



Formosa Plastics®

Formosa Plastics Corporation, Texas
201 Formosa Drive • P.O. Box 700
Point Comfort, TX 77978
Telephone: (361)-987-7000
Fax: (361)-987-2721

The Honorable Glenn Hegar
Texas Comptroller of Public Accounts
PO Box 13528, Capitol Station
Austin, TX 78711-3528

February 2, 2017

Honorable Glenn Hegar,

On October 21, 2015 the Comptroller's office received from the Palacios Independent School District an application from Formosa Plastics Corp. Texas for a limitation on appraised value (App # 1106).

Since the time of the original application, changes in economic conditions and permitting requirements have affected the original project timeline. As a result, Formosa Plastics Corp. Texas will resubmit an application for the Tax Code Chapter 313 Application for Appraised Value Limitation on Qualified Property.

Thank you for kind consideration of this resubmission. If I may be of any service to you in this matter, please feel free to contact me at your convenience.

Sincerely,

Jack Wu
Vice-President
Formosa Plastics Corp. Texas



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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

4. On what date did the district determine this application complete?

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)*

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

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.

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

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)**

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

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? _____
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____
3. List the NAICS code _____
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 _____

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (*corporation, limited liability corporation, etc*) _____
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
 2. Commencement of construction
 3. Beginning of qualifying time period
 4. First year of limitation
 5. Begin hiring new employees
 6. Commencement of commercial operations
 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?

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
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: (Name, tax rate and percent of project)	City: (Name, tax rate and percent of project)
Hospital District: (Name, tax rate and percent of project)	Water District: (Name, tax rate and percent of project)
Other (describe): (Name, tax rate and percent of project)	Other (describe): (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?
 2. What is the amount of appraised value limitation for which you are applying?
- 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): \$ _____
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): \$ _____

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.

Application for Appraised Value Limitation on Qualified Property

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)?
 2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____ (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)?
- 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?
 5. What is the number of new non-qualifying jobs you are estimating you will create?
 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
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
 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?
 10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
 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**.

Application for Appraised Value Limitation on Qualified Property

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

Alexandro M Flores

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Signature]

Signature (Authorized School District Representative)

7/27/17

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

Jack Wu

Print Name (Authorized Company Representative (Applicant))

Vice President

Title

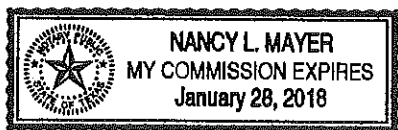
sign
here

[Signature]

Signature (Authorized Company Representative (Applicant))

4-24-2017

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

24 day of April, 2017

Nancy L. Mayer

Notary Public in and for the State of Texas

My Commission expires: 1/28/2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code 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>

2. Proof of Payment of Application Fee

To be presented at the board meeting.

School district voted to apply application fee for withdrawn application 1106 to this reapplication

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)*

3. Documentation of Combined Group Memberships

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

4. Detailed description of the project.

Detailed Project Description of Utilities Plant

The Utilities plant will provide power generation and steam required for operation of the facility and the planned LDPE resin plant and the HDPE unit. The Utilities plant will be powered by two natural gas-fired turbines. Heat exhaust will be captured to heat water and produce steam.

The Utilities plant will be located near the LDPE plant. Natural gas fuel supplies are delivered to the Utilities plant by piping from onsite natural gas plants. Water for production of steam is piped from the existing water treatment facility located on the FPC Texas site. Natural gas is then injected into the compression area of the turbine and subsequently burned in the gas combustion chamber. The expanding gasses exit the combustion chamber and over the surface of the turbine blades. This spins the turbine and its associated electrical generator thereby producing electrical power. Electrical power is then distributed to end users through the power distribution system.

Heat from the escaping gasses is captured in the exhaust system which employs a heat exchanger to boil water for steam production. Steam can then be piped from the Utilities plant to end users in the facility.

The major components of this unit include:

- Steam Piping
- Natural Gas Feed Stock Piping
- Instrumentation
- Distributive Control Systems
- Two gas fired generators with each including a;
 - Gas Compressor
 - Gas Combustion Chamber
 - Turbine
 - Exhaust System
 - Exhaust Diffuser
- Process Associated Valves
- Power Transformers
- Power Distribution Infrastructure
- Cooling Water Towers
- Safety Infrastructure

Detailed Project Description of LDPE

Production of plastic resins is a complex process of converting natural gas fractions, principally singular molecules of ethane (C_2H_6) and propane (C_3H_8) into a specific type of resin. The first step is the dehydrogenation of ethane and propane to produce ethylene (C_2H_4) and propylene (C_3H_6) through a process called "cracking." These molecules generally referred to as "olefins" in the chemical industry, then become the molecular building blocks for plastic resins.

The Low Density Polyethylene (LDPE) plant is designed to convert single molecules (monomers) into long chains (polymers) of plastic. Ethylene monomer is piped to the LDPE plant from storage spheres, introduced into a reactor in the presence of a catalyst with the resultant production of polyethylene polymers. The polymers are then piped within the plant to an extruder, which forms the warm polymer into a strand of plastic. This strand is then moved into a pelletizer which cuts the polymer into small pellets. The pellets are then packaged for shipment by container or stored in silos for shipment by railcar.

The location and design of the LDPE plant allows for its integration into existing FPC infrastructure and processes. In addition to feed stocks mentioned above, all resin plant process consumables include a power supply, process water and steam. Electricity, water and steam necessary for the LDPE plant operation are all produced onsite and distributed to the plant through the facility's piping and electrical distribution infrastructure. In addition, resin plants must have a means of storing and distributing finished resins for transport. The LDPE plant will have direct access to railcar loading and product bagging resources. FPC has onsite security, maintenance services and safety assets. When a new plant comes online, overall operational and support functions are similar to existing plants.

The major components of this unit include:

- Steam Piping
- Instrumentation
- Ethylene Feed Stock Piping
- Electrical Power Supply and Distribution Lines
- Distributive Control Systems
- Reactor Trains
- Extrusion Systems
- Pelletizing Systems
- Compressors
- Valves
- Mixing and Loading Silos
- Product Loading Areas
- Safety Infrastructure
- Cooling Water Towers

Detailed Project Description of HDPE

Production of plastic resins is a complex process of converting natural gas fractions, principally singular molecules of ethane (C_2H_6) and propane (C_3H_8) into a specific type of resin. The first step is the dehydrogenation of ethane and propane to produce ethylene (C_2H_4) and propylene (C_3H_6) through a process called “cracking.” These molecules generally referred to as “olefins” in the chemical industry, then become the molecular building blocks for plastic resins.

The High Density Polyethylene (HDPE) plant is designed to convert single molecules (monomers) into long chains (polymers) of plastic. The HDPE plant is designed to use a low pressure gas-phase “swing” reactor, that will be capable of producing both HDPE and Linear Low Density Polyethylene (LLDPE).

Ethylene monomer is piped to the HDPE plant from storage spheres, introduced into a reactor in the presence of a catalyst with the resultant production of polyethylene polymers. In some grades of resin, “co-monomers” (usually butane or hexane based) are combined with ethylene. The resin grades produced in the HDPE plant will be dependent upon the types of catalysts and co-monomers used in the process. This proposed HDPE plant will be capable of employing co-monomers and different catalyst formulations.

The polymers are then piped within the plant to an extruder, which forms the warm polymer into a strand of plastic. This strand is then moved into a pelletizer which cuts the polymer into small pellets. The pellets are then packaged for shipment by container or stored in silos for shipment by railcar.

The location and design of the HDPE plant allows for its integration into existing FPC infrastructure and processes. In addition to feed stocks mentioned above, all resin plant process consumables include a power supply, process water and steam. Electricity, water and steam necessary for the HDPE plant operation are all produced onsite and distributed to the plant through the facility’s piping and electrical distribution infrastructure. In addition, resin plants must have a means of storing and distributing finished resins for transport. The HDPE plant will have direct access to railcar loading and product bagging resources. FPC has onsite security, maintenance services and safety assets. When a new plant comes online, overall operational and support functions are similar to existing plants.

The major components of this unit include:

- Steam Piping
- Instrumentation
- De-gassing Equipment
- Raw Material Purification
- Ethylene Feed Stock Piping
- Electrical Power Supply and Distribution Lines

- Distributive Control Systems
- Reactor Trains
- Extrusion Systems
- Pelletizing Systems
- Compressors
- Valves
- Mixing and Loading Silos
- Product Loading Areas
- Safety Infrastructure
- Cooling Water Towers
- Vent collections systems

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

Section 8: Limitation as Determining Factor

5. Has the applicant received any local or state permits for activities on the proposed project site?

Yes: HDPE- NSR Air Permit
 LDPE- NSR Air Permit
 UTILITY- NSR Air Permit

The NSR permits authorize construction of these units.



State of Louisiana

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Office of the Governor

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GOVERNOR BOBBY JINDAL

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FOR IMMEDIATE

September 3,

Press Office: Doug

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4502

**GOVERNOR JINDAL AND FORMOSA PETROCHEMICAL
CORP. CHAIRMAN BAO-LANG CHEN ANNOUNCE
FEASIBILITY STUDY FOR \$9.4 BILLION COMPLEX IN
LOUISIANA**

In St. James Parish, ethane crackers and downstream plants in two phases would create up to 1,200 new direct jobs and result in thousands of new indirect jobs

ST. JAMES PARISH – Today, Governor Bobby Jindal and Formosa Petrochemical Corp. Chairman Bao-Lang Chen announced the company is studying the feasibility of an estimated \$9.4 billion industrial complex in St. James Parish, where the company would build two project phases producing ethylene and a host of downstream chemical products. A final investment decision expected by mid-2016 will determine the final capital investment figure for the project, in which Formosa would create 1,200 new direct jobs with an average annual salary of \$84,500, plus benefits. Louisiana Economic Development estimates the project also would result in 8,000 new indirect jobs, for a total of 9,200 new jobs in Louisiana.

Upon completion of both phases of the project, which would be built on the west bank of the Mississippi River near the Gramercy bridge, Taiwan-based Formosa would have developed one of the largest, single-site ethylene production complexes in the world. In January 2014, Governor Jindal visited Taiwan to meet with company officials and lay the foundation for the current project.

Governor Jindal said, "Formosa's desire to develop a new world-scale chemical complex in Louisiana excites us on a number of levels. This tremendous capital investment signals that the many reforms we have installed to improve Louisiana's business climate are succeeding — from

our tax structure to workforce development programs to school choice and governmental ethics. This project also is a testament to Louisiana's ability to deliver world-class infrastructure and logistics solutions that attract the world's most important and innovative companies. Most important for our state, this major petrochemical investment will provide high-paying jobs for Louisiana families for generations to come. We look forward to Formosa's final decision to embark on this game-changing project."

Formosa Petrochemical Corp., a member of the Formosa Group, would develop the project with an ethane cracker and downstream plants in an initial phase, followed by a doubling of those capacities in the second phase. The facility would convert ethane to ethylene and then produce polyethylene, with customized outputs of low- and high-density polyethylene, ethylene glycol, polypropylene and other derivatives. Formosa Group has operated in Louisiana since 1981, with three plastics manufacturing locations in East Baton Rouge and Pointe Coupee parishes.

"Formosa Petrochemical Corp. has been dedicated to the petrochemical industry for decades," said company Chairman Bao-Lang Chen. "We believe strategic growth in petrochemicals in the future will be in the U.S., especially in Louisiana. It is the right and perfect location for our company's next development base. With our experience, we will not only focus on the industry itself to improve economics, but also take serious consideration of environmental issues."

To secure the project, the State of Louisiana offered a competitive incentive package that would include a \$12 million performance-based grant to offset infrastructure costs, with the grant to be paid in four equal annual installments beginning in 2018, the first year of hiring for the project. Formosa also would receive the services of the nation's No. 1 state workforce development program, LED FastStart®, and the company would expect to utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs.

