The Dow Chemical Company
332 SH 332 E
Lake Jackson, TX 77566
United States

June 12, 2018

Mr. Danny Massey, Superintendent
Brazosport Independent School
301 W. Brazoswood Dr.
Clute, TX 77531-3520

Dear Superintendent Massey:

Please find the attached application for abatement in Brazosport Independent School District's jurisdiction on behalf of The Dow Chemical Company. We hope that this tax abatement will prove to be a valuable incentive and entice the proposed $715,000,000 investment to Freeport(Texas Operations).

We are submitting this application well in advance of any construction and we ask, per the guidelines, that the abatement commencement date be deferred to January 1, 2022. I welcome any questions that you may have and thank you for your continued support of The Dow Chemical Company.

Sincerely,

Lowell McLaughlin
State & Local Tax Director
The Dow Chemical Company
1790 Bldg., Washington St.
Midland, MI 48674
(989) 638-7142

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| 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 *(if applicable)* |
| 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 *(if applicable)* |
| 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 *(if applicable)* |
| 11 | Maps that clearly show:<br>a) Project vicinity<br>b) Qualified investment including location of tangible personal propertry to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period<br>c) Qualified property including location of new buildings or new improvements<br>d) Existing property<br>e) Land location within vicinity map<br>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size<br>**Note:** Electronic maps should be high resolution files. Include map legends/markers. |
| 12 | Request for Waiver of Job Creation Requirement and supporting information *(if applicable)* |
| 13 | Calculation of three possible wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, C and D completed and signed Economic Impact *(if applicable)* |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)* |
| 16 | Description of Reinvestment or Enterprise Zone, including:<br>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office<br>b) legal description of reinvestment zone*<br>c) order, resolution or ordinance establishing the reinvestment zone*<br>d) guidelines and criteria for creating the zone*<br>*** 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 *(applicant)* |

# Tab 1

# Application for Appraised Value Limitation on Qualified Property

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

**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 comptroller.texas.gov/economy/local/ch313/. 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**

June 18, 2018
Date Application Received by District

Danny
First Name

Massey
Last Name

Superintendent
Title

Brazosport ISD
School District Name

301 W. Brazoswood Dr., Clute, TX 77531
Street Address

PO Drawer Z
Mailing Address

Freeport
City

TX
State

77542
ZIP

979-730-7000
Phone Number

979-266-2486
Fax Number

Mobile Number (optional)

dmassey@brazosportisd.net
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: Dan
Last Name: Casey
Title: Partner
Firm Name: Moak, Casey & Associates
Phone Number: 512-485-7878
Fax Number: 512-485-7878
Mobile Number *(optional)*:
Email Address: dcassey@moakcasey.com

4. On what date did the district determine this application complete? . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . July 9, 2018

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: Lowell
Last Name: McLaughlin
Title: State & Local Tax Director
Organization: The Dow Chemical Company
Street Address: 1790 Bldg, Washington St
Mailing Address: 1790 Bldg, Washington St
City: Midland
State: MI
ZIP: 48674
Phone Number: 989-636-0458
Fax Number: 989-638-7142
Mobile Number *(optional)*:
Business Email Address: ltmclaughlin@dow.com

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: David
Last Name: Ngo
Title: Property Tax Manager
Organization: The Dow Chemical Company
Street Address: Tax Dept, TXINN APB
Mailing Address: 332 SH332E
City: Lake Jackson
State: TX
ZIP: 77566
Phone Number: 979-238-0065
Fax Number: 979-238-0207
Mobile Number *(optional)*:
Business Email Address: dngo@dow.com

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)***

| | |
|---|---|
| Poonam | Mahale |
| First Name | Last Name |

Senior Manager, Business Incentives & Credits
Title

Ernst & Young, LLP
Firm Name

| | |
|---|---|
| 214-969-8157 | 866-869-4042 |
| Phone Number | Fax Number |

Poonam.Mahale@ey.com
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? The Dow Chemical Company (Dow)
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* . . . . . 13812851288
3. List the NAICS code . . . . . 325100
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

   172, Brazosport ISD, 2011; 213, 214, 215, 216, Brazosport ISD, 2012

## SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? . . . . . ☑ Yes ☐ No

   2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? . . . . . ☑ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? . . . . . ☑ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. *(If necessary, attach explanation in **Tab 3**)*

## SECTION 6: Eligibility Under Tax Code Chapter 313.024

| | Yes | No |
|---|---|---|
| 1. Are you an entity subject to the tax under Tax Code, Chapter 171? | ✓ | |
| 2. The property will be used for one of the following activities: | | |
| (1) manufacturing | ✓ | |
| (2) research and development | | ✓ |
| (3) a clean coal project, as defined by Section 5.001, Water Code | | ✓ |
| (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code | | ✓ |
| (5) renewable energy electric generation | | ✓ |
| (6) electric power generation using integrated gasification combined cycle technology | | ✓ |
| (7) nuclear electric power generation | | ✓ |
| (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) | | ✓ |
| (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 | | ✓ |
| 3. Are you requesting that any of the land be classified as qualified investment? | | ✓ |
| 4. Will any of the proposed qualified investment be leased under a capitalized lease? | | ✓ |
| 5. Will any of the proposed qualified investment be leased under an operating lease? | | ✓ |
| 6. Are you including property that is owned by a person other than the applicant? | | ✓ |
| 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? | | ✓ |

## 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:

- [x] Land has no existing improvements
- [ ] Land has existing improvements *(complete Section 13)*
- [ ] Expansion of existing operation on the land *(complete Section 13)*
- [ ] Relocation within Texas

## SECTION 8: Limitation as Determining Factor

| | Yes | No |
|---|---|---|
| 1. Does the applicant currently own the land on which the proposed project will occur? | ✓ | |
| 2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? | | ✓ |
| 3. Does the applicant have current business activities at the location where the proposed project will occur? | | ✓ |
| 4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? | | ✓ |
| 5. Has the applicant received any local or state permits for activities on the proposed project site? | | ✓ |
| 6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? | ✓ | |
| 7. Is the applicant evaluating other locations not in Texas for the proposed project? | ✓ | |
| 8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? | | ✓ |
| 9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? | | ✓ |
| 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? | ✓ | |

