property by offering a tax credit and an eight-year limitation on the appraised value of a property for the maintenance and operations portion of the school district property tax. The most recent adopted rules by the Texas Comptroller of Public Accounts and forms for Chapter 313 were published in Texas Register June 18, 2010.

Qualification under the Act in the school district would require the firm have an estimated minimum qualified investment of \$10 million. The firm's plans to invest more than the minimum qualified investment.

The tax limitation applies to property used in connection with manufacturing, research and development, and renewable energy electric generation. The company's property qualifies for the tax limit.

The Act provides for a tax credit and appraised value limitation.

Tax Credit:

For the first two years after the finalization of an agreement, the company will pay school property tax on its full-appraised value.

However, the company may receive a credit for the property taxes paid on the portion of value exceeding the investment limitation in the first two years. The credit would be granted by the school district in seven installments beginning in the year following the approval of the application by the school district or in the fourth year. The credit for any year could not exceed 50% of the year's property taxes imposed on the qualified property.

Appraised Value Limitation:

In addition, beginning in the third year, and for a total of eight years, the appraised value of the property for maintenance and operations property taxes will be capped at the lower of the investment limitation, as determined by the total property wealth of the school district, or its market value.

Based on the requirements of Chapter 313, the school district will collect taxes from the firm during the first two years but the firm will receive a credit for these taxes collected on the firm's investment value exceeding \$10 million.

The tables below show calculations of these appraised value limitation and tax credits for the

school district during the period of limitation and credits.

School District Appraised Value Limitation and Tax Credits, Table 1

		Calendar Year	Year of Agreement	Estimated Fair Market Value on Jan 1st	Taxable Value for M&O Purposes With Agreement	I&S Tax Liability	M&O Tax Liability WITH Agreement
Tax Credit Period	Qualifying time period	2014	1	\$56,650,000	\$56,650,000	\$0	\$589,160
		2015	2	\$235,650,000	\$235,650,000	\$0	\$2,450,760
		2016	3	\$473,650,000	\$10,000,000	\$0	\$624,633
		2017	4	\$1,254,300,000	\$10,000,000	\$0	\$142,500
		2018	5	\$1,288,698,759	\$10,000,000	\$0	\$142,500
		2019	6	\$1,255,201,341	\$10,000,000	\$0	\$142,500
		2020	7	\$1,218,921,663	\$10,000,000	\$0	\$142,500
		2021	8	\$1,179,476,242	\$10,000,000	\$0	\$142,500
		2022	9	\$1,137,110,956	\$10,000,000	\$0	\$142,500
		2023	10	\$1,091,521,991	\$10,000,000	\$0	\$142,500
Credit Settle-Up Period	Maintain Viable Presence	2024	11	\$1,042,731,768	\$1,042,731,768	\$0	\$8,376,490
		2025	12		\$0	\$0	\$0
		2026	13		\$0	\$0	\$0
Totals						\$0	\$13,038,563

School District Appraised Value Limitation and Tax Credits, Table 2

		Calendar Year	Year of Agreement	Credit Generated (Used)	Total M&O and I&S Liability With Agreement	Revenue Protection Amount	PILOT
Tax Credit Period	Qualifying time period	2014	1	\$485,160	\$589,160	\$0	\$0
		2015	2	\$2,346,760	\$2,450,760	\$0	\$0
		2016	3	\$0	\$104,000	\$430,133	\$90,500
		2017	4	(\$52,000)	\$52,000	\$0	\$90,500
		2018	5	(\$52,000)	\$52,000	\$0	\$90,500
		2019	6	(\$52,000)	\$52,000	\$0	\$90,500
		2020	7	(\$52,000)	\$52,000	\$0	\$90,500
		2021	8	(\$52,000)	\$52,000	\$0	\$90,500
		2022	9	(\$52,000)	\$52,000	\$0	\$90,500
		2023	10	(\$52,000)	\$52,000	\$0	\$90,500
Credit Settle-Up Period	Maintain Viable Presence	2024	11	(\$2,467,920)	\$8,376,490	\$0	\$0
		2025	12	\$0	\$0	\$0	\$0
		2026	13	\$0	\$0	\$0	\$0
Totals				\$0	\$11,884,410	\$430,133	\$724,000

School District Appraised Value Limitation and Tax Credits, Table 3

		Calendar Year	Year of Agreement	Total School Tax and PILOT Payment WITH Agreement
Tax Credit Period	Qualifying time period	2014	1	\$589,160
		2015	2	\$2,450,760
		2016	3	\$624,633
		2017	4	\$142,500
		2018	5	\$142,500
		2019	6	\$142,500
		2020	7	\$142,500
		2021	8	\$142,500
		2022	9	\$142,500
		2023	10	\$142,500
Credit Settle-Up Period	Maintain Viable Presence	2024	11	\$8,376,490
		2025	12	\$0
		2026	13	\$0
Totals				\$13,038,543

Conduct of the Analysis

This analysis was conducted by Impact DataSource using data, rates and information supplied by the firm. In addition, Impact DataSource used certain estimates and assumptions.

Using this data, the economic impact from the facility's construction and operations and the costs and benefits for local taxing districts were calculated during construction and over the first thirty years of operations.

In addition to the direct economic impact of the facility and its employees, spin-off or indirect and induced benefits were also calculated.

About Impact DataSource

Impact DataSource is a nineteen-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 26 other states. In addition, the firm has developed economic impact analysis computer programs for several clients, including the New Mexico Economic Development Department.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

Data and Rates Used in this Analysis

Local Tax Rates:

Average sales tax rate for cities in the area	2.0%
Matagorda County sales tax rate	0.0%
Average area cities' hotel occupancy tax rate	7%
Property tax rates, per \$100 of valuation:	
Rate for an average city in the area	
Matagorda County	\$0.57191
Van Vleck ISD:	\$0.29878
O&M	
I&S	\$1.04000
Total	\$0.00000
Matagorda County Conservation & Reclamation District	\$1.04000
Coastal Plains Groundwater Conservation District	\$0.00470
Matagorda County Drainage District # 1	\$0.00479
Matagorda County Hospital District	\$0.09524
Port of Bay City	\$0.23163
	\$0.03284

Some Cities' Rates:

Annual marginal cost of providing municipal services, excluding utilities, to each new household	\$300
Estimated annual other taxes and user fees to be collected by a city from each new household -- those revenues that are in addition to sales and property taxes, utilities and utility franchise fees	\$60
Annual increase expected in a city's other revenues and marginal costs	2%
A city's estimated annual water, wastewater and garbage collection billings per household	\$1,260

Utility Service	Estimated Monthly Billing	Estimated Annual Billing <i>(Monthly billing x 12)</i>
Water	\$40	\$480
Wastewater	\$40	\$480
Solid waste	\$25	\$300

A city's cost of providing water, wastewater and solid waste services, as a percent of utility billings	95%
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Annual increase expected in a city-owned utility billings 2%

A city's utility franchise fee percentages:

Electricity, as an estimated percentage of utility billings 2%

Natural gas 4%

Cable 4%

Telephone monthly line access charge:

Residential \$0.73

Non-residential \$1.61

Annual utility franchise fees collected from utility providers for each household in the city as detailed below \$67.56

Utility Service	Estimated Monthly Billing	Utility Franchise Fee Percentage	Monthly Utility Franchise Fee Collections	Estimated Annual Utility Franchise Fee Collections (Monthly collections x 12)
Electricity	\$85	2%	\$1.70	\$20.40
Natural gas	\$40	4%	\$1.60	\$19.20
Cable	\$40	4%	\$1.60	\$19.20
Telephone	1 line	\$0.73	\$0.73	\$8.76

Some County Rates:

Annual marginal cost of providing county services to each new household \$100

Annual miscellaneous taxes and user fees to be collected from each new household, those county revenues other than property and sales taxes \$100

Annual increase expected in other county revenues and marginal costs 2%

Some School District Rates:

Estimated annual state, federal and other funding received by the district for for each child enrolled \$4,500

Average annual cost of providing services to each child in the district \$8,500

Average annual cost for each new child, as a percent of average annual cost 50%

Annual marginal cost of providing services to each new child \$4,250

Other Community Rates:

Expected inflation rate over the first thirty years	3.5%
Discount rate used in analysis to compute discounted cash flows	6%
Percent of a typical worker's salary that will be spent on taxable goods and services	25%
Average taxable value of a new single family residence in the community that will be built for some individuals moving to the county	\$100,000
Percent annual increase in the taxable value of residential property on local tax rolls over the first thirty years	3%

Depreciation rates:

To estimate the annual taxable or depreciable value of furniture, fixtures and equipment at the facility being analyzed in this analysis, this analysis uses straight line depreciation, an ten year life and a 20% residual value. Therefore, property taxes on the facility's furniture, fixtures and equipment are calculated on the following percentages of the costs of such equipment purchased each year:

Year 1	90%
Year 2	80%
Year 3	70%
Year 4	60%
Year 5	50%
Year 6	40%
Year 7	30%
Year 8	20%
Year 9	20%
Year 10	20%

The Facility's Investments, Assets and Construction:

Total investment each year:

Year 1	\$137,000,000
Year 2	\$397,000,000
Year 3	\$529,000,000
Year 4	\$299,000,000
Year 5	\$0
Year 6	\$0
Year 7	
Year 8	
Year 9	
Year 10	
Total	\$1,362,000,000

The estimated values added to tax rolls each year:

Year 1	\$101,300,000
Year 2	\$388,000,000
Year 3	\$506,000,000
Year 4	\$319,000,000
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Total	\$1,314,300,000

The facility's taxable inventories:

Year 1	\$0
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$167,492,000
Year 6	\$175,866,600
Year 7	\$184,659,930
Year 8	\$193,892,927
Year 9	\$203,587,573
Year 10	\$213,766,951
Year 11	\$224,455,299
Year 12	\$235,678,064
Year 13	\$247,461,967
Year 14	\$259,835,066
Year 15	\$272,826,819

Estimated annual increase in the volume and value of inventories 5%

Activities During the Facility's Operations:

The facility's estimated annual revenues:

Year 1	
Year 2	
Year 3	
Year 4	\$1,177,000,000
Year 5	\$1,235,850,000
Year 6	\$1,297,642,500
Year 7	\$1,362,524,625
Year 8	\$1,430,650,856
Year 9	\$1,502,183,399
Year 10	\$1,577,292,569
Year 11	\$1,656,157,197
Year 12	\$1,738,965,057
Year 13	\$1,825,913,310
Year 14	\$1,917,208,976
Year 15	\$2,013,069,425

Expected annual increase in taxable purchases after the first year 5%

The facility's estimated local taxable purchases of materials, supplies and services for its operations in area cities:

Year 1	
Year 2	
Year 3	
Year 4	
Year 5	\$1,500,000
Year 6	\$1,575,000
Year 7	\$1,653,750
Year 8	\$1,736,438
Year 9	\$1,823,259
Year 10	\$1,914,422
Year 11	\$2,010,143
Year 12	\$2,110,651
Year 13	\$2,216,183
Year 14	\$2,326,992
Year 15	\$2,443,342

Expected annual increase in taxable purchases after the first year 5%

The facility's total taxable purchases and taxable utilities:

	Taxable Purchases of Supplies, Materials and Services	Utilities Subject to a City Sales Tax			Total
		Utilities Subject to Sales Tax	Percent Taxable	Taxable Utilities	
Year 1	\$0		0%		\$0
Year 2	\$0	\$0	0%	\$0	\$0
Year 3	\$0	\$0	0%	\$0	\$0
Year 4	\$0	\$0	0%	\$0	\$0
Year 5	\$1,500,000	\$0	0%	\$0	\$1,500,000
Year 6	\$1,575,000	\$0	0%	\$0	\$1,575,000
Year 7	\$1,653,750	\$0	0%	\$0	\$1,653,750
Year 8	\$1,736,438	\$0	0%	\$0	\$1,736,438
Year 9	\$1,823,259	\$0	0%	\$0	\$1,823,259
Year 10	\$1,914,422	\$0	0%	\$0	\$1,914,422
Year 11	\$2,010,143	\$0	0%	\$0	\$2,010,143
Year 12	\$2,110,651	\$0	0%	\$0	\$2,110,651
Year 13	\$2,216,183	\$0	0%	\$0	\$2,216,183
Year 14	\$2,326,992	\$0	0%	\$0	\$2,326,992
Year 15	\$2,443,342	\$0	0%	\$0	\$2,443,342

Number of new workers hired at the facility each year:

Year 1	0
Year 2	0
Year 3	200
Year 4	215
Year 5	185
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Year 12	0
Year 13	0
Year 14	0
Year 15	0

Total 600

Increase in the number of workers after the first year 0%

Number of new workers who will move to the county to take job at the facility:

Cumulative % of workers moving during the 1st year after taking the job	50%
Cumulative % of workers moving during the 2nd year after taking the job	60%
Cumulative % of workers moving during the 2nd year after taking the job	75%

Year 1	-
Year 2	-
Year 3	100
Year 4	128
Year 5	144
Year 6	51
Year 7	28
Year 8	-
Year 9	-
Year 10	-
Year 11	-
Year 12	-
Year 13	-
Year 14	-
Year 15	-

Total 450

Average annual salaries of workers at the facility \$66,500

Percent of expected increase in employee salaries after year 1 3.00%

Percent employees to be hired in spin-off jobs created at the facility who will move to the county to take a job:	
Cumulative % of workers moving during the 1st year after taking the job	30%
Cumulative % of workers moving during the 2nd year after taking the job	40%
Cumulative % of workers moving during the 2nd year after taking the job	50%

Percent of workers who move to the community that will buy a new home or require that new residential property be built for them 50%

The number of people in a typical worker's household 3.25

The number of school children in a typical worker's household 0.65

Percent of retail shopping by a typical worker in cities in the county 75%

Visitors to the Facility from Out-of-Town During its Operations:

Estimated number of annual out-of-town visitors to the facility 1000

Average annual increase in the number of out-of-town visitors to the facility 5%

Average number of days that each of these visitors will stay in the county 3

Average number of nights that some of these visitors will stay motels in cities in the county 2

Estimated average daily retail spending by each visitor in cities in the county \$50

Estimated daily motel room rate in cities in the county \$95

Out-of-Town Truckers Loading and Unloading at the Facility:

The company estimates the following truck flows through area cities:

- Brazoria: 75 truck trips or 150 "visible" trucks/day during 200 days/year
 - West Columbia & Van Vleck: avg of 80 truck trips or 160 "visible" trucks/day (min 60 trips/ 120 trucks; max 100 trips/ 200 trucks), assuming part of the traffic can be diverted through the route 60.
 - Bay City, mill at Van Vleck: avg of 20 truck trips or 40 "visible" trucks/day (min 0 trips; max 40 trips/ 80 trucks), assuming part of the traffic can be diverted through the route 60.
- or
- Bay City, mill at El Maton: avg of 100 truck trips or 200 "visible" trucks/day (min 60 trips/ 120 trucks; max 140 trips/ 280 trucks), considering the city is the only way for inbound & outbound traffic.

Estimated number of out-of-town truckers loading and unloading at the facility 40,000

Average annual increase in the number of out-of-town truckers	5%
Average taxable spending in cities in the county by each out-of-town trucker	\$15.00
Estimated percent of out-of-town truckers who may stay overnight at a local motel	15%

Schedules Showing the Results Calculations of the Economic Impacts from the Facility's Operations

Number of local jobs added each year and worker salaries to be paid:

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	0	0	0	\$0	\$0	\$0
2	0	0	0	\$0	\$0	\$0
3	200	466	666	\$0	\$0	\$0
4	215	501	716	\$27,597,500	\$47,036,489	\$74,633,989
5	185	431	616	\$41,097,000	\$70,044,699	\$111,141,699
6	0	0	0	\$42,329,910	\$72,146,040	\$114,475,950
7	0	0	0	\$43,599,807	\$74,310,422	\$117,910,229
8	0	0	0	\$44,907,802	\$76,539,734	\$121,447,536
9	0	0	0	\$46,255,036	\$78,835,926	\$125,090,962
10	0	0	0	\$47,642,687	\$81,201,004	\$128,843,691
11	0	0	0	\$49,071,967	\$83,637,034	\$132,709,001
12	0	0	0	\$50,544,126	\$86,146,145	\$136,690,271
13	0	0	0	\$52,060,450	\$88,730,530	\$140,790,980
14	0	0	0	\$53,622,264	\$91,392,445	\$145,014,709
15	0	0	0	\$55,230,931	\$94,134,219	\$149,365,150
16	0	0	0	\$56,887,859	\$96,958,245	\$153,846,105
17	0	0	0	\$58,594,495	\$99,866,993	\$158,461,488
18	0	0	0	\$60,352,330	\$102,863,002	\$163,215,333
19	0	0	0	\$62,162,900	\$105,948,893	\$168,111,792
20	0	0	0	\$64,027,787	\$109,127,359	\$173,155,146
21	0	0	0	\$65,948,621	\$112,401,180	\$178,349,801
22	0	0	0	\$67,927,079	\$115,773,216	\$183,700,295
23	0	0	0	\$69,964,892	\$119,246,412	\$189,211,303
24	0	0	0	\$72,063,838	\$122,823,804	\$194,887,643
25	0	0	0	\$74,225,753	\$126,508,518	\$200,734,272
26	0	0	0	\$76,452,526	\$130,303,774	\$206,756,300
27	0	0	0	\$78,746,102	\$134,212,887	\$212,958,989
28	0	0	0	\$81,108,485	\$138,239,274	\$219,347,759
29	0	0	0	\$83,541,739	\$142,386,452	\$225,928,191
30	0	0	0	\$86,047,992	\$146,658,046	\$232,706,037
Total	600	1,398	1,998	\$1,612,011,877	\$2,747,472,744	\$4,359,484,621

Number of direct and indirect workers and their families who will move to the area and their children who will attend local public schools:

Year	New Workers Moving to the Area	Total New Residents	Total New Students
1			
2	0	0	0
3	240	779	156
4	324	1,054	211
5	370	1,203	241
6	144	468	94
7	71	230	46
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
13	0	0	0
14	0	0	0
15	0	0	0
16	0	0	0
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
21	0	0	0
22	0	0	0
23	0	0	0
24	0	0	0
25	0	0	0
26	0	0	0
27	0	0	0
28	0	0	0
29	0	0	0
30	0	0	0
Total	1,149	3,734	747

Number of new residential properties that may be built in the county for direct and indirect workers who will move to the community:

Year	New Residential Properties
1	
2	0
3	120
4	162
5	185
6	72
7	35
8	0
9	0
10	0
11	0
12	0
13	0
14	0
15	0
16	0
17	0
18	0
19	0
20	0
21	0
22	0
23	0
24	0
25	0
26	0
27	0
28	0
29	0
30	0
Total	574

Local taxable spending on which sales taxes will be collected:

Year	Direct and Indirect Workers' Spending	Out-of-Town Visitor Spending	Taxable Sales at the Facility	The Facility's Local Purchases	Total
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0
4	\$13,993,873	\$750,000	\$0	\$0	\$14,743,873
5	\$20,839,069	\$815,063	\$0	\$1,500,000	\$23,154,131
6	\$21,464,241	\$885,769	\$0	\$1,575,000	\$23,925,010
7	\$22,108,168	\$962,610	\$0	\$1,653,750	\$24,724,528
8	\$22,771,413	\$1,046,116	\$0	\$1,736,438	\$25,553,966
9	\$23,454,555	\$1,136,867	\$0	\$1,823,259	\$26,414,681
10	\$24,158,192	\$1,235,490	\$0	\$1,914,422	\$27,308,104
11	\$24,882,938	\$1,342,669	\$0	\$2,010,143	\$28,235,750
12	\$25,629,426	\$1,459,145	\$0	\$2,110,651	\$29,199,222
13	\$26,398,309	\$1,585,726	\$0	\$2,216,183	\$30,200,218
14	\$27,190,258	\$1,723,288	\$0	\$2,326,992	\$31,240,538
15	\$28,005,966	\$1,872,783	\$0	\$2,443,342	\$32,322,090
16	\$28,846,145	\$2,035,247	\$0	\$2,516,642	\$33,398,033
17	\$29,711,529	\$2,211,804	\$0	\$2,592,141	\$34,515,475
18	\$30,602,875	\$2,403,678	\$0	\$2,669,906	\$35,676,459
19	\$31,520,961	\$2,612,197	\$0	\$2,750,003	\$36,883,161
20	\$32,466,590	\$2,838,806	\$0	\$2,832,503	\$38,137,898
21	\$33,440,588	\$3,085,072	\$0	\$2,917,478	\$39,443,138
22	\$34,443,805	\$3,352,702	\$0	\$3,005,002	\$40,801,510
23	\$35,477,119	\$3,643,549	\$0	\$3,095,152	\$42,215,821
24	\$36,541,433	\$3,959,627	\$0	\$3,188,007	\$43,689,067
25	\$37,637,676	\$4,303,124	\$0	\$3,283,647	\$45,224,448
26	\$38,766,806	\$4,676,420	\$0	\$3,382,157	\$46,825,383
27	\$39,929,810	\$5,082,100	\$0	\$3,483,621	\$48,495,532
28	\$41,127,705	\$5,522,972	\$0	\$3,588,130	\$50,238,807
29	\$42,361,536	\$6,002,090	\$0	\$3,695,774	\$52,059,400
30	\$43,632,382	\$6,522,771	\$0	\$3,806,647	\$53,961,800
Total	\$817,403,366	\$73,067,682	\$0	\$68,116,992	\$958,588,041