Should the company make a final investment decision to proceed with the project, Formosa would move forward with construction and development of the initial phase beginning in 2016, with plant hiring starting in 2018. The second-phase ethane cracker and downstream chemical plants would begin construction in 2022, following completion of the first phase.

"Louisiana's industrial renaissance has brought us this potential major investment by Formosa Petrochemical Corporation," said St. James Parish President Timmy Roussel. "This large industrial complex will add value and become part of our economic family in St. James Parish. I, as parish president, want to see them become successful in St. James while helping improve life situations for more of our residents through well-paying jobs."

"This announcement marks the first step in creating a world-class facility right here in Southeast Louisiana," said President and CEO Michael Hecht of Greater New Orleans Inc. "The Formosa Petrochemical Corporation is part of a family of companies based in Taiwan, with operations around the globe, and is another example of the world discovering greater New Orleans."

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Jindal holds meetings in Taiwan



MICHELLE MILLHOLLON
mmillhollon@theadvocate.com
Feb. 20, 2014

25
COMMENTS

Gov. Bobby Jindal sent a postcard from Taiwan on Monday, sharing snapshots from the **first leg of his Asia trip**.

So far, Jindal has met with Taiwan President Ma Ying-Jeou and Formosa executives, according to the governor's press office. No media was allowed to accompany the governor. His press office emailed a short statement early Monday morning.

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Jindal and Ma discussed economics. According to Jindal's office, Taiwan imports agricultural, energy and chemical products from Louisiana.

The **Central News Agency in Taipei reported** that Jindal pledged friendship and sharing. The governor stressed that Taiwan was an important trading partner for Louisiana and in the U.S. Taiwanese news coverage also noted that Jindal's first visit on his first trip abroad as governor was to Taiwan, which calls itself the Republic of China.

Ma apparently used the meeting to highlight Taiwan's efforts to join the Trans-Pacific Partnership. The U.S., Japan, Mexico, Singapore and other world powers are negotiating TPP as a massive trade agreement. Taiwan expressed interest last year but has not been invited to participate in the talks.

Jindal tweeted a picture of himself posing with Ma. The photograph shows that Jindal's wife, Supriya, accompanied the governor on the trip.

While in Taiwan, the governor also met with Formosa officials. Formosa Plastics, an offshoot of the Taiwan-based Formosa Plastics Group, operates a chemical manufacturing **subsidiary in north Baton Rouge**. The site produces feedstock materials, electricity and steam.

Jindal met with Susan Wang, vice chairman of the Formosa Plastics Group executive board, and C.T. Lee, chairman of the Formosa Plastics Corporation. They reportedly discussed business growth opportunities in Louisiana.

Jindal characterized his three-country visit to Asia as a job-creation mission. He said he is looking for business opportunities on Louisiana's behalf. From Taiwan, he heads to Seoul, South Korea, Tuesday before going to Japan. He returns to the U.S. on Saturday.

The total cost of the trip is unclear. Jindal's campaign paid for his plane ticket, but taxpayers appear to be picking up the bulk of the tab.

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Formosa Plastics plans to build ethylene plant in Louisiana

10:06 AM MST | JUNE 16, 2014 | Natasha Aghajanyan

Formosa Plastics is planning to invest in a new ethylene plant in Louisiana using shale gas feedstock, according to local reports citing Formosa Plastics' chairman Lee Chin-tsun. Lee was speaking to Formosa employees in Kaohsiung, Taiwan, on Tuesday at the company's end-of-year party. Lee made the statement a day after the governor of Louisiana, Bobby Jindal, visited the company at Taipei.

Formosa Plastics is already developing a 1.2-million m.t./year ethylene plant at Point Comfort, TX. "The governor called on us to invest not only in Texas but also in Louisiana, because the tax rate in the state is the same as in Texas, while gas prices in Louisiana are actually lower," Lee says, according to local reports. Formosa does not as yet have estimates of how much the Louisiana project would cost because the company needs to make further studies to evaluate the project, the chairman says.

Formosa's Texas facility is expected to cost \$3 billion. The facility will include units producing 1.2 million m.t./year of ethylene; 600,000 m.t./year of propylene; and 400,000 m.t./year of high-density polyethylene and will come onstream in the first quarter of 2017, Lee says. "The costs of making ethylene with shale gas are one-third of the costs of making it using other raw materials," Lee says.

Global production of ethylene will rise by 5.8 million m.t. this year, which is relatively low, he says. The Mideast, which accounts for 17% of global ethylene production, is unlikely to grow above 20% of the global total in the future because there is not a lot of cheap gas there, Lee says. Formosa plans to spend \$13.2 billion on new plants in the United States, China, and Vietnam, he says.

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Jack Wu/FTADSF

From: Patrick Tarlton <PatrickTarlton@txchemcouncil.org>
Sent: Monday, September 29, 2014 3:31 PM
To: Patrick Tarlton
Subject: Texas Chapter 313 Agreements and Analysis
Attachments: Texas Chapter 313 Analysis.docx; ATT00001.htm

Tax Committee:

The Texas Chemical Council testified last week at the House Select Committee on Economic Development Incentives public hearing in Houston. We were specifically asked to testify on the importance of Chapter 313 Agreements and the competition for industry investment between Texas and Louisiana. TCC President, Hector Rivero, provided testimony - including the attached analysis of incentives for a theoretical investment comparing Texas and Louisiana. The handout illustrates how the state incentives compare for a \$1 billion investment project.

Testimony concluded the following questions and comments from members present:

Jim Murphy: Chairman Murphy acknowledged the work of the industry to reform Chapter 313 agreements and thanked the chemical industry for its many contributions to Texas. As inquiry, he asked Hector to expand on the Louisiana 10 year abatement - specifically tax rate and dollars being delayed over the ten year abatement. According to our research, Louisiana's tax incentives account for about 2.1% of the total investment.

Drew Springer: Rep. Springer mentioned previous discussions on job waivers. He acknowledged that our projects meet the need for job creation in the state, as well as meeting the criteria outlined by the Economic Development Act.

If you have any questions, please feel free to contact me. Always happy to help.

Patrick

Patrick R. Tarlton
Director of Government Affairs
Texas Chemical Council
Office: 512.646.6407
Cell: 512.217.0456
Tarlton@texaschemistry.org

Texas Chapter 313 Analysis Theoretical Texas Investment Opportunity

Texas Capital Investment Project with \$1 Billion Investment Without Ch. 313 Agreement

School Tax*	\$ 120,000,000
City Tax**	\$ 10,000,000
<u>County Tax**</u>	<u>\$ 10,000,000</u>
Total	\$ 140,000,000

Texas – Louisiana Economic Incentive Comparison 10 Year Tax Profile

	Texas	Louisiana
	With <u>Chapt. 313***</u>	With <u>10 yr. Abatement</u>
School Tax*	\$ 21,000,000	0
City Tax**	\$ 10,000,000	0
<u>County/Parish Tax**</u>	<u>\$ 10,000,000</u>	<u>0</u>
Total	\$ 41,000,000	\$0

* Assumes 1.10% M&O rate, and 0.10% I&S rate.

** Assumes 75% abatement by Texas locals, and 0.4% tax rate for each of city and county.

*** Assumes a \$100 million school M&O tax limitation.

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** Assumes 75% abatement by Texas locals, and 0.4% tax rate for each of city and county.

*** Assumes a \$100 million school M&O tax limitation.

From: Jerry Lai/TXTF
Sent: Tuesday, January 14, 2014 5:29 PM
To: Jack Wu/FTADSF
Subject: FW: Texas and Louisiana Property Tax Comparison

fyi

Jerry lai
Formosa Plastics Corporation, TX
Tel: 361-987-7720

From: George Johnson [<mailto:geojohnson@prodigy.net>]
Sent: Tuesday, January 14, 2014 5:15 PM
To: David Lin / FPC Chief Financial Officer
Cc: Jerry Lai/TXTF
Subject: Texas and Louisiana Property Tax Comparison

David,

In order to demonstrate the property tax differences between Texas and Louisiana please see the attached Analysis for a capitol investment scenario of \$100,000,000 for M&E and \$10,000,000 monthly inventory balance. The Texas calculations used the latest exemptions percentages obtained for our SPVC and CFB plants as the basis for determining the total property tax impact for the first 7 years, 10 years of the exemptions and the 11th year where no exemptions would be in effect. For Louisiana, I used the 5 year exemption and the 5 year extension that Louisiana allows.

At the bottom highlighted in gray you will see the estimated property taxes for both Texas and Louisiana. In every case the property taxes would be less in Louisiana as indicated by the Difference totals for 7 yrs., 10 yrs and the 11th year where all exemptions have expired.

Should you need clarification on any part feel free to call me at 281-257-2168.

Best regards,

George

TX and LA Property Tax Comparison

Item	Subject	TX	LA	Remarks
1	Appraisal Date	January 1st every year	Same	
2	Taxable item	Real Property, Personal Property and Inventory	Same	
3	Appraisal Method			
	a. Real Property	RCN(Replacement Cost New) * Depreciation Rate * Service Factor = Taxable Value	Net Cost (Original Cost - Exemption) * Depreciation Rate * 15% = Taxable Value	LA can apply Manufacturing Property 100% Exemption for 5 years, and apply for extension another 5 years.
	b. Personal Property, mostly Administration and Office related, LA Specify Computer and Electronic property	RCN(Replacement Cost New) * Depreciation Rate * Service Factor = Taxable Value	Net Cost (Original Cost - Exemption) * Depreciation Rate * 15% = Taxable Value	LA can apply Manufacturing Property 100% Exemption for 5 years, and apply for extension another 5 years.
	c. Inventory - Product or Material	Render the actual cost or Market Value and refer to profitable situation	Render the actual cost with annual 12 month average * 15% = Taxable Value	
4	Tax Rate	2013 County Tax 0.49% School Tax 1.1151% Navigation Tax 0.0031% Total 1.6082% *City Tax 0.5299% if within City	2013 Rate 9.25%	
5	Tax Paid - Taxable Value * Rate	2013 Paid \$21M (0.347% against Acquired Value)	2013 Paid \$1.9M (0.298% against Acquired Value)	
6	Exemption	Pollution Control Property by application	First 5 year by application, and can apply extension 5 more years, on 100% of new construction.	
7	Other Legislation	Abatement to County and Navigation Tax at 0.4931% by application, normally due in 7 years. The first 2 years 100% exempt, and the rest years 85% exempt.		

Example
Impts Investment Inventory Monthly Avg.

100,000,000

10,000,000

TX and LA Property Tax Comparison

Item	Subject	TX	LA	Remarks
		HB1200 Tax Credit bill helped the new construction in first 2 years to pay School Tax based on 100% Actual Expenditure, and starting 3rd year, first \$30M be 100% taxable, and the amount excess \$30M will pay only 50%. The Exemption need to apply and get local government approval. Currently CFB and SPVC approved to be effective 2008 and end 2017.		

Example
Impts Investment Inventory Monthly Avg.

