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TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

July 29, 2016

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

RE: Application to the Brazosport Independent School District from Praxair, Inc.

(First Qualifying Year 2018)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Brazosport Independent School District is notifying Praxair, Inc. of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted an Application to the school district on July 26, 2016. The Board voted to accept the application on July 26, 2016. The application has been determined complete as of July 27, 2016. Please prepare the economic impact report.

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

A hard copy and an electronic copy of the application will be hand delivered to your office today. 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

Letter to Local Government Assistance & Economic Analysis Division
July 27, 2016
Page 2 of 2

Cc: Brazoria County Appraisal District

Praxair, Inc.

TAB 1

Pages 1 through 9 of application.



Application for Appraised Value Limitation on Qualified Property

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

Economic Development
and Analysis
Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. 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. For more information, see guidelines on Comptroller's website.

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. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. 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, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

July 26, 2016

Date Application Received by District

Danny

First Name

Superintendent

Title

Brazosport ISD

School District Name

301 West Brazoswood Drive, Clute Texas 77531

Street Address

P. O. Drawer Z

Mailing Address

Freeport

City

979-730-7000

Phone Number

Mobile Number (optional)

Massey

Last Name

Texas

State

979-266-2409

Fax Number

dmassey@brazosportisd.net

Email Address

77542

ZIP

2. Does the district authorize the consultant to provide and obtain information related to this application?



Yes



No

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

Dan	Casey
First Name	Last Name
Partner	
Title	
Moak, Casey & Associates LLP	
Firm Name	
512-485-7878	512-485-7888
Phone Number	Fax Number
	dcasey@moakcasey.com
	Email Address
Mobile Number <i>(optional)</i>	

4. On what date did the district determine this application complete? **July 27, 2016**

5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Joseph	Abdoo
First Name	Last Name
Central Region Vice President	Praxair
Title	Organization
7000 High Grove Boulevard	
Street Address	
7000 High Grove Boulevard	
Mailing Address	
Burr Ridge	Illinois
City	State
630-320-4424	60527
Phone Number	ZIP
Mobile Number <i>(optional)</i>	
	Fax Number
	Joe_Abdoo@Praxair.com
	Business Email Address

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

2a. If yes, please fill out contact information for that person.

Neil	Beup
First Name	Last Name
Director, Government Relations	Praxair
Title	Organization
39 Old Ridgebury Road	
Street Address	
39 Old Ridgebury Road	
Mailing Address	
Danbury	Connecticut
City	State
203-837-2578	06810
Phone Number	ZIP
Mobile Number <i>(optional)</i>	
	Fax Number
	Neil_Beup@Praxair.com
	Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

Sam

First Name

Senior Consultant

Title

Cummings Westlake LLC

Firm Name

713-266-4456

Phone Number

sgregson@cwlp.net

Business Email Address

Gregson

Last Name

713-266-2333

Fax Number

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "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.

2. 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 ☐ N/A
3. 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 ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Praxair, Inc.
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 10612490507
3. List the NAICS code 325120
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement

Application # 13; Port Arthur ISD; 8/19/2003, Application # 217; Port Arthur ISD; 8/23/2012

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for 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
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. 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

SECTION 7: Project Description

1. In **Tab 4**, attach 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.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☒ Yes ☐ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board January 2017
2. Commencement of construction 3Q 2018
3. Beginning of qualifying time period January 2, 2018
4. First year of limitation 2020
5. Begin hiring new employees 4Q2019
6. Commencement of commercial operations 1Q 2020
7. 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.
8. When do you anticipate the new buildings or improvements will be placed in service? 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Brazoria County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Brazoria County, \$0.4985, 100% City:
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Water District: Velasco Drainage Dist., \$0.093878, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Brazosport College, \$0.27751, 100% Other (describe): Port Freeport, \$0.04134, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: 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 Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 80,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 80,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. 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 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. 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 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new 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
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 71,800,000.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2016
(year)
3. 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 Texas Workforce Commission (TWC)? 1,247
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 15
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. 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(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,083.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 2,269.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,153.00
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,976.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,976.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Danny Massey

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Handwritten Signature]

Signature (Authorized School District Representative)

7-26-16

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here

Joseph R. Abdoo

Print Name (Authorized Company Representative (Applicant))

Central Region Vice President

Title

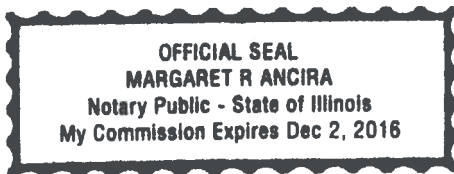
sign
here

[Handwritten Signature]

Signature (Authorized Company Representative (Applicant))

July 14, 2016

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

14 day of July, 2016

[Handwritten Signature]
Notary Public in and for the State of Illinois

My Commission expires: DECEMBER 2, 2016

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 Section 37.10.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$75,000 application fee to Brazosport Independent School District.

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

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

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

See attached.

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 4

Detailed Description of the Project

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

Praxair's project provides for the design and construction of an industrial gas complex comprising two plants:

1. A new world scale air separation unit (ASU) for the production of argon, oxygen, and nitrogen for distribution to customers in the Gulf Coast area. The feedstock for the ASU is atmospheric air and products will be shipped by truck to customers in and out of State and by pipelines to customers from Freeport, Texas to Channelview, Texas.
2. A world scale carbon dioxide purification and liquefaction plant to serve carbon dioxide customers by truck in the Gulf Coast area and Mexico. Feedstock for this plant will come from local sources in the Freeport area.

If approved, the proposed industrial gas complex will be constructed in northern half of the Praxair, Inc. Freeport plant site in Praxair Reinvestment Zone No. 1. The proposed industrial gas complex would reside on what is now vacant industrial land. Construction is anticipated to begin in 3Q 2018 with commencement of commercial operations in 2020.