**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 . . . . . 9/30/2018
2. Commencement of construction . . . . . 6/1/2020
3. Beginning of qualifying time period . . . . . 1/1/2021
4. First year of limitation . . . . . 1/1/2022
5. Begin hiring new employees . . . . . 1/1/2021
6. Commencement of commercial operations . . . . . 9/1/2022
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? . . . . . 9/1/2022

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Brazoria
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Brazoria Central Appraisal Dist.
3. Will this CAD be acting on behalf of another CAD to appraise this property? . . . . . ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

   County: Brazoria, $0.380234/$100, 100%
   *(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: Velasco Drainage Dist, $.085000/$100 ,100%
   *(Name, tax rate and percent of project)*

   Other *(describe)*: Brzsport Coll, $0.303249/100, 100%
   *(Name, tax rate and percent of project)*

   Other *(describe)*: Port Freeport, $0.040100/100$, 100%
   *(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 **comptroller.texas.gov/economy/local/ch313/**.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? . . . . . 30,000,000
2. What is the amount of appraised value limitation for which you are applying? . . . . . 30,000,000

   **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? . . . . . Not applicable

## 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): . . . . . $ Not applicable
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)*: . . . . . $ Not applicable

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

## SECTION 14: Wage and Employment Information

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

2. What is the last complete calendar quarter before application review start date:

   ☑ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018 *(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)? .......... 4,574

   **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? .......... 40

5. What is the number of new non-qualifying jobs you are estimating you will create? .......... 0

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

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is .......... 1,088.50

   b. 110% of the average weekly wage for manufacturing jobs in the county is .......... 2,592.43

   c. 110% of the average weekly wage for manufacturing jobs in the region is .......... 1,210.97

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? .......... 62,970.60

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? .......... 62,970.60

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**.

# Tab 2

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

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

# Tab 3

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

# Tab 4

## Project Description

The proposed Rockwell Project would be a global scale polyethylene plant that would utilize raw materials from both internal Dow (ethylene) and external (co-monomers) sources to produce polyethylene.

## Site Information

The plant would be located in a vacant block area with no existing improvements.

## Proposed improvements

The proposed improvements would be those necessary to conduct normal unit operations consistent with those required to produce polyethylene. Equipment necessary for this process manufacturing structure would include: tanks/drums, exchangers, compressors, pumps, process piping and instrumentation, and pellet handling systems.

## Construction Timeline

Construction estimated to begin in June, 2020 and end in September, 2022.

# Tab 5

The proposed global scale polyethylene capital spending is approximately $715 million with costs split between engineering, procurement of equipment and materials, and labor. Dow's site in Freeport is well situated to attract this project. However, there is an alternative, competing location at Plaquemine, Louisiana which is also well situated to accommodate the project and is competing for the project investment. Incentive support from state and local governments in Texas will be critical to securing the project investment in the state.

The investment and siting of this project is complex, and while no one factor alone can determine site location, there are many factors taken as a group that can. Texas has many economic advantages to attract investments; however one very significant area where Texas is not competitive is in property tax liability. The property tax liability for ongoing and new investments can greatly impact the competitiveness of the company overall, and of a particular company site. Due to the capital intensive nature of Dow's investments, resulting property tax liabilities are usually significant, and become a key metric that is evaluated in project siting decisions. An additional evaluation metric is inventory tax liability which is more favorable in Louisiana than Texas.

Property taxes in the State of Texas are levied on real and personal property as well as inventory. The alternate location in Louisiana also taxes the same property types but provides a more competitive tax abatement program and inventory tax structure. The projected property tax liability to the company based on the same $715 million capital investment in Texas compared to Louisiana, is 30% higher (in Texas) over a 15 year period after considering estimated tax savings from incentive agreements with state and local authorities in both locations.

Approval of the Chapter 313 abatement is vital to creating a more competitive investment environment in Texas for the project. Without approval of the Chapter 313 abatement, the property tax liability resulting from the new investment will significantly reduce the competiveness of the project in Texas, as compared to the alternative site in Louisiana.

Tab 6

N/A

# Tab 7 & 8

## Project Description

This project will design and construct a global scale polyethylene plant that would utilize raw materials from both internal Dow (ethylene) and external (co-monomers) sources to produce polyethylene.

## Site Information

The plant is proposed to be built primarily on a vacant block area with no existing improvements.

## Proposed Improvements

Proposed improvements and fixed equipment for which abatement is requested would include: tanks/drums, exchangers, compressors, pumps, process piping and instrumentation, and pellet handling systems.

Project will also include any other necessary equipment and structures to construct and operate a fully functioning manufacturing plant.

Tab 9

# BRAZORIA COUNTY APPRAISAL DISTRICT
# CERTIFICATION OF APPRAISED VALUE OF PROPERTIES
# AS OF JANUARY 1, 2017

TO: BRAZORIA COUNTY

FROM: BRAZORIA COUNTY APPRAISAL DISTRICT

DATE: MARCH 6, 2018

The Brazoria County Appraisal District hereby certifies that the following appraised values as of January 1, 2017, for property of **"DOW CHEMICAL COMPANY"** described in Exhibit "A" attached hereto are listed in the records of the Brazoria County Appraisal District and indicated by the following account numbers:

| PERSONAL PROPERTY ACCOUNT(S) | MARKET VALUE | APPRAISED VALUE |
|---|---|---|
| n/a | | |

LAND ACCOUNT(S)

| | | |
|---|---|---|
| 2115-0002-000* 483.931 | $1,935,720 | $1,503,420 |
| 2115-0133-000* 207.500 | $830,000 | $535,250 |

IMPROVEMENT ACCOUNT(S)

n/a

*42.3726 acres = $169,490 Market Value

Certified this 6th day of March 2018.