Local spending by out-of-town visitors on lodging:

<u>Year</u>	<u>Spending on Lodging</u>
1	
2	\$0
3	\$0
4	\$0
5	\$760,000
6	\$825,930
7	\$897,579
8	\$975,444
9	\$1,060,064
10	\$1,152,025
11	\$1,251,963
12	\$1,360,571
13	\$1,478,600
14	\$1,606,869
15	\$1,746,265
16	\$1,897,753
17	\$2,062,383
18	\$2,241,295
19	\$2,435,727
20	\$2,647,027
21	\$2,876,656
22	\$3,126,206
23	\$3,397,405
24	\$3,692,129
25	\$4,012,422
26	\$4,360,499
27	\$4,738,773
28	\$5,149,861
29	\$5,596,612
30	\$6,082,118
Total	\$67,432,177

Taxable value of new residential property built for direct and indirect workers who move to the community and the value of the facility's property on local tax rolls:

Year	New Residential Property Built in the County	The Facility's Property			Total Taxable Property
		Land, Aux. Buildings and M&E	Taxable Inventories After Freeport	Total	
1		\$56,650,000	\$0	\$56,650,000	\$56,650,000
2	\$0	\$235,650,000	\$0	\$235,650,000	\$235,650,000
3	\$12,730,800	\$473,650,000	\$0	\$473,650,000	\$486,380,800
4	\$30,814,901	\$1,254,300,000	\$0	\$1,254,300,000	\$1,285,114,901
5	\$52,561,261	\$1,288,698,759	\$11,305,718	\$1,300,004,476	\$1,352,565,738
6	\$62,484,873	\$1,255,201,341	\$56,528,589	\$1,311,729,930	\$1,374,214,803
7	\$68,538,602	\$1,218,921,663	\$75,371,452	\$1,294,293,115	\$1,362,831,717
8	\$70,594,760	\$1,179,476,242	\$75,371,452	\$1,254,847,694	\$1,325,442,454
9	\$72,712,603	\$1,137,110,956	\$75,371,452	\$1,212,482,409	\$1,285,195,011
10	\$74,893,981	\$1,091,521,991	\$75,371,452	\$1,166,893,444	\$1,241,787,424
11	\$77,140,800	\$1,042,731,768	\$75,371,452	\$1,118,103,220	\$1,195,244,021
12	\$79,455,024	\$990,751,919	\$75,371,452	\$1,066,123,371	\$1,145,578,395
13	\$81,838,675	\$935,368,656	\$75,371,452	\$1,010,740,108	\$1,092,578,783
14	\$84,293,835	\$876,756,119	\$75,371,452	\$952,127,571	\$1,036,421,406
15	\$86,822,650	\$814,966,914	\$75,371,452	\$890,338,366	\$977,161,016
16	\$89,427,330	\$749,894,105	\$75,371,452	\$825,265,557	\$914,692,887
17	\$92,110,150	\$681,788,117	\$75,371,452	\$757,159,569	\$849,269,719
18	\$94,873,454	\$610,767,335	\$75,371,452	\$686,138,788	\$781,012,242
19	\$97,719,658	\$547,471,013	\$75,371,452	\$622,842,465	\$720,562,123
20	\$100,651,247	\$481,977,962	\$75,371,452	\$557,349,414	\$658,000,662
21	\$103,670,785	\$414,698,090	\$75,371,452	\$490,069,542	\$593,740,327
22	\$106,780,908	\$345,882,274	\$75,371,452	\$421,253,726	\$528,034,634
23	\$109,984,336	\$276,068,748	\$75,371,452	\$351,440,200	\$461,424,536
24	\$113,283,866	\$258,359,357	\$75,371,452	\$333,730,809	\$447,014,675
25	\$116,682,382	\$244,979,341	\$75,371,452	\$320,350,794	\$437,033,175
26	\$120,182,853	\$243,421,089	\$75,371,452	\$318,792,541	\$438,975,394
27	\$123,788,339	\$241,017,342	\$75,371,452	\$316,388,794	\$440,177,133
28	\$127,501,989	\$237,684,686	\$75,371,452	\$313,056,139	\$440,558,127
29	\$131,327,049	\$233,307,123	\$75,371,452	\$308,678,575	\$440,005,623
30	\$135,266,860	\$227,760,293	\$75,371,452	\$303,131,746	\$438,398,606

Economic output generated by the facility's operations

Year	Direct Output	Indirect Output	Total Output
1	\$0	\$0	\$0
2	\$0	\$0	\$0
3	\$0	\$0	\$0
4	\$1,177,000,000	\$1,247,414,025	\$2,424,414,025
5	\$1,235,850,000	\$1,309,784,726	\$2,545,634,726
6	\$1,297,642,500	\$1,375,273,963	\$2,672,916,463
7	\$1,362,524,625	\$1,444,037,661	\$2,806,562,286
8	\$1,430,650,856	\$1,516,239,544	\$2,946,890,400
9	\$1,502,183,399	\$1,592,051,521	\$3,094,234,920
10	\$1,577,292,569	\$1,671,654,097	\$3,248,946,666
11	\$1,656,157,197	\$1,755,236,802	\$3,411,393,999
12	\$1,738,965,057	\$1,842,998,642	\$3,581,963,699
13	\$1,825,913,310	\$1,935,148,574	\$3,761,061,884
14	\$1,917,208,976	\$2,031,906,003	\$3,949,114,978
15	\$2,013,069,425	\$2,133,501,303	\$4,146,570,727
16	\$2,113,722,896	\$2,240,176,368	\$4,353,899,264
17	\$2,219,409,041	\$2,352,185,186	\$4,571,594,227
18	\$2,330,379,493	\$2,469,794,446	\$4,800,173,938
19	\$2,446,898,467	\$2,593,284,168	\$5,040,182,635
20	\$2,569,243,391	\$2,722,948,376	\$5,292,191,767
21	\$2,697,705,560	\$2,859,095,795	\$5,556,801,355
22	\$2,832,590,838	\$3,002,050,585	\$5,834,641,423
23	\$2,974,220,380	\$3,152,153,114	\$6,126,373,494
24	\$3,122,931,399	\$3,309,760,770	\$6,432,692,169
25	\$3,279,077,969	\$3,475,248,808	\$6,754,326,777
26	\$3,443,031,867	\$3,649,011,249	\$7,092,043,116
27	\$3,615,183,461	\$3,831,461,811	\$7,446,645,272
28	\$3,795,942,634	\$4,023,034,902	\$7,818,977,536
29	\$3,985,739,765	\$4,224,186,647	\$8,209,926,412
30	\$4,185,026,754	\$4,435,395,979	\$8,620,422,733
Total	\$64,345,561,828	\$68,195,035,064	\$132,540,596,892

Schedules of Property Taxes Collected and Exempt on the Facility's Property

The facility's property tax liability on inventories:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$0	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0
4	\$72,855	\$8,214	\$51,748	\$27,246	\$269,047	\$429,110
5	\$364,275	\$41,069	\$258,738	\$136,231	\$1,345,237	\$2,145,549
6	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
7	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
8	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
9	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
10	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
11	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
12	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
13	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
14	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
15	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
16	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
17	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
18	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
19	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
20	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
21	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
22	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
23	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
24	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
25	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
26	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
27	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
28	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
29	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
30	\$485,699	\$54,758	\$344,984	\$181,641	\$1,793,649	\$2,860,732
Total	\$12,579,614	\$1,418,233	\$8,935,091	\$4,704,513	\$46,455,504	\$74,092,955

Property taxes to be exempt on inventories:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$0	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0
4	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
5	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
6	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
7	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
8	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
9	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
10	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
11	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
12	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
13	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
14	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
15	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
16	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
17	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
18	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
19	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
20	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
21	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
22	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
23	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
24	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
25	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
26	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
27	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
28	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
29	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
30	\$131,138	\$14,785	\$93,145	\$49,043	\$484,284	\$772,395
Total	\$3,540,739	\$399,185	\$2,514,928	\$1,324,162	\$13,075,663	\$20,854,677

The facility's property tax payments after exemption on inventories:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$0	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0
4	\$17,986	\$2,028	\$12,775	\$6,726	\$66,421	\$105,936
5	\$89,930	\$10,139	\$63,876	\$33,632	\$332,105	\$529,682
6	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
7	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
8	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
9	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
10	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
11	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
12	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
13	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
14	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
15	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
16	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
17	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
18	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
19	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
20	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
21	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
22	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
23	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
24	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
25	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
26	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
27	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
28	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
29	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
30	\$119,907	\$13,518	\$85,168	\$44,843	\$442,807	\$706,243
Total	\$3,105,592	\$350,126	\$2,205,851	\$1,161,427	\$11,468,702	\$18,291,698

The facility's property tax liability on land, real property improvements and machinery & equipment:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$169,259	\$18,604	\$131,218	\$59,330	\$589,160	\$967,571
2	\$704,075	\$77,387	\$545,836	\$246,796	\$2,450,760	\$4,024,855
3	\$1,415,171	\$155,547	\$1,097,115	\$496,054	\$4,925,960	\$8,089,847
4	\$3,747,598	\$411,912	\$2,905,335	\$1,313,628	\$13,044,720	\$21,423,193
5	\$3,850,374	\$423,209	\$2,985,013	\$1,349,654	\$13,402,467	\$22,010,717
6	\$3,750,291	\$412,208	\$2,907,423	\$1,314,572	\$13,054,094	\$21,438,588
7	\$3,641,894	\$400,294	\$2,823,388	\$1,276,577	\$12,676,785	\$20,818,938
8	\$3,524,039	\$387,340	\$2,732,021	\$1,235,265	\$12,266,553	\$20,145,218
9	\$3,397,460	\$373,427	\$2,633,890	\$1,190,896	\$11,825,954	\$19,421,628
10	\$3,261,249	\$358,456	\$2,528,292	\$1,143,151	\$11,351,829	\$18,642,977
11	\$3,115,474	\$342,433	\$2,415,280	\$1,092,053	\$10,844,413	\$17,809,652
12	\$2,960,169	\$325,363	\$2,294,879	\$1,037,614	\$10,303,821	\$16,921,845
13	\$2,794,694	\$307,175	\$2,166,594	\$979,612	\$9,727,838	\$15,975,913
14	\$2,619,572	\$287,927	\$2,030,830	\$918,227	\$9,118,262	\$14,974,818
15	\$2,434,958	\$267,635	\$1,887,708	\$853,515	\$8,475,657	\$13,919,473
16	\$2,240,534	\$246,265	\$1,736,980	\$785,364	\$7,798,898	\$12,808,040
17	\$2,037,047	\$223,899	\$1,579,226	\$714,037	\$7,090,595	\$11,644,803
18	\$1,824,851	\$200,576	\$1,414,720	\$639,657	\$6,351,977	\$10,431,780
19	\$1,635,734	\$179,789	\$1,268,107	\$573,366	\$5,693,698	\$9,350,695
20	\$1,440,054	\$158,282	\$1,116,406	\$504,776	\$5,012,571	\$8,232,088
21	\$1,239,035	\$136,187	\$960,565	\$434,313	\$4,312,859	\$7,082,960
22	\$1,033,427	\$113,588	\$801,167	\$362,243	\$3,597,173	\$5,907,597
23	\$824,838	\$90,661	\$639,458	\$289,127	\$2,871,118	\$4,715,202
24	\$771,926	\$84,845	\$598,438	\$270,580	\$2,686,934	\$4,412,722
25	\$731,949	\$80,451	\$567,446	\$256,567	\$2,547,782	\$4,184,195
26	\$727,294	\$79,939	\$563,836	\$254,935	\$2,531,578	\$4,157,583
27	\$720,112	\$79,150	\$558,268	\$252,417	\$2,506,577	\$4,116,524
28	\$710,154	\$78,056	\$550,549	\$248,927	\$2,471,924	\$4,059,610
29	\$697,075	\$76,618	\$540,409	\$244,343	\$2,426,393	\$3,984,838
30	\$680,502	\$74,796	\$527,561	\$238,533	\$2,368,704	\$3,890,097
Total	\$58,531,549	\$6,433,416	\$45,376,741	\$20,516,799	\$203,737,892	\$335,563,969

Property taxes to be exempt on land, real property improvements and machinery & equipment:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$169,259	\$18,604	\$131,218	\$59,330	\$0	\$378,411
2	\$704,075	\$77,387	\$545,836	\$246,796	\$0	\$1,574,095
3	\$1,415,171	\$155,547	\$1,097,115	\$496,054	\$0	\$3,163,887
4	\$3,747,598	\$411,912	\$2,905,335	\$1,313,628	\$12,902,220	\$21,280,693
5	\$3,850,374	\$423,209	\$2,985,013	\$1,349,654	\$13,259,967	\$21,868,217
6	\$3,750,291	\$412,208	\$2,907,423	\$1,314,572	\$12,911,594	\$21,296,088
7	\$3,641,894	\$400,294	\$2,823,388	\$1,276,577	\$12,534,285	\$20,676,438
8	\$3,524,039	\$387,340	\$2,732,021	\$1,235,265	\$12,124,053	\$20,002,718
9	\$3,397,460	\$373,427	\$2,633,890	\$1,190,896	\$11,683,454	\$19,279,128
10	\$3,261,249	\$358,456	\$2,528,292	\$1,143,151	\$11,209,329	\$18,500,477
11	\$3,115,474	\$0	\$0	\$0	\$2,467,922	\$5,583,396
12	\$2,960,169	\$0	\$0	\$0	\$0	\$2,960,169
13	\$2,794,694	\$0	\$0	\$0	\$0	\$2,794,694
14	\$2,619,572	\$0	\$0	\$0	\$0	\$2,619,572
15	\$2,434,958	\$0	\$0	\$0	\$0	\$2,434,958
16	\$2,240,534	\$0	\$0	\$0	\$0	\$2,240,534
17	\$2,037,047	\$0	\$0	\$0	\$0	\$2,037,047
18	\$1,824,851	\$0	\$0	\$0	\$0	\$1,824,851
19	\$1,635,734	\$0	\$0	\$0	\$0	\$1,635,734
20	\$1,440,054	\$0	\$0	\$0	\$0	\$1,440,054
21	\$1,239,035	\$0	\$0	\$0	\$0	\$1,239,035
22	\$1,033,427	\$0	\$0	\$0	\$0	\$1,033,427
23	\$824,838	\$0	\$0	\$0	\$0	\$824,838
24	\$771,926	\$0	\$0	\$0	\$0	\$771,926
25	\$731,949	\$0	\$0	\$0	\$0	\$731,949
26	\$581,835	\$0	\$0	\$0	\$0	\$581,835
27	\$432,067	\$0	\$0	\$0	\$0	\$432,067
28	\$284,062	\$0	\$0	\$0	\$0	\$284,062
29	\$139,415	\$0	\$0	\$0	\$0	\$139,415
30	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$56,433,791	\$2,999,780	\$21,158,314	\$9,566,594	\$89,092,824	\$179,251,304

The facility's property tax payments after abatement and exemptions on land, real property improvements and machinery & equipment:

Year	County	Port	Hospital	Drainage	School District	Total
1	\$0	\$0	\$0	\$0	\$589,160	\$589,160
2	\$0	\$0	\$0	\$0	\$2,450,760	\$2,450,760
3	\$0	\$0	\$0	\$0	\$589,160	\$589,160
4	\$0	\$0	\$0	\$0	\$142,500	\$142,500
5	\$0	\$0	\$0	\$0	\$142,500	\$142,500
6	\$0	\$0	\$0	\$0	\$142,500	\$142,500
7	\$0	\$0	\$0	\$0	\$142,500	\$142,500
8	\$0	\$0	\$0	\$0	\$142,500	\$142,500
9	\$0	\$0	\$0	\$0	\$142,500	\$142,500
10	\$0	\$0	\$0	\$0	\$142,500	\$142,500
11	\$0	\$342,433	\$2,415,280	\$1,092,053	\$8,376,490	\$12,226,256
12	\$0	\$325,363	\$2,294,879	\$1,037,614	\$10,303,821	\$13,961,677
13	\$0	\$307,175	\$2,166,594	\$979,612	\$9,727,838	\$13,181,219
14	\$0	\$287,927	\$2,030,830	\$918,227	\$9,118,262	\$12,355,246
15	\$0	\$267,635	\$1,887,708	\$853,515	\$8,475,657	\$11,484,515
16	\$0	\$246,265	\$1,736,980	\$785,364	\$7,798,898	\$10,567,507
17	\$0	\$223,899	\$1,579,226	\$714,037	\$7,090,595	\$9,607,757
18	\$0	\$200,576	\$1,414,720	\$639,657	\$6,351,977	\$8,606,930
19	\$0	\$179,789	\$1,268,107	\$573,366	\$5,693,698	\$7,714,961
20	\$0	\$158,282	\$1,116,406	\$504,776	\$5,012,571	\$6,792,034
21	\$0	\$136,187	\$960,565	\$434,313	\$4,312,859	\$5,843,925
22	\$0	\$113,588	\$801,167	\$362,243	\$3,597,173	\$4,874,170
23	\$0	\$90,661	\$639,458	\$289,127	\$2,871,118	\$3,890,363
24	\$0	\$84,845	\$598,438	\$270,580	\$2,686,934	\$3,640,796
25	\$0	\$80,451	\$567,446	\$256,567	\$2,547,782	\$3,452,245
26	\$145,459	\$79,939	\$563,836	\$254,935	\$2,531,578	\$3,575,748
27	\$288,045	\$79,150	\$558,268	\$252,417	\$2,506,577	\$3,684,457
28	\$426,093	\$78,056	\$550,549	\$248,927	\$2,471,924	\$3,775,548
29	\$557,660	\$76,618	\$540,409	\$244,343	\$2,426,393	\$3,845,423
30	\$680,502	\$74,796	\$527,561	\$238,533	\$2,368,704	\$3,890,097
Total	\$2,097,758	\$3,433,636	\$24,218,427	\$10,950,205	\$110,308,268	\$151,008,294

Schedules Showing the Results of the Calculations of Costs and Benefits for Local Taxing District from the Facility's Operations

Costs and Benefits for Cities in the County

Benefits:

Sales tax collections:

Year	On Direct and Indirect Workers' Spending	On Out-of-Town Visitors Spending	On The Facility's Local Purchases	Total
1	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0
4	\$279,877	\$15,000	\$0	\$294,877
5	\$416,781	\$16,301	\$30,000	\$463,083
6	\$429,285	\$17,715	\$31,500	\$478,500
7	\$442,163	\$19,252	\$33,075	\$494,491
8	\$455,428	\$20,922	\$34,729	\$511,079
9	\$469,091	\$22,737	\$36,465	\$528,294
10	\$483,164	\$24,710	\$38,288	\$546,162
11	\$497,659	\$26,853	\$40,203	\$564,715
12	\$512,589	\$29,183	\$42,213	\$583,984
13	\$527,966	\$31,715	\$44,324	\$604,004
14	\$543,805	\$34,466	\$46,540	\$624,811
15	\$560,119	\$37,456	\$48,867	\$646,442
16	\$576,923	\$40,705	\$50,333	\$667,961
17	\$594,231	\$44,236	\$51,843	\$690,309
18	\$612,057	\$48,074	\$53,398	\$713,529
19	\$630,419	\$52,244	\$55,000	\$737,663
20	\$649,332	\$56,776	\$56,650	\$762,758
21	\$668,812	\$61,701	\$58,350	\$788,863
22	\$688,876	\$67,054	\$60,100	\$816,030
23	\$709,542	\$72,871	\$61,903	\$844,316
24	\$730,829	\$79,193	\$63,760	\$873,781
25	\$752,754	\$86,062	\$65,673	\$904,489
26	\$775,336	\$93,528	\$67,643	\$936,508
27	\$798,596	\$101,642	\$69,672	\$969,911
28	\$822,554	\$110,459	\$71,763	\$1,004,776
29	\$847,231	\$120,042	\$73,915	\$1,041,188
30	\$872,648	\$130,455	\$76,133	\$1,079,236
Total	\$16,348,067	\$1,461,354	\$1,362,340	\$19,171,761