Below is a list of the major equipment comprising the complex:

- Cryogenic storage tanks
- Compressors
- Heat exchangers
- Pumps
- Filters
- Insulation
- Electrical
- Switchgear
- Transformers
- Instrumentation equipment
- Equipment and structural foundations and supports
- Control Equipment
- Industrial gas loading and unloading equipment and road works
- Industrial gas piping

Additional infrastructure to support this property will include:

- Site development/roads
- Utility piping, electrical substation modifications and water distribution

TAB 5*Documentation to assist in determining if limitation is a determining factor.*

Praxair is a Fortune 500 company headquartered in Danbury, Connecticut. The company employs over 27,000 people worldwide and has key locations in Connecticut, Illinois, Indiana, New York, Texas, Georgia, Iowa, and California. It is a leading industrial gas producer in the Americas. Praxair products include atmospheric, process and specialty gases and related services and technologies. Having diverse sources of industrial gases helps attract other businesses that rely on such products; supply of industrial gases is a critical utility for many businesses. We expect to sell to liquid customers too, including medical grade oxygen for hospitals, carbon dioxide for beverages, especially the growing craft beer movement in Texas and liquid nitrogen for food safety and fire suppression (among other uses). Oil and fracking also require significant industrial gasses. Today, Praxair serves approximately 25 industries as diverse as healthcare and petroleum refining; computer-chip manufacturing and beverage carbonation; fiber-optics and steel making; aerospace, chemicals and water treatment.

Praxair's pipeline complex allows it to have options for our investments. A variety of factors are considered in selecting site location, including the local pool of available skilled workers, costs for natural gas and ease of doing business as it relates to permitting and incentives to reduce risk in investments. We are evaluating Louisiana and Texas for our current investment options.

The applicant requires this appraised value limitation in order to move forward with the development of the project. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the project to compete for global customers against similar projects operated by competitors of Praxair in the U.S. and around the world. Without this appraised value limitation Praxair would have to strongly consider making this investment at another site outside of Texas rather than Brazoria County. Approval of this Value limitation application allows us to extend our relationships in Texas and be a contributor to the state's economic growth story.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

- | | |
|------------------------------|--------|
| 1) Brazoria County | - 100% |
| 2) Brazosport ISD | - 100% |
| 3) Velasco Drainage District | - 100% |
| 4) Port Freeport | - 100% |

TAB 7

Description of Qualified Investment

Praxair's project provides for the design and construction of an industrial gas complex comprising two plants:

1. A new world scale air separation unit for the production of argon, oxygen, and nitrogen for distribution to customers in the Gulf Coast area.
2. A world scale carbon dioxide purification and liquefaction plant to serve carbon dioxide customers in the Gulf Coast area and Mexico.

If approved, the proposed industrial gas complex will be constructed in northern half of the Praxair, Inc. Freeport plant site in Praxair Reinvestment Zone No. 1. The proposed industrial gas complex would reside on what is now vacant industrial land. Construction is anticipated to begin in 3Q 2018 with commencement of commercial operations in 2020.

Below is a list of the major equipment comprising the complex:

- Cryogenic storage tanks
- Compressors
- Heat exchangers
- Pumps
- Filters
- Insulation
- Electrical
- Switchgear
- Transformers
- Instrumentation equipment
- Equipment and structural foundations and supports
- Control Equipment
- Industrial gas loading and unloading equipment and road works
- Industrial gas piping

Additional infrastructure to support this property will include:

- Site development/roads
- Utility piping, electrical substation modifications and water distribution

TAB 8

Description of Qualified Property

(See Tab 7)

TAB 9

Description of Land

See Attached

32.390 ACRE TRACT OF LAND
ALEXANDER CALVIT LEAGUE, A-49
ELI MITCHELL ¼ LEAGUE, A-99
BRAZORIA COUNTY, TEXAS

32.390 ACRE TRACT

Being a 32.390 (1,410,919 Sq. Ft) acre tract of land out of Division No. 13 of the Brazos Coast Investment Company Subdivision, the Alexander Calvit League, Abstract 49, the Eli Mitchell ¼ League, Abstract 99, Brazoria County, Texas, and being out of a called 35.3007 acre tract of land conveyed to The Dow Chemical Company, recorded under Clerk's File Number (C.F. No.) 01 059307 in the Official Records of Brazoria County, Texas (O.R.B.C.,Tx.), said 32.390 acre tract being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the north corner of said 35.3007 acre tract of land, at the east corner of the residue of a called 50.1337 acre tract of land reserved by Rhodia, Inc, as recorded under C.F. No. 01 059307, being in the southwest right-of-way line of State Highway No. 332 (150 feet wide);

THENCE, with the southwest right-of-way line of said State Highway No. 332, with the northeast line of said 35.3007 acre tract of land, South 62 degrees 49 minutes 39 seconds East, 411.78 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found for the northerly east corner of said 35.3007 acre tract of land and being the northerly east corner of the herein described tract of land;

THENCE, leaving the southwest right-of-way line of said State Highway No. 332 and the northeast line of said 35.3007 acre tract of land, South 27 degrees 10 minutes 21 seconds West, 166.69 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set for an interior corner of the herein described tract of land;

THENCE, South 62 degrees 49 minutes 39 seconds East, 1,172.78 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set for the southerly east corner of the herein described tract of land;

THENCE, South 27 degrees 10 minutes 23 seconds West, 82.09 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set in the south line of said 35.3007 acre tract of land and being in the north right-of-way line of a variable width easement conveyed to Missouri Pacific Railroad Company in Volume 992, Page 131 of the Deed Records Brazoria County, Texas (D.R.B.C.,Tx.), for the south corner of the herein described tract of land;

THENCE, with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, along a curve to the left, having a radius of 751.76 feet, an arc length of 296.97 feet and a chord bearing of South 74 degrees 33 minutes 34 seconds West, 295.04 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the end of said curve;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, South 63 degrees 14 minutes 34 seconds West, 562.02 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the beginning of a curve to the right;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, along said curve to the right, having a radius of 920.38 feet, an arc length of 446.55 feet and a chord bearing of South 77 degrees 07 minutes 20 seconds West, 442.18 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the end of said curve;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, North 88 degrees 58 minutes 08 seconds West, 777.41 feet to a 5/8-inch iron rod found at the west corner of said 35.3007 acre tract of land, at the south corner of a called 36.658 acre tract of land conveyed to Perstorp Coatings, Inc., under C.F. No. 2008044640 in the O.R.B.C.,Tx.;