**BRAZORIA COUNTY APPRAISAL DISTRICT**

Cheryl Evans

Cheryl Evans, Chief Appraiser

Doyle & Wachtstetter, Inc.
Surveying and Mapping • GPS/GIS • Pipeline Integrity
High Density 3D Laser Scanning • Robotic Imaging HD
Aerial Topographic Surveying • RTK/UAV Imagery

**DOW CHEMICAL COMPANY, B-9400 BLOCK**
**42.3726 ACRE TAX ABATEMENT TRACT**
**STEPHEN F. AUSTIN 5 LEAGUE GRANT, ABSTRACT 19**
**BRAZORIA COUNTY, TEXAS**
**PAGE 1 OF 2**

**ALL THAT CERTAIN 42.3726 ACRE** tract of land, lying and situated in the Stephen F. Austin 5 League Grant, Abstract 19, Brazoria County, Texas, located in The Dow Chemical Company Plant B site, B-9400 Block, being a portion of Tracts 152, 190, 192 through 196, 216 through 220, 268 and 269 and portions of abandoned 30 foot wide roadways of the Brazos Coast Investment Company Division Number 15, according to the map or plat thereof recorded in Volume 2, Page 141-148 of the Brazoria County Plat Records, said Tract 152 being the same tract conveyed by deed on September 29, 1948 from Reconstruction Finance Corporation to The Dow Chemical Company, as recorded in Volume 439, Page 279 of the Brazoria County Deed Records (B.C.D.R.), said Tracts 190, 192, 193, 194 and 220, being the same tract conveyed by deed on May 14, 1952 from H. S. Wetzel and Emmie E. Wetzel to The Dow Chemical Company, as recorded in Volume 535, page 284 of the B.C.D.R., said Tract 195 being the same tract conveyed by deed on November 7, 1955 from Ethel L. Rutledge, et al to The Dow Chemical Company as recorded in Volume 637, Page 269 of the B.C.D.R., said Tract 196, being the same tract conveyed by deed on December 8, 1955 from Pauline Huebner Howard and Russell F. Howard to The Dow Chemical Company, as recorded in Volume 640, Page 160 of the B.C.D.R., said Tract 216 being the same tract conveyed by deed on August 28, 1951 from Ben D. Cannan and Jeanette B. Cannan to The Dow Chemical Company as recorded in Volume 533, Page 118 of the B.C.D.R., said Tract 217 being the same tract conveyed by deed on November 30, 1955 from L. A. Hammer to The Dow Chemical Company, as recorded in Volume 649, Page 421 of the B.C.D.R., said Tract 218 being the same tract conveyed by deed on April 7, 1952 from Nannie Stringfellow to The Dow Chemical Company as recorded in Volume 532, Page 84 of the B.C.D.R., said Tract 219 being the same tract conveyed by deed on June 5, 1956 from Nat U. Collier to The Dow Chemical Company as recorded in Volume 657, Page 33 of the B.C.D.R., said Tract 268 being the same tract conveyed by deed on April 1, 1955 from J. W. Hazen to The Dow Chemical Company as recorded in Volume 618, Page 402 of the B.C.D.R. and said Tract 269 being the same tract conveyed by deed on March 13, 1952 from B. H. Autrey to The Dow Chemical Company, as recorded in Volume 529, Page 615 of the B.C.D.R., said 30 foot wide roadways, being abandoned, vacated and closed in the Brazoria County Commissioners Court Minutes, dated February 10, 1969, said 42.3726 acre tract being more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 27), in which the directions are Lambert Grid bearings and the distances are horizontal, surface level lengths (SF=0.99988201) as follows:

**COMMENCING** at National Geodetic Survey Triangulation Station "Plant B2", a brass disk in concrete monument found at Texas State Plane position X=3154584.44 and 442176.16;

**DOW CHEMICAL COMPANY, B-9400 BLOCK**
**42.3726 ACRE TAX ABATEMENT TRACT**
**STEPHEN F. AUSTIN 5 LEAGUE GRANT, ABSTRACT 19**
**BRAZORIA COUNTY, TEXAS**


**THENCE** South 79°16'19" West, a distance of 9763.59 feet to a point located on the northern boundary line of Dow B-9400 Block, for the northeast corner and the **POINT OF BEGINNING** of the herein described 42.3726 acre tract, at position X=3145992.64 and Y=440358.91 (Dow Plant B coordinate North 11+75.00 and West 80+48.00);

**THENCE** South 24°07'34" West, at a distance of 1075.00 feet pass the southern boundary line of said Dow B-9400 Block, same being the northern margin of 150 foot wide GulfStream Road, continuing a total distance of 1150.00 feet to a point located on the centerline of said 150 foot wide GulfStream Road, for the southeast corner of the herein described 42.3726 acre tract, at position X=3144522.63 and Y=439309.49 (Dow Plant B coordinate North 0+25.00 and West 80+48.00);

**THENCE** North 65°52'26" West, coincident with centerline of said 150 foot wide GulfStream Road, a distance of 1605.00 feet to the southwest corner of the herein described 42.3726 acre tract, at position X=3143058.01 and Y=439965.45 (Dow Plant B coordinate North 0+25.0 and West 96+53.00);

**THENCE** North 24°07'34" East, a distance of 1150.00 feet to the northwest corner of the herein described 42.3726 acre tract, at position X=3143528.01 and Y=441014.87 (Dow Plant B coordinate North 11+75.00 and West 96+53.00);

**THENCE** South 65°52'26" East, at a distance of 75.00 feet pass the northwest corner of said Dow B-9400 Block, continuing a total distance of 1605.00 feet to the **POINT OF BEGINNING**, containing 42.3726 acres of land, more or less.