**Formosa Property Tax Comparison
Texas Vs Louisiana**

State	Description	Investment Amount	Taxing Entity	2014	2015	2016-2020	2021-2023	2024
Texas	Plant Impts	100,000,000	Calhoun County	50,000,000	100,000,000	100,000,000	100,000,000	100,000,000
			Cost Index	1.00	1.027	1.045	1.4056	1.434
			Depreciation	0.98	0.97	0.98	0.71	0.69
			Exemption	100%	100%	85%	0	0%
			Service factor	0.5	0.5	0.45	0.45	0.45
			Assessment Ratio	100%	100%	100%	100%	100%
			Tax Rate	0.004931	0.004931	0.004931	0.004931	0.004931
			Estimated Taxes	0	0	166,954	864,338	219,556
Texas	Inventory	10,000,000	County and ISO	0	0	10,000,000	10,000,000	10,000,000
			Cost Index	1.00	1.00	1.00	1.00	1.00
			Assessment Ratio	100%	100%	100%	100%	100%
			Tax Rate	0.004931	0.004931	0.016082	0.016082	0.016082
			Estimated Taxes	0	0	804,108	482,469	180,820

Total County w/ Exemption for 7 yrs \$ 971,054
County Total for 10 yrs \$ 2,117,051
Total for Year 2024 after exemptions \$ 386,376

State	Description	Investment Amount	10 Year Exemption 2014 - 2023	2024
Louisiana	Plant Impts	100,000,000	E. Baton Rouge	100,000,000
			Cost Index	1.00
			Depreciation	1.00
			Exemption	100%
			Service factor	1.00
			Assessment Ratio	15%
			Tax Rate	0.0625
Louisiana	Inventory	10,000,000	E. Baton Rouge	10,000,000
			Cost Index	1.00
			Assessment Ratio	15%
			Tax Rate	0.0625
			Estimated Taxes	1,387,500
				138,750

Total Parish Exemption w/Exemption for 10 yrs 1,387,500
Total for Year 2024 after exemptions \$ 855,935

2

State	Description	Investment Amount	Taxing Entity	2014	2015	2016-2020	2021-2023	2024
Texas	Plant Impts	100,000,000	Calhoun ISO Value Limitation	50,000,000	100,000,000	30,000,000	30,000,000	100,000,000
			Cost Index	1.00	1.027	1.045	1.4056	1.434
			Depreciation	0.98	0.97	0.98	0.71	0.69
			Exemption	0	0	0	0	0
			Service factor	0.5	0.5	0.45	0.45	0.45
			Assessment Ratio	100%	100%	100%	100%	100%
			Tax Rate	0.01151	0.01151	0.01151	0.01151	0.01151
			Estimated Taxes	\$ 261,995	\$ 573,307	\$ 779,411	\$ 465,212	\$ 512,491
			Calhoun ISO Value Contribution			70,000,000	70,000,000	70,000,000
			Cost Index			1.045	1.4056	1.434
			Depreciation			0.98	0.71	0.69
			Exemption			0.50	0.50	0
			Service factor			0.45	0.45	0.45
			Assessment Ratio			100%	100%	100%
			Tax Rate			0.01151	0.01151	0.01151
			Estimated Taxes			\$ 909,313	\$ 542,747	\$ 358,744

Summary of Taxes calculated for a \$100,000,000 capitol investment and a \$10,000,000 average monthly inventory.

State	Description	7 Yrs	10 Yrs	11th Yr
Texas	Plant and Inventory	Grand Total County and ISO w/ Exemption for 7 yrs	\$ 3,915,080	
Texas	Plant and Inventory	Grand Total County and ISO w/ Exemption for 10 yrs	\$ 5,608,838	
Texas	Plant and Inventory	Grand Total County and ISO for Year 2024 after Exemptions		\$ 1,251,611
Difference Texas and Louisiana		\$ 2,643,630	\$ 4,282,336	\$ 385,676

Major Differences: 1. Louisiana offers a 5 year with an additional 5 year option 100% exemption for capitol expenditures, whereas Texas has 7 year variable exemption % for Calhoun county and a value limitation exemption for Calhoun ISO.

2. Louisiana uses a 15 year life depreciation whereas Texas uses a range of 25-35 year life.

Louisiana has an overall lower effective tax rate of 0.13875 (15% x .0925) vs. Texas .016082 (.016082 x 1.00).

3. Each state uses a general cost approach. However Louisiana uses a state tax commission determined value manual for determining assessments and Texas employs valuation firms to use their own valuation models.

Overall Louisiana property taxes are significantly lower due to more favorable exemption benefits received for new capitol investments and from assessment methods utilized after the exemptions expired. Please see the calculated estimated property taxes for the hypothetical scenario above.



Formosa Plastics

Memorandum

Business Development/Communications

Date: 06/04/10
To: David Lin
From: Jack Wu
Subject: Property Tax

Property Tax -- Tx vs. La

- 1) Tax = Taxable value x Tax Rate
- 2) Taxable Value

TX	LA
Fair Market Value 100%	Fair Market Value
With Exemption i.e.: Ag Land Pollution Control Equipment	*Percentage i.e.: Land 10% Machine, Real Improvement 15%

- 3) Tax Rate is Based on the Location
i.e.: Within City Limit additional tax entity such as Hospital, College, Fire

TX	LA
Point Comfort Complex	Baton Rouge
1. County 0.4900%	
School 1.1201%	9.35%
Navigation Dst. 0.0039%	
Total 1.6140%	
2. County 0.4900%	
School 1.1201%	
Navigation Dst. 0.0039%	
City/Pt Comfort 0.7200%	
Total 2.3340%	

In Texas: 1) The School Tax Reform bill passed in 2006 reduced the tax rate by 30%.
2) Statewide, the Robin Hood Tax is still in effect. It penalizes the Taxable Value Rich School District.



Business Development/Communications

4) Property Value Exemption

TX	LA
1. Pollution Control 2. Agriculture Use Land 3. Tax Abatement 7 yr. is commonly used Typical, but not 100% each year. i.e: 100% First 2 yr. and reduce 10-15% each year after that	5 yr. Exemption on all assets Capitalized, then deduct this Exemption from Fair Market Value. Then apply 15% rule to get the Taxable value. Can extend another 5 Yrs.

*HB 1200, Value Limitation Bill also can reduce the School Tax on
New Project.

6. Description of how project is located in more than one District

NA

7. Description of Qualified Investment

Description of Qualified Investment

The proposed improvements for which the tax limitation is sought will include the LDPE Unit:

LDPE Unit

The proposed LDPE Unit receives ethylene from onsite storage spheres and introduces that monomer into a reactor in the presence of a catalyst. The interaction of catalyst and ethylene results in the production of polyethylene polymers or “resins”. Resins are moved into an extrusion system which terminates in a pelletizer. The resin pellets can then be packaged in bags for transport or placed into silos prior to loading for shipment by railcar.

The major components of this unit include:

- Steam Piping
- Instrumentation
- Ethylene Feed Stock Piping
- Electrical Power Supply and Distribution Lines
- Distributive Control Systems
- Reactor Trains
- Extrusion Systems
- Pelletizing Systems
- Compressors
- Valves
- Mixing and Loading Silos
- Product Loading Areas
- Safety Infrastructure
- Cooling Water Towers

UTILITY Unit

The proposed Utility Unit will provide power generation and steam required for operation of the planned LDPE and HDPE plants as well as for others already in production. The Utilities plant consists of two natural gas-fired turbines for production of electrical power for transport to end users through the onsite electrical power grid. Heat exhaust will be captured to boil water and produce steam which can be piped throughout the facility.

The major components of this unit include:

- Steam Piping
- Natural Gas Feed Stock Piping
- Instrumentation

8. Description of Qualified Property

Description of Qualified Property

The proposed improvements for which the tax limitation is sought will include the LDPE Unit:

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- Steam Piping
- Natural Gas Feed Stock Piping
- Instrumentation

- Distributive Control Systems
- Two has fired generators with each including a;
 - Gas Compressor
 - Gas Combustion Chamber
 - Turbine
 - Exhaust System
 - Exhaust Diffuser
- Process Associated Valves
- Power Transformers
- Power Distribution Infrastructure
- Cooling Water Towers
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HDPE Unit

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The major components of this unit include:

- Steam Piping
- Instrumentation
- De-gassing Equipment
- Raw Material Purification
- Ethylene Feed Stock Piping
- Electrical Power Supply and Distribution Lines
- Distributive Control Systems
- Reactor Trains
- Extrusion Systems
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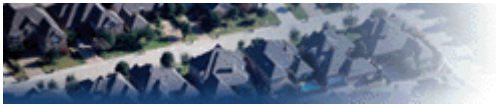
9. Description of Land

Description of Land

The land for the new construction is owned by Formosa Plastics Corp., Texas. The Jackson County Appraisal District has assigned the property number **R26831** for the new area to be considered for the Value Limitation Application.

The area is approximately 588 acres @ \$1,170.30 per acre \$688,136.00. Attached is a map, yellow borders, indicating the Utility Unit (approximately 18 acres) the LDPE Unit (approximately 25 acres) and the HDPE Unit (approximately 29 acres)

Together, all areas comprise the reinvestment zone for this project.



Jackson Central Appraisal District

WORK IN PROGRESS

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[Other](#)

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- [Neighborhoods](#)
- [Abstracts](#)
- [Subdivisions](#)
- [Housing Cap Rate](#)

Property Detail Sheet (R26831)



[History](#)



[Datasheet](#)



[Statement](#)



[Bills](#)

Owner Information

Owner ID: 021363
Owner Name: FORMOSA PLASTIC CORP
Owner Address: P O BOX 700
POINT COMFORT, TX 77978-0700
Property Address: 17105 FM 1593

Parcel Information

Legal Description: A5043 MCGUFFIN, HUGH, BLOCK TR 1-3 E/2, ACRES 588.15
Neighborhood: P151AG89E(P1 Class A,G)
Acreage: 588.15
Cross Reference: 5043000000300

Undivided Interest:

[Exemption Codes:](#)

Entity Codes: FLD (Flood District)
GJA (Jackson County)
HOS (Hospital District)
SPA (Palacios Isd)
ESD2 (ESD2)
WTG (Texana Groundwater Conservation District)

Deed Type: GENERAL WARRANTY DEED

Deed Book: 445

Deed Page: 262

Map Page:

Links:

Values Breakdown

2016 Value

Land HS: \$0 +
Land NHS: \$634,350 +
Improvement HS: \$0 +
Improvement NHS: \$53,830 +
Ag Market: \$0
Ag Use: \$0 +
Timber Market: \$0
Timber Use: \$0 +
Assessed: \$688,180 =

Improvements

ID	Type	SPTB	Seg
Imp1	R (Residential)	E1 (E1 - Farm And Ranch Single Family)	2
Imp2	R (Residential)	D2 (D2 - Farm and Ranch Improvements on Qualified Open-Space Lan)	0
Imp3	I (Misc. Improvement)	E1 (E1 - Farm And Ranch Single Family)	0
Imp4	I (Misc. Improvement)	E1 (E1 - Farm And Ranch Single Family)	1

Land

ID	Type	SPTB	Acres
Land1	R (Residential)	E1 (E1 - Farm And Ranch Single Family)	5.00000
Land2	RL (Rural Land)	E (E-Rural Land, not Qualified for Open-Space and Res. Improvem)	561.15000 \$
Land3	C (Commercial)	F1 (F1 - Commercial (Real))	22.00000



A recent version of Adobe Acrobat Reader is required to view PDF documents. Acrobat Reader is a free program available [here](#).