TAB 10*Description of all property not eligible to become qualified property (if applicable)*

Existing property not eligible to become qualified property as of the application date is associated with a separate and distinct project currently beginning construction. As of January 1, 2016 there was no equipment located at the site. The Brazoria County Appraisal District record for 2016 shows only the land assessment and indicates no improvements. None of the equipment associated with this project will be comingled with the qualified property that is the subject of this application. We will request that a separate account for this equipment be set up by the Brazoria County Appraisal District to ensure segregation of the assets associated with the non-qualified property. Equipment that will not become qualified property is shaded in purple on the map under Tab 11 and labeled as “Existing Assets Non-Qualified Property”. The area that has been cleared in the proposed project site was cleared to serve as a lay-down yard for the assets being deployed in the non-qualified asset area. The non-qualified property is comprised of the following items:

- Pilings
- Pipe Racks
- Pressure Swing Adsorption (PSA) Vessels
- Feed Gas Compressors
- Tail Gas Compressors
- Product Compressor
- Substation/Switchgear/Transformers
- Analytical Enclosure (pre fab building)
- Control Building
- Maintenance Building

TAB 11

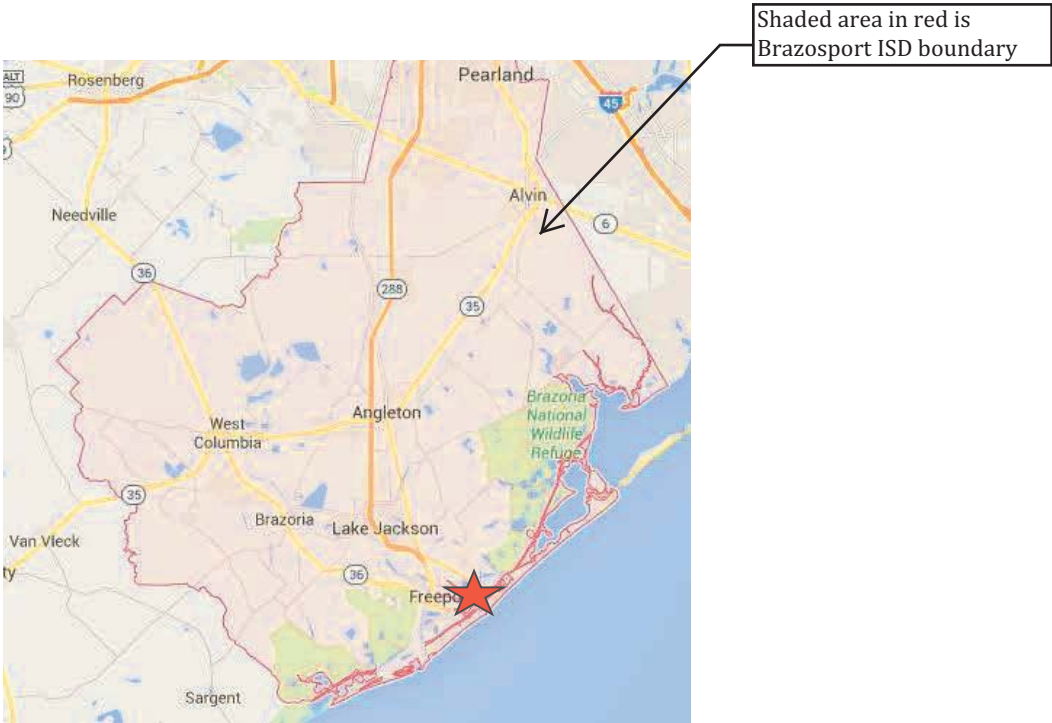
Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