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

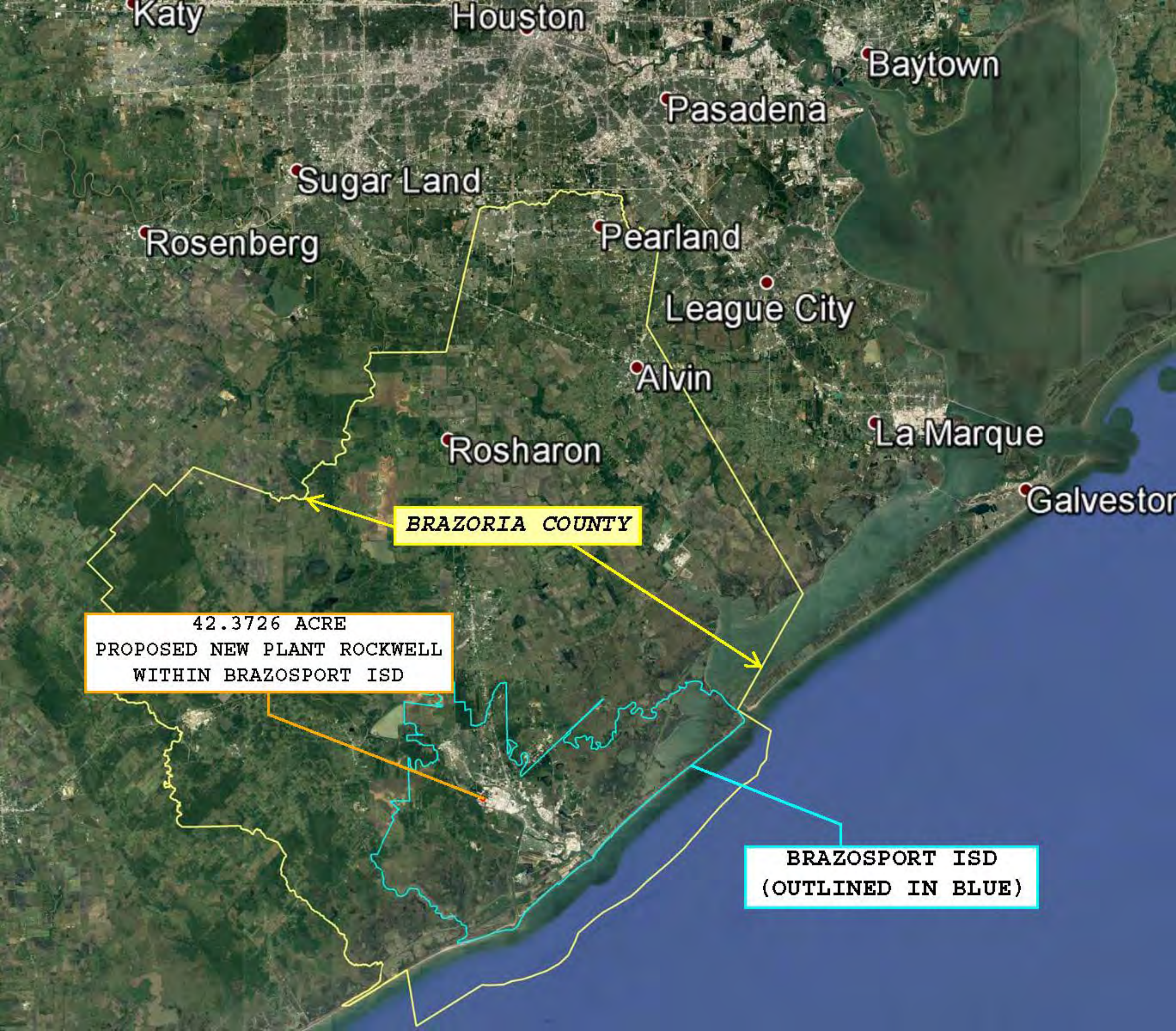

**Wm. Patrick Doyle**
**Registered Professional Land Surveyor**
**Texas Registration Number 4467**
**February 23, 2018**
**Revised: March 5, 2018**

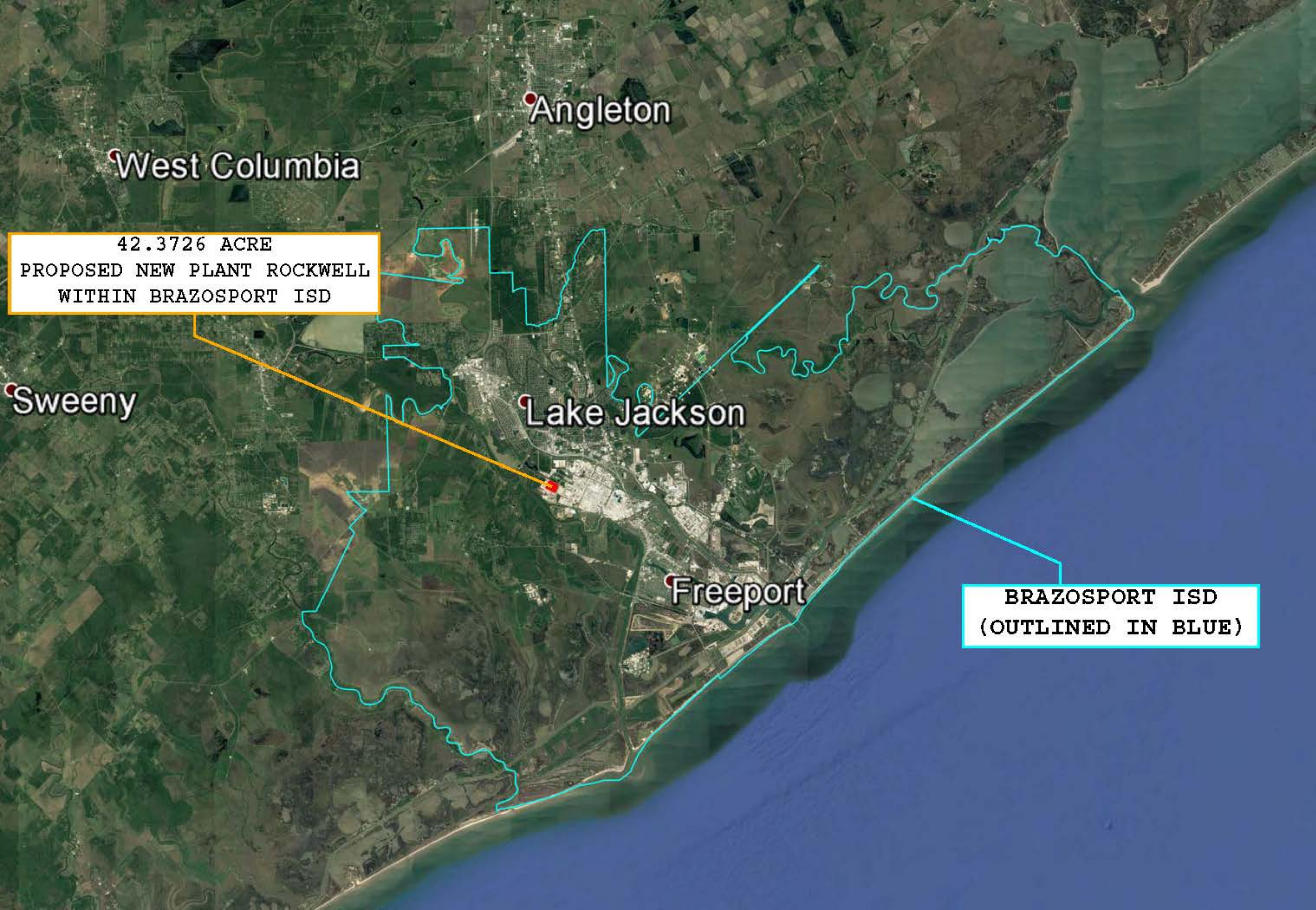
*G:\DGN\DOW\Danny\TaxAbatement\B94\Delivery\180305\LegalDow Plant B Block 9400 Tax Abatement 42.3726 acre tract Rev1.docx*