Property tax collections on:

Year	New Residential Property	Property at the Facility	Total
1	\$0	\$0	\$0
2	\$0	\$0	\$0
3	\$72,809	\$0	\$72,809
4	\$176,234	\$0	\$176,234
5	\$300,603	\$0	\$300,603
6	\$357,357	\$0	\$357,357
7	\$391,979	\$0	\$391,979
8	\$403,738	\$0	\$403,738
9	\$415,851	\$0	\$415,851
10	\$428,326	\$0	\$428,326
11	\$441,176	\$0	\$441,176
12	\$454,411	\$0	\$454,411
13	\$468,044	\$0	\$468,044
14	\$482,085	\$0	\$482,085
15	\$496,547	\$0	\$496,547
16	\$511,444	\$0	\$511,444
17	\$526,787	\$0	\$526,787
18	\$542,591	\$0	\$542,591
19	\$558,868	\$0	\$558,868
20	\$575,635	\$0	\$575,635
21	\$592,904	\$0	\$592,904
22	\$610,691	\$0	\$610,691
23	\$629,011	\$0	\$629,011
24	\$647,882	\$0	\$647,882
25	\$667,318	\$0	\$667,318
26	\$687,338	\$0	\$687,338
27	\$707,958	\$0	\$707,958
28	\$729,197	\$0	\$729,197
29	\$751,073	\$0	\$751,073
30	\$773,605	\$0	\$773,605
Total	\$14,401,460	\$0	\$14,401,460

Utilities and utility franchise fees collected by cities from new residents:

Year	Utilities	Utility Franchise Fees	Total
1			
2	\$0	\$0	\$0
3	\$128,520	\$6,992	\$135,512
4	\$481,495	\$26,582	\$508,077
5	\$946,950	\$53,048	\$999,998
6	\$1,343,338	\$76,360	\$1,419,698
7	\$1,538,464	\$88,738	\$1,627,201
8	\$1,630,390	\$95,423	\$1,725,813
9	\$1,662,998	\$98,763	\$1,761,761
10	\$1,696,258	\$102,219	\$1,798,477
11	\$1,730,183	\$105,797	\$1,835,980
12	\$1,764,787	\$109,500	\$1,874,287
13	\$1,800,083	\$113,332	\$1,913,415
14	\$1,836,084	\$117,299	\$1,953,383
15	\$1,872,806	\$121,404	\$1,994,210
16	\$1,910,262	\$125,653	\$2,035,916
17	\$1,948,467	\$130,051	\$2,078,519
18	\$1,987,437	\$134,603	\$2,122,040
19	\$2,027,186	\$139,314	\$2,166,500
20	\$2,067,729	\$144,190	\$2,211,919
21	\$2,109,084	\$149,237	\$2,258,321
22	\$2,151,265	\$154,460	\$2,305,726
23	\$2,194,291	\$159,866	\$2,354,157
24	\$2,238,177	\$165,462	\$2,403,638
25	\$2,282,940	\$171,253	\$2,454,193
26	\$2,328,599	\$177,247	\$2,505,846
27	\$2,375,171	\$183,450	\$2,558,621
28	\$2,422,674	\$189,871	\$2,612,545
29	\$2,471,128	\$196,517	\$2,667,644
30	\$2,520,550	\$203,395	\$2,723,945
Total	\$51,467,318	\$3,540,026	\$55,007,344

Other cities' revenues, including hotel occupancy taxes, and other taxes and user fees collected from new residents:

Year	Hotel Occupancy Taxes	Other Taxes and User Fees	Total Other Revenues
1			
2	\$0	\$0	\$0
3	\$0	\$6,120	\$6,120
4	\$0	\$22,928	\$22,928
5	\$53,200	\$45,093	\$98,293
6	\$57,815	\$63,968	\$121,784
7	\$62,831	\$73,260	\$136,091
8	\$68,281	\$77,638	\$145,919
9	\$74,204	\$79,190	\$153,395
10	\$80,642	\$80,774	\$161,416
11	\$87,637	\$82,390	\$170,027
12	\$95,240	\$84,037	\$179,277
13	\$103,502	\$85,718	\$189,220
14	\$112,481	\$87,433	\$199,913
15	\$122,239	\$89,181	\$211,420
16	\$132,842	\$90,965	\$223,807
17	\$144,365	\$92,784	\$237,149
18	\$156,888	\$94,640	\$251,527
19	\$170,497	\$96,533	\$267,030
20	\$185,287	\$98,463	\$283,750
21	\$201,360	\$100,433	\$301,793
22	\$218,827	\$102,441	\$321,269
23	\$237,810	\$104,490	\$342,300
24	\$258,440	\$106,580	\$365,020
25	\$280,860	\$108,711	\$389,571
26	\$305,224	\$110,886	\$416,110
27	\$331,702	\$113,103	\$444,805
28	\$360,477	\$115,365	\$475,843
29	\$391,749	\$117,673	\$509,422
30	\$425,733	\$120,026	\$545,759
Total	\$4,720,132	\$2,450,825	\$7,170,957

Costs:

The costs for cities to provide municipal services and utility services to new residents:

Year	Cost of Services to New Residents	Costs of Utilities	Total Costs
1			
2	\$0	\$0	\$0
3	\$30,600	\$122,094	\$152,694
4	\$114,642	\$457,420	\$572,062
5	\$225,464	\$899,602	\$1,125,067
6	\$319,842	\$1,276,171	\$1,596,014
7	\$366,301	\$1,461,541	\$1,827,841
8	\$388,188	\$1,548,871	\$1,937,059
9	\$395,952	\$1,579,848	\$1,975,800
10	\$403,871	\$1,611,445	\$2,015,316
11	\$411,948	\$1,643,674	\$2,055,623
12	\$420,187	\$1,676,548	\$2,096,735
13	\$428,591	\$1,710,079	\$2,138,670
14	\$437,163	\$1,744,280	\$2,181,443
15	\$445,906	\$1,779,166	\$2,225,072
16	\$454,824	\$1,814,749	\$2,269,573
17	\$463,921	\$1,851,044	\$2,314,965
18	\$473,199	\$1,888,065	\$2,361,264
19	\$482,663	\$1,925,826	\$2,408,489
20	\$492,316	\$1,964,343	\$2,456,659
21	\$502,163	\$2,003,630	\$2,505,792
22	\$512,206	\$2,043,702	\$2,555,908
23	\$522,450	\$2,084,576	\$2,607,026
24	\$532,899	\$2,126,268	\$2,659,167
25	\$543,557	\$2,168,793	\$2,712,350
26	\$554,428	\$2,212,169	\$2,766,597
27	\$565,517	\$2,256,412	\$2,821,929
28	\$576,827	\$2,301,541	\$2,878,368
29	\$588,364	\$2,347,571	\$2,935,935
30	\$600,131	\$2,394,523	\$2,994,654
Total	\$12,254,123	\$48,893,952	\$61,148,075

Net Benefits for Cities in the County:

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$0		\$0	\$0
2	\$0	\$0	\$0	\$0
3	\$214,441	\$152,694	\$61,747	\$61,747
4	\$1,002,117	\$572,062	\$430,055	\$491,802
5	\$1,861,976	\$1,125,067	\$736,910	\$1,228,711
6	\$2,377,339	\$1,596,014	\$781,325	\$2,010,037
7	\$2,649,762	\$1,827,841	\$821,920	\$2,831,957
8	\$2,786,550	\$1,937,059	\$849,491	\$3,681,447
9	\$2,859,300	\$1,975,800	\$883,500	\$4,564,947
10	\$2,934,382	\$2,015,316	\$919,065	\$5,484,012
11	\$3,011,898	\$2,055,623	\$956,276	\$6,440,288
12	\$3,091,960	\$2,096,735	\$995,225	\$7,435,513
13	\$3,174,683	\$2,138,670	\$1,036,013	\$8,471,526
14	\$3,260,192	\$2,181,443	\$1,078,749	\$9,550,276
15	\$3,348,619	\$2,225,072	\$1,123,547	\$10,673,823
16	\$3,439,127	\$2,269,573	\$1,169,553	\$11,843,376
17	\$3,532,764	\$2,314,965	\$1,217,800	\$13,061,176
18	\$3,629,687	\$2,361,264	\$1,268,423	\$14,329,599
19	\$3,730,061	\$2,408,489	\$1,321,572	\$15,651,171
20	\$3,834,062	\$2,456,659	\$1,377,403	\$17,028,574
21	\$3,941,880	\$2,505,792	\$1,436,087	\$18,464,661
22	\$4,053,715	\$2,555,908	\$1,497,807	\$19,962,468
23	\$4,169,785	\$2,607,026	\$1,562,759	\$21,525,227
24	\$4,290,321	\$2,659,167	\$1,631,154	\$23,156,381
25	\$4,415,571	\$2,712,350	\$1,703,221	\$24,859,602
26	\$4,545,801	\$2,766,597	\$1,779,203	\$26,638,805
27	\$4,681,295	\$2,821,929	\$1,859,366	\$28,498,171
28	\$4,822,361	\$2,878,368	\$1,943,993	\$30,442,164
29	\$4,969,326	\$2,935,935	\$2,033,391	\$32,475,555
30	\$5,122,545	\$2,994,654	\$2,127,891	\$34,603,446
Total	\$95,751,521	\$61,148,075	\$34,603,446	

Benefits for Matagorda County:

Miscellaneous taxes and user fees to be collected from new residents:

Year	Misc. Taxes and User Fees
1	
2	\$0
3	\$10,200
4	\$38,214
5	\$75,155
6	\$106,614
7	\$122,100
8	\$129,396
9	\$131,984
10	\$134,624
11	\$137,316
12	\$140,062
13	\$142,864
14	\$145,721
15	\$148,635
16	\$151,608
17	\$154,640
18	\$157,733
19	\$160,888
20	\$164,105
21	\$167,388
22	\$170,735
23	\$174,150
24	\$177,633
25	\$181,186
26	\$184,809
27	\$188,506
28	\$192,276
29	\$196,121
30	\$200,044
Total	\$4,084,708

Property tax collections on:

Year	New Residential Property	Property at the Facility-Net Collections	Total
1		\$0	\$0
2	\$0	\$0	\$0
3	\$38,037	\$0	\$38,037
4	\$92,069	\$17,986	\$110,055
5	\$157,043	\$89,930	\$246,973
6	\$186,692	\$119,907	\$306,599
7	\$204,780	\$119,907	\$324,687
8	\$210,923	\$119,907	\$330,830
9	\$217,251	\$119,907	\$337,158
10	\$223,768	\$119,907	\$343,675
11	\$230,481	\$119,907	\$350,388
12	\$237,396	\$119,907	\$357,303
13	\$244,518	\$119,907	\$364,425
14	\$251,853	\$119,907	\$371,760
15	\$259,409	\$119,907	\$379,316
16	\$267,191	\$119,907	\$387,098
17	\$275,207	\$119,907	\$395,114
18	\$283,463	\$119,907	\$403,370
19	\$291,967	\$119,907	\$411,874
20	\$300,726	\$119,907	\$420,633
21	\$309,748	\$119,907	\$429,655
22	\$319,040	\$119,907	\$438,947
23	\$328,611	\$119,907	\$448,518
24	\$338,470	\$119,907	\$458,377
25	\$348,624	\$119,907	\$468,531
26	\$359,082	\$265,366	\$624,448
27	\$369,855	\$407,952	\$777,806
28	\$380,950	\$546,000	\$926,950
29	\$392,379	\$677,567	\$1,069,946
30	\$404,150	\$800,409	\$1,204,560
Total	\$7,523,681	\$5,203,350	\$12,727,031

Costs of providing county services to new residents:

<u>Year</u>	<u>Costs of County Services</u>
1	
2	\$0
3	\$10,200
4	\$38,214
5	\$75,155
6	\$106,614
7	\$122,100
8	\$129,396
9	\$131,984
10	\$134,624
11	\$137,316
12	\$140,062
13	\$142,864
14	\$145,721
15	\$148,635
16	\$151,608
17	\$154,640
18	\$157,733
19	\$160,888
20	\$164,105
21	\$167,388
22	\$170,735
23	\$174,150
24	\$177,633
25	\$181,186
26	\$184,809
27	\$188,506
28	\$192,276
29	\$196,121
30	\$200,044
<u>Total</u>	<u>\$4,084,708</u>

Economic development incentives being requested by the facility:

Year	Matagorda County Econ Dev Corp Site Cost Contribution - Cash	Employee Training- Cash	Training Facility Space and Equipment -Cash	Infrastructure Incentives-TBD	Total Economic Development Incentives
1	\$1,800,000	\$900,000	\$500,000	\$1,000,000	\$4,200,000
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
Total	\$1,800,000	\$900,000	\$500,000	\$1,000,000	\$4,200,000

Total Benefits for the County:

Year	Net Benefits			Net Benefits	Cumulative Net Benefits
	After Tax Exemptions	Costs	Incentives		
1	\$0	\$0	\$4,200,000	(\$4,200,000)	(\$4,200,000)
2	\$0	\$0	\$0	\$0	(\$4,200,000)
3	\$48,237	\$10,200	\$0	\$38,037	(\$4,161,963)
4	\$148,269	\$38,214	\$0	\$110,055	(\$4,051,908)
5	\$322,128	\$75,155	\$0	\$246,973	(\$3,804,935)
6	\$413,213	\$106,614	\$0	\$306,599	(\$3,498,336)
7	\$446,787	\$122,100	\$0	\$324,687	(\$3,173,649)
8	\$460,226	\$129,396	\$0	\$330,830	(\$2,842,819)
9	\$469,142	\$131,984	\$0	\$337,158	(\$2,505,661)
10	\$478,299	\$134,624	\$0	\$343,675	(\$2,161,986)
11	\$487,704	\$137,316	\$0	\$350,388	(\$1,811,598)
12	\$497,365	\$140,062	\$0	\$357,303	(\$1,454,295)
13	\$507,288	\$142,864	\$0	\$364,425	(\$1,089,870)
14	\$517,481	\$145,721	\$0	\$371,760	(\$718,110)
15	\$527,951	\$148,635	\$0	\$379,316	(\$338,795)
16	\$538,706	\$151,608	\$0	\$387,098	\$48,303
17	\$549,754	\$154,640	\$0	\$395,114	\$443,417
18	\$561,103	\$157,733	\$0	\$403,370	\$846,787
19	\$572,762	\$160,888	\$0	\$411,874	\$1,258,661
20	\$584,738	\$164,105	\$0	\$420,633	\$1,679,294
21	\$597,042	\$167,388	\$0	\$429,655	\$2,108,948
22	\$609,682	\$170,735	\$0	\$438,947	\$2,547,895
23	\$622,668	\$174,150	\$0	\$448,518	\$2,996,414
24	\$636,010	\$177,633	\$0	\$458,377	\$3,454,790
25	\$649,716	\$181,186	\$0	\$468,531	\$3,923,321
26	\$809,258	\$184,809	\$0	\$624,448	\$4,547,769
27	\$966,312	\$188,506	\$0	\$777,806	\$5,325,575
28	\$1,119,226	\$192,276	\$0	\$926,950	\$6,252,526
29	\$1,266,067	\$196,121	\$0	\$1,069,946	\$7,322,472
30	\$1,404,603	\$200,044	\$0	\$1,204,560	\$8,527,031
Total	\$16,811,739	\$4,084,708	\$4,200,000	\$8,527,031	

Benefits for Van Vleck ISD

Property tax collections on:

Year	New Residential Property	The Facility's Property - Net Collections	Total
1		\$589,160	\$589,160
2	\$0	\$2,450,760	\$2,450,760
3	\$132,400	\$589,160	\$721,560
4	\$320,475	\$208,921	\$529,396
5	\$546,637	\$474,605	\$1,021,242
6	\$649,843	\$585,307	\$1,235,150
7	\$712,801	\$585,307	\$1,298,109
8	\$734,186	\$585,307	\$1,319,493
9	\$756,211	\$585,307	\$1,341,518
10	\$778,897	\$585,307	\$1,364,204
11	\$802,264	\$8,819,297	\$9,621,562
12	\$826,332	\$10,746,628	\$11,572,960
13	\$851,122	\$10,170,645	\$11,021,767
14	\$876,656	\$9,561,069	\$10,437,725
15	\$902,956	\$8,918,464	\$9,821,419
16	\$930,044	\$8,241,705	\$9,171,749
17	\$957,946	\$7,533,402	\$8,491,348
18	\$986,684	\$6,794,784	\$7,781,468
19	\$1,016,284	\$6,136,505	\$7,152,790
20	\$1,046,773	\$5,455,378	\$6,502,151
21	\$1,078,176	\$4,755,666	\$5,833,842
22	\$1,110,521	\$4,039,980	\$5,150,501
23	\$1,143,837	\$3,313,925	\$4,457,762
24	\$1,178,152	\$3,129,741	\$4,307,893
25	\$1,213,497	\$2,990,589	\$4,204,085
26	\$1,249,902	\$2,974,385	\$4,224,287
27	\$1,287,399	\$2,949,384	\$4,236,783
28	\$1,326,021	\$2,914,731	\$4,240,752
29	\$1,365,801	\$2,869,200	\$4,235,001
30	\$1,406,775	\$2,811,511	\$4,218,286
Total	\$26,188,593	\$121,776,970	\$147,965,564

Benefits for Matagorda County Conservation & Reclamation District

Property tax collections:

Year	New Residential Property	Property at the Facility - Net Collections	Total
1		\$2,663	\$2,663
2	\$0	\$11,076	\$11,076
3	\$598	\$22,262	\$22,860
4	\$1,448	\$58,952	\$60,400
5	\$2,470	\$61,100	\$63,571
6	\$2,937	\$61,651	\$64,588
7	\$3,221	\$60,832	\$64,053
8	\$3,318	\$58,978	\$62,296
9	\$3,417	\$56,987	\$60,404
10	\$3,520	\$54,844	\$58,364
11	\$3,626	\$52,551	\$56,176
12	\$3,734	\$50,108	\$53,842
13	\$3,846	\$47,505	\$51,351
14	\$3,962	\$44,750	\$48,712
15	\$4,081	\$41,846	\$45,927
16	\$4,203	\$38,787	\$42,991
17	\$4,329	\$35,586	\$39,916
18	\$4,459	\$32,249	\$36,708
19	\$4,593	\$29,274	\$33,866
20	\$4,731	\$26,195	\$30,926
21	\$4,873	\$23,033	\$27,906
22	\$5,019	\$19,799	\$24,818
23	\$5,169	\$16,518	\$21,687
24	\$5,324	\$15,685	\$21,010
25	\$5,484	\$15,056	\$20,541
26	\$5,649	\$14,983	\$20,632
27	\$5,818	\$14,870	\$20,688
28	\$5,993	\$14,714	\$20,706
29	\$6,172	\$14,508	\$20,680
30	\$6,358	\$14,247	\$20,605
Total	\$118,352	\$1,011,608	\$1,129,961

Benefits for Coastal Plains Groundwater Conservation District

Property tax collections:

Year	Property at the Facility			Total Taxes After Abatement	Total
	New Residential Property	Taxes Collected	Taxes Abated		
1		\$2,714	\$0	\$2,714	\$2,714
2	\$0	\$11,288	\$0	\$11,288	\$11,288
3	\$610	\$22,688	\$0	\$22,688	\$23,298
4	\$1,476	\$60,081	\$0	\$60,081	\$61,557
5	\$2,518	\$62,270	\$0	\$62,270	\$64,788
6	\$2,993	\$62,832	\$0	\$62,832	\$65,825
7	\$3,283	\$61,997	\$0	\$61,997	\$65,280
8	\$3,381	\$60,107	\$0	\$60,107	\$63,489
9	\$3,483	\$58,078	\$0	\$58,078	\$61,561
10	\$3,587	\$55,894	\$0	\$55,894	\$59,482
11	\$3,695	\$53,557	\$0	\$53,557	\$57,252
12	\$3,806	\$51,067	\$0	\$51,067	\$54,873
13	\$3,920	\$48,414	\$0	\$48,414	\$52,335
14	\$4,038	\$45,607	\$0	\$45,607	\$49,645
15	\$4,159	\$42,647	\$0	\$42,647	\$46,806
16	\$4,284	\$39,530	\$0	\$39,530	\$43,814
17	\$4,412	\$36,268	\$0	\$36,268	\$40,680
18	\$4,544	\$32,866	\$0	\$32,866	\$37,410
19	\$4,681	\$29,834	\$0	\$29,834	\$34,515
20	\$4,821	\$26,697	\$0	\$26,697	\$31,518
21	\$4,966	\$23,474	\$0	\$23,474	\$28,440
22	\$5,115	\$20,178	\$0	\$20,178	\$25,293
23	\$5,268	\$16,834	\$0	\$16,834	\$22,102
24	\$5,426	\$15,986	\$0	\$15,986	\$21,412
25	\$5,589	\$15,345	\$0	\$15,345	\$20,934
26	\$5,757	\$15,270	\$0	\$15,270	\$21,027
27	\$5,929	\$15,155	\$0	\$15,155	\$21,084
28	\$6,107	\$14,995	\$0	\$14,995	\$21,103
29	\$6,291	\$14,786	\$0	\$14,786	\$21,076
30	\$6,479	\$14,520	\$0	\$14,520	\$20,999
Total	\$120,619	\$1,030,980	\$0	\$1,030,980	\$1,151,598

Benefits for Matagorda County Drainage District # 1

Property tax collections:

Year	New Residential Property	The Facility's Property - Net Collections	Total
1		\$0	\$0
2	\$0	\$0	\$0
3	\$12,125	\$0	\$12,125
4	\$29,348	\$6,726	\$36,075
5	\$50,059	\$33,632	\$83,691
6	\$59,511	\$44,843	\$104,353
7	\$65,276	\$44,843	\$110,119
8	\$67,234	\$44,843	\$112,077
9	\$69,251	\$44,843	\$114,094
10	\$71,329	\$44,843	\$116,172
11	\$73,469	\$1,136,896	\$1,210,365
12	\$75,673	\$1,082,457	\$1,158,130
13	\$77,943	\$1,024,454	\$1,102,397
14	\$80,281	\$963,069	\$1,043,351
15	\$82,690	\$898,358	\$981,047
16	\$85,171	\$830,207	\$915,377
17	\$87,726	\$758,879	\$846,605
18	\$90,357	\$684,499	\$774,857
19	\$93,068	\$618,209	\$711,277
20	\$95,860	\$549,618	\$645,478
21	\$98,736	\$479,156	\$577,892
22	\$101,698	\$407,085	\$508,783
23	\$104,749	\$333,970	\$438,719
24	\$107,892	\$315,422	\$423,314
25	\$111,128	\$301,410	\$412,538
26	\$114,462	\$299,778	\$414,240
27	\$117,896	\$297,260	\$415,156
28	\$121,433	\$293,770	\$415,203
29	\$125,076	\$289,185	\$414,261
30	\$128,828	\$283,376	\$412,204
Total	\$2,398,271	\$12,111,631	\$14,509,902

Benefits for Matagorda County Hospital District

Property tax collections:

Year	New Residential Property	Property at the Facility - Net Collections	Total
1	\$0	\$0	\$0
2	\$0	\$0	\$0
3	\$29,488	\$0	\$29,488
4	\$71,377	\$12,775	\$84,152
5	\$121,748	\$63,876	\$185,624
6	\$144,734	\$85,168	\$229,902
7	\$158,756	\$85,168	\$243,924
8	\$163,519	\$85,168	\$248,687
9	\$168,424	\$85,168	\$253,592
10	\$173,477	\$85,168	\$258,645
11	\$178,681	\$2,500,448	\$2,679,129
12	\$184,042	\$2,380,047	\$2,564,088
13	\$189,563	\$2,251,762	\$2,441,325
14	\$195,250	\$2,115,998	\$2,311,248
15	\$201,107	\$1,972,876	\$2,173,983
16	\$207,141	\$1,822,148	\$2,029,288
17	\$213,355	\$1,664,394	\$1,877,749
18	\$219,755	\$1,499,888	\$1,719,644
19	\$226,348	\$1,353,275	\$1,579,623
20	\$233,138	\$1,201,574	\$1,434,712
21	\$240,133	\$1,045,733	\$1,285,866
22	\$247,337	\$886,335	\$1,133,672
23	\$254,757	\$724,626	\$979,383
24	\$262,399	\$683,606	\$946,005
25	\$270,271	\$652,614	\$922,885
26	\$278,380	\$649,004	\$927,384
27	\$286,731	\$643,436	\$930,167
28	\$295,333	\$635,717	\$931,050
29	\$304,193	\$625,577	\$929,770
30	\$313,319	\$612,729	\$926,048
Total	\$5,832,754	\$26,424,278	\$32,257,032

Benefits for Port of Bay City

Property tax collections:

Year	New Residential Property	The Facility's Property - Net Collections	Total
1	\$0	\$0	\$0
2	\$0	\$0	\$0
3	\$4,181	\$0	\$4,181
4	\$10,120	\$2,028	\$12,147
5	\$17,261	\$10,139	\$27,400
6	\$20,520	\$13,518	\$34,038
7	\$22,508	\$13,518	\$36,026
8	\$23,183	\$13,518	\$36,702
9	\$23,879	\$13,518	\$37,397
10	\$24,595	\$13,518	\$38,114
11	\$25,333	\$355,952	\$381,285
12	\$26,093	\$338,881	\$364,974
13	\$26,876	\$320,693	\$347,569
14	\$27,682	\$301,445	\$329,127
15	\$28,513	\$281,154	\$309,666
16	\$29,368	\$259,784	\$289,152
17	\$30,249	\$237,418	\$267,667
18	\$31,156	\$214,094	\$245,251
19	\$32,091	\$193,308	\$225,399
20	\$33,054	\$171,800	\$204,854
21	\$34,045	\$149,705	\$183,751
22	\$35,067	\$127,106	\$162,173
23	\$36,119	\$104,179	\$140,298
24	\$37,202	\$98,364	\$135,566
25	\$38,318	\$93,970	\$132,288
26	\$39,468	\$93,458	\$132,926
27	\$40,652	\$92,668	\$133,321
28	\$41,872	\$91,574	\$133,446
29	\$43,128	\$90,136	\$133,264
30	\$44,422	\$88,315	\$132,737
Total	\$826,955	\$3,783,762	\$4,610,718

Attachment 17

Schedule A completed and signed

Schedule A (Rev. May 2010): Investment

Applicant Name: Marenick Tube Corporation
 ISD Name: Van Vleet ISD

Form 50-296

Period preceding the first complete tax year of the qualifying time period (assumes deferral)	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below)	PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)					Column D: Other investment that is not qualified investment but investment allowed for economic impact and total value.	Column E: Total Investment (A+B+D)
				Column A: Personal Property investment (original cost placed in service during this year)	Column B: Building or permanent nonremovable component of building (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 allowed for economic impact and total value.	Column E: Total Investment (A+B+D)		
Period preceding the first complete tax year of the qualifying time period (assumes deferral)	1	2013-2014	2013							
	2	2013-2014	2013	\$ 62,000.00	\$ 27,300.00			\$ 33,500.00	\$ 122,800.00	
	3	2014-2015	2014	\$ 251,000.00	\$ 107,000.00			\$ 358,000.00	\$ 394,600.00	
	4	2014-2015	2014	\$ 324,000.00	\$ 142,000.00			\$ 476,000.00	\$ 514,700.00	
	5	2015-2016	2015	\$ 287,000.00	\$ 81,900.00			\$ 379,000.00	\$ 324,100.00	
	6	2016-2017	2016							
	7	2017-2018	2017							
	8	2018-2019	2018							
	9	2019-2020	2019							
	10	2020-2021	2020							
	11	2021-2022	2021							
	12	2022-2023	2022							
	13	2023-2024	2023							
	14	2024-2025	2024							
	15	2025-2026	2025							
Tax Credit Period (with 50% cap on credit)										
Credit Settle-Up Period										
Post-Settle-Up Period										
Post-Settle-Up Period										

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

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

Column B: 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 C: 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 similar examples for this type of investment are items such as professional services, etc. Note: Land can be listed as part of investment during the "post-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 these amounts for future years.

[Signature]

3/26/2013

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 18

Schedule B completed and signed

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

Applicant Name
 ISD Name

Van Vleet, ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions	Final taxable value for IS - after all reductions
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other near improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"					
pre-year 1 (assumes deferral)	2014-2015	2014	\$ 12,000,000	\$ 13,650,000	\$ 31,000,000			\$ 56,650,000		
1	2015-2016	2015	\$ 12,000,000	\$ 67,150,000	\$ 156,500,000			\$ 235,650,000		
2	2016-2017	2016	\$ 12,000,000	\$ 138,150,000	\$ 323,500,000			\$ 473,650,000		
3	2017-2018	2017	\$ 12,000,000	\$ 358,200,000	\$ 884,100,000	\$ 1,244,300,000		\$ 10,000,000		
4	2018-2019	2018	\$ 12,000,000	\$ 369,942,722	\$ 906,756,037	\$ 1,278,698,759		\$ 10,000,000		
5	2019-2020	2019	\$ 12,000,000	\$ 365,356,205	\$ 877,845,136	\$ 1,245,201,341		\$ 10,000,000		
6	2020-2021	2020	\$ 12,000,000	\$ 360,311,719	\$ 846,609,944	\$ 1,208,921,663		\$ 10,000,000		
7	2021-2022	2021	\$ 12,000,000	\$ 354,694,614	\$ 812,781,628	\$ 1,169,476,242		\$ 10,000,000		
8	2022-2023	2022	\$ 12,000,000	\$ 348,611,544	\$ 776,499,412	\$ 1,127,110,956		\$ 10,000,000		
9	2023-2024	2023	\$ 12,000,000	\$ 341,916,201	\$ 737,605,791	\$ 1,081,521,992		\$ 10,000,000		
10	2024-2025	2024	\$ 12,000,000	\$ 334,681,629	\$ 696,050,140	\$ 1,032,731,769		\$ 10,000,000		
11	2025-2026	2025	\$ 12,000,000	\$ 326,874,705	\$ 651,877,214			\$ 990,751,919		
12	2026-2027	2026	\$ 12,000,000	\$ 318,431,633	\$ 604,937,023			\$ 935,368,656		
13	2027-2028	2027	\$ 12,000,000	\$ 309,396,419	\$ 555,359,700			\$ 876,756,119		
14	2028-2029	2028	\$ 12,000,000	\$ 299,747,096	\$ 503,219,818			\$ 814,966,914		
15	2029-2030	2029	\$ 12,000,000	\$ 289,466,991	\$ 448,427,114			\$ 749,894,105		

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.

[Handwritten Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

3/26/2013
 DATE

Attachment 19

Schedule C completed and signed

Schedule C- Application: Employment Information

Maverick Tube Corporation
Van Vleck ISD

Applicant Name
ISD Name

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 FTEs	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	500	34,170				
	pre-year 1 (assumes deferral)	2014-2015	2014	1900	34,170				
Complete tax years of qualifying time period	1	2015-2016	2015	2500	34,170	200	59,082	160	59,082
	2	2016-2017	2016	1250	34,170	415	59,082	332	59,082
	3	2017-2018	2017	150		600	59,082	480	59,082
	4	2018-2019	2018			600	59,082	480	59,082
	5	2019-2020	2019			600	59,082	480	59,082
Value Limitation Period	6	2020-2021	2020			600	59,082	480	59,082
	7	2021-2022	2021			600	59,082	480	59,082
	8	2022-2023	2022			600	59,082	480	59,082
	9	2023-2024	2023			600	59,082	480	59,082
	10	2024-2025	2024			600	59,082	480	59,082
Credit Settle-Up Period	11	2025-2026	2025			600	59,082	480	59,082
	12	2026-2027	2026			600	59,082	480	59,082
	13	2027-2028	2027			600	59,082	480	59,082
Post-Settle-Up Period	14	2028-2029	2028			600	59,082	480	59,082
	15	2029-2030	2029			600	59,082	480	59,082

Notes: For job definitions see TAC §§.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.


DATE 3/26/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 20

Schedule D completed and signed

Attachment 21

Map of Reinvestment Zone

N/A

Attachment 22

Order, Resolution or Ordinance Establishing the Zone

N/A

Attachment 23

Legal Description of Reinvestment Zone

N/A

Attachment 24

Guidelines and Criteria for Reinvestment Zone

N/A

Attachment 25

Ability to Relocate

Attachment 25

Ability to Relocate

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

One factor in determining whether the project will proceed is the internal competition for capital among the various project opportunities for Maverick's affiliated entities, both nationally and globally. Since this factor is financial in nature, Maverick is seeking assistance in the way of incentives to help ensure that the project advances. Tenaris SA allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project.

Additionally, the company is considering Louisiana as a potential location for this facility, as the state and localities are preparing a comprehensive incentive offer for the project.

Attachment 26

Value of Local Tax Incentives

Attachment 26

Value of Local Tax Incentives (in millions)

Incentive Description	Type	Nominal Amount			Net Present Value	
		Total Tax Burden	Incentive	Net Tax Burden	Incentive	Net Tax Burden
Tax Incentives						
Matagorda County Section 312 & 381 25 Yr Agreement	Proper	52.5	(52.5)	0.0	(20.1)	0.0
Van Vleck ISD 313 10 Yr Agreement	Proper	103.6	(92.6)	11.0	50.4	7.9
Port of Bay City Authority 312 10 Yr Abatement	Proper	2.8	(2.8)	0.0	(1.7)	0.0
Matagorda County Hospital District 312 10 Yr Agreement	Proper	17.9	(17.9)	0.0	(10.4)	0.0
Matagorda County Drainage Districts 312 10 Yr Agreement	Proper	9.4	(9.4)	0.0	(5.5)	0.0
Matagorda County Section 381 Years 26-30	Proper	8.9	(3.6)	5.4	(3.6)	0.4
Bay City Non-Annexation 312 & 380 45 Yr Agreement	Proper	178.7	(178.7)	0.0	(43.5)	0.0
Enterprise Zone/Enterprise Project - Sales Tax	Sales	36.0	(7.5)	28.5	(5.7)	24.1
Freeport Exemptions on Inventory	Proper	57.4	(39.6)	17.8	(9.5)	4.3
Foreign Trade Subzone	Proper	85.0	(27.7)	57.3	(16.1)	4.3
Tax Incentives Subtotal		552.4	(432.3)	120.1	(65.7)	41.0
Economic Incentives						
Matagorda County Econ Dev Corp Site Cost	Cash		(1.5)		(1.5)	
Texas Enterprise Fund	Cash		(3.6)		(3.6)	
Employee Recruitment	TBD					
Employee Training	Cash		(0.6)		(0.6)	
Training Facility Space and Equipment	Cash		(0.5)		(0.5)	
Infrastructure Incentives	TBD		(1.0)		(1.0)	
Permitting Assistance	TBD					
Economic Incentives Subtotal		0.0	(7.2)	0.0	(7.2)	0.0
Grand Total		552.4	(439.5)	120.1	(72.9)	41.0



S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



July 30, 2013

John O'Brien
Superintendent
Van Vleck Independent School District
142 S. Fourth Street
Van Vleck, Texas 77482

Dear Superintendent O'Brien:

On May 9, 2013, the Comptroller received the completed application (Application # 284) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in March 2013 to the Van Vleck Independent School District (the school district) by Maverick Tube Corporation dba Tenaris USA (the applicant). 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.

The school district 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 (\$1.153 billion) 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Matagorda County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in 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 the applicant, the Comptroller's recommendation is that this 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 only approve an application if the school district finds that the information in the application is true and

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

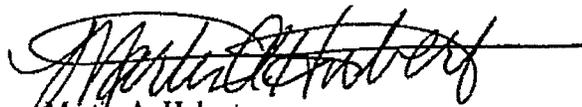
Note that any new building or other improvement existing as of the application review start date of May 9, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district 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 ten (10) days prior to the meeting scheduled by the school 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 must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

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

This presents the Comptroller's economic impact evaluation of Maverick Tube Corporation dba Tenaris USA (the project) applying to Van Vleck 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).

Economic Impact for Chapter 313 Project

Applicant	Maverick Tube Corporation dba Tenaris USA
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Van Vleck ISD
2011-2012 Enrollment in School District	903
County	Matagorda
Total Investment in District	\$1,356,200,000
Qualified Investment	\$1,153,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	600
Number of qualifying jobs committed to by applicant	480
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,136
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,136
Minimum Annual Wage committed to by applicant for qualified jobs	\$59,082
Investment per Qualifying Job	\$2,825,417
Estimated 15 year M&O levy without any limit or credit:	\$144,259,805
Estimated gross 15 year M&O tax benefit	\$99,779,271
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):	\$87,857,295
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$6,700,720
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$56,402,510
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	60.9%
Percentage of tax benefit due to the limitation	93.3%
Percentage of tax benefit due to the credit.	6.7%

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

After construction, the project will create 600 new jobs when fully operational. Four hundred, eighty 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 Houston-Galveston Area Council of Governments Region, where Matagorda County is located was \$53,711 in 2011. The annual average manufacturing wage for 2012 for Matagorda County is \$67,233. That same year, the county annual average wage for all industries was \$49,218. In addition to a salary of \$59,082, each qualifying position will receive benefits such as medical insurance, dental insurance, vision insurance, flexible spending accounts, life insurance, accidental death and dismemberment, short-term disability, 401(k) plan, gym membership incentive, employee assistance program and other programs that include tuition reimbursement, paid vacation, and paid company holidays. The project's total investment is \$1.356 billion, resulting in a relative level of investment per qualifying job of \$2.8 million.

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

According to Maverick Tube Corporation dba Tenaris USA's application, "One factor in determining whether the project will proceed is the internal competition for capital among the various project opportunities for Maverick's affiliated entities, both nationally and globally. Since this factor is financial in nature, Maverick is seeking assistance in the way of incentives to help ensure that the project advances. Tenaris SA allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. Additionally, the company is considering Louisiana as a potential location for this facility, as the state and localities are preparing a comprehensive incentive offer for the project."