SEE ATTACHED MAPS

Project Location within the Brazosport ISD

Map of Praxair site located in Brazoria County and within the Region

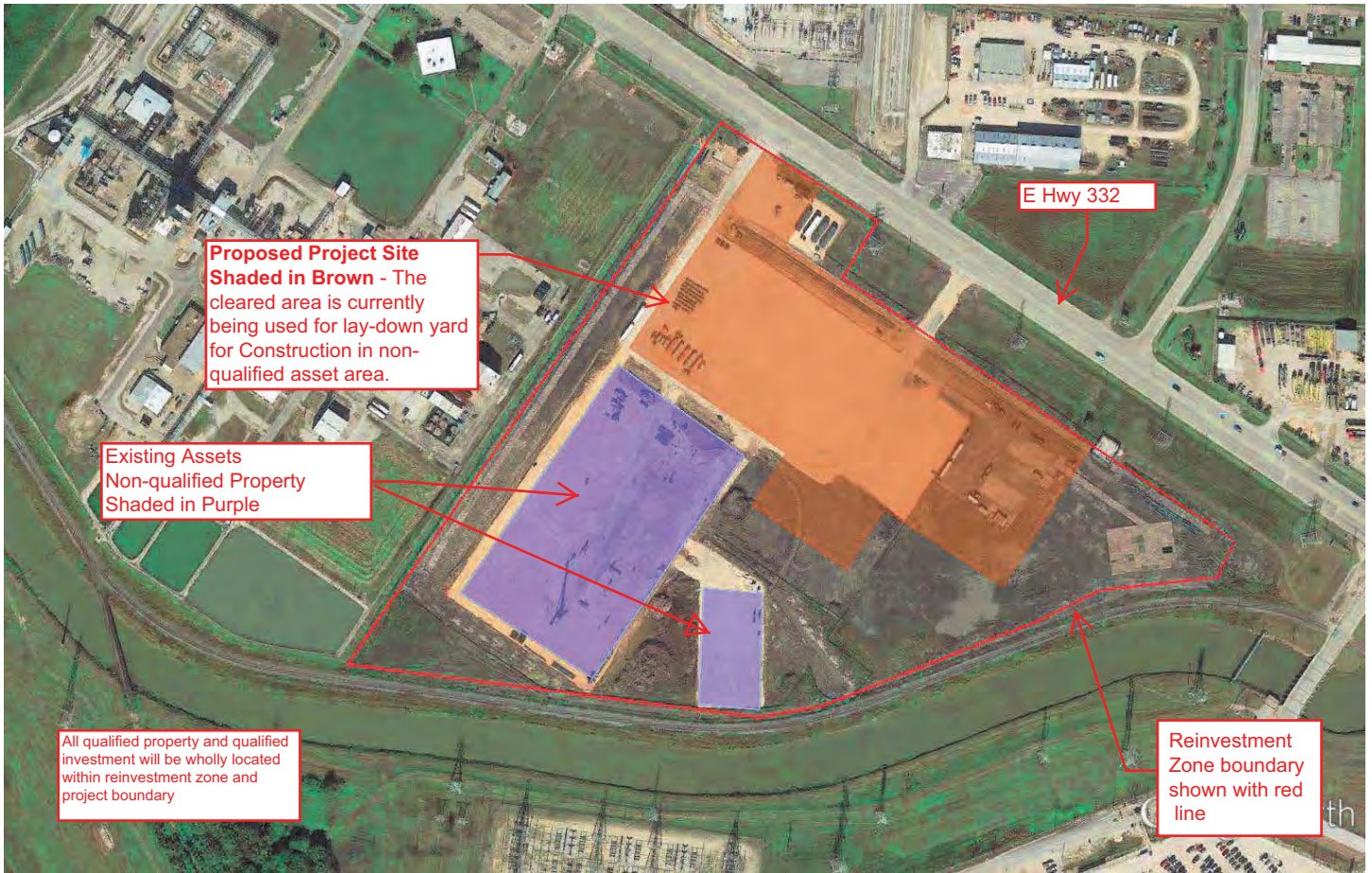


Project Vicinity Map



★ = Praxair site

Reinvestment Zone Map

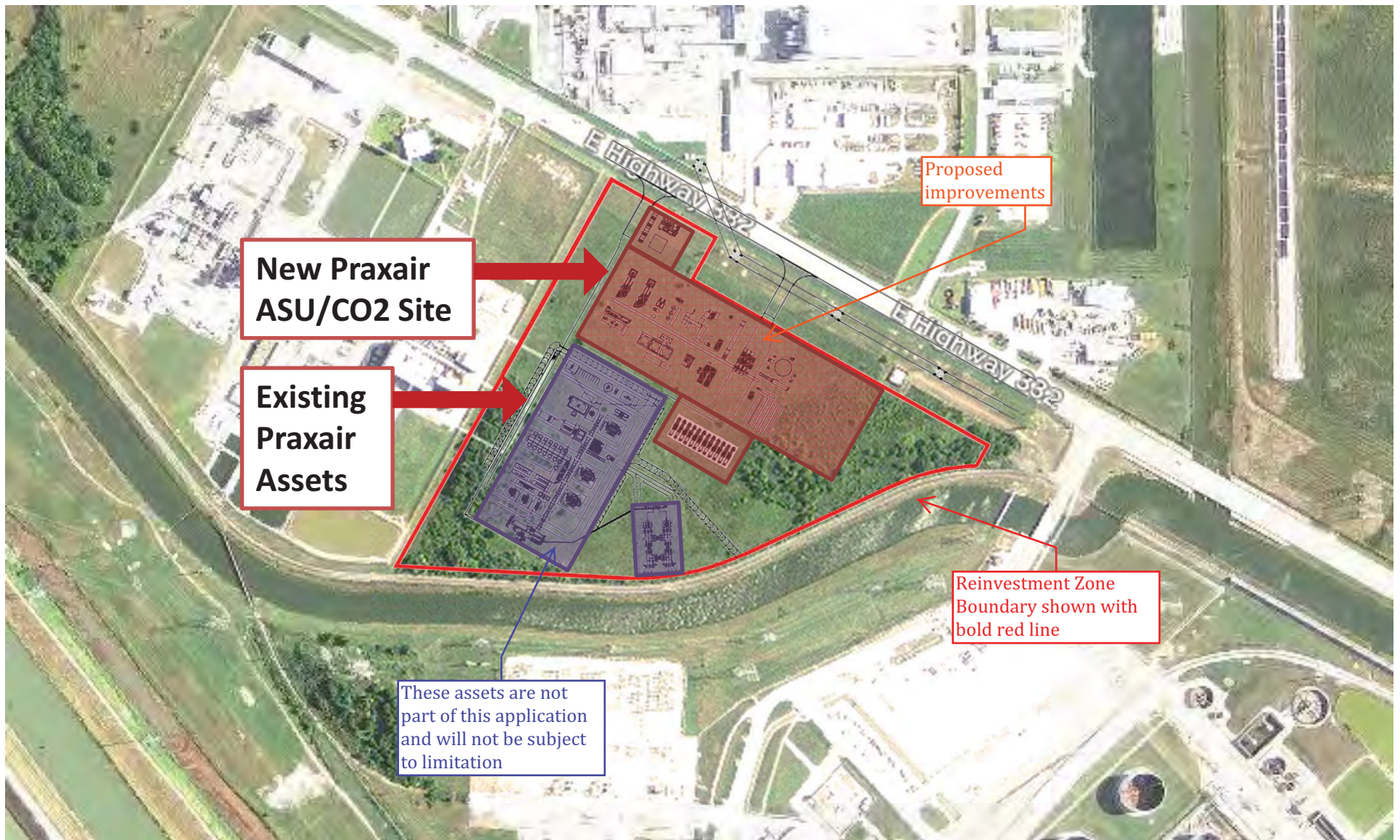


Google earth

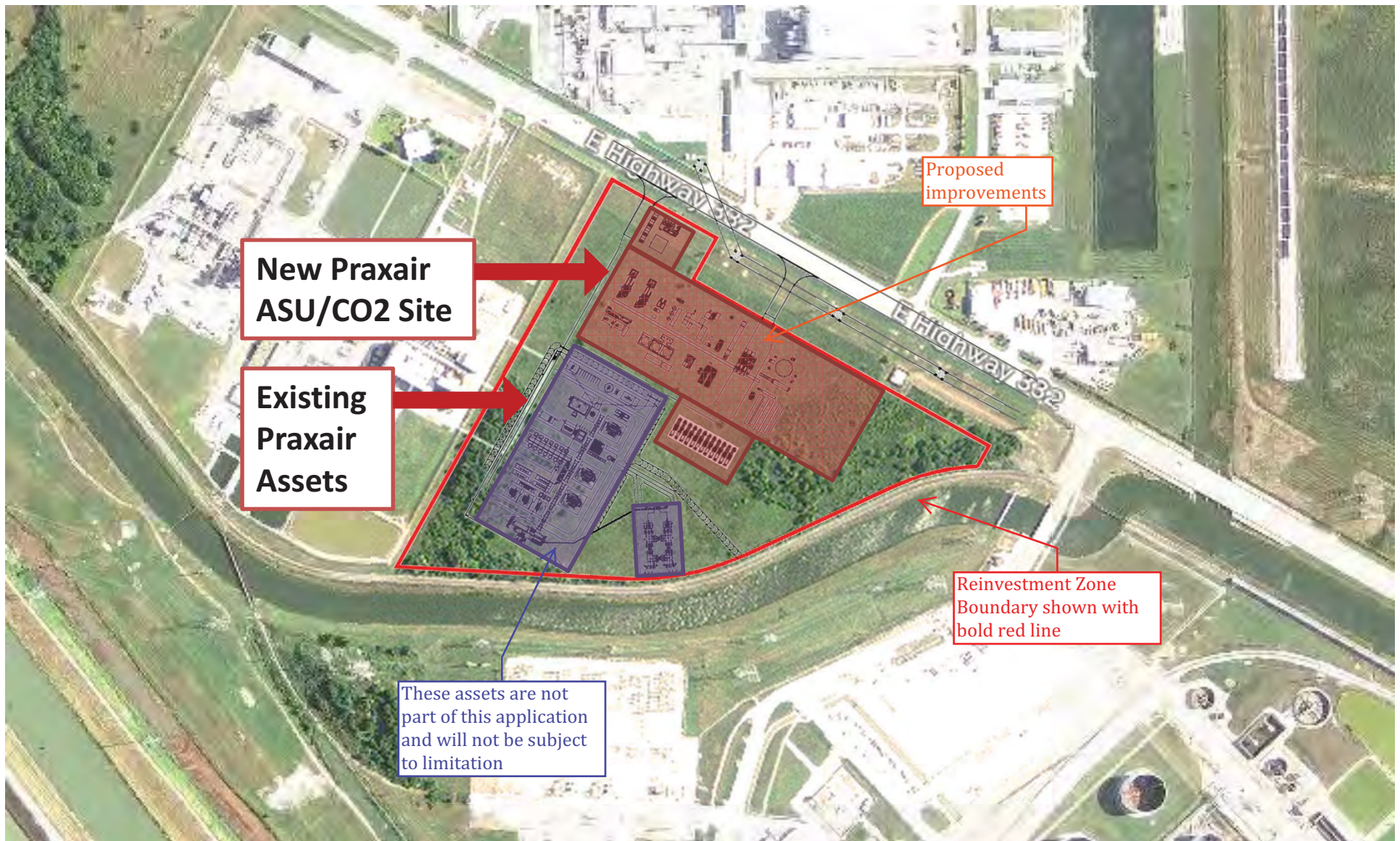
feet
meters



Proposed Improvements within Reinvestment Zone Boundary



Proposed Improvements within Reinvestment Zone Boundary



TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 11, 2016

Mr. Danny Massey
Superintendent
Brazosport Independent School District
P. O. Drawer Z
Freeport, TX 77542

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Massey,

Praxair, Inc. requests that the Brazosport Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Praxair Inc. requests that the Board of Trustees make such a finding and waive the job creation requirement for 25 permanent jobs and in line with industry standards and consistent with recently awarded waivers within this industry, Praxair Inc. has committed to create fifteen (15) total jobs for the project.

Sincerely,

Sam Gregson
Senior Consultant
Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Brazoria County average weekly wage for all jobs (all industries)
- Brazoria County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**PRAXAIR BRAZOSPORT PROJECT
TAB 13 TO CHAPTER 313 APPLICATION**