Land/Reinvestment Zone
Boundary

FM 1593

HDPE

LDPE

Utilities

Jackson
County

Calhoun
County

 **Formosa Plastics Corporation**

[illegible]

HEET LAMAR STREET, SUITE 5
857 POINT COMFORT, TEXAS 77058

EXHIBIT A
775.74 ACRE TRACT
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF JACKSON

BEING a 775.74 acre tract situated in the Hugh McGuffin Survey, Abstract 43, Jackson County, Texas and being out of a 292.53 acre tract described as "Tract One" conveyed in General Warranty Deed dated July 12, 2013 from Anthony B. McDowell to Formosa Plastics Corporation, Texas and recorded in Instrument #201301969 of the Official Records of Jackson County, Texas, and being out a 295.62 acre tract described as "Tract Three" conveyed in General Warranty Deed dated July 12, 2013 from Barbara Louise May to Formosa Plastics Corporation, Texas and recorded in Instrument #201302044 of the Official Records of Jackson County, Texas, and also being out of a 1,560.40 acre tract conveyed in Deed dated February 12, 1988 from Aluminum Company of America to Formosa Plastics Corporation, Texas and recorded in Volume 15, Page 404 of the Official Records of Jackson County, Texas and this 775.74 acre tract of land being more particularly described by metes and bounds as follows;

BEGINNING at an existing 5/8 inch iron rod in the east right-of-way line of Farm-to-Market Road 1593 at the southwest corner of a 1,624.06 acre tract described in Volume 175, Page 603 of the Deed Records of said county and the northwest corner of said 282.53 acre tract for the northwest corner of the herein described tract;

THENCE East with the north line of said 292.53 acre tract and the south line of said 1,624.06 acre tract at 6,439.38 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 6,539.38 feet to a point on the west bank of Cox's Creek for the northeast corner of the herein described tract;

THENCE with the meanders of the west bank of Cox's Creek for the following courses and distances:

South 08°22'38" East for a distance of 138.54 feet to a point;
South 68°29'09" West for a distance of 59.69 feet to a point;
South 09°43'23" East for a distance of 100.80 feet to a point;
South 80°56'41" East for a distance of 120.69 feet to a point;
South 21°09'47" East for a distance of 197.87 feet to a point;
South 59°28'27" West for a distance of 52.23 feet to a point;
South 09°32'46" East for a distance of 99.75 feet to a point;
South 50°24'20" East for a distance of 146.31 feet to a point;
South 17°39'50" East for a distance of 173.59 feet to a point;
South 67°36'37" East for a distance of 74.30 feet to a point;
South 12°04'34" East for a distance of 151.51 feet to a point;
South 61°05'41" East for a distance of 189.28 feet to a point;
South 13°47'26" West for a distance of 44.13 feet to a point;
South 33°24'10" East for a distance of 104.37 feet to a point;
South 25°36'49" East for a distance of 136.00 feet to a point;
South 66°40'25" East for a distance of 152.25 feet to a point;
North 67°34'05" East for a distance of 166.83 feet to a point;
South 53°04'21" East for a distance of 184.93 feet to a point;
South 36°14'38" West for a distance of 128.27 feet to a point;
South 21°52'10" East for a distance of 152.58 feet to a point;
North 76°53'28" West for a distance of 138.17 feet to a point;
South 16°29'17" West for a distance of 150.69 feet to a point;
South 25°11'57" East for a distance of 127.52 feet to a point;
South 69°34'15" West for a distance of 89.60 feet to a point;
South 17°19'29" East for a distance of 174.41 feet to a point;
South 52°51'18" West for a distance of 93.05 feet to a point;
South 10°48'14" East for a distance of 55.58 feet to a point;
South 35°37'11" East for a distance of 168.44 feet to a point;
South 54°17'16" West for a distance of 45.25 feet to a point;
South 11°45'18" East for a distance of 104.39 feet to a point;
South 40°01'19" East for a distance of 171.21 feet to a point;
South 49°05'49" West for a distance of 122.64 feet to a point;
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South 01°58'49 West for a distance of 160.61 feet to a point;
South 28°29'35 East for a distance of 136.18 feet to a point;
South 08°40'05 East for a distance of 108.63 feet to a point;
South 14°37'07 West for a distance of 172.42 feet to a point;
South 22°18'48 East for a distance of 114.21 feet to a point;
South 14°52'21 West for a distance of 169.89 feet to a point;
South 20°49'18 East for a distance of 91.73 feet to a point;
South 47°34'24 East for a distance of 129.98 feet to a point;

THENCE South 03°27'25 East and continuing with the west bank of Cox's Creek for a distance of 17.40 feet to a point for the southeast corner of the herein described tract;

THENCE West at 345.86 feet pass a 5/8 inch iron rod on line and continuing for a total distance of 4,306.19 feet to an existing 5/8 iron rod for a southerly exterior corner of the herein described tract;

THENCE North for a distance of 164.36 feet to an existing 5/8 iron rod for a southerly interior corner of the herein described tract;

THENCE West for a distance of 2,730.00 feet to an existing 5/8 iron rod for a southerly interior corner of the herein described tract;

THENCE South a distance of 164.36 feet to a set 5/8 iron rod for a southerly exterior corner of the herein described tract;

THENCE West a distance of 697.77 feet to set 5/8 iron rod in the west line of said 1,560.40 acre tract and the east line of the remaining portion of a 909.53 acre tract described in Volume 294, Page 599 of the Deed Records of said county for the southwest corner of the herein described tract;

THENCE North 00°02'48 East with the west line of said 1,560.40 acre tract and the east line of the remaining portion of said 909.53 acre tract for a distance of 1,511.87 feet to an existing 5/8 iron rod in the south line of said 295.62 acre tract at the northwest corner of said 1,560.40 acre tract and the northeast corner of the remaining portion of said 909.53 acre tract for a southwesterly interior corner of the herein described tract;

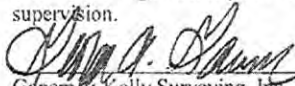
THENCE South 89°54'37 West with the south line of said 295.62 acre tract and the north line of the remaining portion of said 909.53 acre tract for a distance of 149.47 feet to an existing 1/2 inch iron rod in the east right-of-way line of Farm-to-Market Road 1593 at the southwest corner of said 295.62 acre tract for a westerly southwesterly corner of the herein described tract;

THENCE North 00°02'06 East with the east right-of-way line of Farm-to-Market Road 1593 and the west line of said 295.62 acre tract and the west line of said 292.53 acre tract for a distance of 3,166.32 feet to the **POINT OF BEGINNING**, Containing 775.74 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings and coordinates are based on Formosa Plastics Corporation plant coordinates.

The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



Date 01/04/2015

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

There is no property located at the site where this project is proposed to be developed. The Formosa Plant, however, is located in adjacent Calhoun County. Applicant has provided information on the neighboring plant for information purposes only and to explicitly exclude all such property from this application.

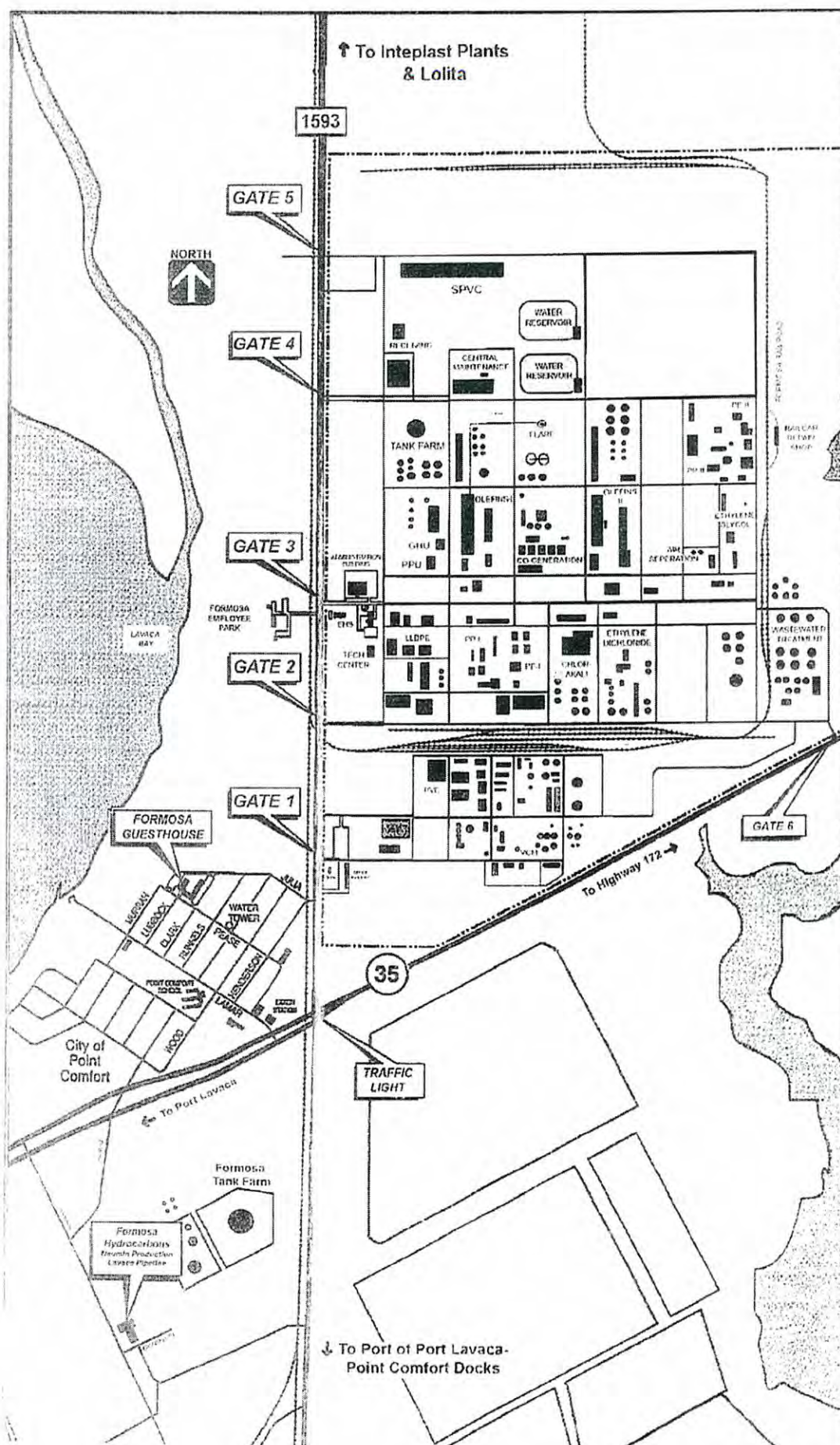
On several of the google maps provided for the property, it appears that there was ongoing business activity on this property. The area was known as Contractor Road. As of May 31, 2013 all of the contractors have vacated this area and relocated to other areas.

The Formosa Plastics complex includes 17 plants that produce plastic resins and associated petrochemical products. There are two plants that are not located within the parameters of this facility they are CFB (Power Plant) and Formosa Hydrocarbons (Natural Gas Process).

The 15 existing plants include:

VCM	Vinyl Chloride Monomer
PVC	Polyvinyl Chloride Resin Plant
LLDPE	Linear Low Density Polyethylene Resin Plant
HDPE-I	High Density Polyethylene Resin Plant
HDPE-II	High Density Polyethylene Resin Plant
PP-I	Polypropylene Resin Plant
PP-II	Polypropylene Resin Plant
C/A	Chlor-Alkali
EDC	Ethylene Dichloride
OL-I	Olefins
OL-II	Olefins
Frac-II	Fractionation
EG	Ethylene Glycol
ASP	Air Separation
SPVC	Specialty Polyvinyl Chloride Resin Plant

The approximate value and acreage of these 15 plants is:
\$1.25 Billion 900 Acres



Description of Qualified Property

The proposed improvements for which the tax limitation is sought will include the LDPE Unit:

LDPE Unit

The proposed LDPE Unit receives ethylene from onsite storage spheres and introduces that monomer into a reactor in the presence of a catalyst. The interaction of catalyst and ethylene results in the production of polyethylene polymers or “resins”. Resins are moved into an extrusion system which terminates in a pelletizer. The resin pellets can then be packaged in bags for transport or placed into silos prior to loading for shipment by railcar.

