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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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CERTIFIED, CIVIL APPELLATE
CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

October 3, 2013

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

RE: Amended Application to the Borger Independent School District from Cominco
Fertilizer Partnership

FIRST QUALIFYING YEAR 2014

To the Local Government Assistance & Economic Analysis Division:

On July 21, 2013, a copy of the Application to the Borger Independent School District from Cominco Fertilizer Partnership was submitted for review to your office. On September 11, 2013, a letter determining the application deficient was issued by your office for two reasons. The first indicated a lack of sufficiently detailed information to allow for new property to be distinguished from existing property. The second was regarding whether Cominco Fertilizer Partnership was registered to do business with the Texas Secretary of State. Cominco Fertilizer Partnership submitted an amended application providing more detailed information regarding the new property that will be located at the site and clarifying its registration status with the Texas Secretary of State. The amended application has been re-determined complete as of October 3, 2013. Please prepare the economic impact report.

We are requesting an expedited review of the application for completeness. To assist with your review, the applicant pre-submitted the appraisal plan approved by the Hutchins County Chief Appraiser. I have included the email string approving this plan.

No changes have been made to Schedule B of the application. The values included in the original application represented only those taxable values related to new improvements, which as was agreed to in the meeting between the company and the Comptroller's Office, includes the value of new equipment that is attached to existing equipment.

October 3, 2013

Page 2 of 2

We have not resupplied the full sized copies of the maps originally provided with the updated Application. The new property has been clearly color coded to distinguish it from the existing property. Again, the appraiser has determined that he has sufficient information to distinguish the existing property from all new improvements.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is above the required statutory minimums.

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

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Hutchinson County Appraisal District

Cominco Fertilizer Partnership

Chance Welch, Borger ISD

KIRKWOOD AND DARBY, INC.
PROPERTY TAX MANAGEMENT & CONSULTING

307 W. 7TH STREET, SUITE 1110
FORT WORTH, TEXAS 76102
(817) 831-3594
kirkwoodanddarby.com

FOUNDED 1936

FAX (817) 831-3598

October 3, 2013

Mr. Robert Wood
Director of Economic Development and Analysis
Texas Comptroller of Public Accounts
P.O. Box 3528
Austin, TX 78711-3528

Re: Response – App #317 Borger ISD-Cominco Fertilizer Partnership Deficiency Letter

Dear Mr. Wood,

This letter is in response to the deficiency letter from your office dated September 11, 2013. More specifically, item 1 on Attachment A to the letter states:

“The application lacks ‘a specific and detailed description of the property to clearly distinguish the subject property from property to which the limitation does not apply and to establish that the property meets the criteria of qualified property pursuant to Tax Code, 313.021(2)’ as required by TAC 9.1053(1)(i).

Note that refurbishment, upgrading, rebuilding or restoration of existing facilities does not meet the statutory definition of new buildings or new improvements in Tax Code 313.021(2). Please provide a detailed description (with detailed location maps and/or surveys) of the new buildings and new improvements the applicant to erect or build after the application review start date—that are not renovations of an existing facility.”

Following receipt of the deficiency letter, an in-person meeting was held with representatives from Cominco Fertilizer Partnership, the office of the Comptroller, Moak Casey & Associates, O’Hanlon, McCollom & Demerath and Kirkwood and Darby, Inc. The result of that meeting was a better understanding of the Comptroller’s concerns over the usage of the words modify and/or modification on various documents in the application. It was agreed that the intent of the 313 program is to eventually place new value on the appraisal rolls which would not otherwise come to be, not take value off the appraisal rolls by including in the meaning of the phrase “qualified property” existing property which was simply modified or renovated, but not new. Doing so could have the unintended consequence of pulling value of existing improvements off the appraisal roll as well as abating the value of new improvements being integrated into them. Allowing for the “modification” of existing improvements could at the very least remove value of old, existing equipment, which would necessarily be removed or abandoned in place, in addition to deeply abating the value of the new improvements installed in the

old improvement's place. In order to make sure this does not occur, but also provide for the abatement of new improvement value which appears in the form of modifications to the existing ammonia plant, we are suggesting the following process for accommodating the retention of value on the roll while abating new value on the same improvements.

The appraisal district will have as a baseline point of reference four values to take notice of which will be allocated to various existing and to be created account numbers:

- 1) **Value 1 - \$45,705,250** – This value represents the January 1, 2013 value of the land and all existing improvements. No value loss will occur due to modifications being made to these improvements. This value can be broken up into two sub-values:
 - a. **\$38,426,021** – This is the value of all existing/unqualified property which will not have any modifications made to it whatsoever. This value exists wholly or partly on 19 separate appraisal district accounts;
 - b. **\$7,279,229** – This is the value of all existing/unqualified property on the ammonia process account (*Hutchinson CAD account number 0003563-0-9900160 appraised at \$19,084,350*) which will be modified by the affixing to them of new improvements necessary to create the capacity necessary to make the new urea plant functional.
- 2) **Value 2 - \$35,833,681** – This is the value of all new improvements (qualified property) being affixed to the improvements referenced at 1)b above. This value represents new property which replaces old equipment, but for which there is no value loss. These are new improvements via modification necessary to allow for the functioning of the new urea plant. This value will exist on one or more new, yet to be created appraisal district accounts;
- 3) **Value 3 - \$407,166,319** – This is the value of all other new improvements (qualified property), but primarily those associated with the new urea plant and may be placed on any number of new, yet to be created account numbers as described in the Appraisal Plan.

For clarification on items 1)b and 2) above, we are attaching a spreadsheet showing the total installed cost of \$43,112,910. Of that amount, \$7,279,229 (item 1.b above) is the present day value of the property to be modified and for which no value will be lost even though the correlating improvements will either be removed or abandoned in place. \$35,833,681 (item 2. Above) is the total installed cost of the improvements minus the present day value (item 1.b) which are new improvements and will be replacing portions of the modified improvements in item 1)b. Because the total reported qualified property value at items 2) and 3) has not changed from what was reported as the basis for application Schedule B calculations, no further revision of Schedule B is necessary. In addition, applicant is supplying the Appraisal Plan approved and signed by the Hutchinson County Appraisal District. The Appraisal Plan's purpose is to satisfy the chief appraiser's requirement that both qualified and unqualified property can be reliably identified and valued for the purpose of ad valorem tax assessment.

The applicant has submitted a large number of property maps, images, color-coded slides and corresponding lists of equipment in order to differentiate between existing, unqualified property and new, qualified property.

In regard to Item 2 of the deficiency letter, we have revised page 5 of the original application to indicate that Cominco Fertilizer Partnership is *not* registered to do business in Texas with the Texas Secretary of State's office. Cominco Fertilizer Partnership does pay taxes under Chapter 171 of the Texas Tax Code as a member of a combined group.

Sincerely,

A handwritten signature in cursive script that reads "Trey B. Cobb". The signature is written in black ink and is positioned above the printed name.

Trey B. Cobb, SrPTC

Kirkwood and Darby, Inc.

Cominco Fertilizer Partnership

Chapter 313 Application to

Borger Independent School District

Projected Qualified Investment - \$443,000,000

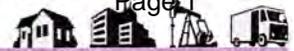
Requested Value Limitation - \$20,000,000

**Submitted by:
Trey B. Cobb, SrPTC
Kirkwood and Darby, Inc.
307 W 7th St Suite 1110
Fort Worth, TX 76102**

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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

Date application received by district

April 11, 2013

Authorized School District Representative

First Name

Chance

Last Name

Welch

Title

Borger ISD Superintendent

School District Name

Borger Independent School District

Street Address

200 E Ninth St

Mailing Address

P.O. Box 1177

City

Borger

State

TX

ZIP

79008-1177

Phone Number

(806) 273-6481

Fax Number

(806) 273-1066

Mobile Number (optional)

E-mail Address

chance.welch@borgerisd.net

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

Will consultant be primary contact? Yes No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Kevin		Last Name O'Hanlon	
Title Attorney			
Firm Name Moak, Casey & Associates			
Street Address 400 W 15 th St Suite 1410			
Mailing Address 400 W 15 th St Suite 1410			
City Austin		State TX	ZIP 78701
Phone Number (512) 485-7878		Fax Number (512) 485-7888	
Mobile Number (Optional)		E-mail Address	

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

Signature (Authorized School District Representative) 	Date July 9, 2013
---	----------------------

Has the district determined this application complete? Yes No

If yes, date determined complete, July 19, 2013 redetermined complete 10/3/13

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name
Adam

Last Name
Diamond

Title
Government Relations Manager

Organization
Agrium US, Inc.

Street Address
9201 FM 1551

Mailing Address
9201 FM 1551

City
Borger

State
TX

ZIP
79007

Phone Number
(303) 442-4085

Fax Number

Mobile Number (optional)

Business e-mail Address
adam.diamond@agrium.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
Jennie

Last Name
Hon

Title
Finance Controller

Organization
Agrium US, Inc.

Street Address
9201 FM 1551

Mailing Address
9201 FM 1551

City
Borger

State
TX

ZIP
79007

Phone Number
(806) 468-0604

Fax Number

Mobile Number (optional)
(806) 886-4269

E-mail Address
jennie.hon@agrium.com

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

Will consultant be primary contact? Yes No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name
Trey

Last Name
Cobb

Title
Senior Property Tax Consultant

Firm Name
Kirkwood and Darby, Inc.

Street Address
307 W 7th St Suite 1110

Mailing Address
307 W 7th St Suite 1110

City
Fort Worth

State
TX

ZIP
76102

Phone Number
(817) 831-3597

Fax Number
(817) 831-3598

Business email Address
tcobb@kirkwoodanddarby.com

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

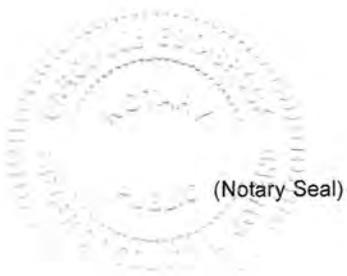
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

Date

7/2/2013

GIVEN under my hand and seal of office this 02ND day of July, 2013



(Notary Seal)

Notary Public, State of MARYLAND

CAROL-LEE ESTABROOK
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 4, 2015

My commission expires January 1, 2015

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

Cominco Fertilizer Partnership

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

19115994501

NAICS code

325311

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

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

APPLICANT BUSINESS STRUCTURE

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

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

Partnership

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. **(See Attachment A)**

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 B)**

Describe the ability of your company to locate or relocate in another state or another region of the state.
Cominco Fertilizer Partnership, as part of the larger Agrium US, Inc. and by extension Agrium, Inc., has production facilities in several US states including Texas, Washington, Ohio, California and Idaho as well as facilities in Alberta, Canada and South America. Our Board of Directors looks at all of these existing facilities for expansion opportunities as well as the potential to invest in new "Greenfield" projects in North America. At this time, the company is evaluating whether to invest in expanding production in the Texas Panhandle region of the state at our Borger, Texas facility. However, expansion opportunities at our other North American facilities in lieu of, or in addition to, the Borger, Texas project are also being evaluated. Agrium's Board of Directors are expected to make decisions on which projects to approve later this year. At this stage of the Board's investment plans for the future, the Chapter 313 economic incentive is a critical factor driving the Board of Director's decision as to whether to invest in Texas.