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 1,136	\$ 59,072
SECOND	2015	\$ 1,040	\$ 54,080
THIRD	2015	\$ 1,024	\$ 53,248
FOURTH	2015	\$ 1,132	\$ 58,864
AVERAGE		\$ 1,083	\$ 56,316

**BRAZORIA COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 2,395	\$ 124,540
SECOND	2015	\$ 1,924	\$ 100,048
THIRD	2015	\$ 1,850	\$ 96,200
FOURTH	2015	\$ 2,081	\$ 108,212
AVERAGE		\$ 2,063	\$ 107,250
X		110%	110%
		\$ 2,268.75	\$ 117,975.00

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2014	\$ 1,049	\$ 54,524
X	110%	110%
	\$ 1,153	\$ 59,976

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	4th Qtr	Brazoria County	Private	00	0	10	Total, All Industries	\$1,132
2015	3rd Qtr	Brazoria County	Private	00	0	10	Total, All Industries	\$1,024
2015	1st Qtr	Brazoria County	Private	00	0	10	Total, All Industries	\$1,136
2015	2nd Qtr	Brazoria County	Private	00	0	10	Total, All Industries	\$1,040

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	1st Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	\$2,395
2015	2nd Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	\$1,924
2015	3rd Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	\$1,850
2015	4th Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	\$2,081

2014 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

110% x \$54,524
= \$59,976

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

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.