The major components of this unit include:

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- Instrumentation
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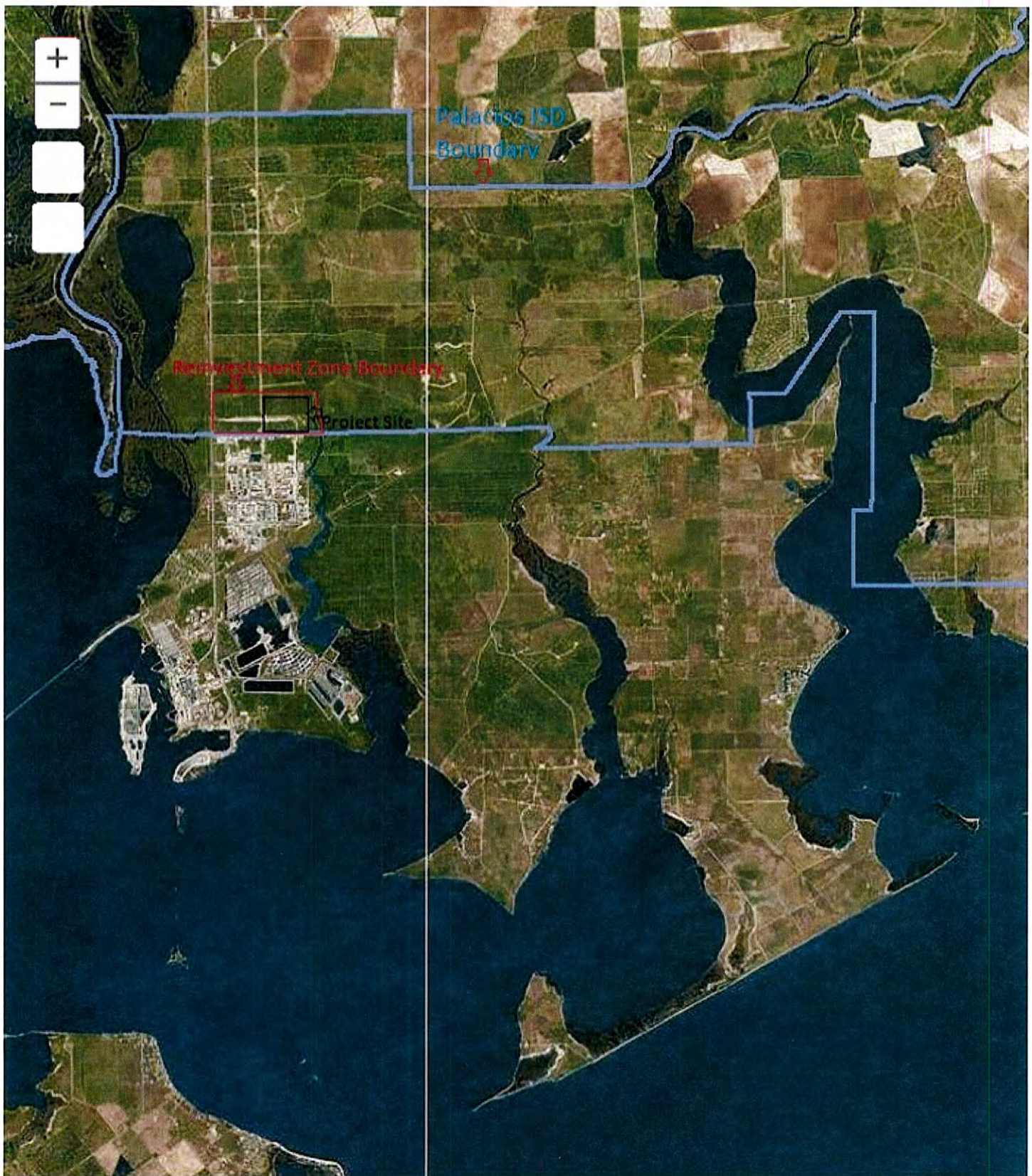
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- Vent collections systems

11. Maps that clearly show:

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







Land/Reinvestment Zone
Boundary

FM 1593

HDPE

LDPE

Utilities

Jackson
County

Calhoun
County

 **Formosa Plastics Corporation**



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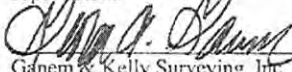
THENCE South 89°54'37" West with the south line of said 295.62 acre tract and the north line of the remaining portion of said 909.53 acre tract for a distance of 149.47 feet to an existing 1/2 inch iron rod in the east right-of-way line of Farm-to-Market Road 1593 at the southwest corner of said 295.62 acre tract for a westerly southwesterly corner of the herein described tract;

THENCE North 00°02'06" East with the east right-of-way line of Farm-to-Market Road 1593 and the west line of said 295.62 acre tract and the west line of said 292.53 acre tract for a distance of 3,166.32 feet to the **POINT OF BEGINNING**. Containing 775.74 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings and coordinates are based on Formosa Plastics Corporation plant coordinates.

The above legal description is based on an actual survey made on the ground under my supervision.


 Ganem & Kelly Surveying, Inc.
 By: George A. Ganem, Jr.
 Registered Professional Land Surveyor
 Texas No. 4681



Date 01/04/2015

12. Request for Waiver of Job Creation Requirement & supporting information (if applicable)

NA

13. Calculation of three possible wage requirements with TWC documentation

TAB 13-Calculation of Wage Targets

Year	Period	Area	Ownership	Industry	Avg Weekly Wages
2015	4th Qtr	Jackson County	Private	Total, All Industries	\$907
2016	1st Qtr	Jackson County	Private	Total, All Industries	\$786
2016	2nd Qtr	Jackson County	Private	Total, All Industries	\$770
2016	3rd Qtr	Jackson County	Private	Total, All Industries	\$820
AVERAGE					\$821
2015	4th Qtr	Jackson County	Private	Fabricated metal prod	\$1,304
2016	1st Qtr	Jackson County	Private	Fabricated metal prod	\$761
2016	2nd Qtr	Jackson County	Private	Fabricated metal prod	\$626
2016	3rd Qtr	Jackson County	Private	Fabricated metal prod	\$574
110% of AVERAGE \$					897.88

110% of the Average Weekly Wage for Manufacturing Jobs in the Golden Crescent Region

$\$23.73 * 40 \text{ hrs} * 110\% = \$1,044.12$ weekly wage

Required minimum wage (110% of county average wage §313.021(5)(A))

$\$ 897.88 * 52 \text{ weeks} \$ 46,689.50$

2015 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

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	Jackson County	Private	00	0	10	Total, All Industries	\$795
2015	2nd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$762
2015	3rd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$804
2015	4th Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$907
2016	1st Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$786
2016	2nd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$770
2016	3rd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$820
2015	1st Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$1,622
2015	2nd Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$1,824
2015	3rd Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$972
2015	4th Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$1,304
2016	1st Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$761
2016	2nd Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$626
2016	3rd Qtr	Jackson County	Private	31	3	332	Fabricated metal product manufacturing	\$574

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

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 10-19-15

Applicant Name Formosa Plastics Corporation, Texas

Form 50-296A

ISD Name Palacios

Revised 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)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2017-2018	2017	100,000,000.00	Qualified Investment	Qualified Investment		100,000,000.00
Complete tax years of qualifying time period	QTP1	2018-2019	2018	350,000,000.00	Qualified Investment	Qualified Investment		350,000,000.00
	QTP2	2019-2020	2019	150,000,000.00	Qualified Investment	Qualified Investment		150,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				600,000,000.00				600,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				600,000,000.00				

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.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date 10-19-15

Applicant Name: Formosa Plastics Corporation, Texas

Form 50-296A

ISD Name: Palacios

Revised 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				
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	100,000,000.00				\$ 100,000,000.00
	0	2018-2019	2018	350,000,000.00				\$ 350,000,000.00
	0	20019-2020	2019	150,000,000.00				\$ 150,000,000.00
Value limitation period***	1	2020-2021	2020					
	2	2021-2022	2021					
	3	2022-2023	2022					
	4	2023-2024	2023					
	5	2024-2025	2024					
	6	2025-2026	2025					
	7	2026-2027	2026					
	8	2027-2028	2027					
	9	2028-2029	2028					
	10	2029-2030	2029					
Total Investment made through limitation				\$ 600,000,000.00	\$ -		\$ -	\$ 600,000,000.00
Continue to maintain viable presence	11	2030-2031	2030					
	12	2031-2032	2031					
	13	2032-2033	2032					
	14	2033-2034	2033					
	15	2034-2035	2034					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035					
	17	2036-2037	2036					
	18	2037-2038	2037					
	19	2038-2039	2038					
	20	2039-2040	2039					
	21	2040-2041	2040					
	22	2041-2042	2041					
	23	2042-2043	2042					
	24	2043-2044	2043					
	25	2044-2045	2044					

* 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: 10-19-15

Applicant Name: Formosa Plastics Corporation, Texas

Form 50-296A

ISD Name: Palacios

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new 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	2017-2018	2017	\$ 689,720.00		\$ -	na	\$ 689,720.00	\$ 689,720.00
	0	2018-2019	2018	\$ 689,720.00	\$ 14,000,000.00	\$ -	na	\$ 14,689,720.00	\$ 14,689,720.00
Value Limitation Period	1	2019-2020	2019	\$ 689,720.00	\$ 600,000,000.00	\$ -	na	\$ 600,689,720.00	\$ 30,000,000.00
	2	2020-2021	2020	\$ 689,720.00	\$ 570,000,000.00	\$ -	na	\$ 570,689,720.00	\$ 30,000,000.00
	3	2021-2022	2021	\$ 689,720.00	\$ 541,500,000.00	\$ -	na	\$ 542,189,720.00	\$ 30,000,000.00
	4	2022-2023	2022	\$ 689,720.00	\$ 514,425,000.00	\$ -	na	\$ 515,114,720.00	\$ 30,000,000.00
	5	2023-2024	2023	\$ 689,720.00	\$ 488,703,750.00	\$ -	na	\$ 489,393,470.00	\$ 30,000,000.00
	6	2024-2025	2024	\$ 689,720.00	\$ 464,268,562.50	\$ -	na	\$ 464,958,282.50	\$ 30,000,000.00
	7	2025-2026	2025	\$ 689,720.00	\$ 441,055,134.38	\$ -	na	\$ 441,744,854.38	\$ 30,000,000.00
	8	2026-2027	2026	\$ 689,720.00	\$ 419,002,377.66	\$ -	na	\$ 419,692,097.66	\$ 30,000,000.00
	9	2027-2028	2027	\$ 689,720.00	\$ 398,052,258.77	\$ -	na	\$ 398,741,978.77	\$ 30,000,000.00
	10	2028-2029	2028	\$ 689,720.00	\$ 378,149,645.83	\$ -	na	\$ 378,839,365.83	\$ 30,000,000.00
Continue to maintain viable presence	11	2029-2030	2029	\$ 689,720.00	\$ 359,242,163.54	\$ -	na	\$ 359,931,883.54	\$ 359,242,163.54
	12	2030-2031	2030	\$ 689,720.00	\$ 341,280,055.37	\$ -	na	\$ 341,969,775.37	\$ 341,969,775.37
	13	2031-2032	2031	\$ 689,720.00	\$ 324,216,052.60	\$ -	na	\$ 324,905,772.60	\$ 324,905,772.60
	14	2032-2033	2032	\$ 689,720.00	\$ 308,005,249.97	\$ -	na	\$ 308,694,969.97	\$ 308,694,969.97
	15	2033-2034	2033	\$ 689,720.00	\$ 292,604,987.47	\$ -	na	\$ 293,294,707.47	\$ 293,294,707.47
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	\$ 689,720.00	\$ 277,974,738.10	\$ -	na	\$ 278,664,458.10	\$ 278,664,458.10
	17	2035-2036	2035	\$ 689,720.00	\$ 264,076,001.19	\$ -	na	\$ 264,765,721.19	\$ 264,765,721.19
	18	2036-2037	2036	\$ 689,720.00	\$ 250,872,201.13	\$ -	na	\$ 251,561,921.13	\$ 251,561,921.13
	19	2037-2038	2037	\$ 689,720.00	\$ 238,328,591.07	\$ -	na	\$ 239,018,311.07	\$ 239,018,311.07
	20	2038-2039	2038	\$ 689,720.00	\$ 226,412,161.52	\$ -	na	\$ 227,101,881.52	\$ 227,101,881.52
	21	2039-2040	2039	\$ 689,720.00	\$ 215,091,553.45	\$ -	na	\$ 215,781,273.45	\$ 215,781,273.45
	22	2040-2041	2040	\$ 689,720.00	\$ 204,336,975.77	\$ -	na	\$ 205,026,695.77	\$ 205,026,695.77
	23	2041-2042	2041	\$ 689,720.00	\$ 194,120,126.98	\$ -	na	\$ 194,809,846.98	\$ 194,809,846.98
	24	2042-2043	2042	\$ 689,720.00	\$ 184,414,120.64	\$ -	na	\$ 185,103,840.64	\$ 185,103,840.64
	25	2043-2044	2043	\$ 689,720.00	\$ 175,193,414.60	\$ -	na	\$ 175,883,134.60	\$ 175,883,134.60