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 01/01/2014 Begin Hiring New Employees Q3, 2013

Construction Complete 12/31/2015 Fully Operational 01/01/2016

Purchase Machinery & Equipment Q3, 2013 (Pre-purchase of long-lead time items. None delivered until 2014)

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? 05/15/2015

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
_____	_____
_____	_____
_____	_____
Total	_____

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

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

Cominco Fertilizer Partnership has applied for and been granted a 7-year step-down property tax abatement from Hutchinson County beginning at 90% abatement for the first year and reducing 10% per year to 30% in the final year.

ECONOMIC INCENTIVES

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

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

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

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

County: Hutchinson County (100%) City: Not Applicable
(Name and percent of project) (Name and percent of project)

Hospital District: Hutchinson County Hospital District (100%) Water District: _____
(Name and percent of project) (Name and percent of project)

Other (describe): Frank Phillips College (100%) Other (describe): _____
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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



INVESTMENT

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$20 million

What is the amount of appraised value limitation for which you are applying? \$20 million

What is your total estimated *qualified* investment? \$443 million

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

What is the anticipated date of application approval? 11/30/2013

What is the anticipated date of the beginning of the qualifying time period? 11/30/2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$600 million

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

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021, **(See Attachment C)**
- (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 **(See Attachment D)**
- (3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map. **(See Attachment E)**

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? Yes No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? Yes No
- (2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? Yes No
- (3) on the same parcel of land as the building for which you are applying for an appraised value limitation? Yes No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? Yes No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? Yes No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? Yes No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
- (3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? _____

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

Will the project be on leased land? Yes No

QUALIFIED PROPERTY (CONTINUED)

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

- 1. Legal description of the land (See Attachment F)
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 0003563-0-9900100
3. Owner Cominco Fertilizer Partnership
4. The current taxable value of the land. Attach estimate if land is part of larger parcel. \$291,430
5. A detailed map (with a vicinity map) showing the location of the land (See Attachment G and H)

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. (See Attachments I and J)

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? [X] Yes [] No

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

List current market value of existing property at site as of most recent tax year. \$46,947,710 (2013) (Market Value) (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 68 average, Q1 2013

The last complete calendar quarter before application review start date is the: [X] First Quarter [X] Second Quarter [] Third Quarter [] Fourth Quarter of 2013 (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? 83 reported

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 20

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 19

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)?... [X] Yes [] No (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 \$1,134.50 x 110% = \$1,247.95, or \$64,893.40 annually

110% of the county average weekly wage for manufacturing jobs in the county is \$1,655.50 x 110% = \$1,821.05, or \$94,694.60 annually

110% of the county average weekly wage for manufacturing jobs in the region is \$885.28 x 110% = \$1,081, or \$46,035 annually

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?

\$46,035 (See Attachment K)

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?

\$46,035

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.)

Health and life insurance, 401(k) paid vacation and sick leave, wellness, etc. **(See Attachment L)**

ECONOMIC IMPACT

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

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

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

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

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

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE**

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

Applicant Name: Cominco Fertilizer Partnership
ISD Name: Borger

Schedule A (Rev. May 2010): Investment

Form 50-296

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

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below YYYY)	Personal Property Tangible (The amount of new investment (original cost) placed in service of building (annual amount) during this year)	Building or permanent nonremovable component of building (annual amount only)	Sum of A and B (Qualifying investment during the qualifying time period)	Other investment that is not qualified investment but investment affecting economic impact and total value	Total Investment (A+B+D)
	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	2014-2015	2014	\$19,346,000	\$0	\$19,346,000	\$28,856,000	\$48,202,000
		2	2015-2016	2015	\$320,725,000	\$0	\$320,725,000	\$63,793,000	\$394,508,000
		3	2016-2017	2016	\$101,800,000	\$0	\$101,800,000	\$28,223,000	\$130,023,000
		4	2017-2018	2017	\$0	\$0	\$0	\$0	\$0
		5	2018-2019	2018	\$0	\$0	\$0	\$0	\$0
		6	2019-2020	2019	\$0	\$0	\$0	\$0	\$0
		7	2020-2021	2020	\$0	\$0	\$0	\$0	\$0
		8	2021-2022	2021	\$0	\$0	\$0	\$0	\$0
		9	2022-2023	2022	\$0	\$0	\$0	\$0	\$0
		10	2023-2024	2023	\$0	\$0	\$0	\$0	\$0
		11	2024-2025	2024	\$0	\$0	\$0	\$0	\$0
		12	2025-2026	2025	\$0	\$0	\$0	\$0	\$0
		13	2026-2027	2026	\$0	\$0	\$0	\$0	\$0
		14	2027-2028	2027	\$0	\$0	\$0	\$0	\$0
		15	2028-2029	2028	\$0	\$0	\$0	\$0	\$0

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

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

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Column D: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment. For the years outside the qualifying time period, insert additional rows as needed.

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 07/02/2015

Applicant Name
Cominco Fertilizer Partnership
ISD Name
Borger

Form 50-296

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

Complete tax years of qualifying time period	Tax Year (Fill in actual tax year) YYYY	School Year (YYYY-YYYY)	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for all reductions	
			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
Tax Credit Period (with 50% cap on credit)	pre-year 1	2013-2014	2013	\$0	0	0	0	0	
	1	2014-2015	2014	\$0	\$20,121,000	0	0	\$20,121,000	
	2	2015-2016	2015	\$0	\$340,846,000	0	0	\$340,846,000	
	3	2016-2017	2016	\$0	\$433,793,080	0	\$413,793,080	\$407,112,580	
	4	2017-2018	2017	\$0	\$434,180,395	0	\$414,180,395	\$408,010,160	
	5	2018-2019	2018	\$0	\$438,418,731	0	\$418,418,731	\$412,498,421	
	6	2019-2020	2019	\$0	\$437,223,587	0	\$417,223,587	\$411,620,801	
	7	2020-2021	2020	\$0	\$435,165,283	0	\$415,165,283	\$409,995,184	
	8	2021-2022	2021	\$0	\$432,243,819	0	\$412,243,819	\$407,665,218	
	9	2022-2023	2022	\$0	\$428,459,196	0	\$408,459,196	\$404,668,338	
	10	2023-2024	2023	\$0	\$423,811,413	0	\$403,811,413	\$401,032,856	
	Credit Settle-Up Period	11	2024-2025	2024	\$0	\$418,300,470	0	\$0	\$396,774,734
		12	2025-2026	2025	\$0	\$406,205,168	0	\$0	\$386,451,539
		13	2026-2027	2026	\$0	\$398,824,046	0	\$0	\$381,026,026
	Post-Settle-Up Period	14	2027-2028	2027	\$0	\$384,570,845	0	\$0	\$369,107,925
15		2028-2029	2028	\$0	\$369,166,764	0	\$0	\$356,270,689	

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 07/02/2013

Applicant Name Cominco Fertilizer Partnership
 ISD Name Borger

Schedule C - Application: Employment Information

Form 50-296

	Complete tax years of qualifying time period	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs				
					Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	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			
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	pre-year 1					9	\$46,035	9	\$46,035			
		1	2016-2017	2016	(FTE) 375	\$75,000	13	\$47,416	13	\$47,416			
		2	2017-2018	2017	(FTE) 650	\$75,000	20	\$48,397	19	\$48,839			
		3	2018-2019	2018			20	\$49,849	19	\$50,304			
		4	2019-2020	2019			20	\$51,344	19	\$51,813			
		5	2020-2021	2020			20	\$52,885	19	\$53,367			
		6	2021-2022	2021			20	\$54,471	19	\$54,968			
		7	2022-2023	2022			20	\$56,105	19	\$56,617			
		8	2023-2024	2023			20	\$57,789	19	\$58,316			
		9	2024-2025	2024			20	\$59,522	19	\$60,065			
		10	2025-2026	2025			20	\$61,308	19	\$61,867			
		11	2026-2027	2026			20	\$63,147	19	\$63,723			
		12	2027-2028	2027			20	\$65,042	19	\$65,635			
		13	2028-2029	2028			20	\$66,993	19	\$67,604			
		Post-Settle-Up Period							20	\$69,003	19	\$69,632	
Post-Settle-Up Period										20	\$71,073	19	\$71,721

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

Aug 15, 2013
 DATE

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)*

2W52B4 2.000
TX2013
Ver. 4.0

05-165
(Rev.9-11/3)

Texas Franchise Tax Extension Affiliate List

Attachment A

■ Tcode 13298

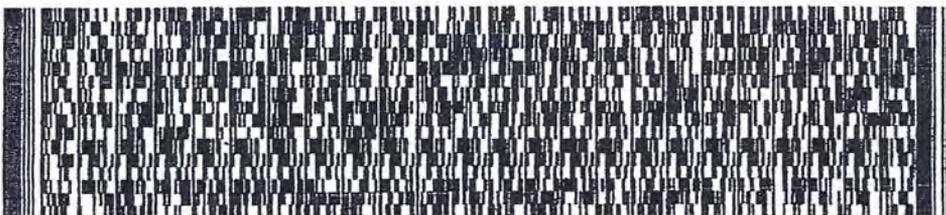
■ Reporting entity taxpayer number 19115895682	■ Report year 2013	Reporting entity taxpayer name Agrium U.S. Inc. & Subsidiaries
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Agrium Nitrogen Company	19115994519	<input type="checkbox"/>
2. Nu West Industries, Inc.	820415557	<input checked="" type="checkbox"/>
3. Nu West Mining, Inc.	820343915	<input checked="" type="checkbox"/>
4. Nu West Minerals, Inc.	841158615	<input checked="" type="checkbox"/>
5. AGU US Holdings, Inc.	204256983	<input checked="" type="checkbox"/>
6. United Agri Products, Inc.	470621017	<input checked="" type="checkbox"/>
7. Loveland Products, Inc.	14707367133	<input type="checkbox"/>
8. Crop Production Services, Inc.	10437691610	<input type="checkbox"/>
9. Platte Chemical Co.	470557041	<input checked="" type="checkbox"/>
10. West Isle Line, Inc.	911835405	<input checked="" type="checkbox"/>
11. Agrium Advanced Technologies (U.S.) Holdings, Inc.	352267852	<input checked="" type="checkbox"/>
12. Agrium Advanced Technologies (U.S.) Inc	32039902443	<input type="checkbox"/>
13. Agrium Development, Inc.	841359990	<input checked="" type="checkbox"/>
14. Agrium Investments, U.S. Inc.	841503149	<input checked="" type="checkbox"/>
15. Cominco Fertilizer Partnership	19115994501	<input type="checkbox"/>
16. Utah Phosphate Company	272523299	<input checked="" type="checkbox"/>
17. Nu Tec Mineral & Chemical	841158617	<input checked="" type="checkbox"/>
18. Agrium Acquisitions (Delaware) LLC	611504227	<input checked="" type="checkbox"/>
19. 1226573 Alberta ULC	980502681	<input checked="" type="checkbox"/>
20. Agrium Retail Finance Company	770444111	<input checked="" type="checkbox"/>
21. STRW, LLC	460593998	<input checked="" type="checkbox"/>

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

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1062

2W52B4 2.000
TX2013
Ver. 4.0

05-165
(Rev. 9-11/13)
Tcode 13298

Texas Franchise Tax Extension Affiliate List

<input type="checkbox"/> Reporting entity taxpayer number <div style="border: 1px solid black; padding: 2px;">19115895682</div>	<input type="checkbox"/> Report year <div style="border: 1px solid black; padding: 2px;">2013</div>	<input type="checkbox"/> Reporting entity taxpayer name <div style="border: 1px solid black; padding: 2px;">Agrium U.S. Inc. & Subsidiaries</div>
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(if none, enter FEI number)</small>	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. Halo Life Sciences, LLC	461843189	<input checked="" type="checkbox"/>
2. Tacoma Ag Holdings, LLC	264182788	<input type="checkbox"/>
3. NIPKO, LLC	205689399	<input checked="" type="checkbox"/>
4. Tacoma Ag, LLC	205682409	<input checked="" type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>
9.		<input type="checkbox"/>
10.		<input type="checkbox"/>
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16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
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20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

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

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1062

Attachment B

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:

The existing nitrogen fertilizer manufacturing facility, located just outside the City of Borger in Hutchinson County, Texas, was commissioned in 1968, and manufactures anhydrous ammonia and 3 forms of urea (feed grade, agriculture granular, industrial diesel emissions fluid). The proposed expansion project, involves:

- a) debottlenecking the existing ammonia plant to produce 1,900 tons/day (30% increase);
- b) constructing a new 1,980 ton/day urea plant which replaces our existing 275 ton/day urea plant; and
- c) constructing a new urea storage and loading facilities and expanding our rail/truck transport infrastructure.