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

Date7/13/2016Applicant NamePRAXAIR, INCISD NameBRAZOSPORT ISD

Form 50-296ARevised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				13,000,000	0	0	0	13,000,000
Complete tax years of qualifying time period	QTP1	2019-2020	2019	89,000,000	2,000,000	0	0	91,000,000
	QTP2	2020-2021	2020	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				102,000,000	2,000,000	0	0	104,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				104,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date7/13/2016Applicant NamePRAXAIR, INCISD NameBRAZOSPORT ISD

Form 50-296ARevised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				102,000,000	2,000,000	0	0	104,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0
	0	2019-2020	2019	0	0	0	0	0
Value limitation period***	1	2020-2021	2020	0	0	0	0	0
	2	2021-2022	2021	0	0	0	0	0
	3	2022-2023	2022	0	0	0	0	0
	4	2023-2024	2023	0	0	0	0	0
	5	2024-2025	2024	0	0	0	0	0
	6	2025-2026	2025	0	0	0	0	0
	7	2026-2027	2026	0	0	0	0	0
	8	2027-2028	2027	0	0	0	0	0
	9	2028-2029	2028	0	0	0	0	0
	10	2029-2030	2029	0	0	0	0	0
Total Investment made through limitation				102,000,000	2,000,000	0	0	104,000,000
Continue to maintain viable presence	11	2030-2031	2030			0		0
	12	2031-2032	2031		0	0		
	13	2032-2033	2032		0	0		
	14	2033-2034	2033		0	0		
	15	2034-2035	2034		0	0		
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035		0	0		
	17	2036-2037	2036		0	0		
	18	2037-2038	2037		0	0		
	19	2038-2039	2038		0	0		
	20	2039-2040	2039		0	0		
	21	2040-2041	2040		0	0		
	22	2041-2042	2041		0	0		
	23	2042-2043	2042		0	0		
	24	2043-2044	2043		0	0		
	25	2044-2045	2044		0	0		

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were~~not~~ captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

6/24/2016

Applicant Name

PRAXAIR, INC

Form 50-296A

ISD Name

BRAZOSPORT ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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 buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0	0	0	0	0
Value Limitation Period	1	2020-2021	2020	0	2,000,000	102,000,000	103,500,000	103,500,000	80,000,000
	2	2021-2022	2021	0	1,950,000	96,900,000	98,850,000	98,850,000	80,000,000
	3	2022-2023	2022	0	1,901,300	92,055,000	93,956,300	93,956,300	80,000,000
	4	2023-2024	2023	0	1,853,800	87,452,000	89,305,800	89,305,800	80,000,000
	5	2024-2025	2024	0	1,807,500	83,079,000	84,886,500	84,886,500	80,000,000
	6	2025-2026	2025	0	1,762,300	78,925,000	80,687,300	80,687,300	80,000,000
	7	2026-2027	2026	0	1,718,200	74,979,000	76,697,200	76,697,200	76,697,200
	8	2027-2028	2027	0	1,675,200	71,230,000	72,905,200	72,905,200	72,905,200
	9	2028-2029	2028	0	1,633,300	67,669,000	69,302,300	69,302,300	69,302,300
	10	2029-2030	2029	0	1,592,500	64,286,000	65,878,500	65,878,500	65,878,500
Continue to maintain viable presence	11	2030-2031	2030	0	1,552,700	61,072,000	62,624,700	62,624,700	62,624,700
	12	2031-2032	2031	0	1,513,900	58,018,000	59,531,900	59,531,900	59,531,900
	13	2032-2033	2032	0	1,476,100	55,117,000	56,593,100	56,593,100	56,593,100
	14	2033-2034	2033	0	1,439,200	52,361,000	53,800,200	53,800,200	53,800,200
	15	2034-2035	2034	0	1,403,200	50,625,000	52,028,200	52,028,200	52,028,200
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	0	1,368,100	50,625,000	51,993,100	51,993,100	51,993,100
	17	2036-2037	2036	0	1,333,900	50,625,000	51,958,900	51,958,900	51,958,900
	18	2037-2038	2037	0	1,300,600	50,625,000	51,925,600	51,925,600	51,925,600
	19	2038-2039	2038	0	1,268,100	50,625,000	51,893,100	51,893,100	51,893,100
	20	2039-2040	2039	0	1,236,400	50,625,000	51,861,400	51,861,400	51,861,400
	21	2040-2041	2040	0	1,205,500	50,625,000	51,830,500	51,830,500	51,830,500
	22	2041-2042	2041	0	1,175,400	50,625,000	51,800,400	51,800,400	51,800,400
	23	2042-2043	2042	0	1,146,000	50,625,000	51,771,000	51,771,000	51,771,000
	24	2043-2044	2043	0	1,117,400	50,625,000	51,742,400	51,742,400	51,742,400
	25	2044-2045	2044	0	1,089,500	50,625,000	51,714,500	51,714,500	51,714,500

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 7/13/2016
 Applicant Name PRAXAIR, INC
 ISD Name BRAZOSPORT ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	50 FTE	57,600	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	70 FTE	57,600	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	N/A	N/A	0	15	59,976
	2	2021-2022	2021	N/A	N/A	0	15	59,976
	3	2022-2023	2022	N/A	N/A	0	15	59,976
	4	2023-2024	2023	N/A	N/A	0	15	59,976
	5	2024-2025	2024	N/A	N/A	0	15	59,976
	6	2025-2026	2025	N/A	N/A	0	15	59,976
	7	2026-2027	2026	N/A	N/A	0	15	59,976
	8	2027-2028	2027	N/A	N/A	0	15	59,976
	9	2028-2029	2028	N/A	N/A	0	15	59,976
	10	2029-2030	2029	N/A	N/A	0	15	59,976
Years Following Value Limitation Period	11 through 25	2030-2045	2027-2041	N/A	N/A	0	15	59,976

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☒ Yes ☐ No
- If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 6/24/2016
Applicant Name PRAXAIR, INC
ISD Name BRAZOSPORT ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Brazoria County	2020	10 Years	Annual Avg. of \$424,208	see detail below	Annual Tax Levy of \$103,731
	Other: Port of Freeport	2020	10 Years	Annual Avg. of \$35,148		Annual Tax Levy of \$8,595
	Other: Brazosport College	2020	10 Years	Annual Avg. of \$236,152		Annual Tax Levy of \$57,746
	Other: Velasco Drainage District	2020	10 Years	Annual Avg. of \$79,887		Annual Tax Levy of \$19,535
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$ 775,395		\$ 189,707

Additional information on incentives for this project:

County Terms: Praxair, Inc. expects to apply for an abatement structured as follows: Year s 1 - 7: 100% Abatement, No abatement years 8 - 10

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

16 b) See Attached.

16 c) See Attached.