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: 10-19-15

Applicant Name: Formosa Plastics Corporation, Texas

ISD Name: Palacios

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	2017-2018	2017	100,000/MH/Month	\$ 52,693.00	10	10	\$ 50,000.00
	0	2018-2019	2018	840,000/MH/Month	\$ 52,693.00	60	10	\$ 50,000.00
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019		\$ 52,693.00	110	10	\$ 50,000.00
	2	2020-2021	2020		\$ 52,693.00	110	10	\$ 50,000.00
	3	2021-2022	2021		\$ 52,693.00	110	10	\$ 50,000.00
	4	2022-2023	2022		\$ 52,693.00	110	10	\$ 50,000.00
	5	2023-2024	2023		\$ 52,693.00	110	10	\$ 50,000.00
	6	2024-2025	2024		\$ 52,693.00	110	10	\$ 50,000.00
	7	2025-2026	2025		\$ 52,693.00	110	10	\$ 50,000.00
	8	2026-2027	2026		\$ 52,693.00	110	10	\$ 50,000.00
	9	2027-2028	2027		\$ 52,693.00	110	10	\$ 50,000.00
	10	2028-2029	2028		\$ 52,693.00	110	10	\$ 50,000.00
Years Following Value Limitation Period	11 through 25	2029-2043	2029-2043		\$ 52,693.00	110	10	\$ 50,000.00

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 ☐ Yes ☒ No
- qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
- 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: 10-19-15

Applicant Name: Formosa Plastics Corporation, Texas

ISD Name: Palacios

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:					
	City:					
	Other:					
Tax Code Chapter 312	County: Jackson	2017	6 years	328515.2	100% abatement	0
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				328515.2		0

Additional information on incentives for this project:

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

NA

16. Description of Reinvestment or Enterprise Zone, including:

- a evidence that the area qualifies as an 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

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

SECTION I

BACKGROUND

- (A) Pursuant to the Texas Tax Code (hereinafter the "Code"), Jackson County, Texas (hereinafter "the County"), is authorized to designate Reinvestment Zones in areas of the County that do not include areas in the taxing jurisdiction of a municipality, to enter into tax abatement agreements with regard to properties located in Reinvestment Zones, and to enter into tax abatement agreements with regard to properties for which a municipality has given tax abatement incentives by agreement.
- (B) The Code requires that the County establish guidelines and criteria governing tax abatement agreements. These guidelines and criteria are for the purpose of promoting the efficient and reasonably consistent administration of tax abatement incentives. These guidelines are effective for two (2) years from date adopted by the Jackson County Commissioners Court (the "Commissioners Court"). A three-quarter (3/4) vote by the Commissioners Court is required to amend or repeal these guidelines.
- (C) These guidelines and criteria, and the procedures established herein, are in compliance with the requirements of the Code.
- (D) NOTHING HEREIN SHALL IMPLY OR SUGGEST THAT THE COUNTY IS UNDER ANY OBLIGATION TO PROVIDE ANY TAX ABATEMENT, OR PROVIDE ANY LENGTH, LEVEL OR VALUE OF TAX ABATEMENT, TO ANY APPLICANT.

SECTION II

DEFINITIONS

- (A) "*Abatement*" means the full or partial exemption from County ad valorem taxation of the increased values of eligible properties in a Reinvestment Zone designated as such in accordance with state law, or the full or partial exemption from County ad valorem taxation of the increased values of eligible properties located within a municipality's taxing jurisdiction where the municipality has granted full or partial exemption to those properties from municipal ad valorem taxation.
- (B) "*Agreement*" means a contractual agreement between a property owner and a taxing jurisdiction for the purpose of tax abatement.

- (C) *"Base Year Value"* means the market value of any property eligible for abatement under these guidelines and criteria on January 1 of the year of the execution of the agreement. In addition, Base Year Value may include a guaranteed minimum agreed upon value of any property improvements or additions eligible for abatement under these guidelines and criteria made after such January 1 but before execution of such agreement.
- (D) *"Economic Life"* means the number of the years a property improvement is expected to be in service in a facility.
- (E) *"Expansion"* means the addition of buildings, structures, machinery, or equipment for the purpose of increasing production capacity.
- (F) *"Facility"* means property improvements completed or in the process of construction which together comprise an integral whole.
- (G) *"Lease"* means a relationship whereby the person applying for a tax abatement has a contract for exclusive possession of the real property on which improvements are to be made and/or personal property to be used for the operation of the business for a defined period of time.
- (H) *"Modernization"* means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment. Modernization shall not include reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (I) *"New facility"* means a Facility on property previously undeveloped and which is placed into service by means other than expansion or a modernization.
- (J) *"Personal Property"* means machinery, equipment and/or tools used, or bought or leased for use, in the operations of the person applying for tax abatement, other than that which was located on the real property at any time before execution of the tax abatement agreement. "Personal Property" shall not include inventory, supplies, office furniture, office equipment, motor vehicles, vessels, aircraft, housing, hotel accommodations, or deferred maintenance investments.
- (K) *"Real Property"* means the area of land defined by legal description as being owned or leased by the person applying for a tax abatement, including any improvements thereto, which is to be improved and valued for property tax purposes, and which is to be included in the Reinvestment Zone.
- (L) *"Reinvestment Zone"* is an area designated as such for the purpose of a tax abatement as authorized by the County in accordance with the Code.

SECTION III

REINVESTMENT ZONE DESIGNATION

- (A) A Reinvestment Zone may only be designated in accordance with the Code.
- (B) A Reinvestment Zone may only be designated by the Commissioners Court in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- (C) An area may be designated as a Reinvestment Zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would attract major investment into the Reinvestment Zone that would be a benefit to the property to be included in the Reinvestment Zone and would contribute to the economic development of the County.
- (D) A public hearing on a proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. The public hearing shall be conducted in accordance with all applicable provisions of the Code. Notice of the hearing shall be given in accordance with the Code. The public hearing must also be posted as an agenda item in accordance with Chapter 551 of the Texas Government Code (the "Texas Open Meetings Act").
- (E) Property may be located both in a Reinvestment Zone designated by the County and in a Reinvestment Zone designated by a municipality.
- (F) If the Commissioners Court finds that designation of an area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioners Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation. The order of the Commissioners Court designating the area as a Reinvestment Zone shall contain a sufficient description of the boundaries of the Reinvestment Zone.
- (G) The designation of a Reinvestment Zone shall be for a period of five (5) years. No designation of a Reinvestment Zone shall exceed five (5) years, and a designation of a Reinvestment Zone shall automatically expire five (5) years after the date of designation unless renewed by the Commissioners Court for one or more subsequent periods not to exceed five (5) years each. The expiration of a designation of a Reinvestment Zone does not affect any existing tax abatement agreement relating to property in such Reinvestment Zone.
- (H) Tax abatement agreements entered into by the County shall be in compliance with all applicable requirements set forth in the Code.

SECTION IV

ABATEMENT AUTHORIZED

- (A) Abatement is authorized, subject to approval of the Commissioners Court and execution of a tax abatement agreement, for properties located within a Reinvestment Zone designated by the Commissioners Court.
- (B) Abatement is also authorized for properties located within a municipal Reinvestment Zone when the municipality has entered into a tax abatement agreement with regard to property located within the Reinvestment Zone if the County enters into a tax abatement agreement with regard to that property. Such an agreement must be in compliance with all applicable requirements set forth in the Code.
- (C) Authorized Facilities: Tax abatement may be granted for New Facilities or for the Expansion or Modernization of existing Facilities. The economic life of a Facility or improvements thereto must exceed the life of the tax abatement agreement.
- (D) Eligible Property: Tax abatement may be granted for improvements to owned real property or real property subject to a Lease and for Personal Property located on such real property to the extent allowed by state law.
- (E) Value of Abatement: Authorized Facilities may be granted abatement on all or a portion of the increased taxable value of eligible property over the base year value for a period not to exceed ten (10) years. Such abatement, if granted as to real property, is not with regard to the entire value of the real property, but only to the extent that the value of the real property exceeds the value for the year in which the abatement is granted (i.e., the Base Year Value). Ad valorem taxes on tangible Personal Property may be abated to the extent of additions, but cannot be abated as to personal property located on the real property at any time before the tax abatement agreement is executed, and cannot be abated for inventory, supplies, office furniture, office equipment, motor vehicles, vessels, aircraft, housing, hotel accommodations, or deferred maintenance investments.

SECTION V

PROJECT IMPACT DATA

(A) Introduction

The information required in this Section V will be used by the Commissioners Court to determine whether or not it is in the best interest of the County to offer tax abatement to a particular applicant. The County may request that the applicant describe the methodologies used to respond to the questions below and to supply supporting documentation.

(B) Proposed Investment

The applicant must submit information providing answers to the following inquiries:

- (1) Identify and describe the type and location. of the proposed real property improvements and/or personal property additions to the property and describe the planned development schedule for the proposed improvements and/or additions.
- (2) To what extent, if any, will material, additional public improvements be needed? Describe the plans, if any, in existence for the provision of such improvements.
- (3) What material governmental approvals or permits will be required for the improvements?
- (4) Is the financial capital required to complete the project already available (financing commitments, reserved funds, etc.)? Explain in reasonable detail.

(C) Fiscal Impact

The applicant must submit information providing answers to the following inquiries:

- (1) What is the estimated cost of the proposed real property improvements and/or personal property additions?
- (2) What is the proposed depreciation schedule for the real and personal property to be abated?

(D) Community Impact

The applicant must submit information providing answers to the following inquiries:

- (1) Provide a copy of an economic impact study prepared with respect to the proposed project. An economic impact evaluation prepared in connection with an application for appraised value limitation under Chapter 313 of the Code will satisfy this requirement.
- (2) What support services or products, if any, does the applicant anticipate will be procured from the local community in the construction of improvements or additions of personal property, and with regard to its operations?

(E) A legal description of the subject real property must be supplied to the County by the applicant.

(F) Pursuant to the Code, information submitted in the application process is confidential, and is not subject to public disclosure, unless and until a tax abatement agreement is executed. If an application for abatement is granted, the information submitted in the application process will be considered public once the abatement agreement has been signed by representatives for both parties.

SECTION VI

GUIDELINES

(A) Economic Qualification

To be eligible for designation of a Reinvestment Zone and to receive tax abatement, the proposed project must be reasonably shown to have an estimated cost upon completion of at least \$5,000,000.00

(B) Eligibility

The Commissioners Court shall determine eligibility for abatement on a case-by-case basis.

(C) Rate and Duration of Tax Abatement

When a determination has been made to offer tax abatement, the County will determine the percent of value abated and the length of abatement on a case-by-case basis.

SECTION VII

PROCEDURE

(A) Any person or entity desiring that the County consider tax abatement for a proposed project must comply with the following procedural guidelines.

(B) Application Process

The applicant shall submit a letter of application for tax abatement to the County Judge for submission to the Commissioners Court. The application must:

- (1) give a reasonably detailed explanation of the proposed project (improvements to owned or leased real property, and/or addition of owned or leased Personal Property);
- (2) address all criteria questions and inquiries outlined in Section V above;
- (3) provide a current survey of the real property and information showing the proposed location of the proposed improvements and additions on such real property, together with a legal description of such real property;
- (4) identify the name, address, telephone number, fax number, and e-mail address of the applicant's contact person for purposes of the application;
- (5) identify the form of organization & the applicant (e.g., sole proprietorship, partnership, corporation, limited liability company, etc.) and any assumed or trade names under which the applicant operates; and
- (6) identify how the project will comply with or fit within the criteria and guidelines set forth in the preceding sections.