The project capital investment is estimated at \$550-\$600M, with a targeted startup in Q1 2015. Permanent site employment will increase by a minimum of 20 new jobs, from approximately 75 existing to 95+ full time employees. The Agrium project management team will consist of additional 10-15 new full-time employees, for the duration of project execution (2013 – 2015). Construction is anticipated to last 18-30 months, commencing Q1 2014, with an estimated peak construction workforce of over 500 people. Carbon Dioxide, a by-product produced when making ammonia, will continue to be sold for Enhanced Oil Recovery and used in the urea manufacturing process. Multiple indirect benefits exist, including additional jobs to support construction activities, as well as long-term, contract repair services, rail/truck carrier services, and maintenance/operating parts and supplies after construction. The marketing plan is to sell more urea to farmers within the state of Texas.

Demand for raw materials and utilities will increase: natural gas by 35% to approximately 65 MSCF per day, electricity by 5x to 24 MW, water by 2x to approximately 6 million gallons per day. No additional infrastructure or capital is required for our increased natural gas consumption. The existing power infrastructure will need to be upgraded to meet the new power demands. Xcel energy is prepared to commit to an investment of approximately \$5M for equipment and substation erection, with a construction timeline of 16-18 months. These construction jobs and associated benefits are not included in our estimates.

Attachment C

Specific Description of Qualified Investment

- Reformer upgrades
- Waste heat boiler
- Significant internal upgrades to converters
- Heat Exchangers
- Mole Sieves
- Significant upgrades to syngas and Ammonia compressors
- Ammonia Unitized Chiller
- Process Air Compressor
- Flare systems
- Urea melt production equipment
- Urea Granulation equipment
- CO² compressor
- Steam generation equipment
- Raw Water purification equipment
- Cooling towers

Attachment D

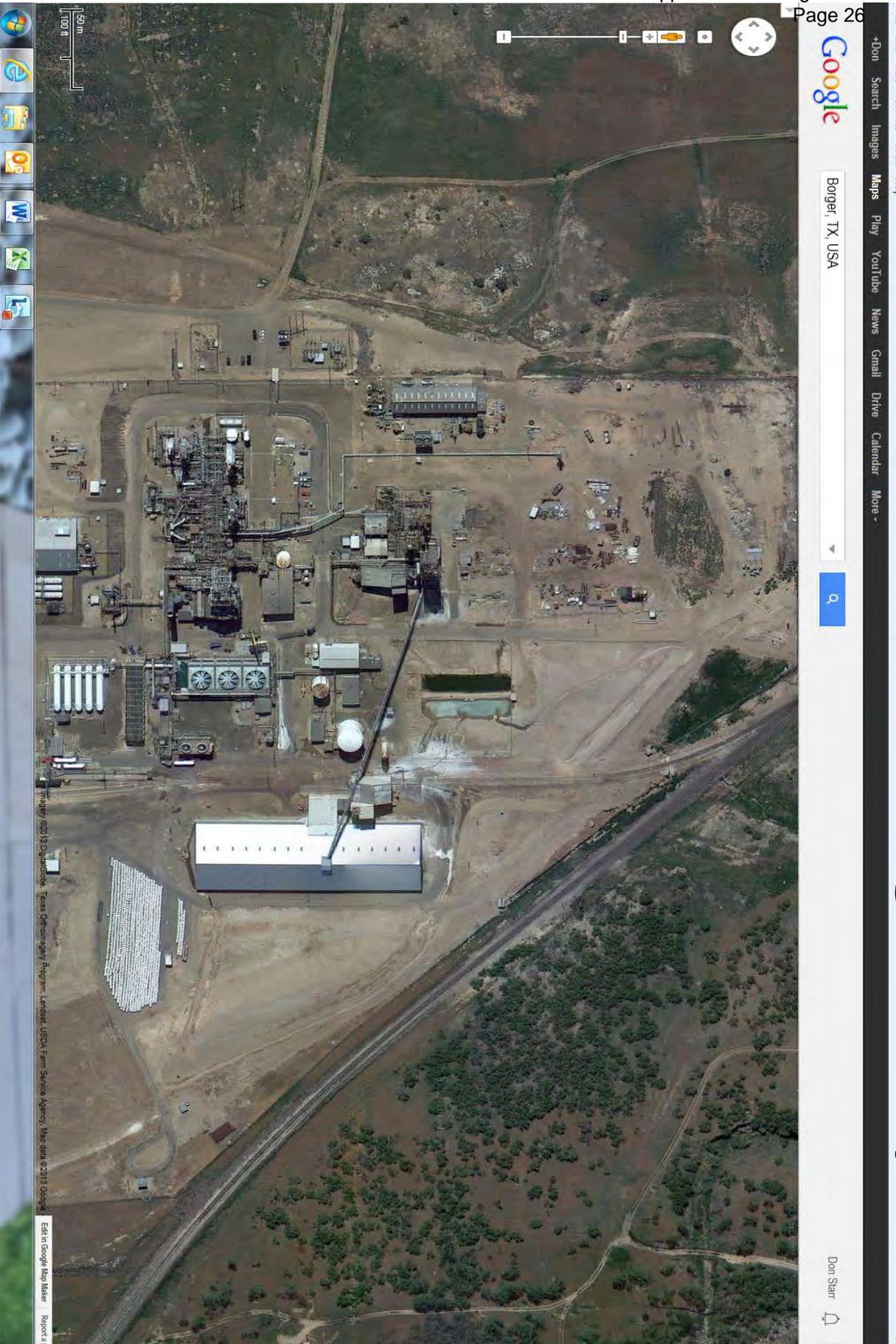
Specific Description of New Buildings and Improvements

- Urea Storage Building
- MCC Bldg for Urea Melt and Granulation
- Security/Scale House
- Injection Well
- MCC Bldg for Urea Storage Bldg with Space Provided for Future Expansion
- Operator's Room
- Analyzer Shelter

Attachment E

- Topographic Map with Plot Plan with visible Legal Description. Reinvestment Zone Boundary is black outline of property
- Existing Facility Plot Plan within Reinvestment Zone
- Aerial View of Existing Facility
- Plot Plan for Expansion. (Orientation note, the

Aerial View of Existing Facility



Don Starr

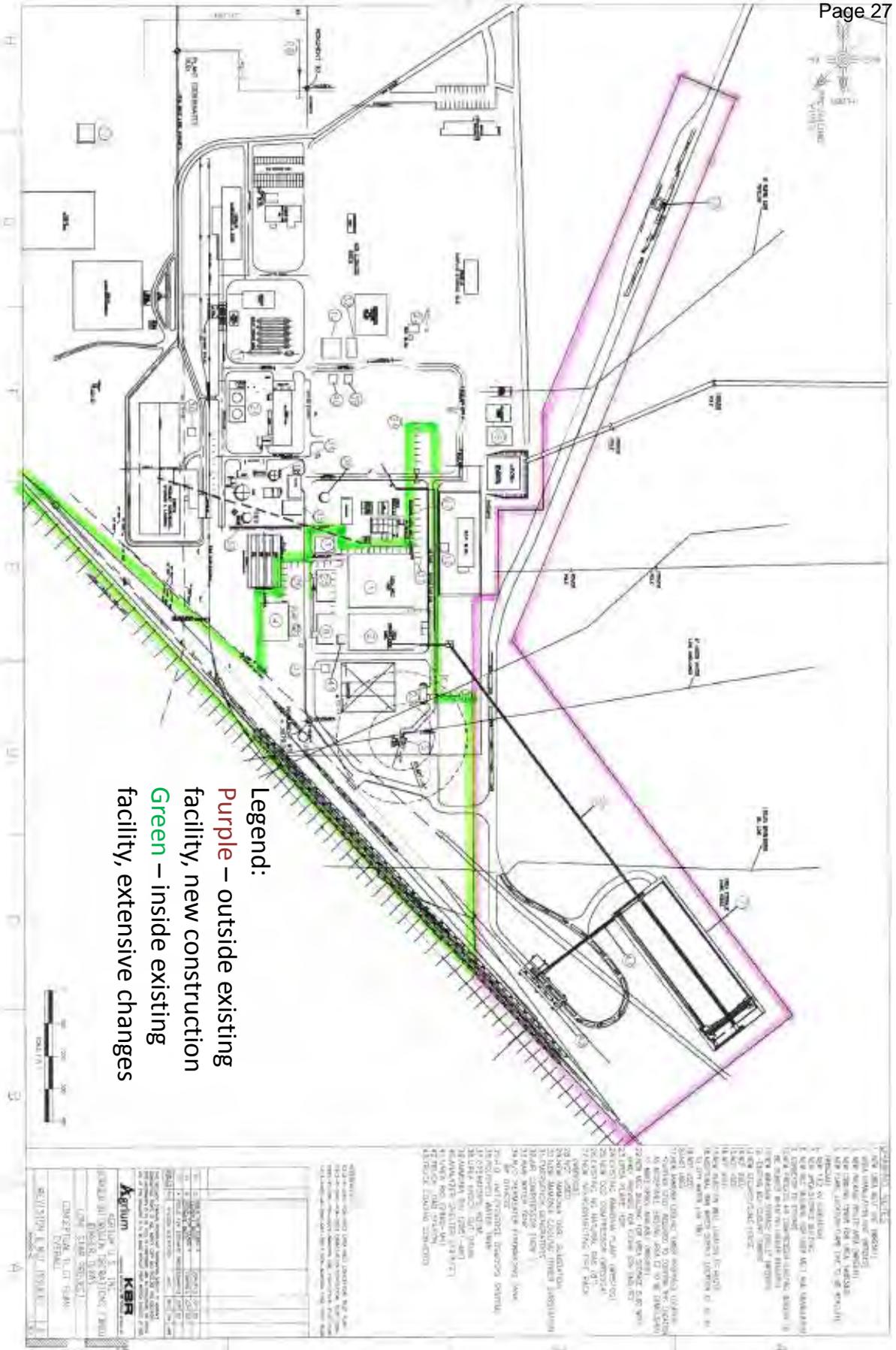


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Copyright ©2013 Google. Terms of Service. LandSat, USDA, Farm Service Agency, Map data ©2013 Google.