16 d) See attached Brazoria County Guidelines and Criteria which were revised and adopted on 5/31/2016

32.390 ACRE TRACT OF LAND
ALEXANDER CALVIT LEAGUE, A-49
ELI MITCHELL ¼ LEAGUE, A-99
BRAZORIA COUNTY, TEXAS

32.390 ACRE TRACT

Being a 32.390 (1,410,919 Sq. Ft) acre tract of land out of Division No. 13 of the Brazos Coast Investment Company Subdivision, the Alexander Calvit League, Abstract 49, the Eli Mitchell ¼ League, Abstract 99, Brazoria County, Texas, and being out of a called 35.3007 acre tract of land conveyed to The Dow Chemical Company, recorded under Clerk's File Number (C.F. No.) 01 059307 in the Official Records of Brazoria County, Texas (O.R.B.C.,Tx.), said 32.390 acre tract being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the north corner of said 35.3007 acre tract of land, at the east corner of the residue of a called 50.1337 acre tract of land reserved by Rhodia, Inc, as recorded under C.F. No. 01 059307, being in the southwest right-of-way line of State Highway No. 332 (150 feet wide);

THENCE, with the southwest right-of-way line of said State Highway No. 332, with the northeast line of said 35.3007 acre tract of land, South 62 degrees 49 minutes 39 seconds East, 411.78 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found for the northerly east corner of said 35.3007 acre tract of land and being the northerly east corner of the herein described tract of land;

THENCE, leaving the southwest right-of-way line of said State Highway No. 332 and the northeast line of said 35.3007 acre tract of land, South 27 degrees 10 minutes 21 seconds West, 166.69 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set for an interior corner of the herein described tract of land;

THENCE, South 62 degrees 49 minutes 39 seconds East, 1,172.78 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set for the southerly east corner of the herein described tract of land;

THENCE, South 27 degrees 10 minutes 23 seconds West, 82.09 feet to a 5/8-inch iron rod with plastic cap stamped "Mustang Eng." set in the south line of said 35.3007 acre tract of land and being in the north right-of-way line of a variable width easement conveyed to Missouri Pacific Railroad Company in Volume 992, Page 131 of the Deed Records Brazoria County, Texas (D.R.B.C.,Tx.), for the south corner of the herein described tract of land;

THENCE, with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, along a curve to the left, having a radius of 751.76 feet, an arc length of 296.97 feet and a chord bearing of South 74 degrees 33 minutes 34 seconds West, 295.04 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the end of said curve;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, South 63 degrees 14 minutes 34 seconds West, 562.02 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the beginning of a curve to the right;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, along said curve to the right, having a radius of 920.38 feet, an arc length of 446.55 feet and a chord bearing of South 77 degrees 07 minutes 20 seconds West, 442.18 feet to a 5/8-inch iron rod with plastic cap stamped "A.L. Sikes 2914" found at the end of said curve;

THENCE, continuing with the south line of said 35.3007 acre tract of land and with the north right-of-way line of said Missouri Pacific Railroad Company easement, North 88 degrees 58 minutes 08 seconds West, 777.41 feet to a 5/8-inch iron rod found at the west corner of said 35.3007 acre tract of land, at the south corner of a called 36.658 acre tract of land conveyed to Perstorp Coatings, Inc., under C.F. No. 2008044640 in the O.R.B.C.,Tx.;

Date: 10/13/2015

THE REGULAR COMMISSIONERS COURT SESSION OF BRAZORIA COUNTY, TEXAS

ORDER NO. VII.B.1.c.

RE: Approve Modification and Assignment of Tax Abatement Agreement with BASF Approved December 23, 2013, Court Order VII.B.1.f. and Creation of Praxair, Inc. Reinvestment Zone No. 1

Whereas, on December 23, 2013, through Court Order VII.B.1.f, this Court approved a tax abatement application for BASF Corporation and created BASF Corporation Reinvestment Zone No. 14. The Tax Abatement Agreement included other reinvestment zones consisting of Reinvestment Zone - City of Lake Jackson - Resolution 2014-679, Reinvestment Zone - City of Freeport - Ordinance No. 2014-2062, C3 Petrochemical, LLC and Ascend Performance Materials Texas, Inc. Reinvestment Zone No. 1, and Dow Chemical Company Reinvestment Zones No. 17.

Whereas, BASF wishes to enter into a modification of the Tax Abatement Agreement to expand the area in which the project will be built by creating a new reinvestment zone, correct clerical errors, and to add an existing reinvestment zone. BASF also wishes to assign the agreement as set forth in the Guidelines and Criteria.

Therefore, the Court hereby approves the following actions:

Creation of Praxair, Inc. Reinvestment Zone No. 1:

After notice to the public as provided by law, a public hearing was held on the creation of Praxair, Inc. Reinvestment Zone No. 1. The public was given an opportunity to speak and present evidence for or against such designation;

Such designation creates a zone consisting of approximately 32.390 acres of land out of Division No. 13 of the Brazos Coast Investment Company Subdivision, the Alexander Calvit League, Abstract 49, and the Eli Mitchell ¼ League, Abstract 99, Brazoria County, Texas.

Therefore, based upon the information presented to the Court and at the public hearing, the Court finds that the creation of this zone would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property included in the zone and would contribute to the economic development of the County.

City of Freeport Zone

Further, the Court hereby approves including in the Modification of the Tax Abatement Agreement, Reinvestment Zone - City of Freeport – Ordinance No. 2015-2097 which properly corrects clerical errors in Reinvestment Zone – City of Freeport Ordinance 2014-2062.

BASF Reinvestment Zone No. 14

Further, the Court hereby approves correcting clerical errors in the Modification of the Tax Abatement Agreement – BASF Reinvestment Zone 14.

BASF Reinvestment Zone No. 15

Further, the Court hereby approves including in the Modification of the Tax Abatement Agreement the BASF Reinvestment Zone No. 15 created July 22, 2014 through Commissioners Court Order VII.B.1.c.

Modification to Agreement

The County Judge is hereby authorized to execute the Modification to Tax Abatement Agreement BASF Corporation No. 14 to correct clerical errors and include Praxair, Inc. Reinvestment Zone No. 1, City of Freeport Zone – Ordinance No. 2015-2097, and BASF Reinvestment Zone No. 15.