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

During the past two years, 34 projects in the Houston-Galveston Area Council of Governments 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 Maverick Tube Corporation dba Tenaris USA 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 Maverick Tube Corporation dba Tenaris USA'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 Maverick Tube Corporation dba Tenaris USA

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	500	475	975	\$17,085,000	\$32,915,000	\$50,000,000
2014	1900	1,790	3690	\$64,923,000	\$136,077,000	\$201,000,000
2015	2700	2,835	5535	\$97,241,400	\$226,758,600	\$324,000,000
2016	1665	2,206	3871	\$67,231,530	\$195,768,470	\$263,000,000
2017	750	1,553	2303	\$40,574,700	\$149,425,300	\$190,000,000
2018	600	1,345	1945	\$35,449,200	\$136,550,800	\$172,000,000
2019	600	1,283	1883	\$35,449,200	\$134,550,800	\$170,000,000
2020	600	1,254	1854	\$35,449,200	\$134,550,800	\$170,000,000
2021	600	1,250	1850	\$35,449,200	\$137,550,800	\$173,000,000
2022	600	1,255	1855	\$35,449,200	\$142,550,800	\$178,000,000
2023	600	1,273	1873	\$35,449,200	\$149,550,800	\$185,000,000
2024	600	1,287	1887	\$35,449,200	\$154,550,800	\$190,000,000
2025	600	1,296	1896	\$35,449,200	\$161,550,800	\$197,000,000
2026	600	1,287	1887	\$35,449,200	\$167,550,800	\$203,000,000
2027	600	1,295	1895	\$35,449,200	\$173,550,800	\$209,000,000
2028	600	1,316	1916	\$35,449,200	\$182,550,800	\$218,000,000

Source: CPA, REMI, Maverick Tube Corporation dba Tenaris USA

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Van Vleck ISD's ad valorem tax base in 2011-2012 was \$582.8 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Van Vleck ISD's estimated wealth per WADA was \$350,209. 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, Matagorda County, Matagorda County Hospital District, Port of Bay City Authority, Matagorda County Drainage District #1, Coastal Plains Groundwater Conservation District, and Matagorda County Conservation and Reclamation District, with all property tax incentives sought being granted using estimated market value from Maverick Tube Corporation dba Tenaris USA's application. Maverick Tube Corporation dba Tenaris USA has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, drainage district, and port authority. Table 3 illustrates the estimated tax impact of the Maverick Tube Corporation dba Tenaris USA 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	Van Vleck ISD I&S Levy	Van Vleck ISD M&O Levy	Van Vleck ISD M&O and I&S Tax Levies (Before Credit Credited)	Van Vleck ISD M&O and I&S Tax Levies (After Credit Credited)	Matagorda County Tax Levy	Matagorda County Hospital District Tax Levy	Matagorda Drainage District #1 Tax Levy	Port of Bay City Authority Tax Levy	Coastal Plains Groundwater District Tax Levy	Matagorda County Conservation and Reclamation District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400			0.2816	0.2000	0.0963	0.0318	0.0045	0.0046	
2015	\$220,650,000	\$220,650,000		\$0	\$2,294,760	\$2,294,760	\$2,294,760	\$0	\$0	\$0	\$0	\$9,885	\$10,062	\$2,314,707
2016	\$443,650,000	\$443,650,000		\$0	\$4,613,960	\$4,613,960	\$4,613,960	\$0	\$0	\$0	\$0	\$19,876	\$20,230	\$4,654,066
2017	\$1,194,300,000	\$1,194,300,000		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$53,505	\$54,468	\$11,965,373
2018	\$1,228,545,609	\$1,228,545,609		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$55,039	\$56,022	\$12,011,461
2019	\$1,196,837,126	\$1,196,837,126		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$53,618	\$54,576	\$11,913,759
2020	\$1,162,491,259	\$1,162,491,259		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$52,080	\$53,010	\$11,720,489
2021	\$1,125,144,474	\$1,125,144,474		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$50,406	\$51,307	\$11,537,713
2022	\$1,085,031,059	\$1,085,031,059		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$48,609	\$49,477	\$11,010,871
2023	\$1,041,858,469	\$1,041,858,469		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$0	\$0	\$0	\$0	\$46,675	\$47,509	\$10,616,184
2024	\$995,652,681	\$995,652,681		\$0	\$10,400,000	\$10,400,000	\$10,400,000	\$2,803,957	\$1,991,404	\$958,614	\$316,120	\$44,605	\$45,402	\$16,212,702
2025	\$946,421,256	\$946,421,256		\$0	\$9,842,781	\$9,842,781	\$1,506,361	\$2,665,312	\$1,893,126	\$911,214	\$300,889	\$42,400	\$43,157	\$9,361,759
2026	\$893,961,655	\$893,961,655		\$0	\$9,297,201	\$9,297,201	\$9,297,201	\$2,517,575	\$1,788,191	\$860,706	\$283,833	\$40,049	\$40,765	\$14,828,321
2027	\$838,439,451	\$838,439,451		\$0	\$8,719,770	\$8,719,770	\$8,719,770	\$2,361,213	\$1,677,130	\$807,250	\$266,205	\$37,562	\$38,233	\$13,907,363
2028	\$779,901,923	\$779,901,923		\$0	\$8,110,980	\$8,110,980	\$8,110,980	\$2,196,360	\$1,560,038	\$750,890	\$247,619	\$34,940	\$35,564	\$12,936,389
2029	\$718,250,135	\$718,250,135		\$0	\$7,469,801	\$7,469,801	\$7,469,801	\$2,022,736	\$1,436,716	\$691,531	\$228,044	\$32,178	\$32,752	\$11,913,759
							\$44,480,534	\$14,567,152	#####	\$4,980,205	#####	\$621,427	\$632,524	\$77,270,957

Assumes School Value Limitation and Tax Abatements with the County, Hospital District, Drainage District, and Port Authority.

Source: CPA, Maverick Tube Corporation dba Tenaris USA

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Van Vleck ISD I&S Levy	Van Vleck ISD M&O Levy	Van Vleck ISD M&O and I&S Tax Levies	Matagorda County Tax Levy	Matagorda County Hospital District Tax Levy	Matagorda Drainage District #1 Tax Levy	Port of Bay City Authority Tax Levy	Coastal Plains Groundwater District Tax Levy	Matagorda County Conservation and Reclamation District Tax Levy	Estimated Total Property Taxes	
				0.0000	1.0400			0.2816	0.2000	0.0963	0.0318	0.0045	0.0046	
2015	\$220,650,000	\$220,650,000		\$0	\$2,294,760	\$2,294,760	\$621,395	\$441,360	\$212,442	\$70,056	\$9,885	\$10,062	\$3,659,966	
2016	\$443,650,000	\$443,650,000		\$0	\$4,613,960	\$4,613,960	\$1,249,807	\$867,433	\$427,146	\$140,859	\$19,876	\$20,230	\$7,358,911	
2017	\$1,194,300,000	\$1,194,300,000		\$0	\$12,420,720	\$12,420,720	\$3,363,388	\$2,388,938	\$1,149,872	\$379,190	\$53,505	\$54,468	\$19,810,093	
2018	\$1,228,545,609	\$1,228,545,609		\$0	\$12,776,574	\$12,776,574	\$3,459,830	\$2,457,460	\$1,182,844	\$390,063	\$55,039	\$56,022	\$20,378,132	
2019	\$1,196,837,126	\$1,196,837,126		\$0	\$12,447,106	\$12,447,106	\$3,370,533	\$2,394,033	\$1,152,315	\$379,996	\$53,618	\$54,576	\$19,852,177	
2020	\$1,162,491,259	\$1,162,491,259		\$0	\$12,089,909	\$12,089,909	\$3,273,808	\$2,325,331	\$1,119,247	\$369,091	\$52,080	\$53,010	\$19,282,475	
2021	\$1,125,144,474	\$1,125,144,474		\$0	\$11,701,503	\$11,701,503	\$3,168,632	\$2,290,626	\$1,083,289	\$357,233	\$50,406	\$51,307	\$18,662,996	
2022	\$1,085,031,059	\$1,085,031,059		\$0	\$11,284,323	\$11,284,323	\$3,055,664	\$2,170,388	\$1,044,668	\$344,497	\$48,609	\$49,477	\$17,997,627	
2023	\$1,041,858,469	\$1,041,858,469		\$0	\$10,835,328	\$10,835,328	\$2,934,082	\$2,084,029	\$1,003,101	\$330,790	\$46,675	\$47,509	\$17,281,515	
2024	\$995,652,681	\$995,652,681		\$0	\$10,354,788	\$10,354,788	\$2,803,957	\$1,991,404	\$958,614	\$316,120	\$44,605	\$45,402	\$16,515,090	
2025	\$946,421,256	\$946,421,256		\$0	\$9,842,781	\$9,842,781	\$2,665,312	\$1,893,126	\$911,214	\$300,889	\$42,400	\$43,157	\$15,698,479	
2026	\$893,961,655	\$893,961,655		\$0	\$9,297,201	\$9,297,201	\$2,517,575	\$1,788,191	\$860,706	\$283,833	\$40,049	\$40,765	\$14,828,321	
2027	\$838,439,451	\$838,439,451		\$0	\$8,719,770	\$8,719,770	\$2,361,213	\$1,677,130	\$807,250	\$266,205	\$37,562	\$38,233	\$13,907,363	
2028	\$779,901,923	\$779,901,923		\$0	\$8,110,980	\$8,110,980	\$2,196,360	\$1,560,038	\$750,890	\$247,619	\$34,940	\$35,564	\$12,936,389	
2029	\$718,250,135	\$718,250,135		\$0	\$7,469,801	\$7,469,801	\$2,022,736	\$1,436,716	\$691,531	\$228,044	\$32,178	\$32,752	\$11,913,759	
							\$144,259,805	\$39,063,891	#####	#####	#####	\$621,427	\$632,524	\$230,083,292

Source: CPA, Maverick Tube Corporation dba Tenaris USA

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 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$144,259,805. The estimated gross 15 year M&O tax benefit, or levy loss, is \$99,779,271.

Attachment 3 is an economic overview of Matagorda 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

Attachment 17
Schedule A (Rev. May 2010): Investment

Applicant Name: **Mewlick Tube Corporation**
 SBI Number: **VA, ME, RD**

Form 80-236

Period	Year	School Year (YYYY-YYYY)	Year Year (Year built)	PROPERTY INVESTMENT AMOUNTS					Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
				Investment made before being complete application with district (whether qualified property not eligible to become qualified investment)	Investment made after final board approval of application and deferred commencement of investment and eligible to become qualified property - assuming deferral	Investment made after final board approval of application and deferred commencement of investment and eligible to become qualified property - assuming deferral	Investment made before being complete application with district (whether qualified property not eligible to become qualified investment)	Investment made after final board approval of application and deferred commencement of investment and eligible to become qualified property - assuming deferral		
Period preceding the first complete tax year of the qualifying time period (assumes deferral)	1	2015-2016	2015	\$ 251,000,000	\$ 577,000,000	\$ 259,000,000	\$ 394,000,000	\$ 394,000,000	\$ 122,000,000	
	2	2016-2017	2016	\$ 334,000,000	\$ 1,521,000,000	\$ 478,000,000	\$ 397,000,000	\$ 397,000,000	\$ 214,700,000	
	3	2017-2018	2017	\$ 237,100,000	\$ 81,900,000	\$ 319,000,000	\$ -	\$ -	\$ 324,100,000	
	4	2018-2019	2018	-	-	-	-	-	-	
	5	2019-2020	2019	-	-	-	-	-	-	
	6	2020-2021	2020	-	-	-	-	-	-	
	7	2021-2022	2021	-	-	-	-	-	-	
	8	2022-2023	2022	-	-	-	-	-	-	
	9	2023-2024	2023	-	-	-	-	-	-	
	10	2024-2025	2024	-	-	-	-	-	-	
	11	2025-2026	2025	-	-	-	-	-	-	
	12	2026-2027	2026	-	-	-	-	-	-	
	13	2027-2028	2027	-	-	-	-	-	-	
	14	2028-2029	2028	-	-	-	-	-	-	
	15	2029-2030	2029	-	-	-	-	-	-	

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

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

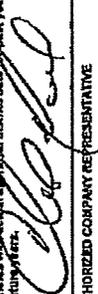
Column B: For the year outside the qualifying time period, this number should simply represent the planned investment in tangible personal property, not cumulative totals. It includes estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period.

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

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonresidential 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 amount should be entered for each year of the "pre-year 1" time period. It should be part of qualified investment.

Column E: Total can be listed as part of investment during the "pre-year 1" time period. It should be part of qualified 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 original district data for each year and update estimates for current and future years. If original estimates have not changed, enter these amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 3/26/2013

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

Form 50-296

Applicant Name
 80 Name

Van Vleet SD

Year	School Year (YYYY-YYYY)	Year (Fill in actual tax year)	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 M&O—after all reductions	Final taxable value for M&O—after all reductions	
pre-year 1	2013-2014	2013	\$ 12,000,000	\$ 13,650,000	\$ 31,000,000			\$ 58,650,000	\$ 56,650,000
pre-year 1 (assumes deferral)	2014-2015	2014	\$ 12,000,000	\$ 67,150,000	\$ 156,500,000	\$ 15,000,000	\$ 30,000,000	\$ 220,650,000	\$ 220,650,000
1	2015-2016	2015	\$ 12,000,000	\$ 138,150,000	\$ 323,500,000	\$ 30,000,000	\$ 60,000,000	\$ 443,650,000	\$ 443,650,000
2	2016-2017	2016	\$ 12,000,000	\$ 358,200,000	\$ 884,100,000	\$ 60,000,000	\$ 1,194,300,000	\$ 1,194,300,000	\$ 1,194,300,000
3	2017-2018	2017	\$ 12,000,000	\$ 369,842,722	\$ 905,758,037	\$ 60,153,150	\$ 1,228,545,609	\$ 1,228,545,609	\$ 1,228,545,609
4	2018-2019	2018	\$ 12,000,000	\$ 385,356,205	\$ 877,845,136	\$ 58,384,215	\$ 1,188,837,126	\$ 1,188,837,126	\$ 1,188,837,126
5	2019-2020	2019	\$ 12,000,000	\$ 360,311,719	\$ 846,609,844	\$ 58,430,404	\$ 1,182,491,259	\$ 1,182,491,259	\$ 1,182,491,259
6	2020-2021	2020	\$ 12,000,000	\$ 354,894,614	\$ 812,781,628	\$ 54,331,768	\$ 1,125,144,474	\$ 1,125,144,474	\$ 1,125,144,474
7	2021-2022	2021	\$ 12,000,000	\$ 348,611,544	\$ 776,489,412	\$ 52,079,857	\$ 1,065,031,059	\$ 1,065,031,059	\$ 1,065,031,059
8	2022-2023	2022	\$ 12,000,000	\$ 341,916,201	\$ 737,605,791	\$ 49,893,523	\$ 1,047,859,469	\$ 1,047,859,469	\$ 1,047,859,469
9	2023-2024	2023	\$ 12,000,000	\$ 334,681,629	\$ 698,050,140	\$ 47,079,098	\$ 995,652,681	\$ 995,652,681	\$ 995,652,681
10	2024-2025	2024	\$ 12,000,000	\$ 326,874,705	\$ 651,877,214	\$ 44,330,683	\$ 946,421,256	\$ 946,421,256	\$ 946,421,256
11	2025-2026	2025	\$ 12,000,000	\$ 318,431,633	\$ 604,937,023	\$ 41,407,001	\$ 893,981,655	\$ 893,981,655	\$ 893,981,655
12	2026-2027	2026	\$ 12,000,000	\$ 309,398,418	\$ 555,359,700	\$ 38,316,668	\$ 838,439,451	\$ 838,439,451	\$ 838,439,451
13	2027-2028	2027	\$ 12,000,000	\$ 289,747,096	\$ 503,219,818	\$ 35,064,981	\$ 779,901,923	\$ 779,901,923	\$ 779,901,923
14	2028-2029	2028	\$ 12,000,000	\$ 289,456,991	\$ 448,427,114	\$ 31,643,970	\$ 718,250,135	\$ 718,250,135	\$ 718,250,135
15	2029-2030	2029	\$ 12,000,000	\$ 289,456,991	\$ 448,427,114	\$ 31,643,970	\$ 718,250,135	\$ 718,250,135	\$ 718,250,135

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be reconciled 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 data for past years and update estimates for current and future years. If original estimates have not changed, enter these amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

[Signature]
 6/6/2013

Schedule C- Application: Employment Information

Maverick Tube Corporation
Van Vleet ISD

Applicant Name
ISD Name

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 FTEs	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	500	34,170				
	pre-year 1 (assumes deferral)	2014-2015	2014	1900	34,170				
	1	2015-2016	2015	2500	34,170	200	59,082	160	59,082
	2	2016-2017	2016	1250	34,170	415	59,082	332	59,082
	3	2017-2018	2017	150	34,170	600	59,082	480	59,082
	4	2018-2019	2018			600	59,082	460	59,082
	5	2019-2020	2019			600	59,082	480	59,082
	6	2020-2021	2020			600	59,082	480	59,082
	7	2021-2022	2021			600	59,082	480	59,082
	8	2022-2023	2022			600	59,082	480	59,082
	9	2023-2024	2023			600	59,082	480	59,082
	10	2024-2025	2024			600	59,082	480	59,082
	11	2025-2026	2025			600	59,082	480	59,082
	12	2026-2027	2026			600	59,082	480	59,082
	13	2027-2028	2027			600	59,082	480	59,082
	14	2029-2029	2028			600	59,082	480	59,082
	15	2029-2030	2029			600	59,082	480	59,082
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
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

7/24/2013
DATE

Attachment # 20

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

Form 50-296

Van Vleck ISD

Franchise Tax

Sales Tax Information

Maverick Tube Corporation

Applicant Name

Applicant Name		Maverick Tube Corporation		Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought				
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
Period preceding the first complete tax year of the qualifying time period (assumes deferral)	2013-2014	2013	26,124,812	96,675,188	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
Complete tax years of qualifying time period	2014-2015	2014	105,539,996	289,060,004	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2015-2016	2015	140,415,413	374,284,687	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
Value Limitation Period	2016-2017	2016	99,106,002	224,993,998	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2017-2018	2017	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2018-2019	2018	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2019-2020	2019	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2020-2021	2020	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2021-2022	2021	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2022-2023	2022	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2023-2024	2023	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2024-2025	2024	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2025-2026	2025	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2026-2027	2026	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2027-2028	2027	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2028-2029	2028	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	2029-2030	2029	2,000,000	-	3,000,000	100%	n/a	100%	100%	n/a	100%	100%
	Credit Settle-Up Period											
Post-Settle-Up Period												

*For planning, construction and operation of the facility.

DATE 3/28/2017

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*NOTE Maverick Tube Corporation files sales tax returns under Hydriil Company

Attachment 2



TEXAS EDUCATION AGENCY

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

July 25, 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 Maverick Tube Corporation dba Tenaris USA project on the number and size of school facilities in Van Vleck Independent School District (VVISD). Based on the analysis prepared by Walsh, Anderson, Gallegos, Green and Trevino, P.C. for the school district and a conversation with John O'Brien, the superintendent for the district, the TEA has found that the Maverick Tube Corporation dba Tenaris USA project would not have a significant impact on the number or size of school facilities in VVISD.

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 regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al McKenzie', with a long horizontal flourish extending to the right.

Al McKenzie, Manager
Foundation School Program Support

AM/rk



TEXAS EDUCATION AGENCY

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

Office of Public Information
512.463.9734

July 25, 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 Maverick Tube Corporation dba Tenaris USA project for the Van Vleck Independent School District (VVISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Walsh, Anderson, Gallegos, Green and Trevino, P.C. and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Maverick Tube Corporation dba Tenaris USA project on VVISD 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 regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al McKenzie', written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
MAVERICK TUBE CORPORATION PROJECT ON THE
FINANCES OF VAN VLECK ISD UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION AGREEMENT

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
REVISED JUNE 23, 2013

Introduction

Maverick Tube Corporation DBA Tenaris USA has submitted an application to the Van Vleck ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Van Vleck ISD Board of Trustees accepted the application on April 15, 2013. The application is for a seamless pipe mill, heat treatment, and threading manufacturing project as authorized by Sec. 313.024. (b) of the Tax Code. Maverick Tube Corporation DBA Tenaris USA is proposing a \$1,153,000,000 qualified investment in this new seamless pipe-manufacturing project in Van Vleck ISD.

This project is authorized by the intent of HB 1200 in the 77th Legislative Session in 2001. Other enabling legislation expanded participation to specified additional qualifying applicants. This application is consistent with the intent of the original legislation.

The purpose of the enacted legislation was to encourage large-scale capital investments in Texas by providing authority for school districts to provide property value limitations for qualifying applicants.

Maverick Tube Corporation DBA Tenaris USA is proposing to invest in Van Vleck ISD for their manufacturing project. After the 2-year qualifying period, 2015-16 and 2016-17, Maverick Tube Corporation DBA Tenaris USA proposes a \$10,000,000 value limitation. The years 2015-16 and 2016-17 (years 1 and 2) would be the qualifying period and the limitation would extend from 2017-18 through 2024-25 (years 3-10). Beginning with the 2017-18 school year, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

School Finance Background

In 2006, Texas Schools moved from a formula driven system to a target revenue system with the passage of HB 1 in the third called legislative session. In essence, the target revenue system established a target revenue amount the district would receive and drove the maintenance and operations (M&O) tax rate down to 66.67% of the established M&O rate (Compressed Rate). Districts were to lower their rate to that level and the state supplied the revenue to make up for the loss of M&O funds because of M&O rate decrease. This was funded as Additional State Aide for Tax Rate Reduction (ASATR). Subsequent legislation sought to increase school districts Target Revenue by allowing the district to keep more of their tax revenue by moving qualifying districts to a formula based funding mechanism rather than the target revenue system.

Van Vleck ISD has received ASATR funding since HB1. This is illustrated in Table A.

Table A

School Year	ASATR Funds
2006-07	505,674
2007-08	1,872,026
2008-09	1,133,951

2009-10	913,683
2010-11	1,542,927
2011-12	1,052,005
2012-13	372,569

Another component of school finance legislation that started with HB1 in 2006 was the ability to raise the local M&O tax rate to 4 cents above the Compressed Rate for local enrichment. Additional M&O "pennies" could be added to the tax rate by voter approval.