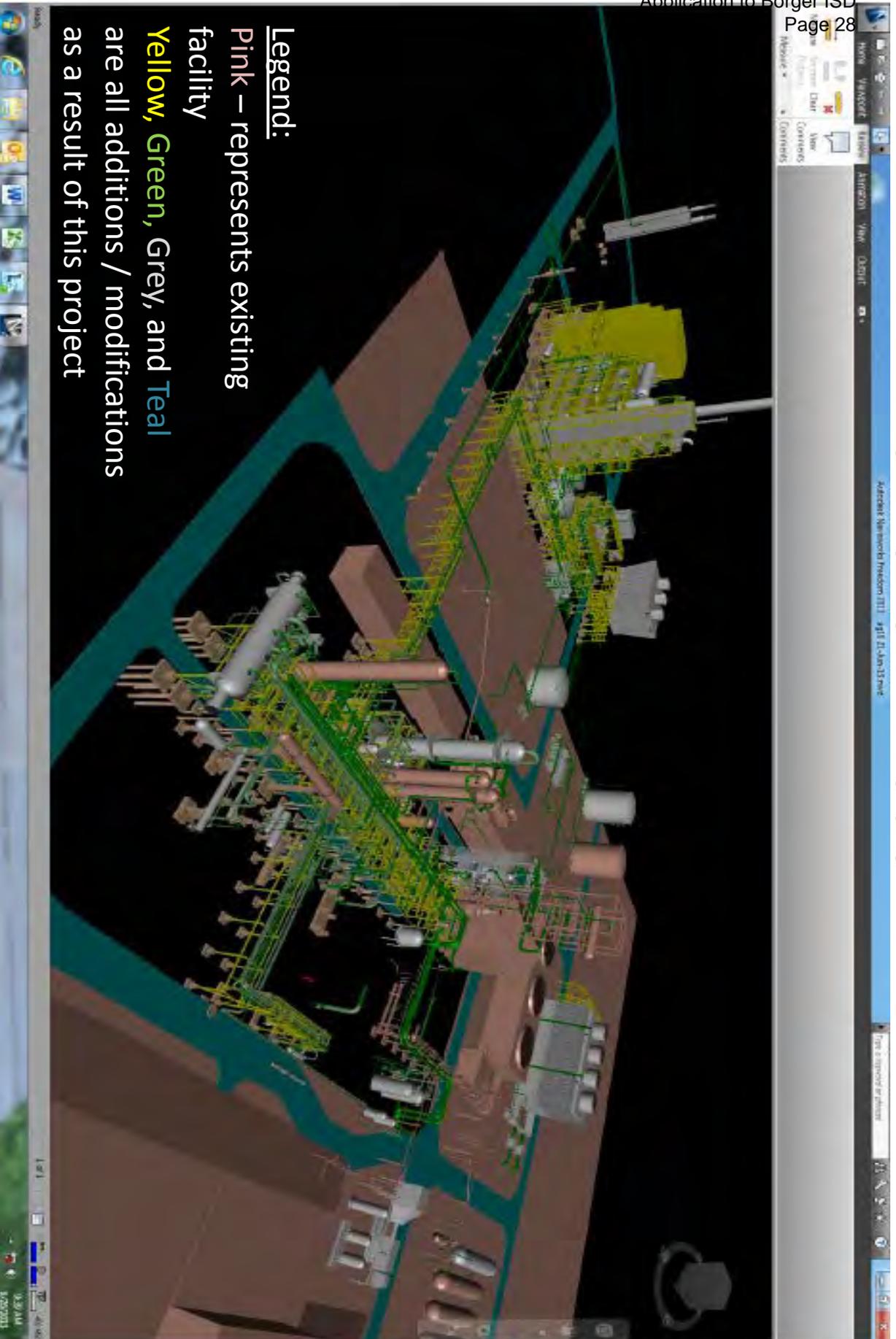
Edit in Google Map Maker Report a problem

Plot Plan for Expansion (note map orientation)

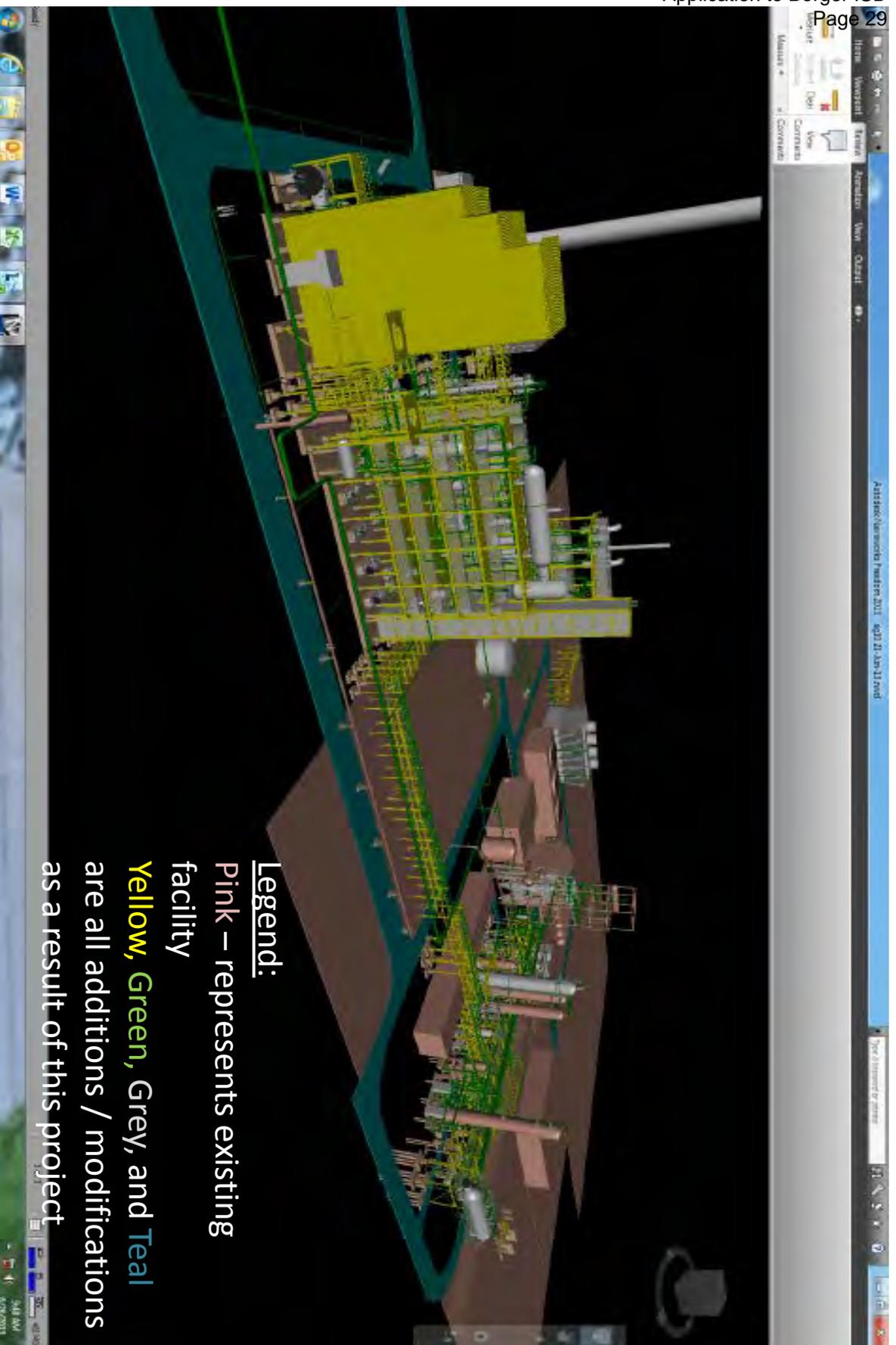


View of 3D Model

Legend:
Pink – represents existing facility
Yellow, Green, Grey, and Teal are all additions / modifications as a result of this project



View of 3D Model



Legend:

Pink – represents existing facility
Yellow, Green, Grey, and Teal are all additions / modifications as a result of this project

View of 3D Model

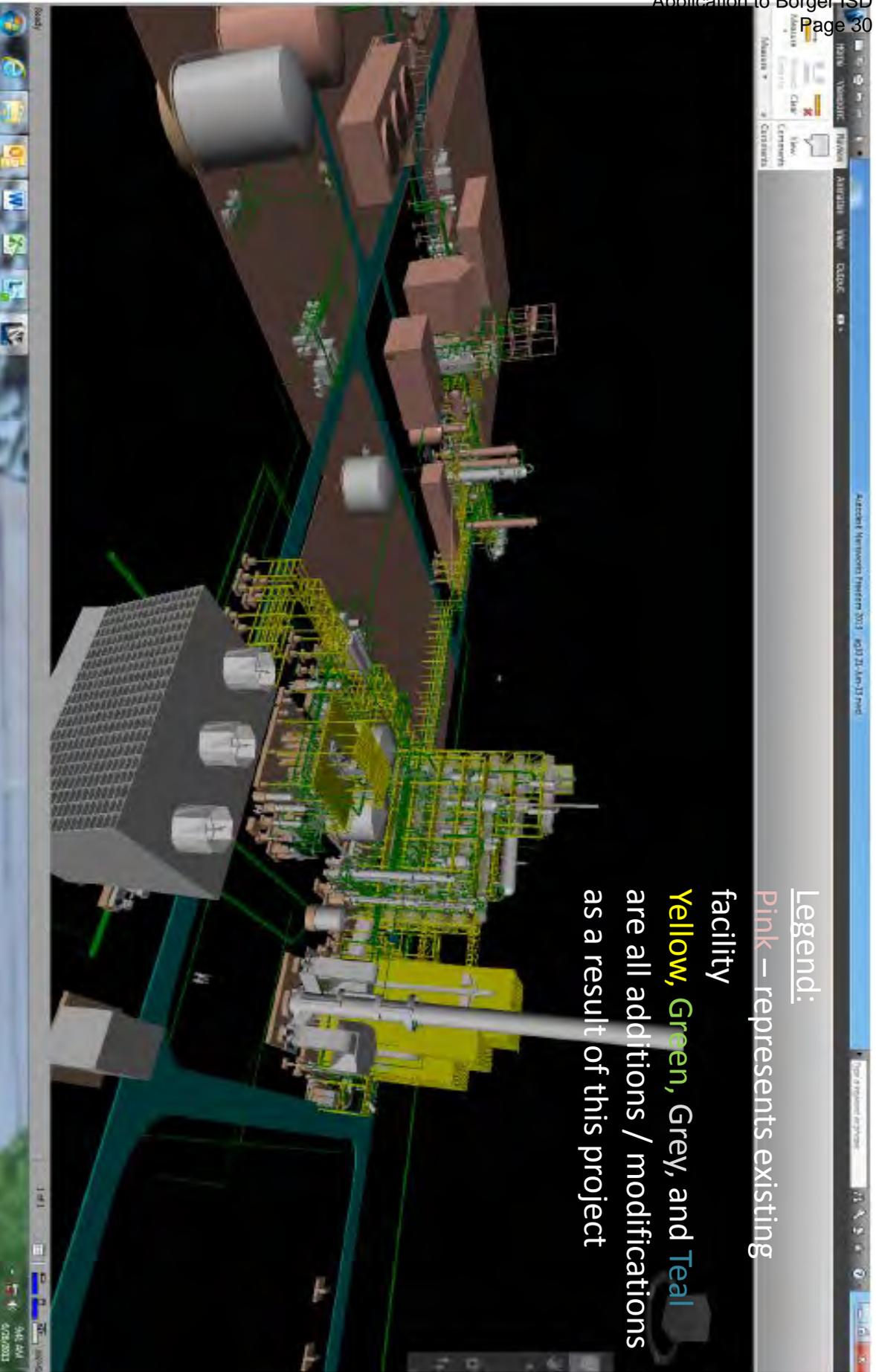
Legend:

Pink – represents existing

facility

Yellow, Green, Grey, and Teal

are all additions / modifications
as a result of this project

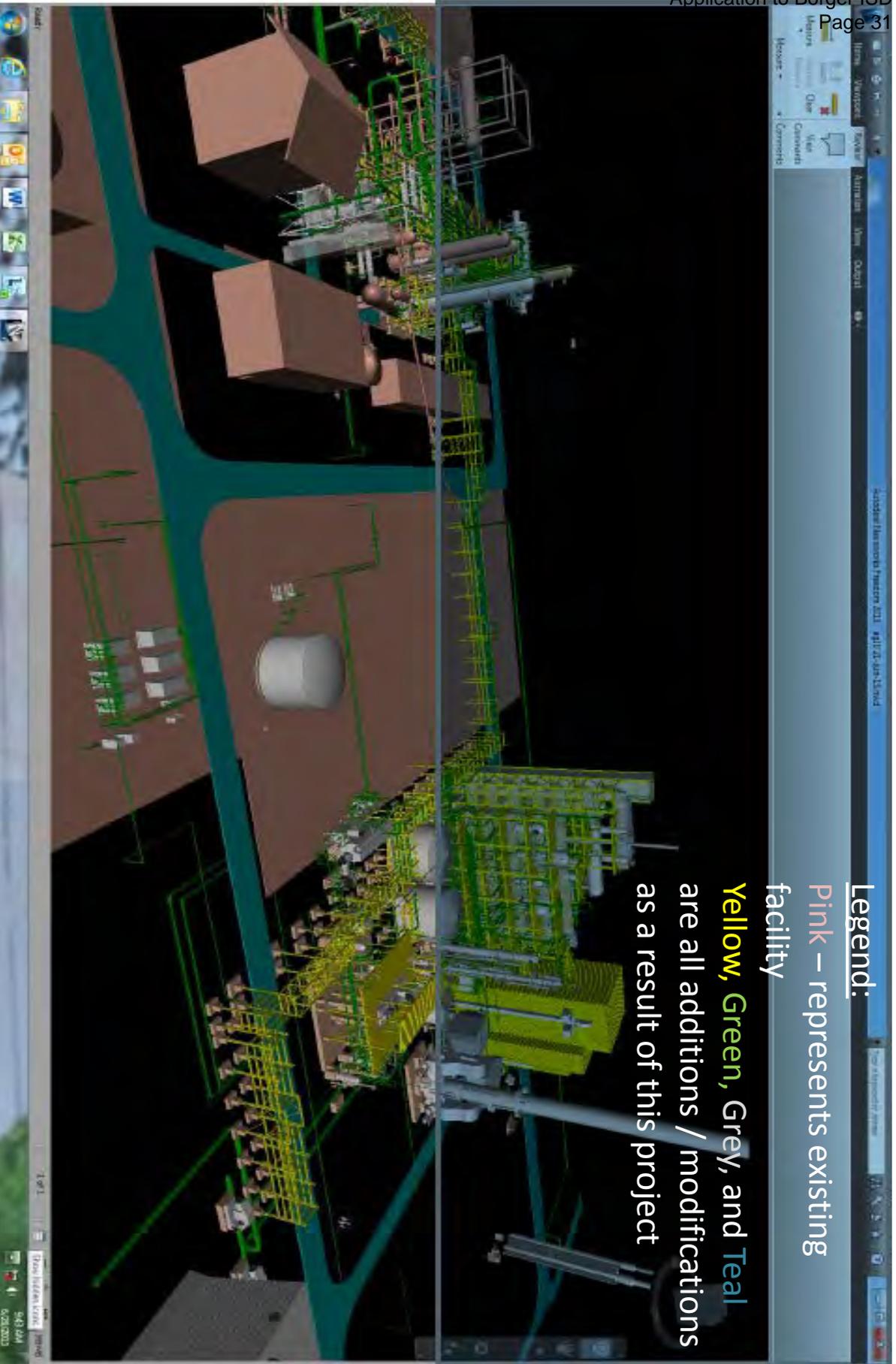


View of 3D Model

Legend:

Pink – represents existing facility

Yellow, Green, Grey, and Teal are all additions / modifications as a result of this project

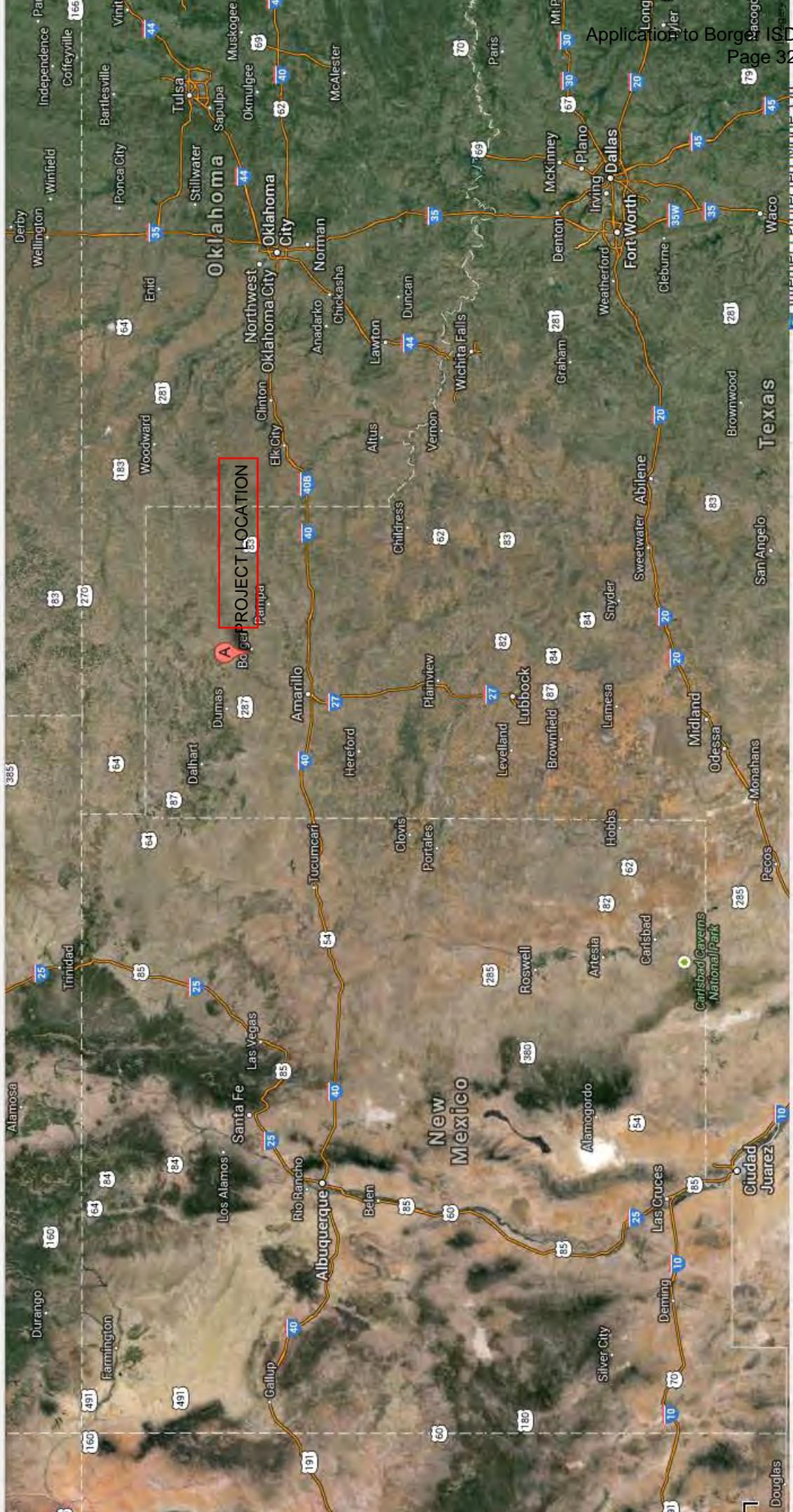




Agrium Us Inc, Borger, Texas



Vicinity Map



Attachment F

LEGAL DESCRIPTION

A tract or parcel of land out of Section 25 and 26, Block Y, Arnold and Barnett, Original Grantee, Abstract Number 676, Certificate Number 50, Hutchinson County, Texas, more fully described by metes and bounds as follows:

BEGINNING at the Northwest corner of said Section 25, said corner being common to Sections 25 and 26;

THENCE South $0^{\circ} 11' 30''$ East along the West line of said Section 25 a distance of 1719.33 feet to a point in the North Right of Way line of Farm To Market Road 1551;

THENCE South $73^{\circ} 15' 40''$ East along said North Farm to Market Road Right of Way line a distance of 1347.93 feet to the point of curvature of a curve bearing to the left and having a radius of 2814.79 feet;

THENCE along said North Farm to Market Road Right of Way curve to the left a distance of 796.75 feet to the point of tangency of said curve;

THENCE South $89^{\circ} 28' 45''$ East along said North Farm to Market Road Right of Way a distance of 1325.92 feet to the point of curvature of a curve bearing to the right and having a radius of 5779.58 feet;

THENCE along said North Farm to Market Road Right of Way curve to the right a distance of 631.29 feet to the point of tangency of said curve;

THENCE South $83^{\circ} 13' 15''$ East along said North Farm to Market Road Right of Way a distance of 42.04 feet to a point;

THENCE North $0^{\circ} 08' 30''$ West a distance of 1309.50 feet to a point on the South Right of Way line of the Panhandle and Santa Fe Railway Co. Track No. 109;

THENCE North $57^{\circ} 20' 45''$ West along said South Railroad Right of Way a distance of 4.85 feet to the point of curvature of a curve bearing to the right and having a radius of 2914.79 feet;

THENCE along said South Railroad Right of Way curve to the right a distance of 716.24 feet to the point of tangency of said curve;

THENCE North $43^{\circ} 16' 00''$ West along said South Railroad Right of Way a distance of 3103.14 feet to the point of curvature of a curve bearing to the left and having a radius of 1859.86 feet;