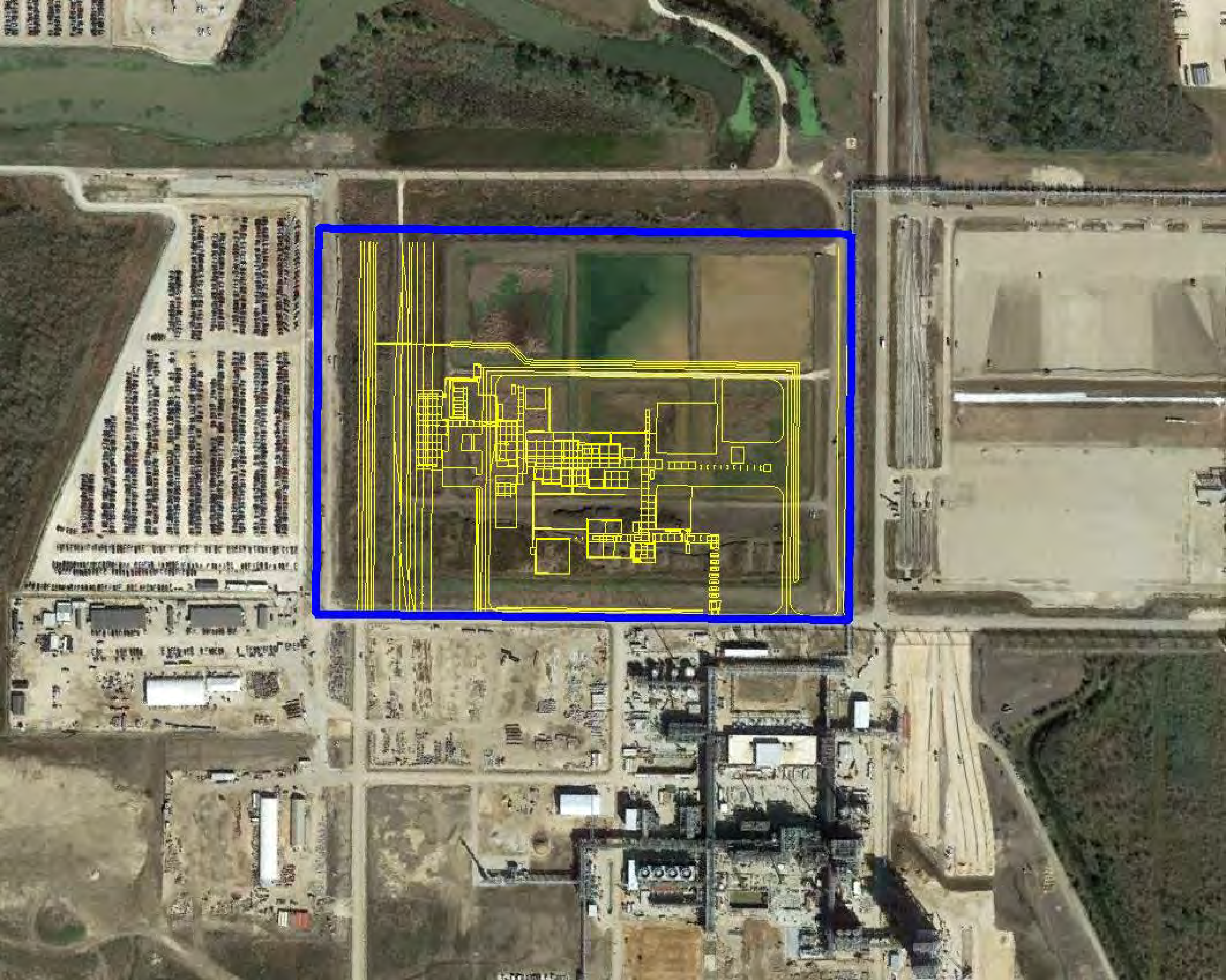
Tab 10

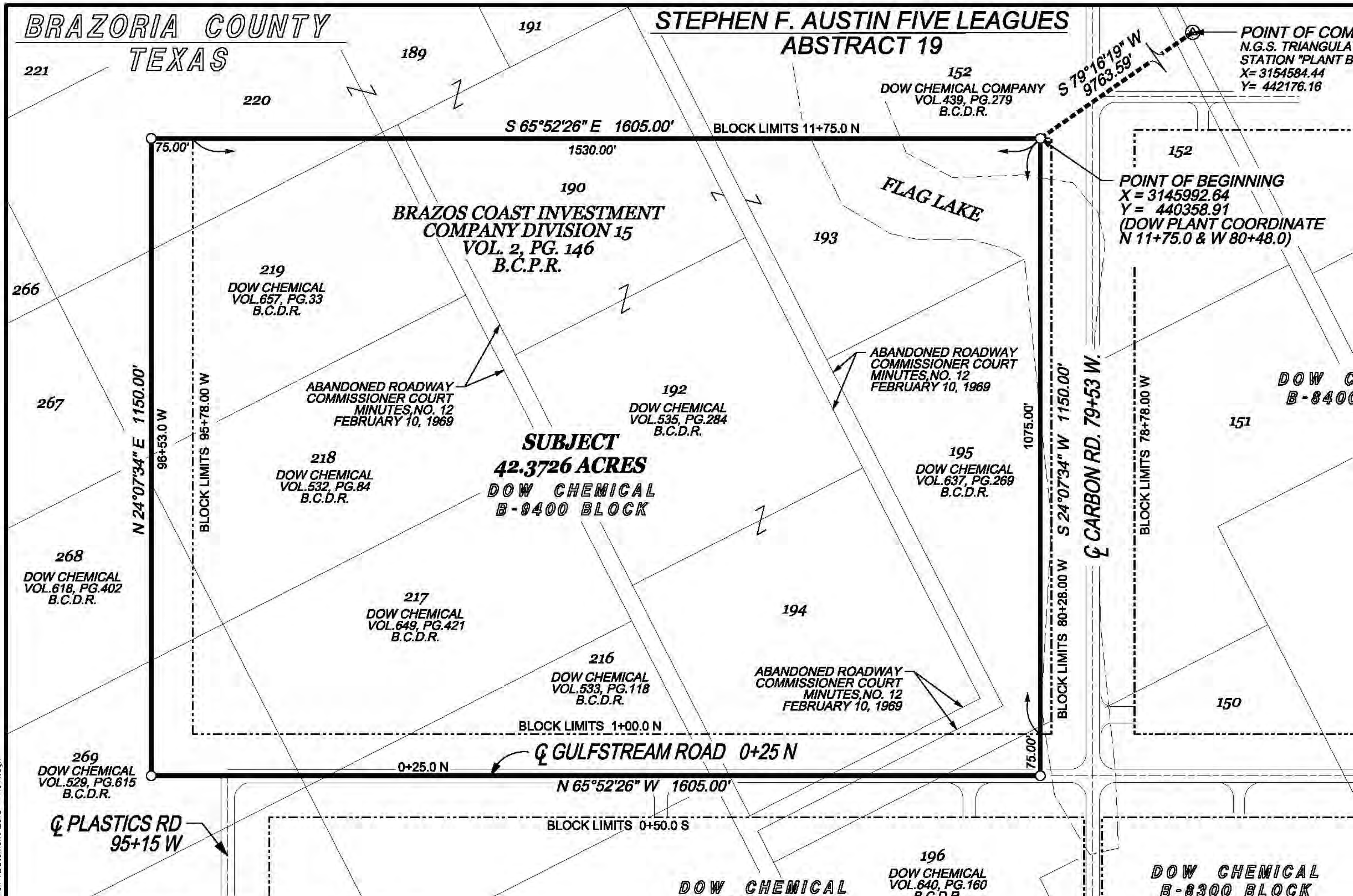
N/A

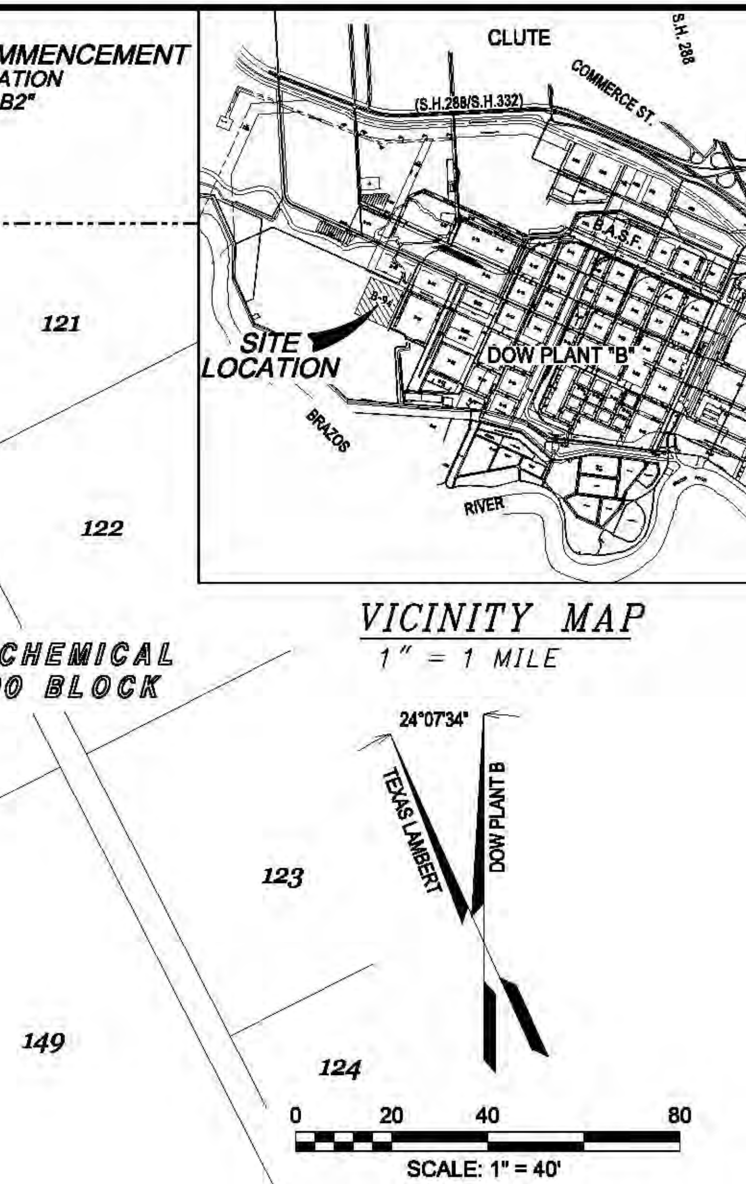
Tab 11


Katy
Houston
Baytown
Pasadena
Sugar Land
Pearland
Rosenberg
League City
Alvin
La Marque
Rosharon
Galveston
BRAZORIA COUNTY
42.3726 ACRE
PROPOSED NEW PLANT ROCKWELL
WITHIN BRAZOSPORT ISD
BRAZOSPORT ISD
(OUTLINED IN BLUE)


Angleton
West Columbia
42.3726 ACRE
PROPOSED NEW PLANT ROCKWELL
WITHIN BRAZOSPORT ISD
Sweeny
Lake Jackson
Freeport
BRAZOSPORT ISD
(OUTLINED IN BLUE)






THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

STATE OF TEXAS
REGISTERED
WM. PATRICK DOYLE
4467
PROFESSIONAL
LAND SURVEYOR

WM. PATRICK DOYLE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NUMBER 4467

NOTES:

1. COORDINATES AND BEARINGS ARE RELATIVE TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD 27.
2. ALL DISTANCES ARE HORIZONTAL SURFACE LEVEL LENGTHS (SF= 0.99988201)
3. INFORMATION CONTAINED ON THIS SURVEY IS FROM THE BRAZORIA COUNTY COURTHOUSE AND PRIVATE RECORDS. RESEARCH BY AUTHOR & PROVIDED BY OWNER. IT DOES NOT REPRESENT A COMPLETE DEED RESEARCH AND THIS PROPERTY MAY BE SUBJECT TO ADDITIONAL EASEMENTS, ENCUMBERANCES, RESTRICTIVE COVENANTS, OR OWNERSHIP TITLE EVIDENCE THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.
4. IMPROVEMENTS SHOWN ON SUBJECT PROPERTY ARE BASED ON AERIAL IMAGERY PROVIDED BY DOW.AT CLIENTS REQUEST IMPROVEMENTS SHOWN HERE ON ARE NOT PHISICALLY TIED DOWN.
5. NO EFFORT WAS MADE TO LOCATE ANY UNDERGROUND IMPROVEMENTS.
6. THIS PLAT IS PART OF A SURVEY REPORT INCLUDING A METES AND BOUNDS DESCRIPTION ON FILE IN THE OFFICES OF DOYLE & WACHTSTETTER, INC.

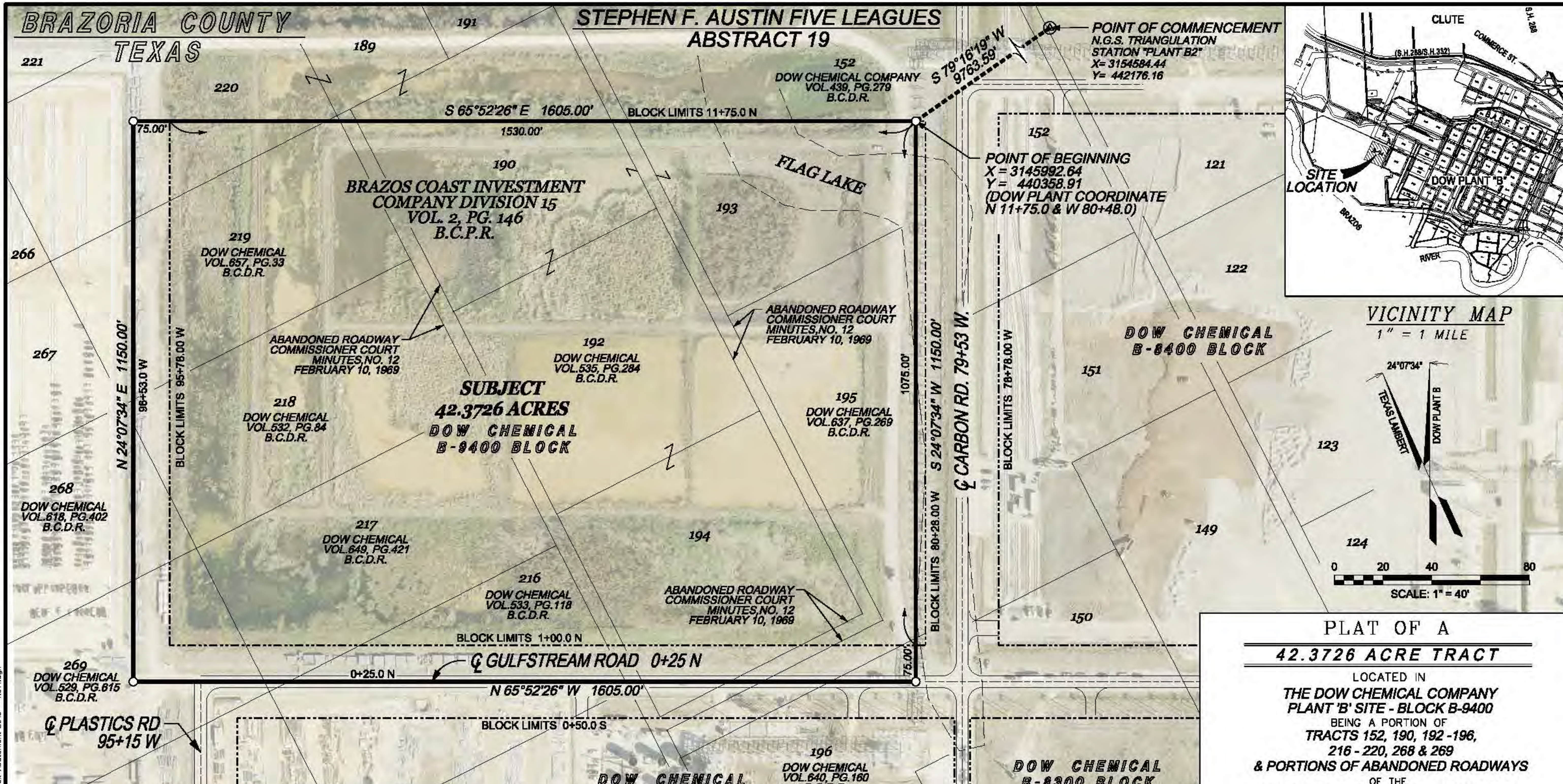
PLAT OF A

42.3726 ACRE TRACT

LOCATED IN
THE DOW CHEMICAL COMPANY
PLANT 'B' SITE - BLOCK B-9400
BEING A PORTION OF
TRACTS 152, 190, 192 -196,
216 - 220, 268 & 269
& PORTIONS OF ABANDONED ROADWAYS
OF THE
BRAZOS COAST INVESTMENT COMPANY
SUDIVISION NO. 15
RECORDED IN
VOLUME 2, PAGE 141-148
OF THE
BRAZORIA COUNTY PLAT RECORDS
SITUATED IN THE
STEPHEN F. AUSTIN FIVE LEAGUES
ABSTRACT 19
BRAZORIA COUNTY, TEXAS

Doyle & Wachtstetter, Inc.
Surveying and Mapping GPS/GIS
131 COMMERCE STREET, CLUTE, TEXAS 77531
OFFICE: 979.265.3622 FAX. 979.265.9940 FIRM NO.:10024500

| | | | | | |
|---|---|---|---|---|---|
| SURVEYED: | N/A | BOOK: | N/A | PROJECT NO.: | 20012023688 |
| DRAWN BY: | JAM 2-23-18 | CHECKED: | WPD 2-23-18 | REVISED: | 3-5-18 |