The importance of the additional pennies has been not only to increase M&O revenue but also to increase the equalization funding from the state. The Guaranteed Yield for the tax rate of \$1.05 and \$1.06 is \$59.97 per cent of tax effort per Weighted ADA and \$31.95 for the tax rate from \$1.07 through \$1.17

With the passage of SB 1 in 2011, funding reductions were targeted to be near \$4 billion. The mechanics of the legislation was to reduce cost outlays because of state revenue availability and also eliminate ASATR by 2017-18. For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formulas. For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year

In 2013, the passage of SB 1, the main state budget bill, and HB 1025 include a restoration of about \$3.4 billion for public education. SB 1 and HB 1025 contain the changes to the funding elements for the FSP in 2014-15 biennium. These two bills together increase the FSP formulas by \$3.4 billion (\$4.0 billion reduction last biennium from FSP). When combined with the funding levels for the basic allotment in SB 1, the approximate \$100 million added to the FSP per year increases the basic allotment for the 2013-14 school year to \$4,950 and the 2014-15 school year to \$5,040. The FSP Funding changes are outlined below.

	FSP Funding Elements - SB 1 Supplemented by HB 1025					
	Current Law	2013-14	2014-15	2015-16	2016-17	2017-18
Basic Allotment	\$4765	\$4950	\$5040	\$5040	\$5040	\$5040
Equalized Wealth Level – Compressed Tier	\$476,500	\$495,000	\$504,000	\$504,000	\$504,000	\$504,000
Golden Penny Yield	\$59.97	\$59.97	\$61.86	\$62.11	\$63.66	\$65.24
Copper Penny Yield	\$31.95	\$31.95	\$31.95	\$31.95	\$31.95	\$31.95
Copper Penny Equalized Wealth Level	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000
Regular Program Allotment Adjustment	0.98	1.000	1.000	Expired	Expired	Expired
Hold Harmless Reduction Percentage	0.9235	0.9263	0.9263	0.9263	0.9263	Expired

One important element of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of

the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f) (1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the "comptroller's property tax division" (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding Year).

In calculating district's state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used.

For the purposes of these calculations, the starting point is to determine what the projected CAD value for the 2013-14 school year will be. The following chart (Table B) illustrates the historical value growth/decline for recent years. Final Certified Values will not be received by Van Vleck ISD until July 29, 2013.

Table B

Tax Year	CAD Value
2007	\$457,633,238
2008	\$551,245,364
2009	\$561,254,397
2010	\$529,808,800
2011	\$501,447,555
2012	\$509,228,094
2013	\$516,397,894

The CAD values for Van Vleck ISD have shown an inconsistent growth rate over the last 6 years.

Average Daily Attendance in Van Vleck ISD has been inconsistent since 2006-07. See Table C.

Table C

Tax Year	ADA Value
2006-07	891.34
2007-08	865.32
2008-09	858.38
2009-10	901.61
2010-11	913.76
2011-12	864.98
2012-13	866.00

An ADA of 866 has been used as the basis of these calculations. The enrollment projections provided by Van Vleck ISD's pupil projections are used as a basis for these estimates. The magnitude of this project with projected job creation of 600+ workers could have an impact on enrollment.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by Maverick Tube Corporation DBA Tenaris USA certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by Senate Bill 1 and supplemented by House Bill 1025 passed in 2013. This school funding system and formulas were used for the duration of the project.
2. The ADA funding driver used is 866 as explained in Table 3 and this number was used for the duration of the agreement.
3. The general approach used here is to maintain relatively static base property values. The District's local 2013 CAD value estimate of \$516,397,994 is maintained for the forecast period. Finally, the proposed taxable values from the Maverick Tube Corporation DBA Tenaris USA project are added to the base model used here. The company revised the proposed taxable values after the initial application submission and those revised values are used in this revised report. In order to remain constant throughout the fifteen-year period a collection rate of 98% is used in the calculations.
4. Van Vleck ISD voters approved a tax rate of \$1.04 for the 2010-11 school year. This tax rate is held constant for the duration of the agreement to determine M&O taxes and state revenues.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Van Vleck ISD and Maverick Tube Corporation DBA Tenaris USA – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those value to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement. This is summarized in Table 4.

Financial Impact on the District

Utilizing the base line data from Exhibit A in calculating the M&O taxes and state revenues in Exhibit B, losses to the district are noted in project years 3-10 resulting from the lag of the CPTD following its use as CAD value for each of those years. Beginning at year 11 the reverse is true as the full value comes on to M&O portion of the rate and revenues remain flat.

Beginning with 2014-15, a district becomes subject to recapture under Chapter 41 if the district exceeds \$504,000 in property value / per Weighted ADA (WADA) at the Compressed Rate and \$319,500 per WADA at M&O tax rates from \$1.07 through \$1.17. Currently the district has 1498.645 WADA. For year 3, the largest value of the project, the CPTD value will be \$964,405,231. The result is that the district will have a maximum value from the Maverick Tube Corporation DBA Tenaris USA of \$634,210 per WADA resulting in value per WADA above the recapture threshold.

Impact on Taxpayer

The property listed within is fully taxable for the first 2 years on the agreement. In year 3, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions, Maverick Tube Corporation DBA Tenaris USA has the potential savings in M&O taxes of \$99,779,271 in gross tax savings (\$93,078,551 tax savings + \$6,700,720 credits. This does not include school revenue loss). The credits may be recovered at 1/7 of credit amount per year for each of project years 4-10. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only.

Facilities Funding and Instructional Facilities Allotment

The interest and sinking fund (I&S) is used to tax the property value of the district to retire voter approved bonded indebtedness. The state of Texas has provided funding to enable districts that raise less than \$35 per ADA per 1 cent of tax effort funding to guarantee the district will reach that level of funding. This program is called the Instructional Facilities Allotment (IFA). TEA provides the difference between what the district raises per ADA/1 cent of tax effort and the \$35. The basis for the funding is the T8 CPTD value (the value that the comptroller assigns to the full taxable value for I&S purposes) and this value lags a year behind the local CAD value as with M&O funding. As property values (T8) increases in value the district's ability to raise more of the \$35 goes up as well.

Van Vleck ISD currently has no debt service, therefore does not tax for I&S purposes.

Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, it is evident by the analysis that several aspects apply to the Maverick Tube Corporation DBA Tenaris USA and Van Vleck ISD's proposed agreement. The proposed project enhances the tax base of VVISED and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for Maverick Tube Corporation DBA Tenaris USA under a Chapter 313 agreement could reach an estimated \$87.9 million. This amount is net of any anticipated revenue losses, but prior to any supplemental payments to VVISED as permitted by law. The additional taxable value also enhances the tax base of VVISED in meeting possible future debt service obligations.

Table 1- Base District Information with Maverick Tube Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	IS Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	With Limitation per WADA
Pre-Year 1	2014-15	866.00	1,491.23	\$1.0400	\$0.0000	\$516,397,894	\$516,397,894	\$520,755,231	\$520,755,231	\$349,212	\$349,212
1	2015-16	866.00	1,516.32	\$1.0400	\$0.0000	\$737,047,894	\$737,047,894	\$520,755,231	\$520,755,231	\$343,434	\$343,434
2	2016-17	866.00	1,516.38	\$1.0400	\$0.0000	\$960,047,894	\$960,047,894	\$741,405,231	\$741,405,231	\$488,287	\$488,287
3	2017-18	866.00	1,520.64	\$1.0400	\$0.0000	\$1,710,697,894	\$526,397,894	\$964,405,231	\$964,405,231	\$634,210	\$634,210
4	2018-19	866.00	1,523.10	\$1.0400	\$0.0000	\$1,744,943,503	\$526,397,894	\$1,715,055,231	\$530,755,231	\$1,126,029	\$348,470
5	2019-20	866.00	1,523.10	\$1.0400	\$0.0000	\$1,713,235,020	\$526,397,894	\$1,749,300,840	\$530,755,231	\$1,148,513	\$348,470
6	2020-21	866.00	1,523.10	\$1.0400	\$0.0000	\$1,678,889,153	\$526,397,894	\$1,717,592,357	\$530,755,231	\$1,127,695	\$348,470
7	2021-22	866.00	1,523.10	\$1.0400	\$0.0000	\$1,641,542,368	\$526,397,894	\$1,683,248,490	\$530,755,231	\$1,105,145	\$348,470
8	2022-23	866.00	1,523.10	\$1.0400	\$0.0000	\$1,601,428,553	\$526,397,894	\$1,645,899,705	\$530,755,231	\$1,080,625	\$348,470
9	2023-24	866.00	1,523.10	\$1.0400	\$0.0000	\$1,568,256,363	\$526,397,894	\$1,605,766,290	\$530,755,231	\$1,054,288	\$348,470
10	2024-25	866.00	1,523.10	\$1.0400	\$0.0000	\$1,512,050,575	\$526,397,894	\$1,562,613,700	\$530,755,231	\$1,025,943	\$348,470
11	2025-26	866.00	1,523.10	\$1.0400	\$0.0000	\$1,462,819,150	\$1,462,819,150	\$1,516,407,912	\$530,755,231	\$995,606	\$348,470
12	2026-27	866.00	1,523.10	\$1.0400	\$0.0000	\$1,410,359,549	\$1,410,359,549	\$1,467,176,487	\$1,467,176,487	\$963,283	\$963,283
13	2027-28	866.00	1,523.10	\$1.0400	\$0.0000	\$1,354,837,345	\$1,354,837,345	\$1,414,716,866	\$1,414,716,866	\$928,840	\$928,840
14	2028-29	866.00	1,523.10	\$1.0400	\$0.0000	\$1,296,299,817	\$1,296,299,817	\$1,359,194,682	\$1,359,194,682	\$892,387	\$892,387
15	2029-30	866.00	1,523.10	\$1.0400	\$0.0000	\$1,234,648,029	\$1,234,648,029	\$1,300,657,154	\$1,300,657,154	\$853,954	\$853,954
2013-14	Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$495,000 per WADA										
2014-15	Tier II Yield: \$47.65; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA										
2015-16	Tier II Yield: \$47.65; AISD Yield: \$62.11; Equalized Wealth: \$504,000 per WADA										
2016-17	Tier II Yield: \$47.65; AISD Yield: \$63.66; Equalized Wealth: \$504,000 per WADA										
2017-18	Tier II Yield: \$47.65; AISD Yield: \$65.24; Equalized Wealth: \$504,000 per WADA										

Table 2 - "Baseline Revenue Model" - Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$4,748,960	\$2,746,087	\$0	\$0	\$0	\$514,167	\$234,235	-\$17,196	\$8,226,254
1	2015-16	\$6,778,128	\$2,707,132	\$0	\$0	\$0	\$733,864	\$350,392	-\$20,103	\$10,549,414
2	2016-17	\$8,828,908	\$636,553	\$0	\$0	\$0	\$955,900	\$171,465	-\$129,882	\$10,462,944
3	2017-18	\$15,732,125	\$290,874	\$0	\$0	-\$3,186,041	\$1,703,308	\$28,850	-\$332,232	\$14,236,685
4	2018-19	\$16,047,059	\$290,674	\$0	\$0	-\$8,680,523	\$1,737,405	\$0	-\$489,150	\$8,905,465
5	2019-20	\$15,755,457	\$290,902	\$0	\$0	-\$8,651,525	\$1,705,834	\$0	-\$483,966	\$8,616,682
6	2020-21	\$15,439,602	\$290,978	\$0	\$0	-\$8,354,723	\$1,671,636	\$0	-\$470,909	\$8,576,584
7	2021-22	\$15,096,149	\$291,357	\$0	\$0	-\$8,033,109	\$1,634,451	\$0	-\$456,720	\$8,532,128
8	2022-23	\$14,727,253	\$291,813	\$0	\$0	-\$7,686,607	\$1,594,511	\$0	-\$441,448	\$8,485,522
9	2023-24	\$14,330,224	\$292,344	\$0	\$0	-\$7,314,668	\$1,551,525	\$0	-\$425,043	\$8,434,182
10	2024-25	\$13,905,301	\$293,255	\$0	\$0	-\$6,917,078	\$1,505,518	\$0	-\$407,484	\$8,379,512
11	2025-26	\$13,452,553	\$293,445	\$0	\$0	-\$6,493,622	\$1,458,500	\$0	-\$388,784	\$8,320,091
12	2026-27	\$12,970,118	\$293,635	\$0	\$0	-\$6,043,940	\$1,404,267	\$0	-\$368,858	\$8,255,181
13	2027-28	\$12,459,518	\$294,014	\$0	\$0	-\$5,568,268	\$1,348,984	\$0	-\$347,854	\$8,188,394
14	2028-29	\$11,921,188	\$294,204	\$0	\$0	-\$5,067,969	\$1,290,700	\$0	-\$325,656	\$8,112,427
15	2029-30	\$11,354,218	\$294,394	\$0	\$0	-\$4,543,444	\$1,229,314	\$0	-\$302,419	\$8,032,063

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$4,748,960	\$2,746,087	\$0	\$0	\$0	\$514,167	\$234,235	-\$17,196	\$8,226,254
1	2015-16	\$6,778,128	\$2,707,132	\$0	\$0	\$0	\$733,864	\$350,392	-\$20,103	\$10,549,414
2	2016-17	\$8,828,908	\$636,553	\$0	\$0	\$0	\$955,900	\$171,465	-\$129,882	\$10,462,944
3	2017-18	\$4,840,923	\$290,978	\$0	\$0	-\$1,048,225	\$524,124	\$8,877	-\$102,231	\$4,514,446
4	2018-19	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
5	2019-20	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
6	2020-21	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
7	2021-22	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
8	2022-23	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
9	2023-24	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
10	2024-25	\$4,840,923	\$2,629,312	\$0	\$0	\$0	\$524,124	\$269,959	-\$17,127	\$8,247,191
11	2025-26	\$13,452,553	\$2,661,208	\$0	\$0	\$0	\$1,458,500	\$750,197	-\$47,596	\$18,272,861
12	2026-27	\$12,970,118	\$293,635	\$0	\$0	-\$6,043,940	\$1,404,267	\$0	-\$368,858	\$8,255,181
13	2027-28	\$12,459,518	\$294,014	\$0	\$0	-\$5,568,268	\$1,348,984	\$0	-\$347,854	\$8,188,394
14	2028-29	\$11,921,188	\$294,204	\$0	\$0	-\$5,067,969	\$1,290,700	\$0	-\$325,656	\$8,112,427
15	2029-30	\$11,354,218	\$294,394	\$0	\$0	-\$4,543,444	\$1,229,314	\$0	-\$302,419	\$8,032,063

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	2017-18	-\$10,891,202	\$304	\$0	\$0	\$2,137,815	-\$1,179,184	-\$19,973	\$230,001	-\$9,722,239
5	2018-19	-\$11,205,135	\$2,338,638	\$0	\$0	\$8,680,523	-\$1,213,282	\$269,959	\$472,023	-\$866,274
6	2019-20	-\$10,914,534	\$2,338,410	\$0	\$0	\$8,651,525	-\$1,181,710	\$269,959	\$466,859	-\$369,491
7	2020-21	-\$10,598,678	\$2,338,334	\$0	\$0	\$8,354,723	-\$1,147,513	\$269,959	\$453,782	-\$329,393
8	2021-22	-\$10,255,225	\$2,337,955	\$0	\$0	\$8,033,109	-\$1,110,327	\$269,959	\$439,592	-\$284,937
9	2022-23	-\$9,868,330	\$2,337,489	\$0	\$0	\$7,686,607	-\$1,070,387	\$269,959	\$424,320	-\$238,331
10	2023-24	-\$9,489,301	\$2,336,968	\$0	\$0	\$7,314,668	-\$1,027,401	\$269,959	\$407,915	-\$186,991
11	2024-25	-\$9,064,377	\$2,336,057	\$0	\$0	\$6,917,078	-\$981,395	\$269,959	\$390,357	-\$132,321
12	2025-26	\$0	\$2,367,763	\$0	\$0	\$6,493,622	\$0	\$750,197	\$341,188	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

TABLE 5. Estimated Financial Impact of the Tenaris Project Property Value Limitation Request Submitted to Van Vleck ISD at \$1.04 M&O Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Projection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2014-15			\$0	\$1.040				\$0	\$0	\$0	\$0
1	2015-16	\$220,650,000	\$220,650,000	\$0	\$1.040	\$2,294,760	\$2,294,760	\$0	\$0	\$0	\$0	\$0
2	2016-17	\$443,650,000	\$443,650,000	\$0	\$1.040	\$4,613,960	\$4,613,960	\$0	\$0	\$0	\$0	\$0
3	2017-18	\$1,194,300,000	\$10,000,000	\$1,184,300,000	\$1.040	\$12,420,720	\$104,000	\$12,316,720	\$0	\$12,316,720	-\$9,722,239	\$2,594,481
4	2018-19	\$1,228,545,609	\$10,000,000	\$1,218,545,609	\$1.040	\$12,776,874	\$104,000	\$12,672,874	\$52,000	\$12,724,874	-\$658,274	\$12,066,601
5	2019-20	\$1,156,837,125	\$10,000,000	\$1,146,837,126	\$1.040	\$12,447,108	\$104,000	\$12,343,106	\$52,000	\$12,395,106	-\$369,491	\$12,025,616
6	2020-21	\$1,162,491,259	\$10,000,000	\$1,152,491,259	\$1.040	\$12,089,909	\$104,000	\$11,985,909	\$52,000	\$12,037,909	-\$329,393	\$11,708,516
7	2021-22	\$1,125,144,474	\$10,000,000	\$1,115,144,474	\$1.040	\$11,701,503	\$104,000	\$11,597,503	\$52,000	\$11,649,503	-\$284,937	\$11,364,565
8	2022-23	\$1,085,031,059	\$10,000,000	\$1,075,031,059	\$1.040	\$11,284,323	\$104,000	\$11,180,323	\$52,000	\$11,232,323	-\$238,331	\$10,993,992
9	2023-24	\$1,041,858,469	\$10,000,000	\$1,031,858,469	\$1.040	\$10,835,328	\$104,000	\$10,731,328	\$52,000	\$10,783,328	-\$188,991	\$10,596,337
10	2024-25	\$995,652,681	\$10,000,000	\$985,652,681	\$1.040	\$10,354,788	\$104,000	\$10,250,788	\$52,000	\$10,302,788	-\$132,321	\$10,170,467
11	2025-26	\$946,421,255	\$946,421,255	\$0	\$1.040	\$9,842,781	\$9,842,781	\$0	\$6,336,720	\$6,336,720	\$0	\$6,336,720
12	2026-27	\$893,561,655	\$893,561,655	\$0	\$1.040	\$9,297,201	\$9,297,201	\$0	\$0	\$0	\$0	\$0
13	2027-28	\$838,439,451	\$838,439,451	\$0	\$1.040	\$8,719,770	\$8,719,770	\$0	\$0	\$0	\$0	\$0
14	2028-29	\$779,901,923	\$779,901,923	\$0	\$1.040	\$8,110,980	\$8,110,980	\$0	\$0	\$0	\$0	\$0
15	2029-30	\$718,250,135	\$718,250,135	\$0	\$1.040	\$7,469,801	\$7,469,801	\$0	\$0	\$0	\$0	\$0
						\$144,259,805	\$1,181,254	\$93,078,551	\$6,700,720	\$99,779,271	-\$11,521,976	\$67,857,295
Tax Credit for Value Over Limit in First 2 Years								Year 1	Year 2	Max Credits		
								\$2,190,760	\$4,509,960	\$6,700,720		
								Credits Earned		\$6,700,720		
								Credits Paid		\$6,700,720		
								Excess Credits Unpaid		\$0		

Attachment 3

Matagorda County

Population

- Total county population in 2010 for Matagorda County: 37,128 , up 0.6 percent from 2009. State population increased 1.8 percent in the same time period.
- Matagorda County was the state's 80th largest county in population in 2010 and the 138 th fastest growing county from 2009 to 2010.
- Matagorda County's population in 2009 was 47.1 percent Anglo (above the state average of 46.7 percent), 11.3 percent African-American (below the state average of 11.3 percent) and 37.9 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Matagorda County:

Bay City:	17,872	Palacios:	5,034
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Economy and Income

Employment

- September 2011 total employment in Matagorda County: 16,051 , down 0.7 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 Matagorda County unemployment rate: 12.0 percent, up from 11.5 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

- Matagorda County's ranking in per capita personal income in 2009: 170th with an average per capita income of \$30,409, up 1.7 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 Matagorda County averaged \$145.34 million annually from 2007 to 2010. County total agricultural values in 2010 were down 4.4 percent from 2009. Major agriculture related commodities in Matagorda County during 2010 included:
 - Hay
 - Rice
 - Sorghum
 - Other Beef
 - Nursery
- 2011 oil and gas production in Matagorda County: 222,917.0 barrels of oil and 16.3 million Mcf of gas. In September 2011, there were 103 producing oil wells and 244 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 Matagorda County during the fourth quarter 2010: \$58.96 million, up 9.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Bay City:	\$42.60 million, up 4.6 percent from the same quarter in 2009.
Palacios:	\$3.82 million, up 10.6 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 Matagorda County through the fourth quarter of 2010: \$225.33 million, up 0.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Bay City:	\$163.96 million, down 2.5 percent from the same period in 2009.
Palacios:	\$14.76 million, up 4.6 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Matagorda County during 2010: \$225.33 million, up 0.6 percent from 2009.
- Matagorda County sent an estimated \$14.08 million (or 0.08 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Bay City:	\$163.96 million, down 2.5 percent from 2009.
Palacios:	\$14.76 million, up 4.6 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 Matagorda County based on the sales activity month of August 2011: \$425,657.18, up 8.2 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Bay City:	\$372,628.18, up 9.1 percent from August 2010.
Palacios:	\$53,029.00, up 2.8 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 Matagorda County based on sales activity months from September 2010 through August 2011: \$5.02 million, up 9.4 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Bay City:	\$4.42 million, up 8.7 percent from fiscal 2010.
Palacios:	\$599,538.92, up 14.9 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 Matagorda County based on sales activity months through August 2011: \$3.37 million, up 10.6 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Bay City:	\$2.97 million, up 9.9 percent from the same period in 2010.
Palacios:	\$403,222.38, up 16.7 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 Matagorda County based on sales activity in the 12 months ending in August 2011: \$5.02 million, up 9.4 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Bay City:	\$4.42 million, up 8.7 percent from the previous 12-month period.
Palacios:	\$599,538.92, up 14.9 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

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

Bay City:	\$3.73 million, up 9.4 percent from the same period in 2010.
Palacios:	\$505,349.50, up 17.6 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 Matagorda County based on sales activity months in 2010: \$4.70 million, down 2.3 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Bay City:	\$4.16 million, down 3.5 percent from 2009.
Palacios:	\$541,935.06, up 7.9 percent from 2009.