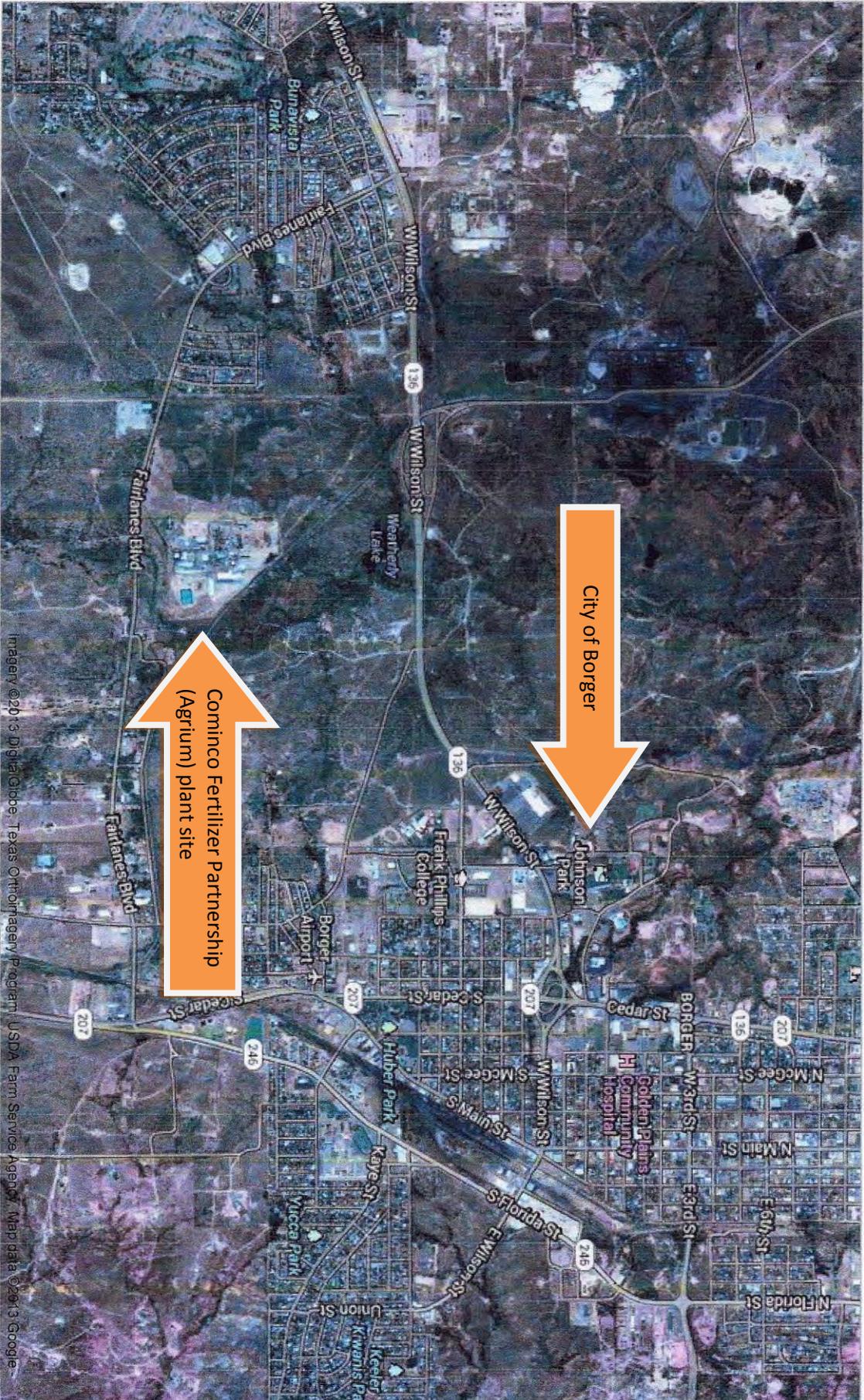
Thence along said South Railroad Right of Way curve to the left a distance of 261.76 feet to the point of tangency of said curve;

THENCE North $51^{\circ} 19' 50''$ West along said South Railroad Right of Way a distance of 899.03 feet to a point in the South Right of Way line of Texas State Highway No. 136;

THENCE South $89^{\circ} 41' 20''$ West a distance of 508.12 feet to a point in the West line of Section 26, Block Y, Arnold and Barnett Survey;

THENCE South $0^{\circ} 10' 00''$ East along said West line of Section 26 a distance of 2480.54 feet to the Southwest corner of said Section 26 and the POINT OF BEGINNING, said corner being common to Sections 25 and 26 containing 291.4318 acres more or less.

Attachment H



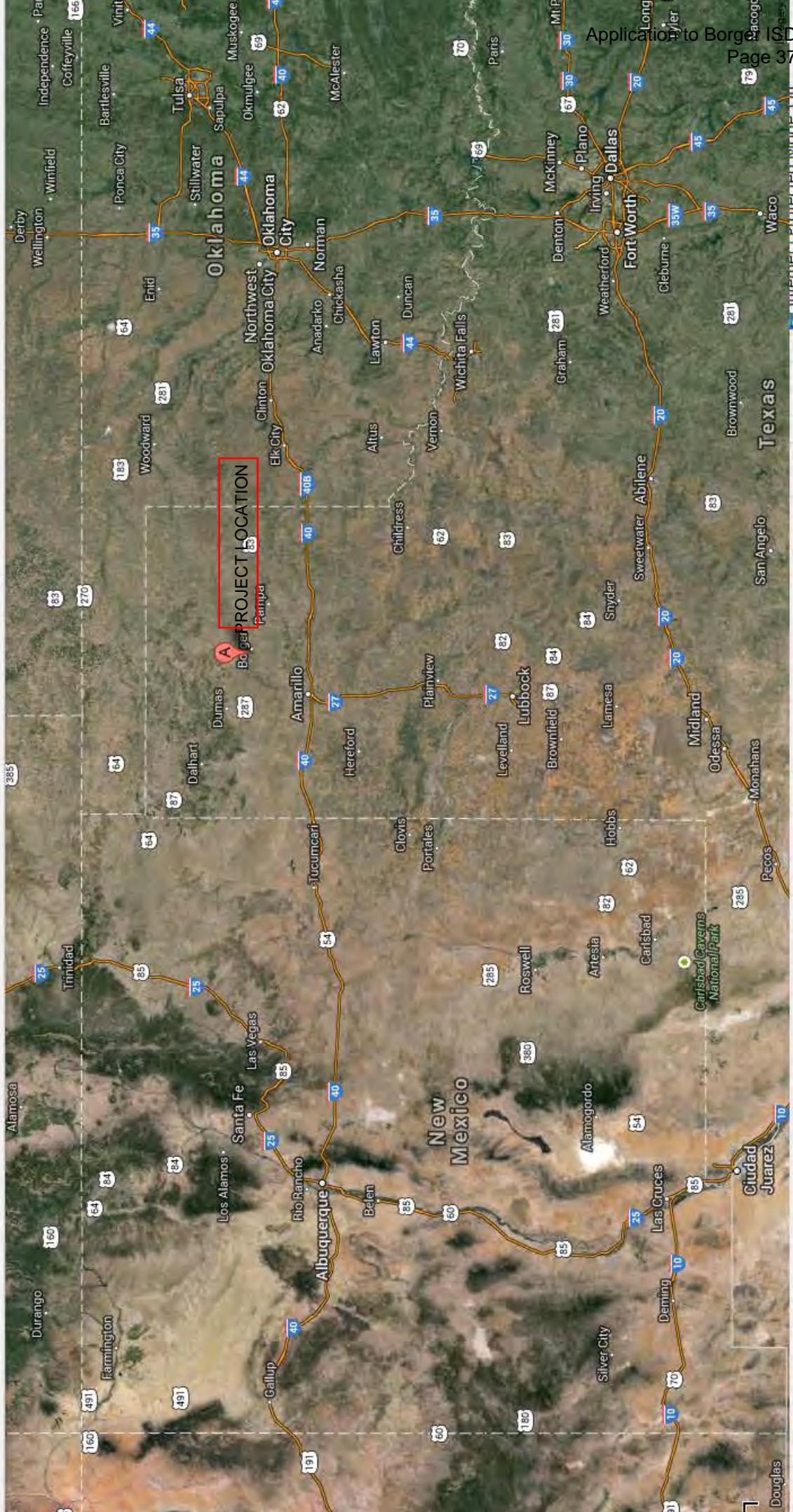
Imagery ©2013 DigitalGlobe, Texas OrthoImagery Program, USDA Farm Service Agency, Map data ©2013 Google



Agrium Us Inc, Borger, Texas



Vicinity Map



Attachment I

RESOLUTION OF THE
COMMISSIONERS COURT OF HUTCHINSON COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE

WHEREAS, **Cominco Fertilizer Partnership**, a partner to **Agrium, US, Inc.** filed an Application with the Commissioners Court of Hutchinson County, Texas for designation of a reinvestment zone on May 10, 2013; and

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act (Texas Tax code, Chapter 312) and the Guidelines and Criteria of the Commissioners Court of Hutchinson County for Granting Tax Abatement in Reinvestment Zones Created in Hutchinson County (The Guidelines), the Commissioners Court published a Notice of Public Hearing on the Application of **Cominco Fertilizer Partnership**, for a designation of a reinvestment zone in the Borger News Herald on May 26, 2013; and

WHEREAS, the Commissioners Court convened in open meeting on June 10, 2013, at 9:30 o'clock, a.m. pursuant to said Notice for the purpose of conducting a Public Hearing on the Application of **Cominco Fertilizer Partnership**, for designation of a reinvestment zone and whereupon all interested persons in attendance who requested to do so, were given the opportunity to speak and present evidence for or against the designation; and

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

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

1. The Commissioners Court of Hutchinson County, Texas makes the following findings:
 - a. That the improvements sought are feasible and practical.
 - b. The designation and improvements would be a benefit to the land to be included in the zone, and to the County after the expiration of the tax abatement agreement;
 - c. The area will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the

zone that would be a benefit to the property and that would contribute to the economic development of the County;

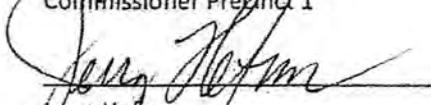
- d. The Commissioners Court further finds that the entire tract of land is located entirely in an unincorporated area of Hutchinson County, Texas.
2. Based upon its findings, the Commissioners Court of Hutchinson County, Texas concludes that the Application for Designation of Reinvestment zone dated May 8, 2013, should be and is hereby approved.
3. A map of the Reinvestment Zone, a metes and bounds description of the Reinvestment Zone, and a 2012 Agrium US., Inc. Annual Report to Stockholders are contained in Exhibits "A", "B", and "C", respectively, and are attached hereto, incorporated by reference and made a part hereof for any and all purposes.
4. The Reinvestment Zone is hereby designated as eligible for commercial-industrial tax abatement, subject to approval of any application for tax abatement by the Commissioners Court.
5. The tract of land contained in Exhibits "A" and "B" is hereby designated as Hutchinson County Reinvestment Zone **Cominco/Agrium 2013-1** and is eligible for commercial-industrial tax abatement.
6. This designation of a reinvestment zone shall expire seven (7) years from the date of this resolution.

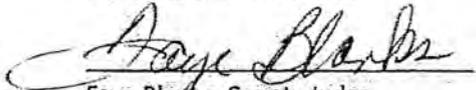
PASSED, ADOPTED AND APPROVED on this 10th day of June, 2013.

COMMISSIONERS COURT OF HUTCHINSON COUNTY, TEXAS

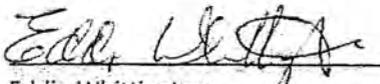
VOTING FOR:


Larry Coffman
Commissioner Precinct 1


Jerry Heffner
Commissioner Precinct 2


Faye Blanks, County Judge

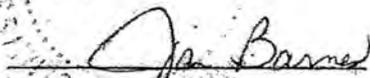

S. T. Isbell
Commissioner Precinct 3


Eddie Whittington
Commissioner Precinct 4

VOTING AGAINST:

None

ATTEST:


Jan Barnes, County Clerk

Legal Description of Reinvestment Zone

LEGAL DESCRIPTION

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Attachment J

Sec. 311.005. CRITERIA FOR REINVESTMENT ZONE. (a) To be designated as a reinvestment zone, an area must:

(1) substantially arrest or impair the sound growth of the municipality or county designating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;

(F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

(H) conditions that endanger life or property by fire or other cause; or

(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;

(2) be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;

Board Officers

Mary Henderson
Chairman

Leslie Deaton
Vice Chairman

Leslie Monden
Secretary

HUTCHINSON COUNTY APPRAISAL DISTRICT

P.O. Box 5065
Borger, Texas 79008-5065
806-274-2294
806-273-3400(Fax)
e-mail: hutcad@arn.net

Board Members

Robert Bradley
Clarence McDaniel

Chief Appraiser

Bill R. Swink
RPA/RTA

O'hannon & Associates
c/o Anna Bella Canchola
808 West Ave.
Austin, Texas 78701-2208

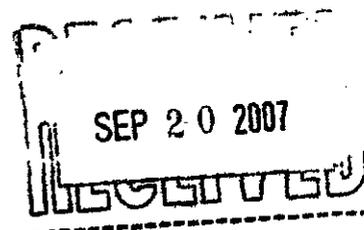
Dear Ms. Canchola,

As per our phone conversation 9/18/2007, I am enclosing a copy of Hutchinson County's Guidelines for granting tax abatement in a reinvestment zone.