All applications will be reviewed by the Commissioners Court's designee or designees for accuracy and completeness. If requested by the Commissioners Court or its designee, the applicant shall verify any information submitted to the Commissioners Court. In addition, the applicant shall provide any additional information requested by the Commissioners Court or its designee. Upon completion of the application process, the application will be placed on the agenda for a meeting of the Commissioners Court for consideration.

- (C) The application shall be considered at a meeting of the Commissioners Court held in compliance with the Texas Open Meetings Act. If the abatement would involve the designation of a Reinvestment Zone, a public hearing regarding such designation must first be held in accordance with the procedures and notice requirements in the Code. No applicant has a legal right or expectation to a favorable determination by the Commissioners Court with respect to its application.
- (D) The abatement, if granted, must be made pursuant to a tax abatement agreement which meets all of the requirements of law and is acceptable to the Commissioners Court. Any such tax abatement agreement shall provide that in filling any new employment positions created as a result of the project, the applicant will use commercially reasonable efforts to hire qualified applicants located in the County and willing to perform the work required by such position. A tax abatement agreement must be approved by the Commissioners Court for execution by the County Judge before it can be effective.
- (E) Any abatement is for County ad valorem taxes only, and does not provide abatement from taxation by other taxing jurisdictions in which the property may be located unless otherwise provided by state law. Property owned or leased by a member of the Commissioners Court is not eligible for tax abatement.

SECTION VIII

ADMINISTRATION

- (A) The tax abatement agreement shall stipulate that employees of the County and/or designated representatives of the 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 giving forty-eight (48) hours prior notice and will only be conducted in such 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 and in accordance with the safety standards for the Facility.
- (B) The employees and/or designated representatives of the County who conduct an inspection of the Facility shall within ten days of the inspection submit a written report to the Jackson County Commissioners Court regarding the property owner's compliance with the terms and conditions of the agreement.

- (C) Violations of the terms of the tax abatement agreement by the tax abatement recipient may result in the full or partial loss of the abatement and give rise to a right of the County to recoup taxes abated and terminate the agreement, all as may be more fully provided for in the agreement.

SECTION IX

ASSIGNMENT

A tax abatement agreement may be assigned to a new owner or lessee of the Facility with the prior written consent of the Commissioners Court, which consent shall not be unreasonably withheld, delayed or conditioned. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for delinquent ad valorem taxes or other obligations.

SECTION X

SUNSET PROVISION

These Guidelines and Criteria are effective **September 8, 2014**, and will remain in force until **September 8, 2016**, at which time all tax abatement agreements created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed, or eliminated.

ORDER DESIGNATING FPC-TX REINVESTMENT ZONE

NOW WHEREAS the Jackson County Commissioners Court is authorized by Texas Tax Code §312.401 to designate reinvestment zones; and

WHEREAS property owner Formosa Plastics Corporation, Texas has applied for a tax abatement in an area of Jackson County which is described in Exhibit A (which is attached to this Order) and which does not include area in the taxing jurisdiction of a municipality; and

WHEREAS a reinvestment zone must be designated if an abatement is to be granted regarding the property described in Exhibit A; and

WHEREAS the Commissioners Court has held a public hearing on the designation and hereby finds that the designation of the FPC-TX Reinvestment Zone:

would attract major investment into the Reinvestment Zone that would be a benefit to the property to be included in the zone; and

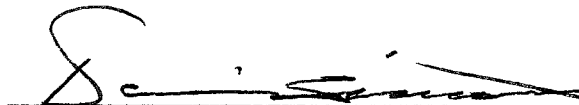
would contribute to the economic development of Jackson County; and

WHEREAS THE Commissioners Court has established guidelines and criteria governing its tax abatement agreements and a resolution stating that the Commissioners Court has elected to become eligible to participate in tax abatements;

NOW THEREFORE BE IT ORDERED that the real property consisting of approximately 775.74 acres (the legal description of which is attached hereto as Exhibit "A") is hereby designated as a reinvestment zone to be known as the 2015 Jackson County FPC-TX Reinvestment Zone; and

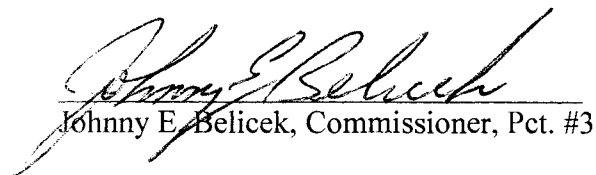
BE IT FURTHER RESOLVED that the designation of this reinvestment zone will expire five years after the date that this Order of designation is signed, unless it is renewed for one or more subsequent periods not to exceed five years each.

APPROVED BY MAJORITY VOTE OF THE JACKSON COUNTY COMMISSIONERS COURT AT ITS REGULARLY SCHEDULED PUBLIC MEETING ON THE 12th DAY OF November, 2015.


Dennis Simons, County Judge


Wayne Hunt, Commissioner, Pct. #1


Wayne Bubela, Commissioner, Pct. #2


Johnny E. Belicek, Commissioner, Pct. #3


Dennis Karl, Commissioner, Pct. #4

FILED November 17, 2015 08:26am
BARBARA WILLIAMS-Clerk of County Court
Jackson County, Texas

BY 

EXHIBIT A
775.74 ACRE TRACT
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF JACKSON

BEING a 775.74 acre tract situated in the Hugh McGuffin Survey, Abstract 43, Jackson County, Texas and being out of a 292.53 acre tract described as "Tract One" conveyed in General Warranty Deed dated July 12, 2013 from Anthony B. McDowell to Formosa Plastics Corporation, Texas and recorded in Instrument #201301969 of the Official Records of Jackson County, Texas, and being out a 295.62 acre tract described as "Tract Three" conveyed in General Warranty Deed dated July 12, 2013 from Barbara Louise May to Formosa Plastics Corporation, Texas and recorded in Instrument #201302044 of the Official Records of Jackson County, Texas, and also being out of a 1,560.40 acre tract conveyed in Deed dated February 12, 1988 from Aluminum Company of America to Formosa Plastics Corporation, Texas and recorded in Volume 15, Page 404 of the Official Records of Jackson County, Texas and this 775.74 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at an existing 5/8 inch iron rod in the east right-of-way line of Farm-to-Market Road 1593 at the southwest corner of a 1,624.06 acre tract described in Volume 175, Page 603 of the Deed Records of said county and the northwest corner of said 282.53 acre tract for the northwest corner of the herein described tract:

THENCE East with the north line of said 292.53 acre tract and the south line of said 1,624.06 acre tract at 6,439.38 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 6,539.38 feet to a point on the west bank of Cox's Creek for the northeast corner of the herein described tract;

THENCE with the meanders of the west bank of Cox's Creek for the following courses and distances:

South 08°22'38" East for a distance of 138.54 feet to a point;
South 68°29'09" West for a distance of 59.69 feet to a point;
South 09°43'23" East for a distance of 100.80 feet to a point;
South 80°56'41" East for a distance of 120.69 feet to a point;
South 21°09'47" East for a distance of 197.87 feet to a point;
South 59°28'27" West for a distance of 52.23 feet to a point;
South 09°32'46" East for a distance of 99.75 feet to a point;
South 50°24'20" East for a distance of 146.31 feet to a point;
South 17°39'50" East for a distance of 173.59 feet to a point;
South 67°36'37" East for a distance of 74.30 feet to a point;
South 12°04'34" East for a distance of 151.51 feet to a point;
South 61°05'41" East for a distance of 189.28 feet to a point;
South 13°47'26" West for a distance of 44.13 feet to a point;
South 33°24'10" East for a distance of 104.37 feet to a point;
South 25°36'49" East for a distance of 136.00 feet to a point;
South 66°40'25" East for a distance of 152.25 feet to a point;
North 67°34'05" East for a distance of 166.83 feet to a point;
South 53°04'21" East for a distance of 184.93 feet to a point;
South 36°14'38" West for a distance of 128.27 feet to a point;
South 21°52'10" East for a distance of 152.58 feet to a point;
North 76°53'28" West for a distance of 138.17 feet to a point;
South 16°29'17" West for a distance of 150.69 feet to a point;
South 25°11'57" East for a distance of 127.52 feet to a point;
South 69°34'15" West for a distance of 89.60 feet to a point;
South 17°19'29" East for a distance of 174.41 feet to a point;
South 52°51'18" West for a distance of 93.05 feet to a point;
South 10°48'14" East for a distance of 55.58 feet to a point;
South 35°37'11" East for a distance of 168.44 feet to a point;
South 54°17'16" West for a distance of 45.25 feet to a point;
South 11°45'18" East for a distance of 104.39 feet to a point;
South 40°01'19" East for a distance of 171.21 feet to a point;
South 49°05'49" West for a distance of 122.64 feet to a point;
South 06°44'39" East for a distance of 150.13 feet to a point;
South 19°29'09" West for a distance of 127.38 feet to a point;
South 48°26'31" West for a distance of 54.43 feet to a point;

South 10°07'03 West for a distance of 76.19 feet to a point;
South 02°19'03 West for a distance of 113.51 feet to a point;
South 24°09'51 East for a distance of 110.89 feet to a point;
South 11°44'25 East for a distance of 135.89 feet to a point;
South 45°20'51 East for a distance of 287.64 feet to a point;
South 01°58'49 West for a distance of 160.61 feet to a point;
South 28°29'35 East for a distance of 136.18 feet to a point;
South 08°40'05 East for a distance of 108.63 feet to a point;
South 14°37'07 West for a distance of 172.42 feet to a point;
South 22°18'48 East for a distance of 114.21 feet to a point;
South 14°52'21 West for a distance of 169.89 feet to a point;
South 20°49'18 East for a distance of 91.73 feet to a point;
South 47°34'24 East for a distance of 129.98 feet to a point;

THENCE South 03°27'25 East and continuing with the west bank of Cox's Creek for a distance of 17.40 feet to a point for the southeast corner of the herein described tract;

THENCE West at 345.86 feet pass a 5/8 inch iron rod on line and continuing for a total distance of 4,306.19 feet to an existing 5/8 iron rod for a southerly exterior corner of the herein described tract;

THENCE North for a distance of 164.36 feet to an existing 5/8 iron rod for a southerly interior corner of the herein described tract;

THENCE West for a distance of 2,730.00 feet to an existing 5/8 iron rod for a southerly interior corner of the herein described tract;

THENCE South a distance of 164.36 feet to a set 5/8 iron rod for a southerly exterior corner of the herein described tract;

THENCE West a distance of 697.77 feet to set 5/8 iron rod in the west line of said 1,560.40 acre tract and the east line of the remaining portion of a 909.53 acre tract described in Volume 294, Page 599 of the Deed Records of said county for the southwest corner of the herein described tract;

THENCE North 00°02'48 East with the west line of said 1,560.40 acre tract and the east line of the remaining portion of said 909.53 acre tract for a distance of 1,511.87 feet to an existing 5/8 iron rod in the south line of said 295.62 acre tract at the northwest corner of said 1,560.40 acre tract and the northeast corner of the remaining portion of said 909.53 acre tract for a southwesterly interior corner of the herein described tract;

THENCE South 89°54'37 West with the south line of said 295.62 acre tract and the north line of the remaining portion of said 909.53 acre tract for a distance of 149.47 feet to an existing 1/2 inch iron rod in the east right-of-way line of Farm-to-Market Road 1593 at the southwest corner of said 295.62 acre tract for a westerly southwesterly corner of the herein described tract;

THENCE North 00°02'06 East with the east right-of-way line of Farm-to-Market Road 1593 and the west line of said 295.62 acre tract and the west line of said 292.53 acre tract for a distance of 3,166.32 feet to the **POINT OF BEGINNING**, Containing 775.74 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings and coordinates are based on Formosa Plastics Corporation plant coordinates.

The above legal description is based on an actual survey made on the ground under my supervision.