Property Tax

- As of January 2009, property values in Matagorda County: \$5.43 billion, up 2.6 percent from January 2008 values. The property tax base per person in Matagorda County is \$146,763, above the statewide average of \$85,809. About 9.7 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Matagorda County's ranking in state expenditures by county in fiscal year 2010: 93rd. State expenditures in the county for FY2010: \$114.44 million, down 0.1 percent from FY2009.
- In Matagorda County, 15 state agencies provide a total of 100 jobs and \$1.04 million in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Department of Transportation
- Department of Family and Protective Services
- Parks & Wildlife Department
- Health & Human Services Commission
- Department of Public Safety

Higher Education

■ Community colleges in Matagorda County fall 2010 enrollment:

- None.

■ Matagorda County is in the service area of the following:

- Wharton County Junior College with a fall 2010 enrollment of 6,922 . Counties in the service area include:
 - Austin County
 - Colorado County
 - Fort Bend County
 - Jackson County
 - Matagorda County
 - Wharton County

■ Institutions of higher education in Matagorda County fall 2010 enrollment:

- None.

School Districts

■ Matagorda County had 5 school districts with 22 schools and 7,180 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.)

- Bay City ISD had 3,792 students in the 2009-10 school year. The average teacher salary was \$43,854. The percentage of students meeting the 2010 TAKS passing standard for all tests was 69 percent.
- Matagorda ISD had 99 students in the 2009-10 school year. The average teacher salary was \$43,891. The percentage of students meeting the 2010 TAKS passing standard for all tests was 73 percent.
- Palacios ISD had 1,508 students in the 2009-10 school year. The average teacher salary was \$50,902. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.
- Tidehaven ISD had 808 students in the 2009-10 school year. The average teacher salary was \$43,297. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.
- Van Vleck ISD had 973 students in the 2009-10 school year. The average teacher salary was \$47,081. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

VAN VLECK INDEPENDENT SCHOOL DISTRICT

and

MAVERICK TUBE CORPORATION DBA TENARIS USA

Texas Taxpayer No. 14314557662

Dated

November 18, 2013

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS §

COUNTY OF MATAGORDA §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES is executed and delivered by and between the **VAN VLECK INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District”, a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **MAVERICK TUBE CORPORATION DBA TENARIS USA**, Texas Taxpayer Identification Number 14314557662, and its successors and assigns, hereinafter referred to as the “Applicant.” The Applicant and the District are each hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.” Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on or about March 27, 2013 the Superintendent of Schools of the District, acting as agent of the Board of Trustees of the District (the “Board of Trustees”), received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on April 15, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Applicant, and on April 15, 2013, the Superintendent acknowledged receipt of a completed Application and the requisite application fee as established by the District pursuant to Texas Tax Code § 313.025(a)(1) and District Policy CCG (LOCAL); and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the “Comptroller”) for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, pursuant to Comptroller’s Rule § 9.1054, the Application was delivered for review to the Matagorda County Appraisal District (the “Appraisal District”); and,

WHEREAS, pursuant to Comptroller’s Rule § 9.1055(b)(3), on May 9, 2013, the Comptroller issued written notice to the District and Applicant that the Application was complete; and,

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code § 313.025(d), and on July 30, 2013, the Comptroller’s Office, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, the Board of Trustees has reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026 and has carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on May 26, 2013, the Texas Legislature, 83rd Regular Session, passed House Bill 3390, Section 23 of which provides that an agreement under Texas Tax Code Chapter 313 which is entered into on or after January 1, 2013, pursuant to an application filed under Chapter 313 before the January 1, 2014 effective date of House Bill 3390, may condition eligibility for a limitation on appraised value on compliance with the provisions of House Bill 3390 relating to the creation of new jobs; and

WHEREAS, Texas Tax Code §§ 313.0276 and 313.051(d), as amended by House Bill 3390, each relate to the creation of new jobs; and

WHEREAS, House Bill 3390 amends § 313.051(b) to (i) require a property owner to create at least 10 new qualifying jobs in order to be eligible for value limitation in a school district to which Subchapter C of Chapter 313, Texas Tax Code applies, and (ii) eliminate the requirement that 80 percent of all new jobs created must be qualifying jobs; and

WHEREAS, Subchapter C of Chapter 313, Texas Tax Code applies to the District; and

WHEREAS, House Bill 3390 adds § 313.0276 to impose a penalty on a property owner for failure to satisfy the qualifying jobs requirements of Chapter 313, as amended by House Bill 3390; and

WHEREAS, pursuant to Comptroller guidance, the Parties agree that they may amend this Agreement after January 1, 2014, to condition eligibility for a limitation on appraised value on compliance with the provisions of House Bill 3390 relating to the creation of new jobs; and

WHEREAS, on November 18, 2013 the Board of Trustees held a meeting to consider action on the Application; and,

WHEREAS, on November 18, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code § 313.025(e) has been met; and,

WHEREAS, on November 18, 2013, the Board of Trustees determined that the Limitation on Appraised Value requested by Applicant, as defined in Section 2.6, below, is consistent with the minimum values set out by Texas Tax Code, §§ 313.022(b) and 313.052, as such Limitation on Appraised Value was computed as of the date of this Agreement; and,

WHEREAS, on November 1, 2013, the District received written notification, pursuant to Comptroller's Rule § 9.1055(e)(2)(A) that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on July 30, 2013 that the Application be approved; and,

WHEREAS, on November 18, 2013, the Board of Trustees approved the form of this Agreement for a limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1 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 in Texas Tax Code §§ 313.027 and 313.051.

Section 1.2 Term of the Agreement

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below.

The period beginning with the Commencement Date and ending on December 31, 2016 is referred to herein as the "Qualifying Time Period." For the avoidance of doubt, the Limitation on Appraised Value described in Section 2.6 shall not begin until January 1, 2017 and shall not apply during the Qualifying Time Period.

Unless sooner terminated as provided herein, the Limitation on Appraised Value shall terminate on December 31, 2024. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount, including any Tax Credit, to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below, and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencement Date through December 31, 2014)	January 1, 2014	2014-15	2014	Start of Qualifying Time Period beginning with Commencement Date. No limitation on value.
1	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2016	2016-17	2016	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2017	2017-18	2017	\$ 10 million property value limitation.
4	January 1, 2018	2018-19	2018	\$ 10 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2019	2019-20	2019	\$ 10 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2010	2020-21	2020	\$ 10 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2021	2021-22	2021	\$ 10 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2022	2022-23	2022	\$ 10 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2023	2023-24	2023	\$ 10 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2024	2024-25	2024	\$ 10 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
12	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2027	2027-28	2027	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3 Definitions

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended as it existed on the date of this Agreement.

“Affiliate” of any specified person or entity means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition “control” when used with respect to any person or entity means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

“Affiliated Group” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated, pursuant to Texas Education Code § 42.005, by multiplying the District’s average daily attendance for that year times \$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.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403,

Subchapter M, of the 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 to 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 the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on or about March 27, 2013, which has been certified by the Comptroller's office to collectively constitute a complete final Application as of the date of May 9, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant.

"Application Date" shall mean May 9, 2013, the date on which, pursuant to Comptroller's Rule § 9.1055(b)(3), the Comptroller issued written notice to the District and Applicant that the Application was complete.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Commencement Date" means January 2, 2014, the date upon which the Parties agree that the Qualifying Time Period shall begin. This Agreement provides for a deferral of the commencement of the Qualifying Time Period pursuant to Tax Code § 313.027(h).

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Chapter 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Matagorda County, Texas.

"District" or "School District" means the Van Vleck Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2027, except for any final payment obligations hereunder.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property, or the Applicant's Qualified

Investment, or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment/Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution, plus (ii) 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, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) 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 Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"New Jobs" means "new jobs" as defined by Comptroller's Rule § 9.1051(14)(C).

“Qualified Investment” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“Qualifying Jobs” means New Jobs created by Applicant which meet the requirements of Texas Tax Code §§ 313.021(3) and 313.051(b).

“Qualified Property” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“State” means the State of Texas.

“Tax Credit” means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant’s Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules relating thereto.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (i.e., the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1 Location Within a Qualified Reinvestment or Enterprise Zone

The Applicant’s Qualified Property and Qualified Investment will be located within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment zone is attached to this Agreement as Exhibit 1 and is incorporated herein by reference for all purposes.

Section 2.2 Location of Qualified Property and Qualified Investment

Applicant’s Qualified Property will include and be located on, and Applicant’s Qualified Investment will be located on, Land described in the legal description that is attached to this

Agreement as Exhibit 2 and is incorporated herein by reference for all purposes. The Parties agree that the boundaries of the Land may not be materially changed from the configuration described in Exhibit 2 without each Party's express authorization.

Section 2.3 Description of Qualified Investment and Qualified Property

The Qualified Investment and/or Qualified Property that is subject to the Limitation on Appraised Value is described in Exhibit 3, which is attached hereto and incorporated herein by reference for all purposes. The Applicant's Qualified Investment shall be that property described in Exhibit 3 that is placed in service under the terms of the Application during the Qualifying Time Period. The Applicant's Qualified Property shall be all property described in Exhibit 3, including, but not limited to, the Applicant's Qualified Investment, which: (1) is owned by the Applicant; (2) is first placed in service after the Application Date; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in Exhibit 3 shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement.

Property owned by the Applicant which is not described on Exhibit 3 may not be considered to be Qualified Property unless the Applicant:

- (i) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Limitation on Appraised Value apply;
- (ii) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (iii) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Section 2.4 Applicant's Obligations to Provide Current Inventory of Qualified Property

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the Land, or upon a reasonable request by the District, the Comptroller, or the Appraisal District, the 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) comprising the Applicant's Qualified Property to which the Limitation on Appraised Value applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5 Qualifying Use

Applicant will use the Applicant's Qualified Investment and Applicant's Qualified Property described above in Section 2.3 as a manufacturing facility. As such, such property will qualify for a Limitation on Appraised Value under Texas Tax Code § 313.024(b)(1).

Section 2.6 Limitation on Appraised Value

So long as the Applicant makes a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the following eight (8) Tax Years—2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024—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:

- (i) the Market Value of the Applicant's Qualified Property; or
- (ii) Ten Million Dollars (\$10,000,000.00).

This "Limitation on Appraised Value" is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1 Intent of the Parties

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article III and Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District as a result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

Section 3.2 Calculating the Amount of Loss of Revenues by the District

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The Revenue Protection Amount owed by the Applicant to the District means the Original M&O Revenue minus the New M&O Revenue;

Where:

- (i) "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the ad valorem maintenance and operations tax actually levied for the applicable year.
- (ii) "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

- (i) The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- (ii) For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- (iii) If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- (iv) All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii of this Agreement will reflect the Limitation on Appraised Value for such year.
- (v) All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

Section 3.3 Compensation for Loss of Other Revenues

In addition to the amounts determined pursuant to Section 3.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (i) to the extent provided in Section 6.3, all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute;
- (ii) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the Applicant's Qualified Investment that are not 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 Applicant's Qualified Investment; and,
- (iii) any other loss of District revenues which are, or may be, attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

Section 3.4 Calculations to Be Made by Third Party

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

Section 3.5 Data Used for Calculations

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 3.6 Delivery of Calculations

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2, 3.3, Article IV, and/or Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in

which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7 Payment by Applicant

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of any expenses under this Section 3.7 and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8 Resolution of Disputes

Should the Applicant disagree with the certification prepared pursuant to Section 3.6, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9 Effect of Property Value Appeal or Other Adjustment

If at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District.

If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the

determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10 Effect of Statutory Changes

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1 Supplemental Payments

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the "Supplemental Payments" set forth in this Article IV.

(i) Amounts Exclusive of Indemnity Amounts

It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1.

(ii) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code § 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

(iii) Explicit Identification of Payments to District

The Applicant shall not be responsible to the District or to any other person or persons 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 made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement.

Section 4.2 Stipulated Supplemental Payment Amount - Subject to Annual Limit

On or before January 31, 2015 (the payment due date for Tax Year 2014), and continuing thereafter on or before the January 31 of each of the thirteen (13) years thereafter (i.e., through January 31, 2028, the payment due date for Tax Year 2027), the Applicant shall make a Supplemental Payment to the District in an amount equal to the greater of the following:

- (i) the Annual Limit; or,
- (ii) to the extent permitted by then-current law, the Applicant's "Stipulated Supplemental Payment Amount" as defined in Section 4.3.

Section 4.3 Annual Calculation of Stipulated Supplemental Payment Amount

The Parties agree that for each Tax Year described in Section 4.2, the Applicant's Stipulated Supplemental Payment Amount will be calculated in accordance with the following formula:

The Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 4.2 and 4.3, above, for such Tax Year, exceeds the Annual Limit for that Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Annual Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Annual Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year Thirteen (Tax Year 2027), because such payment would exceed the Annual Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 4.4 Procedures for Supplemental Payment Calculations

- (i) All calculations required by this Article IV shall be made by the Third Party selected pursuant to Section 3.4.
- (ii) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (iii) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.5 District's Option to Designate Successor Beneficiary

At any time during this Agreement, the Board of Trustees may, subject to the written consent of the Applicant and so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payments under this Article IV be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. The required consent needed from the Applicant to designate the Applicant's payments to a successor beneficiary shall not be unreasonably withheld.

Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will

become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1 Annual Limitation After First Three Years

Notwithstanding anything contained in this Agreement to the contrary, and with respect only to Tax Years 2017 through 2024 inclusive, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2 Option to Cancel Agreement

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 5.2, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1 Applicant's Entitlement to Tax Credits

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and the Comptroller's Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed application under Section 313.103 of the Texas Tax Code and the Comptroller's Rules.

Section 6.2 District's Obligations with Respect to Tax Credits

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and the Comptroller's Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and the Comptroller's Rules and/or the Texas Education Agency's rules.

Section 6.3 Compensation for Loss of Tax Credit Protection Revenues

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1 Data Requests

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as

necessary to properly appraise the Taxable Value of the Applicant's Qualified Property and any other tangible property on the premises. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the respective Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature, or subject to a confidentiality agreement with any third party.

Section 7.2 Reports to Other Governmental Agencies

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions or Texas Tax Code § 313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3 Applicant's Obligation to Maintain Viable Presence

By entering into this Agreement, the Applicant warrants that:

- (i) it will abide by all of the terms of this Agreement;
- (ii) it will Maintain Viable Presence in the District through the Final Termination Date; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence, to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (iii) it will meet minimum eligibility requirements under Tax Code, Chapter 313 through the Final Termination Date.

Section 7.4 Consequences of Early Termination or Material Breach by Applicant

In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant commits a Material Breach, after the notice and cure period provided by Section 7.8 and any dispute resolution conducted pursuant to Section 7.9, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. Applicant shall satisfy this recapture obligation by making a payment of liquidated damages, as prescribed by Comptroller's Rule § 9.1054(h)(11)(A), equal to the sum of the amounts derived

by applying the calculations below to each Tax Year with respect to which Applicant received a Limitation on Appraised Value:

The Market Value of Applicant's Qualified Property for such Tax Year;

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement;

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Plus,

Penalties and interest on the amount derived under the preceding calculations for such Tax Year, calculated in accordance with Section 7.5.

Minus,

Any amounts previously paid to the District under Article III or Article IV with respect to such Tax Year.

Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5 Calculation of Penalty and Interest

For purposes of Section 7.4, the District shall calculate penalty or interest for a Tax Year in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the amount calculated for such Tax Year 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 Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.6 Material Breach of Agreement

The Applicant shall be in "Material Breach" of this Agreement if it commits one or more of the following acts or omissions:

- (i) Applicant is determined to have made inaccurate material representations of fact in the submission of its Application.
- (ii) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date.
- (iii) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (iv) Applicant fails to create and maintain at least the number of New Jobs and Qualifying Jobs required by Texas Tax Code, Chapter 313.

- (v) Applicant fails to create and maintain at least the number of Qualifying Jobs to which Applicant committed in the Application no later than the last day of the tax year specified in the Application.
- (vi) Applicant makes any payments to the District or to any other person or persons 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, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement are not barred by this provision.
- (vii) Applicant fails to comply in any material respect with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7 Limited Statutory Cure of Material Breach

In accordance with the provisions of Texas Tax Code § 313.0275, for any full Tax Year with respect to which Applicant received a Limitation on Appraised Value, the Applicant may cure a Material Breach of this Agreement described in Sections 7.6(iv) or (v), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance with Sections 7.6(iv) or (v) for such Tax Year, the Applicant may make the liquidated damages payment required by Texas Tax Code § 313.0275(b), in accordance with the provisions of Texas Tax Code § 313.0275(c). Such payment shall be calculated by applying the calculations set forth in Section 7.4 with respect to such Tax Year.

Section 7.8 Determination of Material Breach and Termination of Agreement

Prior to making a determination under Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such Material Breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such Material Breach has occurred and, if so, whether such Material Breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such Material Breach occurred, if any, and whether or not any such Material Breach has been cured. In the event that the Board of Trustees determines that such a Material Breach has occurred and has not been cured, it shall

also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged Material Breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination").

Section 7.9 Dispute Resolution

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Matagorda County, Texas. The Parties agree to sign a document that designates 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. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation. The ninety (90) day period prescribed above for disputing a Determination of Breach and Notice of Contract Termination shall toll, and shall not be considered for any purpose as continuing to run, during the mediation.

In the event that any mediation is not successful in resolving the dispute, 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, 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. Any such action shall be initiated in District Court in Matagorda County, Texas, and the ninety (90) day period prescribed above for disputing a Determination of Breach and Notice of Contract Termination shall toll, and shall not be considered for any purpose as continuing to run, until a final decision has been entered and all appeals have been exhausted.

If payment is not received before the expiration of such ninety (90) day period (taking into account any tolling of such period), the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. 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 to the attorneys representing the District pursuant to Texas Tax Code § 6.30, and a tax lien shall attach to the Applicant's Qualified Property and

the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to secure payment of such fees.

Section 7.10 Limitation of Other Damages

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Sections 7.4 and 7.5 above. The District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11 Binding on Successors

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Information and Notices

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed to the District's Authorized Representative as follows:

John R. O'Brien, Superintendent
Van Vleck Independent School District
142 S. Fourth Street
Van Vleck, Texas 77482
Fax: (979) 245-1214
E-mail: jobrien@vvisd.org

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

Chris North
Tenaris USA
2200 W. Loop South
Suite 800
Houston, Texas 77027-3532

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2 Termination of Agreement

In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on the last day of the Qualifying Time Period.