Sincerely yours



Bill Swink
Chief Appraiser Hutchinson CAD



**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN A
REINVESTMENT ZONE CREATED IN HUTCHINSON COUNTY**

Whereas, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and

Whereas, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

Whereas, the communities within Hutchinson County must compete with other localities across the nation currently offering tax inducements to attract new plants and modernization projects; and

Whereas, any tax incentives offered in Hutchinson County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

Whereas, any tax incentives should not adversely affect the competitive position of existing companies operating in Hutchinson County; and

Whereas, the abatement of the property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

Whereas, effective September 1, 1987, Tax Law requires an eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreement prior to granting of any future tax abatement. Said Guidelines and Criteria are to be unchanged for a two year period unless amended by a three quarter vote; and

Whereas, to assure a common, coordinated effort to promote our communities' economic development, any such Guidelines and Criteria should be adopted only through the cooperation of affected school districts, cities, college district, Hutchinson County and other taxing jurisdictions; and

Whereas, Hutchinson County Commissioners Court has approved the circulation of the attached Guidelines and Criteria to affected taxing jurisdictions for consideration as a common policy for all jurisdictions to participate in tax abatement agreements;

Now, therefore be it resolved that Hutchinson County does hereby propose for consideration and adoption these Guidelines and Criteria for granting tax abatement to reinvestment zones in Hutchinson County.

DEFINITIONS

Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by Hutchinson County for economic development purposes.
- (b) "Affected jurisdiction" means Hutchinson County and any municipality, school district, or other taxing jurisdictions the majority of which is located in Hutchinson County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by Hutchinson County.
- (c) "Agreement" means a contractual agreement between a property owned and/or leased in Hutchinson County for the purposes of tax abatement.
- (d) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (e) "Committee" is composed of one (1) member from each taxing unit in the county. The committee shall be formed to recommend the adoption or rejection of all applications. The County Judge or his designee shall serve as staff to the committee. In determining where and how tax abatement will be utilized, the committee will examine the potential return on the public's investment. Return of a public investment will be measured in terms of net jobs created, jobs retained, broadening of the tax base and expansion of the economic base.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used, primarily to receive, store, service or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points at least 50 miles from its location in Hutchinson County.
- (h) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction.
- (j) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be to manufacture tangible goods or materials or the processing of such goods or materials by physical or chemical change.

- (k) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing. ? SEE SEC. 2C
- (l) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of goods or services which serve a market primarily outside of Hutchinson County and result in the creation of new permanent jobs and create new wealth in the County.
- (n) "Productive Life" means the number of years a property improvement is expected to be in service.
- (o) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside at least 50 miles from its location in Hutchinson County.
- (p) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (q) "Regional Service Facility" means buildings and structures, including machinery and equipment used or to be used to service goods where a majority of the goods being serviced originate at least 50 miles from the facility's location in Hutchinson County.

ABATEMENT AUTHORIZED

Section 2

- (a) **Authorized Facility** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility or Other Basic Industry.
- (b) **Creation of New Value** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Hutchinson County and the property owner or lessee, subject to such limitations as Hutchinson County may require.
- (c) **New and Existing Facilities** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus the office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings; other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; retail facilities; deferred maintenance investments; property to be rented or leased except as provided in section 2(f); property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- (f) **Owned/Lease Facilities** If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee. Public owned land leased to private entities shall be eligible if otherwise qualified.
- (g) **Abatement Schedule** The owner of real property requesting tax abatement within a reinvestment zone shall, prior to the inception of the project(s) that are subject to an abatement contract, agree to expend a designated sum of money or provide a certain number of jobs as follows:

0 to 5 Years Abatement % of Appraised Value to be Abated	6 to 10 Years Abatement % of Appraised Value to Be Abated	% Abated Is Based on the Greater Of:		No. of New Full- time Permanent Jobs Created
		Capital Cost of Project	OR	
15%	7.5%	\$ 150,000 -	1,000,000	15 - 25
25%	12.5%	\$ 1,000,001 -	2,500,000	26 - 50
50%	25.0%	\$ 2,500,001 -	7,500,000	51 - 75
75%	37.5%	\$ 7,500,001 -	10,000,000	70 -100
100%	50.0%	\$10,000,001 -	12,000,000	101 -200

Example: Capital investment of \$150,000 with a net job creation of 60 would be eligible for 50% abatement. Primary consideration for abatement in this instance is job creation.

Example: Capital investment of \$8,000,000 with a net job creation of 20 would be eligible for 75% abatement. Primary consideration for abatement in this instance is capital investment.

Projects which exceed a capital investment of \$12,000,000 or create more than 200 jobs will be individually negotiated.

- (h) **Abated Value** If a modernization project includes facility replacement, the abated value shall be the value of a new unit(s) less the value of the old unit(s).

APPLICATION

Section 3

- (a) A committee composed of one (1) member each from each taxing unit in Hutchinson County shall be formed to recommend the adoption or rejection of all applications. The County Judge or his designee shall serve as staff to the committee. In determining where and how tax abatement will be utilized, the committee will examine the potential return on the public's investment. The return of the public investment will be measured in terms of net jobs created, jobs retained, broadening of the tax base, and expansion of the economic base.
- (b) Any present or potential owner of taxable property in Hutchinson County may request the creation of a reinvestment zone and tax abatement by filing a written request with the County Judge.
- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken; a descriptive list of the improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the Committee deems appropriate for evaluating the financial capacity and other factors of the applicant.
- (d) Upon receipt of a completed application, the Committee Chairman shall notify, in writing, the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the Committee shall, through public hearing allow the the applicant and/or the designated representative of any affected jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Hutchinson County agenda to be posted at least three (3) days prior to the hearing.
- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Committee shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone.
- (f) Requests for a variance from the provisions of Subsections (a), (e), and (g) of Section 2 may be made in written form to a designated member of the Committee provided, the total duration of an abatement shall in no instance exceed fifteen years. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the Committee.

PUBLIC HEARING

Section 4

- (a) Should any affected jurisdiction be able to show cause in a public hearing why the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of service; shall be reason for the Committee to deny any designation of the reinvestment zone, the granting of abatement, or both.
- (b) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) there would be a substantial adverse affect on the provision of government services or tax base as determined by the Committee;
 - (2) the applicant has insufficient financial capacity;
 - (3) planned or potential use of the property would constitute a hazard to public safety, health or morals;
 - (4) violation of other codes or laws.

AGREEMENT

Section 5

- (a) After approval, Hutchinson County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility, nature of construction, time schedule, map, property description and a list of improvements as provided for in Application, Section 3(b);
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of the abatement.
- (b) Such agreement shall be executed within 60 days after the applicant has forwarded all necessary information and documentation to Hutchinson County.

RECAPTURE

Section 6

- (a) In the event that the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year, shall be paid to the taxing entities sixty (60) days from the date of termination.
- (b) Should Hutchinson County determine that the company or individual is in default according to the terms and conditions of the agreement, Hutchinson County shall notify the company or individual, in writing, to the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual allows the ad valorem taxes they owe the taxing entity to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or violates any of the terms and conditions of the abatement agreement, or fails to cure during the Cure Period, the agreement, then, may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

ADMINISTRATION

Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions who levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of any affected taxing jurisdiction will have access to the reinvestment zone during the term of the abatement in order to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after giving a twenty-four (24) hours prior notice and shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual(s) and in accordance with its safety standards.
- (c) Upon completion of construction, Hutchinson County Appraisal District shall annually evaluate each facility and report possible violations of the contract and agreement to Hutchinson County and its attorney. ?

ASSIGNMENT

Section 8

- (a) Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval, by resolution, of Hutchinson County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Hutchinson County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to Hutchinson County or any affected jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

SUNSET PROVISION

Section 9

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Hutchinson County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated providing that such actions shall not affect existing contracts.
- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of specific attention as agreed by the affected jurisdictions.

Attachment K

2012 Manufacturing Wages by Council of Government Region Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850*
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

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.

***Note: The Panhandle Region Planning Commission annual manufacturing wage of \$41,850 x 110% = \$46,035.**

Quarterly Employment and Wages (QCEW)

I.CODETITLE

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Hutchinson County	Private	00	0	10	Total, All Industries	\$1,205
2012	2nd Qtr	Hutchinson County	Private	00	0	10	Total, All Industries	\$1,053
2012	3rd Qtr	Hutchinson County	Private	00	0	10	Total, All Industries	\$1,008
2012	4th Qtr	Hutchinson County	Private	00	0	10	Total, All Industries	\$1,228
2013	1st Qtr	Hutchinson County	Private	00	0	10	Total, All Industries	\$1,249
2013	1st Qtr	Hutchinson County	Private	31	2	31-33	Manufacturing	\$2,029
2012	4th Qtr	Hutchinson County	Private	31	2	31-33	Manufacturing	\$1,676
2012	3rd Qtr	Hutchinson County	Private	31	2	31-33	Manufacturing	\$1,419
2012	2nd Qtr	Hutchinson County	Private	31	2	31-33	Manufacturing	\$1,498
2012	1st Qtr	Hutchinson County	Private	31	2	31-33	Manufacturing	\$1,668

All Industries Avg. Wage

$1134.5 * 110\% = 1247.95$

Manufacturing Avg. Wage

$1655.50 * 110\% = 1821.05$

Attachment L

Proof of at least 80% Employer Coverage of Employee Health Benefits (Supplemental Insurance Benefits Data Follows)

US Medical Contribution Rates 2013

Monthly Rates

<u>PLAN</u>	<u>LEVEL</u>	<u>Company</u> <u>Contribution</u>	<u>EE</u> <u>Contribution</u>	<u>Total</u> <u>Premium</u>	<u>Employer Paid</u>
PPO	Single	439.28	77.52	516.80	85%
MEDICAL	EE + Spouse	852.71	180.88	1,033.59	82.5%
	EE+ Children	852.71	180.88	1,033.59	82.5%
	EE+ Family	1,266.15	284.24	1,550.39	82%

Chapter 313 Property Identification and Appraisal Plan

Cominco Fertilizer Partnership has submitted an application to Borger Independent School District for a school district value limitation pursuant to Chapter 313 of the Texas Property Tax Code. For the purpose of appraising property at the site of the Cominco Fertilizer Partnership nitrogen plant, certain delineations will need to be made between taxable property in existence prior to the issuance of a "substantially complete" application letter from the Texas Comptroller's office and that property which is delivered, constructed and/or put in service after such date through the end of the qualifying period of December 31, 2015.

For purposes of identification and appraisal, both the tax payer and appraisal district will take notice of the following account numbers and property type.