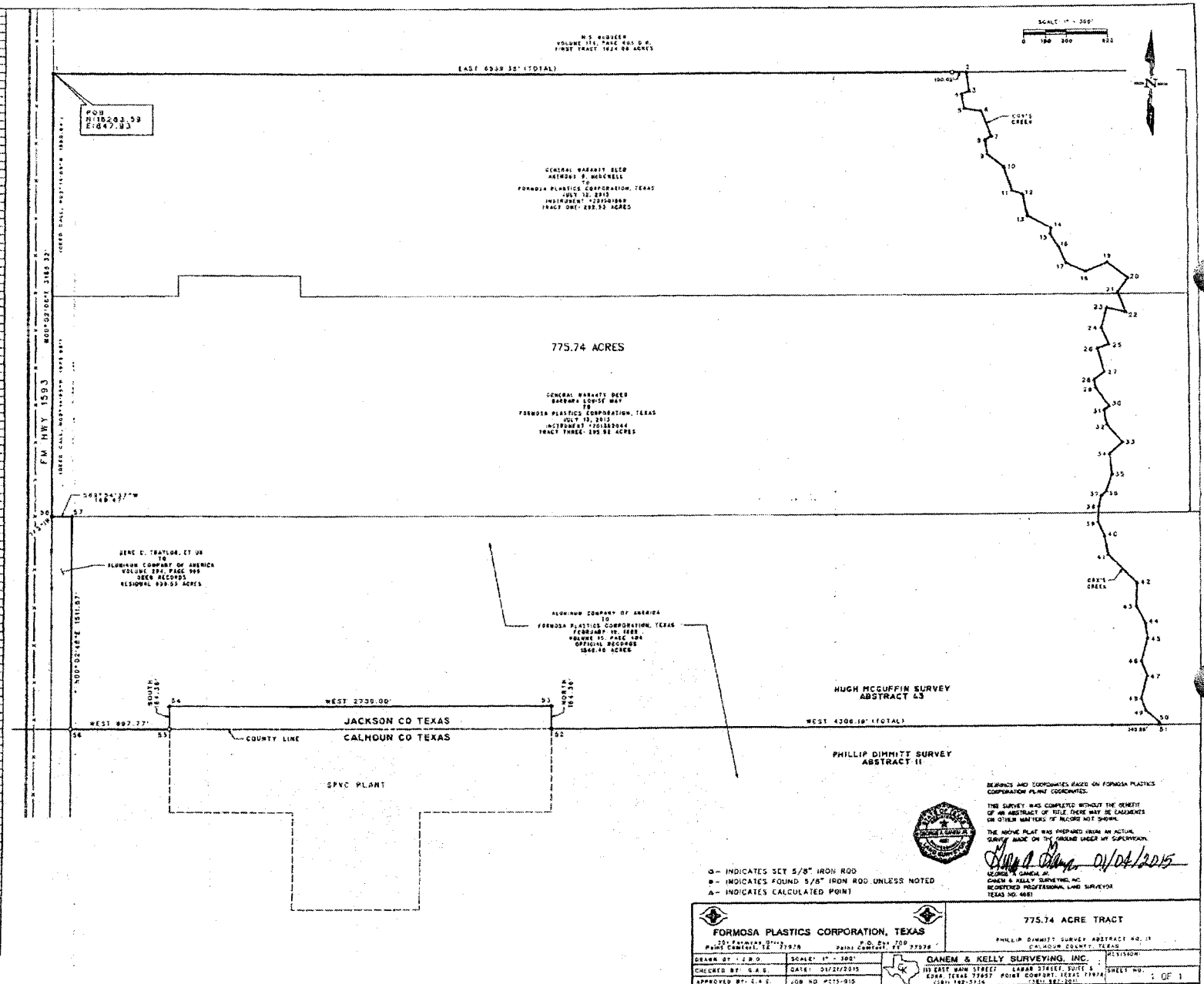

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681



Date

01/04/2015

LINE NO.	BEARING	DISTANCE	POINT NO.	BEARING	DISTANCE	POINT NO.
1	N 89° 14' 30" E	1825.58	647.01	S 89° 00' 00" E	6336.34	647.02
2	N 89° 14' 30" E	1825.58	647.02	S 89° 00' 00" E	6336.34	647.03
3	N 89° 14' 30" E	1825.58	647.03	S 89° 00' 00" E	6336.34	647.04
4	N 89° 14' 30" E	1825.58	647.04	S 89° 00' 00" E	6336.34	647.05
5	N 89° 14' 30" E	1825.58	647.05	S 89° 00' 00" E	6336.34	647.06
6	N 89° 14' 30" E	1825.58	647.06	S 89° 00' 00" E	6336.34	647.07
7	N 89° 14' 30" E	1825.58	647.07	S 89° 00' 00" E	6336.34	647.08
8	N 89° 14' 30" E	1825.58	647.08	S 89° 00' 00" E	6336.34	647.09
9	N 89° 14' 30" E	1825.58	647.09	S 89° 00' 00" E	6336.34	647.10
10	N 89° 14' 30" E	1825.58	647.10	S 89° 00' 00" E	6336.34	647.11
11	N 89° 14' 30" E	1825.58	647.11	S 89° 00' 00" E	6336.34	647.12
12	N 89° 14' 30" E	1825.58	647.12	S 89° 00' 00" E	6336.34	647.13
13	N 89° 14' 30" E	1825.58	647.13	S 89° 00' 00" E	6336.34	647.14
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30	N 89° 14' 30" E	1825.58	647.30	S 89° 00' 00" E	6336.34	647.31
31	N 89° 14' 30" E	1825.58	647.31	S 89° 00' 00" E	6336.34	647.32
32	N 89° 14' 30" E	1825.58	647.32	S 89° 00' 00" E	6336.34	647.33
33	N 89° 14' 30" E	1825.58	647.33	S 89° 00' 00" E	6336.34	647.34
34	N 89° 14' 30" E	1825.58	647.34	S 89° 00' 00" E	6336.34	647.35
35	N 89° 14' 30" E	1825.58	647.35	S 89° 00' 00" E	6336.34	647.36
36	N 89° 14' 30" E	1825.58	647.36	S 89° 00' 00" E	6336.34	647.37
37	N 89° 14' 30" E	1825.58	647.37	S 89° 00' 00" E	6336.34	647.38
38	N 89° 14' 30" E	1825.58	647.38	S 89° 00' 00" E	6336.34	647.39
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51	N 89° 14' 30" E	1825.58	647.51	S 89° 00' 00" E	6336.34	647.52
52	N 89° 14' 30" E	1825.58	647.52	S 89° 00' 00" E	6336.34	647.53
53	N 89° 14' 30" E	1825.58	647.53	S 89° 00' 00" E	6336.34	647.54
54	N 89° 14' 30" E	1825.58	647.54	S 89° 00' 00" E	6336.34	647.55
55	N 89° 14' 30" E	1825.58	647.55	S 89° 00' 00" E	6336.34	647.56
56	N 89° 14' 30" E	1825.58	647.56	S 89° 00' 00" E	6336.34	647.57
57	N 89° 14' 30" E	1825.58	647.57	S 89° 00' 00" E	6336.34	647.58
58	N 89° 14' 30" E	1825.58	647.58	S 89° 00' 00" E	6336.34	647.59
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61	N 89° 14' 30" E	1825.58	647.61	S 89° 00' 00" E	6336.34	647.62
62	N 89° 14' 30" E	1825.58	647.62	S 89° 00' 00" E	6336.34	647.63
63	N 89° 14' 30" E	1825.58	647.63	S 89° 00' 00" E	6336.34	647.64
64	N 89° 14' 30" E	1825.58	647.64	S 89° 00' 00" E	6336.34	647.65
65	N 89° 14' 30" E	1825.58	647.65	S 89° 00' 00" E	6336.34	647.66
66	N 89° 14' 30" E	1825.58	647.66	S 89° 00' 00" E	6336.34	647.67
67	N 89° 14' 30" E	1825.58	647.67	S 89° 00' 00" E	6336.34	647.68
68	N 89° 14' 30" E	1825.58	647.68	S 89° 00' 00" E	6336.34	647.69
69	N 89° 14' 30" E	1825.58	647.69	S 89° 00' 00" E	6336.34	647.70
70	N 89° 14' 30" E	1825.58	647.70	S 89° 00' 00" E	6336.34	647.71
71	N 89° 14' 30" E	1825.58	647.71	S 89° 00' 00" E	6336.34	647.72
72	N 89° 14' 30" E	1825.58	647.72	S 89° 00' 00" E	6336.34	647.73
73	N 89° 14' 30" E	1825.58	647.73	S 89° 00' 00" E	6336.34	647.74
74	N 89° 14' 30" E	1825.58	647.74	S 89° 00' 00" E	6336.34	647.75
75	N 89° 14' 30" E	1825.58	647.75	S 89° 00' 00" E	6336.34	647.76
76	N 89° 14' 30" E	1825.58	647.76	S 89° 00' 00" E	6336.34	647.77
77	N 89° 14' 30" E	1825.58	647.77	S 89° 00' 00" E	6336.34	647.78
78	N 89° 14' 30" E	1825.58	647.78	S 89° 00' 00" E	6336.34	647.79
79	N 89° 14' 30" E	1825.58	647.79	S 89° 00' 00" E	6336.34	647.80
80	N 89° 14' 30" E	1825.58	647.80	S 89° 00' 00" E	6336.34	647.81
81	N 89° 14' 30" E	1825.58	647.81	S 89° 00' 00" E	6336.34	647.82
82	N 89° 14' 30" E	1825.58	647.82	S 89° 00' 00" E	6336.34	647.83
83	N 89° 14' 30" E	1825.58	647.83	S 89° 00' 00" E	6336.34	647.84
84	N 89° 14' 30" E	1825.58	647.84	S 89° 00' 00" E	6336.34	647.85
85	N 89° 14' 30" E	1825.58	647.85	S 89° 00' 00" E	6336.34	647.86
86	N 89° 14' 30" E	1825.58	647.86	S 89° 00' 00" E	6336.34	647.87
87	N 89° 14' 30" E	1825.58	647.87	S 89° 00' 00" E	6336.34	647.88
88	N 89° 14' 30" E	1825.58	647.88	S 89° 00' 00" E	6336.34	647.89
89	N 89° 14' 30" E	1825.58	647.89	S 89° 00' 00" E	6336.34	647.90
90	N 89° 14' 30" E	1825.58	647.90	S 89° 00' 00" E	6336.34	647.91
91	N 89° 14' 30" E	1825.58	647.91	S 89° 00' 00" E	6336.34	647.92
92	N 89° 14' 30" E	1825.58	647.92	S 89° 00' 00" E	6336.34	647.93
93	N 89° 14' 30" E	1825.58	647.93	S 89° 00' 00" E	6336.34	647.94
94	N 89° 14' 30" E	1825.58	647.94	S 89° 00' 00" E	6336.34	647.95
95	N 89° 14' 30" E	1825.58	647.95	S 89° 00' 00" E	6336.34	647.96
96	N 89° 14' 30" E	1825.58	647.96	S 89° 00' 00" E	6336.34	647.97
97	N 89° 14' 30" E	1825.58	647.97	S 89° 00' 00" E	6336.34	647.98
98	N 89° 14' 30" E	1825.58	647.98	S 89° 00' 00" E	6336.34	647.99
99	N 89° 14' 30" E	1825.58	647.99	S 89° 00' 00" E	6336.34	648.00
100	N 89° 14' 30" E	1825.58	648.00	S 89° 00' 00" E	6336.34	648.01



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

Alexandro M Flores

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Signature]

Signature (Authorized School District Representative)

7/27/17

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

Jack Wu

Print Name (Authorized Company Representative (Applicant))

Vice President

Title

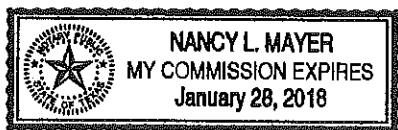
sign
here

[Signature]

Signature (Authorized Company Representative (Applicant))

4-24-2017

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

24 day of April, 2017

Nancy L. Mayer

Notary Public in and for the State of Texas

My Commission expires: 1/28/2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.