Assignment of Tax Abatement Agreement

Further, the Court hereby approves the assignment by BASF Corporation of interests in the tax abatement agreement dated July 11, 2014 and as modified October 13, 2015, in the agreement between Brazoria County and BASF Corporation to Yara Freeport LLC d/b/a Texas Ammonia, Praxair, Inc., and Freeport Ammonia, LLC. This assignment is subject to Yara Freeport LLC d/b/a Texas Ammonia, Praxair, Inc., Freeport Ammonia, LLC and BASF Corporation entering into and executing a new contractual agreement with Brazoria County in which all terms, conditions and obligations of the original tax abatement agreement are guaranteed as provided by Section 8 of the Guidelines and Criteria of Brazoria County. Such assignment will result in BASF Corporation, Yara Freeport LLC d/b/a Texas Ammonia, Praxair, Inc., and Freeport Ammonia, LLC, each being a party to the Agreement.

The County Judge is authorized to execute the new contractual Agreement.

Date: 10/13/2015

THE REGULAR COMMISSIONERS COURT SESSION OF BRAZORIA COUNTY, TEXAS

ORDER NO. VII.B.1.b.

**RE: Close Public Hearing on Modification to Tax Abatement Agreement and
Creation of Reinvestment Zone**

**The public hearing on the modification to the Tax Abatement Agreement
approved on December 23, 2013, Court Order VII.B.1.f and the creation of
Praxair, Inc. Reinvestment Zone No. 1 is hereby CLOSED.**

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

WHEREAS, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification 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 Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in Brazoria 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, the abatement of property taxes, when offered to attract capital investment and 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 of economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote;

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.
- (b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.

- (e) "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.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "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 seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.
- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "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.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- (u) "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 seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "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.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of Brazoria County.
- (x) "Tangible personal property" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the 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, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (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 Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria 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, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by State law.
- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to

the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. Commissioners Court shall consider the percent of value and the term of the abatement based upon the overall value of the project and the number of new jobs being created. The term of abatement may be up to 10 years or one-half (1/2) of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1 following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

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

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

- (h) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
 - (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. “Existing facility” is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered “created” employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the

construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county union and/or nonunion vendors and services regarding price, quality, safety, availability and ability perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries.

- (7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$25,000.00 for projects \$500 million or less in capital investment and no more than \$50,000 for project greater than \$500 million in capital investment nor less than 2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
- (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
- (10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
 - Cost to reconstruct the roadway, if needed, will be actual cost to repair the County roads and right-of way incurred by the County and invoiced to the Abatee. These costs will include all construction costs as well as all related professional services for the repair work.
 - Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.
- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.
- (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 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 shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the legislative body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible 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 Brazoria County notice to be posted at least 30 days prior to the hearing.

- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) 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. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners' Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners' Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners' Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners' Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

PUBLIC HEARING Section 4

- (a) 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 service or tax base;

- (2) the Applicant has insufficient financial capacity;
- (3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,
- (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners' Court shall formally pass a resolution and execute an agreement with the Applicant as required 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 improvement list as provided in Application, Sections II and III;
 - (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), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and
 - (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
 - (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*i.e.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at 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 (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and 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.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

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 eligible jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only 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 and in accordance with their safety standards.
- (c) Tax Abatement Review Committee:

The Commissioners' Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.

- (d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners' Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.
- (e) Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners' Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.
- (f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*i.e.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.
- (g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT Section 8

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 Brazoria 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 Brazoria County. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Brazoria County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.
- (f) The notice provisions of Section 3(d) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (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 Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the

expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective May 31, 2016, and shall remain in force until May 31, 2018, unless amended or superseded, modified, renewed, or eliminated by Commissioners' Court prior to that date.

ATTACHMENT A

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

ANNUAL REPORT FORM

ANNUAL REPORT
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: _____

Date of completion all contemplated improvements: _____

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: _____

*Permanent Contract Employees _____

(* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

**Temporary Contract Employees _____

(**List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: _____

Estimated value of Improvements: _____

As of _____

4. Status of production of the completed facility and the productive service capacity of the improvements. (*only applicable to a completed facility that has previously commenced production*)

Is the abated facility currently producing the product or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B.

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space.

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.)

5. Include a narrative of your use of Brazoria County vendors and services and attach the same as Attachment A to this Report.

Is the narrative on use of Brazoria County vendors and Services attached?

Check One
() Yes or () No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

ATTACHMENT B

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

REPORT FORM
After the initial term of the
Tax Abatement Agreement

PRODUCTIVE LIFE REPORT
TAX ABATEMENT TERM COMPLETED
PURSUANT TO SECTION 5(a)(8) AND 7(f) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

Effective Date of Tax Abatement: _____

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product
or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No",
please state the date or time period when production ceased
and attach a narrative explanation of the reason for cessation
of production as Attachment A.

If production at this abated facility is
shut down, please state the expected
date or time period, if any, at which/during which
you expect the facility to resume production operations.
If you do not expect to resume production at this
abated facility, please state "plant closed" in
the blank space.

State your estimate of the expected
productive life of the abated facility and its improvements as
measured from the beginning date of production until the expected
permanent cessation of production (*or in other words*, the total number
of years, if any, that you expect the abated facility improvements to be
in service as part of the operations of a producing facility, including
in your total any previous years of production prior to the date of this report.)

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Danny Massey

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Signature]

Signature (Authorized School District Representative)

7-26-16

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here

Joseph R. Abdoo

Print Name (Authorized Company Representative (Applicant))

Central Region Vice President

Title

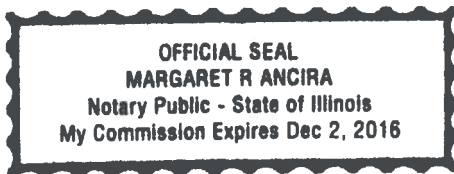
sign
here

[Signature]

Signature (Authorized Company Representative (Applicant))

July 14, 2016

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

14 day of July, 2016

Margaret R. Ancira
Notary Public in and for the State of Illinois

My Commission expires: DECEMBER 2, 2016

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 Section 37.10.