Section 8.3 Amendments to Agreement; Waivers

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment and/or Applicant's Qualified Property, additional or replacement Qualified Property not specified in Exhibit 3, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall (1) require that all property added by amendment be eligible property as defined by Tax Code, § 313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4 Assignment

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment or collaterally assign the Agreement or any portion of this Agreement to any party or entity providing financing to the Applicant or its Affiliate, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other

obligations arising under this Agreement with respect to the transferred or leased Qualified Property and/or Qualified Investment. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Tax Code § 313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5 Merger

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

Section 8.6 Maintenance of County Appraisal District Records

When appraising the Applicant's Qualified Property and the Applicant's Qualified investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7 Governing Law

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 or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Matagorda County, Texas.

Section 8.8 Authority to Execute Agreement

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9 Severability

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any

applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10 Payment of Expenses

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of necessary and reasonable attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

Section 8.11 Interpretation

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to." Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12 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 but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 8.13 Accuracy of Representations Contained in Application

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all material representation, information, and facts contained in the Application are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, then

subject to the procedures required by Sections 7.8 and 7.9, this Agreement shall be invalid and void except for the enforcement of the provisions required by Comptroller's Rule § 9.1053(f)(2)(K).

Section 8.14 Publication of Documents

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Texas Tax Code § 313.103, as follows:

- (i) Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- (ii) The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- (iii) This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code § 313.028.

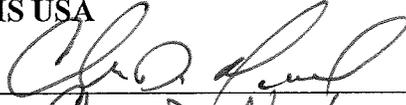
Section 8.15 Amendment of Agreement and Application to Enact New Jobs Standards

This Agreement is entered into after January 1, 2013, pursuant to an application filed under Chapter 313, Tax Code, before January 1, 2014. The parties agree that they may amend this Agreement after January 1, 2014, to amend the contractual commitments in this agreement related to new jobs as authorized by Section 23 of House Bill 3390 (83rd Regular).

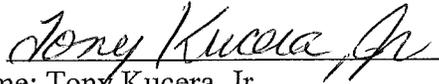
(Signatures on following page.)

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of November, 2013

**MAVERICK TUBE CORPORATION DBA
TENARIS USA**

By: 
Name: Chris D. North
Title: CFO North America

**VAN VLECK INDEPENDENT SCHOOL
DISTRICT**

By: 
Name: Tony Kucera, Jr.
Title: President

ATTEST:

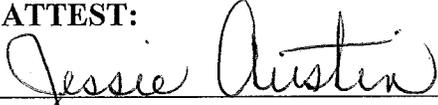
By: 
Name: Jessie Austin
Title: Secretary

Exhibit 1

Description of Qualified Reinvestment Zone

The qualified reinvestment zone was created on May 20, 2013, by action of the Matagorda County Commissioner's Court. The zone contains the property and tracts set forth on the following page.

EXHIBIT CONTINUED ON NEXT PAGE

The property located in the I & G N RR Co. Survey, Abstract 275; the M. O'Connell Survey, Abstract #476; the John Duncan Survey, Abstract 150; the John Duncan Survey, Abstract #151; the W.J. Maynard Survey, Abstract #356; and the Thomas M. Duke Survey, Abstract #29, Matagorda County, Texas; said point of beginning being the north corner of that certain 23.04 acre tract lying adjacent to the south side of Texas Highway #35 (this point also being the most Northwesterly corner of the herein described tract) described in that certain deed from Guajillo Investments, L.L.C. to Liberman Broadcasting Of Houston, Inc. dated October 8, 2002 and recorded November 1, 2002 under file #027601 of the Matagorda County Official Records. Said metes and bounds description for the perimeter of this tract is as follows:

Column #1

Column #2

Parcel name: 9

North: 13500032.2196 East : 2955777.0206
 Line Course: N 54-41-02 E Length: 1467.38
 North: 13500880.4928 East : 2956974.3626
 Line Course: N 53-56-03 E Length: 40.00
 North: 13500904.0414 East : 2957006.6963
 Line Course: N 34-37-02 E Length: 612.73
 North: 13501258.8342 East : 2957506.2562
 Line Course: N 64-49-16 E Length: 176.86
 North: 13501334.0785 East : 2957666.3117
 Line Course: S 37-38-31 E Length: 560.57
 North: 13500890.1952 East : 2958008.6658
 Line Course: N 80-11-39 E Length: 226.70
 North: 13500928.8045 East : 2958232.0538
 Line Course: N 37-36-33 W Length: 653.93
 North: 13501446.8426 East : 2957832.9787
 Curve Length: 1201.26 Radius: 5853.91
 Delta: -11-45-27 Tangent: 602.75
 Chord: 1199.16 Course: N 48-24-26 E
 Course In: N 35-42-51 W Course Out: S 47-28-18 E
 RP North: 13506199.8617 East : 2954415.8057
 End North: 13502242.8837 East : 2958729.8046
 Line Course: N 42-31-42 E Length: 149.66
 North: 13502353.1746 East : 2958830.9680
 Line Course: N 35-41-04 E Length: 201.41
 North: 13502516.7682 East : 2958948.4546
 Line Course: N 42-31-42 E Length: 3205.56
 North: 13504879.0867 East : 2961115.2707
 Curve Length: 902.86 Radius: 23016.67
 Delta: -2-14-51 Tangent: 451.49
 Chord: 902.80 Course: N 41-24-17 E
 Course In: N 47-28-18 W Course Out: S 49-43-09 E
 RP North: 13520437.3133 East : 2944153.2932
 End North: 13505556.2394 East : 2961712.3574
 Line Course: N 40-16-51 E Length: 95.50
 North: 13505629.0949 East : 2961774.1015
 Curve Length: 750.26 Radius: 22814.69
 Delta: 1-53-03 Tangent: 375.16
 Chord: 750.23 Course: N 41-13-22 E
 Course In: S 49-43-09 E Course Out: N 47-50-06 W
 RP North: 13490878.6081 East : 2979179.0783
 End North: 13506193.3779 East : 2962268.4927
 Line Course: S 47-26-47 E Length: 2245.64
 North: 13504674.6970 East : 2963922.7319
 Line Course: N 42-38-51 E Length: 450.88
 North: 13505006.3353 East : 2964228.1968
 Line Course: N 79-04-17 E Length: 742.45

North: 13505147.0933 East : 2964957.1818
 Line Course: S 24-10-51 E Length: 320.39
 North: 13504854.8152 East : 2965088.4193
 Curve Length: 401.07 Radius: 2914.95
 Delta: -7-53-00 Tangent: 200.85
 Chord: 400.75 Course: S 28-07-21 E
 Course In: N 65-49-09 E Course Out: S 57-56-09 W
 RP North: 13506048.8226 East : 2967747.5852
 End North: 13504501.3776 East : 2965277.3158
 Line Course: S 32-03-51 E Length: 919.51
 North: 13503722.1351 East : 2965765.4548
 Line Course: S 41-49-25 W Length: 3357.74
 North: 13501219.9430 East : 2963526.3808
 Line Course: S 18-45-38 E Length: 114.35
 North: 13501111.6683 East : 2963563.1573
 Line Course: S 41-56-43 W Length: 684.21
 North: 13500602.7626 East : 2963105.8159
 Line Course: S 48-09-13 E Length: 1174.60
 North: 13499819.1421 East : 2963980.8189
 Line Course: S 18-54-13 E Length: 93.46
 North: 13499730.7237 East : 2964011.0973
 Line Course: S 69-35-33 W Length: 82.29
 North: 13499702.0310 East : 2963933.9760
 Line Course: S 20-24-27 E Length: 100.00
 North: 13499608.3118 East : 2963968.8438
 Line Course: S 69-35-33 W Length: 2693.48
 North: 13498609.1108 East : 2961444.4198
 Line Course: N 36-52-06 W Length: 15.64
 North: 13498681.6230 East : 2961435.0361
 Line Course: S 69-35-33 W Length: 1528.72
 North: 13498148.5664 East : 2960002.2642
 Line Course: S 20-24-27 E Length: 15.00
 North: 13498134.5079 East : 2960007.4946
 Line Course: S 69-35-33 W Length: 3669.73
 North: 13496854.8907 East : 2956568.0858
 Line Course: N 35-28-22 W Length: 1570.21
 North: 13498133.6561 East : 2955856.8677
 Line Course: N 54-32-30 E Length: 515.58
 North: 13498432.7498 East : 2956076.8270
 Line Course: S 35-38-19 E Length: 36.51
 North: 13498403.0776 East : 2956098.1003
 Line Course: N 54-37-03 E Length: 749.15
 North: 13498836.8596 East : 2956708.8858
 Line Course: N 35-37-04 W Length: 1212.01
 North: 13499822.1269 East : 2956003.0412
 Line Course: S 54-53-21 W Length: 61.78
 North: 13499786.5935 East : 2955952.5026
 Line Course: N 35-32-35 W Length: 301.87
 North: 13500032.2196 East : 2955777.0206

Continued to Column #2

Perimeter: 33300.94 Area: 44,244,957.554 sq. ft. 1,015.724 ac

Exhibit 2

Location of Qualified Investment/Qualified Property

All Qualified Investment and Qualified Property owned by the Applicant and located within the boundaries of both the Van Vleck Independent School District and the reinvestment zone described in Exhibit 1 will be included in and subject to this Agreement. Specifically, all Qualified Investment and Qualified Property located in the sections of land described on the following page is included.

EXHIBIT CONTINUED ON NEXT PAGE

The property located in the I & G N RR Co. Survey, Abstract 275; the M. O'Connell Survey, Abstract #476; the John Duncan Survey, Abstract 150; the John Duncan Survey, Abstract #151; the W.J. Maynard Survey, Abstract #356; and the Thomas M. Duke Survey, Abstract #29, Matagorda County, Texas; said point of beginning being the north corner of that certain 23.04 acre tract lying adjacent to the south side of Texas Highway #35 (this point also being the most Northwesterly corner of the herein described tract) described in that certain deed from Guajillo Investments, L.L.C. to Liberman Broadcasting Of Houston, Inc. dated October 8, 2002 and recorded November 1, 2002 under file #027501 of the Matagorda County Official Records. Said metes and bounds description for the perimeter of this tract is as follows:

Column #1

Column #2

Parcel name: 9

North: 13500032.2196 East: 2955777.0206
 Line Course: N 54-41-02 E Length: 1467.38
 North: 13500880.4928 East: 2956974.3626
 Line Course: N 53-36-03 E Length: 40.00
 North: 13500904.0414 East: 2957006.6963
 Line Course: N 54-37-02 E Length: 612.73
 North: 13501258.8942 East: 2957506.2562
 Line Course: N 64-49-16 E Length: 176.86
 North: 13501334.0785 East: 2957666.3117
 Line Course: S 37-38-31 E Length: 560.57
 North: 13500890.1952 East: 2958000.6658
 Line Course: N 80-11-39 E Length: 226.70
 North: 13500928.8045 East: 2958232.0538
 Line Course: N 37-36-33 W Length: 653.93
 North: 13501446.8426 East: 2957832.9787
 Curve Length: 1201.26 Radius: 5853.91
 Delta: -11-45-27 Tangent: 602.75
 Chord: 1199.15 Course: N 48-24-26 E
 Course In: N 35-42-51 W Course Out: S 47-28-18 E
 RP North: 13506199.8617 East: 2954415.8057
 End North: 13502242.8837 East: 2958729.8046
 Line Course: N 42-31-42 E Length: 149.66
 North: 13502353.1746 East: 2958830.9680
 Line Course: N 35-41-04 E Length: 201.41
 North: 13502516.7682 East: 2958948.4546
 Line Course: N 47-31-42 E Length: 3205.56
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 Curve Length: 902.86 Radius: 23016.67
 Delta: -2-14-51 Tangent: 451.49
 Chord: 902.80 Course: N 41-24-17 E
 Course In: N 47-28-18 W Course Out: S 49-43-09 E
 RP North: 13520437.3133 East: 2944153.2932
 End North: 13505356.2394 East: 2961712.9574
 Line Course: N 40-16-51 E Length: 95.50
 North: 13505629.0949 East: 2961774.1015
 Curve Length: 750.26 Radius: 22814.69
 Delta: 1-53-03 Tangent: 375.16
 Chord: 750.23 Course: N 41-13-22 E
 Course In: S 49-43-09 E Course Out: N 47-50-06 W
 RP North: 13490878.6081 East: 2879179.0783
 End North: 13506193.3779 East: 2962268.4927
 Line Course: S 47-26-47 E Length: 2245.64
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 North: 13505096.3353 East: 2964228.1968
 Line Course: N 79-04-17 E Length: 742.45

North: 13505147.0933 East: 2964957.1818
 Line Course: S 24-10-51 E Length: 320.39
 North: 13504854.8152 East: 2965088.4193
 Curve Length: 401.07 Radius: 2914.93
 Delta: -7-53-00 Tangent: 200.85
 Chord: 400.75 Course: S 28-07-21 E
 Course In: N 65-49-09 E Course Out: S 57-56-09 W
 RP North: 13506048.8226 East: 2967747.5852
 End North: 13504501.3776 East: 2965277.3158
 Line Course: S 32-03-51 E Length: 919.51
 North: 13503722.1351 East: 2965765.4548
 Line Course: S 41-49-25 W Length: 3357.74
 North: 13501219.9430 East: 2963526.3808
 Line Course: S 18-45-38 E Length: 114.35
 North: 13501111.6683 East: 2963563.1573
 Line Course: S 41-56-43 W Length: 684.21
 North: 13500602.7626 East: 2963105.8159
 Line Course: S 48-09-13 E Length: 1174.60
 North: 13499819.1421 East: 2963980.8189
 Line Course: S 18-54-13 E Length: 93.46
 North: 13499730.7237 East: 2964011.0973
 Line Course: S 69-35-33 W Length: 82.29
 North: 13499702.0310 East: 2963933.9760
 Line Course: S 20-24-27 E Length: 100.00
 North: 13499608.3118 East: 2963968.8438
 Line Course: S 69-35-33 W Length: 2693.48
 North: 13498669.1108 East: 2961444.4198
 Line Course: N 36-52-06 W Length: 15.64
 North: 13498681.6230 East: 2961435.0361
 Line Course: S 69-35-33 W Length: 1528.72
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 Line Course: S 35-38-19 E Length: 36.51
 North: 13498403.0776 East: 2956098.1003
 Line Course: N 54-37-03 E Length: 749.15
 North: 13498836.8596 East: 2956708.8858
 Line Course: N 35-37-04 W Length: 1212.01
 North: 13499822.1269 East: 2956003.0412
 Line Course: S 54-53-21 W Length: 61.78
 North: 13499786.5985 East: 2955952.5026
 Line Course: N 35-32-35 W Length: 301.87
 North: 13500032.2196 East: 2955777.0206

Continued to Column #2

Perimeter: 33300.94 Area: 44,244,957.554 sq. ft. 1,015.724 ac

Exhibit 3

Description of Applicant's Qualified Investment/Qualified Property

The Qualified Investment and Qualified Property shall be located on Highway 35 (7th Street) between Showboat Rd. and Farm to Market 2540, as more particularly described in Exhibit 2.

The Qualified Investment and Qualified Property is intended to include a seamless pipe mill, as well as heat treatment and premium threading facilities. The Qualified Investment and Qualified Property will include an industrial building of approximately 100,000 sqm. (1,076,391 sq. ft.), as well as warehouses, shops, offices, and other buildings totalling approximately 40,000 sqm. (430,556 sq. ft.). The proposed annual production capacity of the Qualified Investment and Qualified Property will be 650,000 tons of pipeline.

A list of the estimated costs (in millions of dollars) of the buildings and equipment that will make up the Qualified Investment and Qualified Property is as follows:

<u>Buildings</u>	<u>Cost</u>
Main building	165
Casing lines	64
Entrance stations	20
Training Center	10
Laboratories	11
Warehouses & Maintenance	20
Other	<u>64</u>
Total Buildings	354
<u>Equipment</u>	
Rolling Mill & Furnace	500
Heat Treatment	126
Casing Line 1	109
Casing Line 2	109
Other	<u>100</u>

Total Equipment

944

The following page contains a map of the location of proposed improvements.

EXHIBIT CONTINUED ON NEXT PAGE

	A	B	C	D	E	F	G	H
1	ATTACHMENT E							
2								
3	Van Vleck ISD - Maverick Tube Corp dba Tenaris USA Tax Limitation Agreement							
4	Findings of Fact							
5								
6	11/18/2013							
7				Finding 8.m		Finding 8.n	Finding 8.o	Finding 8.q
8								
9								
10	Agreement	School	Project	M&O	Project	M&O	Foundation	Total
11	Year	Year	Value	Tax	Value	Tax	School	(Lost) or
12			without	without	with	with	Program	Gained
13			Limitation	Limitation	Limitation	Limitation		Taxes
14								
15	Pre year 1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0
16	1	2015-16	\$ 235,650,000	\$2,450,760	\$ 235,650,000	\$2,450,760	\$0	\$0
17	2	2016-17	\$ 473,650,000	\$4,925,960	\$ 473,650,000	\$4,925,960	\$0	\$0
18	3	2017-18	\$ 1,254,300,000	\$13,044,720	\$ 10,000,000	\$104,000	(\$3,523,360)	(\$9,417,360)
19	4	2018-19	\$ 1,288,698,759	\$13,402,467	\$ 10,000,000	\$104,000	(\$12,606,110)	(\$744,357)
20	5	2019-20	\$ 1,255,201,341	\$13,054,094	\$ 10,000,000	\$104,000	(\$12,598,229)	(\$403,865)
21	6	2020-21	\$ 1,218,921,663	\$12,676,785	\$ 10,000,000	\$104,000	(\$12,196,088)	(\$428,697)
22	7	2021-22	\$ 1,179,476,242	\$12,266,553	\$ 10,000,000	\$104,000	(\$11,886,287)	(\$328,266)
23	8	2022-23	\$ 1,137,110,956	\$11,825,954	\$ 10,000,000	\$104,000	(\$11,426,935)	(\$347,019)
24	9	2023-24	\$ 1,091,521,992	\$11,351,829	\$ 10,000,000	\$104,000	(\$11,060,374)	(\$239,455)
25	10	2024-25	\$ 1,042,731,769	\$10,844,410	\$ 10,000,000	\$104,000	(\$10,540,068)	(\$252,342)
26	11	2025-26	\$ 990,751,919	\$10,303,820	\$ 990,751,919	\$10,303,820	\$0	\$0
27	12	2026-27	\$ 935,368,656	\$9,727,834	\$ 935,368,656	\$9,727,834	\$0	\$0
28	13	2027-28	\$ 876,756,119	\$9,118,264	\$ 876,756,119	\$9,118,264	\$0	\$0
29	14	2028-29	\$ 814,966,914	\$8,475,656	\$ 814,966,914	\$8,475,656	\$0	\$0
30	15	2029-30	\$ 749,894,105	\$7,798,899	\$ 749,894,105	\$7,798,899	\$0	\$0
31		TOTAL		\$151,268,005		\$53,633,192		(\$12,161,361)
32								
33	Agreement	School	Project	I&S	I&S			
34	Year	Year	Value	Tax	Tax			
35			without	Rate				
36			Limitation					
37								
38	Pre year 1	2013-14	\$0	0.0000	\$0			
39	1	2014-15	\$ 12,242,500	0.0000	\$0			
40	2	2015-16	\$ 113,480,000	0.0000	\$0			
41	3	2016-17	\$ 107,262,600	0.0000	\$0			
42	4	2017-18	\$ 101,386,600	0.0000	\$0			
43	5	2018-19	\$ 95,818,000	0.0000	\$0			
44	6	2019-20	\$ 90,555,300	0.0000	\$0			
45	7	2020-21	\$ 85,581,700	0.0000	\$0			
46	8	2021-22	\$ 80,881,300	0.0000	\$0			
47	9	2022-23	\$ 76,439,100	0.0000	\$0			
48	10	2023-24	\$ 72,241,000	0.0000	\$0			
49	11	2024-25	\$ 68,273,500	0.0000	\$0			
50	12	2025-26	\$ 64,524,000	0.0000	\$0			
51	13	2026-27	\$ 60,980,400	0.0000	\$0			
52	14	2027-28	\$ 57,631,500	0.0000	\$0			
53	15	2028-29	\$ 54,466,600	0.0000	\$0			
54		TOTAL			\$0			