Account Number	Property Type	Description	2013 Market Value
0003563-0-9900240	Business Personal Property	Fixed Assets	\$82,230.00
0003563-0-9900140	Business Personal Property	Inventory	\$5,859,940.00
0003563-0-9900141	Business Personal Property	Inventory	\$59,940.00
0003563-0-9900200	Business Personal Property	Inventory	\$4,330.00
0003563-0-9900210	Business Personal Property	Inventory	\$199,050.00
0003563-0-9900170	Business Personal Property	Plant Industrial Equipment	\$298,280.00 TNRCC
0003563-0-9900171	Business Personal Property	Plant Industrial Equipment	\$347,830.00 TNRCC
0003563-0-9900190	Business Personal Property	Plant Industrial Equipment	\$366,920.00 TNRCC
0003563-0-9900260	Business Personal Property	Plant Industrial Equipment	\$4,295,270.00
0003563-0-9998010	Business Personal Property	Plant Industrial Equipment	\$0
0003563-0-9998040	Business Personal Property	Plant Industrial Equipment	\$77,070.00 TNRCC
0003563-0-9900220	Business Personal Property	Vehicles	\$193,720.00
0003563-0-9900100	Real Property	Land - 291.43 acres	\$291,430
0003563-0-9900120	Real Property	Plant Improvements	\$387,860.00
0003563-0-9900160	Real Property	Plant Improvements	\$19,084,350.00
0003563-0-9900165	Real Property	Plant Improvements	\$2,493,210.00
0003563-0-9900166	Real Property	Plant Improvements	\$501,970.00
0003563-0-9900180	Real Property	Plant Improvements	\$10,878,510.00
0003563-0-9900185	Real Property	Plant Improvements	\$234,240.00
0003563-0-9998000	Real Property	Plant Improvements	\$0
0003563-0-9998020	Real Property	Plant Improvements	\$46,370.00 TNRCC

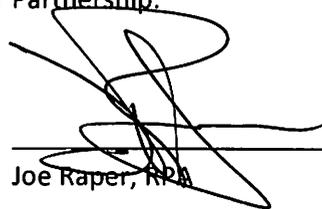
The preceding accounts are existing accounts as of this date, July 11, 2013, and do not and will not contain any property or property value to be included as part of the new property delivered, installed, constructed or otherwise put in service after the date of the issuance of a substantially complete application letter and will not be eligible for any value limitation under the Chapter 313 program. All existing accounts will continue to be appraised as in the past including consideration for depreciation, functional or economic obsolescence and legally entitled exemptions.

Beginning on January 1, 2014, entirely new accounts will be created by the Hutchinson Central Appraisal District chief appraiser to identify business personal property and real property improvements delivered, installed, constructed or otherwise put in service from the date of the substantially complete letter through December 31, 2015. Each new account number and appraisal record created during the qualifying period for property eligible for the Chapter 313 school district value limitation will list two values for Borger Independent School District:

1. The value according to the Chapter 313 school district value limitation agreement in each year that Cominco Fertilizer Partnership remains eligible for the value limitation. This value will be utilized in determining the taxable value for the maintenance & operations portion of the school district's tax rate; and
2. The value according to the market value of all property without the application of the Chapter 313 value limitation which will be derived by determining the replacement cost new less depreciation and any other appropriate factors including, but not limited to, economic or functional obsolescence, pollution control exemptions and/or freeport exemptions. This value will be utilized in determining the taxable value for the interest & sinking fund portion of the school district's tax rate.

Beginning on January 1, 2014, all property, real and personal, existing and new, shall be listed under the legal ownership name of such property. The legal owner of the property is and will be Cominco Fertilizer Partnership. All accounts, both existing and new, shall list Cominco Fertilizer Partnership as the owner until the ownership of the property is legally transferred to another entity evidenced by a written document filed at the Hutchinson County Courthouse.

I, Joe Raper, Chief Appraiser for Hutchinson County Appraisal District approve of this Chapter 313 Property Identification and Appraisal Plan for Cominco Fertilizer Partnership.



Joe Raper, RPA

September 26, 2013

From: [Trey Cobb](#)
To: [Mali Hanley](#)
Cc: ["Diamond, Adam"](#)
Subject: FW: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County
Date: Tuesday, October 01, 2013 5:02:49 PM
Attachments: [BISD 313 Property ID.pdf](#)

Below is the e-mail string between the Hutchinson CAD Chief Appraiser, Joe Raper, and the comptroller's office concerning the appraisal plan.

Trey B. Cobb, SrPTC
Kirkwood and Darby, Inc.
307 W. 7th Street, Suite 1110
Ft. Worth, Texas 76102
817-831-3597 Phone
817-831-3598 Fax

From: Joe Raper [mailto:j.raper@hutchinsoncad.com]
Sent: Tuesday, October 01, 2013 5:00 PM
To: tcobb@kirkwoodanddarby.com
Subject: FW: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County

These are the emails and original attachment.

If there is anything else I can do along with you, please feel free to contact me.

From: Stephanie Jones [mailto:Stephanie.Jones@cpa.state.tx.us]
Sent: Tuesday, October 01, 2013 2:36 PM
To: j.raper@hutchinsoncad.com
Subject: FW: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County

Mr. Raper,

The attachment is sufficient. Thank you for the prompt response.

Stephanie Jones

From: Joe Raper [mailto:j.raper@hutchinsoncad.com]
Sent: Tuesday, October 01, 2013 10:41 AM
To: Stephanie Jones
Subject: RE: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County

Ms. Jones,

Thank you for your assistance.

From: Stephanie Jones [mailto:Stephanie.Jones@cpa.state.tx.us]

Sent: Tuesday, October 01, 2013 10:31 AM

To: j.raper@hutchinsoncad.com

Subject: FW: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County

Mr. Raper,

Can you provide a copy of the proposal for our review?

Stephanie Jones

Economic Development and Analysis

Texas Comptroller of Public Accounts

LBJ State Offices Building

111 East 17th Street

Austin, Texas 78774

(512)463.4594

IMPORTANT NOTICE: This communication and any attachments may contain privileged or confidential information under the Texas Public Information Act and/or applicable state and federal laws. If you have received this message in error, please notify the sender immediately.

From: Michelle Luera

Sent: Tuesday, September 24, 2013 2:19 PM

To: Joe Raper; Gary Price

Cc: Stephanie Jones; Michelle Luera

Subject: RE: Application for Limitation Borger ISD - Inquiry from Chief Appraiser, Hutchinson County

Importance: High

Dear Mr. Raper,

I do not know the answer to that question. I will have to defer your inquiry to Gary Price and he will be able to assist you. He can also be contacted at 512-463-3993.

Best regards,

Michelle Luera

Economic Development and Analysis Division

Texas Comptroller of Public Accounts

111 E. 17th St.

Austin, TX 78774

(512)463-6053

(800)531-5441 ext.3-6053

fax (512)475-0664

From: Joe Raper [<mailto:j.raper@hutchinsoncad.com>]

Sent: Tuesday, September 24, 2013 2:16 PM

To: Michelle Luera

Subject: Application for Limitation Borger ISD

Ms. Luera,

I have been contacted regarding the above application requiring a “detailed methodology and process to annually determine values.” A proposal was submitted to me which identified existing appraisal accounts of the applicant and that new accounts would be established for property eligible for the limitation. Will this suffice, or does the statement require great detail?

Thank you for your assistance.

Joe Raper, RPA
Chief Appraiser
Hutchinson County Appraisal District
j.raper@hutchinsoncad.com
806 274-2294

Notice:

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No virus found in this message.

Checked by AVG - www.avg.com

Version: 2013.0.3408 / Virus Database: 3222/6709 - Release Date: 09/29/13

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Checked by AVG - www.avg.com

Version: 2013.0.3408 / Virus Database: 3222/6709 - Release Date: 09/29/13

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 9.0.932 / Virus Database: 3222.1.1/6213 - Release Date: 10/01/13 01:06:00

1. Primary Reformer
2. Start-Up Heater
3. Primary Waste Heat Boiler
4. Primary Shift Effl. Waste Heat Boiler
5. Methanator Feed Heater
6. CO₂ Stripper Gas Reboiler
7. Shift Effluent BFW Heater
8. MEA Solution Cooler
9. MEA Solution Exchanger
10. CO₂ Stripper Condenser
11. CO₂ Stripper Steam Reboiler
12. MEA Vaporizer
13. Methanator Effluent BFW Heater
14. Methanator Effluent Cooler
15. Syn. Gas Compr. Interstage Cooler
16. Feed and Recycle 1st Stage Chiller
17. Feed and Recycle 2nd Stage Chiller
18. Feed and Recycle 3rd Stage Chiller
19. Ammonia Converter Feed/Feed Gas & Recycle Exchange
20. Ammonia Converter Feed-Effl. Exch.
21. Ammonia Converter Interchanger
22. Ammonia Converter Innerbed Exchanger
23. Ammonia Converter BFW Exchanger
24. Synthesis Gas Compr. Aftercooler
25. Purge Gas Chiller
26. Flash Gas Chiller
27. Refrigerant Condenser
28. Refrigerant Compressor
29. Syn. Gas Compr. Interchange Chiller
30. Syn. Gas Methanator Feed Exchanger
31. Ammonia Vaporizer (In Yard Piping)
32. Air Compressor Interstage Cooler
33. Desulfurizers 1 & 2
34. Secondary Reformer
35. Shift Converter
36. Synthesis Converter
37. Methanator
38. Effluent Chamber
39. CO₂ Absorber
40. CO₂ Stripper
41. Steam Drum
42. Raw Gas Separator
43. CO₂ Stripper Reflux Drum
44. Syn. Gas Compr. Suction Drum
45. Synthesis Gas Compr. 1st Stage Sep.
46. Secondary Ammonia Separator
47. Primary Ammonia Separator
48. Purge Separator
49. Refrigerant Receiver
50. First Stage Refrigerant Flash Drum
51. Second Stage Refrigerant Flash Drum
52. Third Stage Refrigerant Flash Drum
53. MEA Storage Tank
54. αMDEA Sump
55. Instrument Air Receiver
56. Blow Down Drum
57. Demineralized Water Storage Tank
58. Plant Air Compressor Receiver
59. Air Compressor
60. Process Feed Gas Compressor
61. Synthesis Gas Compressor
62. H.P. BFW Pumps
63. Refrigerant Compressor
64. Quench Pump
65. MEA Circulation Pumps
66. Condensate Pump
67. Product Ammonia Pumps
68. Ammonia Injection Pump
69. L.P. Boiler Feed Pump
70. Surface Condenser
71. Compressor Surface Condenser
72. Demineralized Water Pump
73. Control House

- | | | |
|---|--------------------------------------|--------------------------------------|
| 74. Firewater to Comp.
Deck Bldg. | 83. Metering Pump
Water Trt. (W) | 90. Secondary Anion
Unit #2 Train |
| 75. Water Treating
Building | 84. Water Treater Feed
Tote (E) | 91. Strong Base-Anion
Unit |
| 76. MEA Filter | 85. Metering Pump
Water Trt. (E) | 92. Emergency
Generator |
| 77. Air Filter | 86. Primary Anion Unit
#1 Train | 93. Deaerator |
| 78. αMDEA Filter | 87. Primary Anion Unit
#2 Train | 94. Cation Units (3) |
| 79. Instrument Air Dryer
Mfg. Pt. | 88. Primary Anion Unit
#3 Train | 95. Secondary Cation
Units (3) |
| 80. Instrument Air Dryer
(Urea) Mfg. Zurn. | 89. Secondary Anion
Unit #1 Train | 96. Condensor Polisher
Units (2) |
| 81. Instrument Air Dryer
(NH3) Mfg. Zurn. | | 97. Resin Trap |
| 82. Water Treater Feed
Tote (W) | | 98. Mixed Bed Unit |
| 99. Ammonia Injection
Tank | | |

The location of all existing property is indicated on the maps provided at Attachment E