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STATE OF TEXAS
REGISTERED
WM. PATRICK DOYLE
4467
PROFESSIONAL
LAND SURVEYOR

WM. PATRICK DOYLE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NUMBER 4467

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# PLAT OF A
## 42.3726 ACRE TRACT

LOCATED IN
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| | | | | | |
|---|---|---|---|---|---|
| SURVEYED: | N/A | BOOK: | N/A | PROJECT NO.: | 20012023688 |
| DRAWN BY: | JAM 2-23-18 | CHECKED: | WPD 2-23-18 | REVISED: | 3-5-18 |

Tab 12

N/A

Tab 13

## Tab 13. Calculations of wages information - based on most recent data available

| | |
|---|---|
| **County** | Brazoria |
| **Region** | Houston-Galveston Area Council |

### Average Weekly wage for all jobs (all industries) in the county

| Year | Period | Weekly wage |
|---|---|---|
| 2017 | Q4 | $ 1,134 |
| 2017 | Q1 | $ 1,116 |
| 2017 | Q2 | $ 1,030 |
| 2017 | Q3 | $ 1,074 |
| | **Average weekly wage** | **$ 1,088.50** |

### 110% of the average weekly wage for manufacturing jobs in the county

| Year | Period | Weekly wage |
|---|---|---|
| 2017 | Q4 | $ 2,348 |
| 2017 | Q1 | $ 2,659 |
| 2017 | Q2 | $ 2,157 |
| 2017 | Q3 | $ 2,263 |
| | Average weekly wage | $ 2,356.75 |
| | **Avg weekly wage * 110%** | **$ 2,592.43** |

### 110% of the average weekly wage for manufacturing jobs in the region

| | | |
|---|---|---|
| $ 27.52 | per hour | |
| | x 40 hours per week | |
| $ | 1,100.80 | |
| @ 110% | | |
| **$** | **1,210.88** | *110% of average weekly wage for manufacturing jobs in region* |

Houston-Galveston Area Council

| | | |
|---|---|---|
| $57,246 | per year | |
| | ÷ 52 weeks | |
| $ | 1,100.88 | |
| @ 110% | | |
| **$** | **1,210.97** | *110% of average weekly wage for manufacturing jobs in region* |

# 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 |
|---|---|---|---|---|---|---|---|---|
| 2017 | 1st Qtr | Brazoria County | Total All | 00 | 0 | 10 | Total, all industries | $1,116 |
| 2017 | 2nd Qtr | Brazoria County | Total All | 00 | 0 | 10 | Total, all industries | $1,030 |
| 2017 | 3rd Qtr | Brazoria County | Total All | 00 | 0 | 10 | Total, all industries | $1,074 |
| 2017 | 4th Qtr | Brazoria County | Total All | 00 | 0 | 10 | Total, all industries | $1,134 |

# 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 |
|---|---|---|---|---|---|---|---|---|
| 2017 | 1st Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | $2,659 |
| 2017 | 2nd Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | $2,157 |
| 2017 | 3rd Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | $2,263 |
| 2017 | 4th Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | $2,348 |

## 2016 Manufacturing Average Wages by Council of Government Region
## Wages for All Occupations

| COG | Wages Hourly | Wages Annual |
|---|---|---|
| **Texas** | **$25.41** | **$52,850** |
| 1. Panhandle Regional Planning Commission | $22.52 | $46,834 |
| 2. South Plains Association of Governments | $18.27 | $38,009 |
| 3. NORTEX Regional Planning Commission | $24.14 | $50,203 |
| 4. North Central Texas Council of Governments | $26.06 | $54,215 |
| 5. Ark-Tex Council of Governments | $19.07 | $39,663 |
| 6. East Texas Council of Governments | $20.52 | $42,677 |
| 7. West Central Texas Council of Governments | $20.31 | $42,242 |
| 8. Rio Grande Council of Governments | $19.32 | $40,188 |
| 9. Permian Basin Regional Planning Commission | $26.00 | $54,079 |
| 10. Concho Valley Council of Governments | $18.78 | $39,066 |
| 11. Heart of Texas Council of Governments | $21.14 | $43,962 |
| 12. Capital Area Council of Governments | $30.06 | $62,522 |
| 13. Brazos Valley Council of Governments | $17.66 | $36,729 |
| 14. Deep East Texas Council of Governments | $18.06 | $37,566 |
| 15. South East Texas Regional Planning Commission | $33.42 | $69,508 |
| 16. Houston-Galveston Area Council | $27.52 | $57,246 |
| 17. Golden Crescent Regional Planning Commission | $26.38 | $54,879 |
| 18. Alamo Area Council of Governments | $21.67 | $45,072 |
| 19. South Texas Development Council | $15.02 | $31,235 |
| 20. Coastal Bend Council of Governments | $27.85 | $57,921 |
| 21. Lower Rio Grande Valley Development Council | $17.55 | $36,503 |
| 22. Texoma Council of Governments | $20.98 | $43,648 |
| 23. Central Texas Council of Governments | $18.65 | $38,783 |
| 24. Middle Rio Grande Development Council | $23.05 | $47,950 |

Source: Texas Occupational Employment and Wages
Data published: July 2017
Data published annually, next update will be July 31, 2018

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

Tab 14

Date 6/6/2018

Applicant Name The Dow Chemical Company

ISD Name Brazosport ISD

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

Form 50-296A

Revised May 2014

**PROPERTY INVESTMENT AMOUNTS**

**(Estimated Investment in each year. Do not put cumulative totals.)**

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A: New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property | Column B: New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property | Column C: Other new investment made during this year that will not become Qualified Property [SEE NOTE] | Column D: Other new investment made during this year that may become Qualified Property [SEE NOTE] | Column E: **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) | 2020 | Not eligible to become Qualified Property | | 0 | 0 | 0 |
| Investment made after filing complete application with district, but before final board approval of application | | | | 0 | 0 | 0 | 0 | 0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | | | $ 800,000 | $ 192,000,000 | 0 | 0 | $ 192,800,000 |
| Complete tax years of qualifying time period | QTP1 | 2021-2022 | 2021 | $ 1,500,000 | $ 360,800,000 | 0 | 0 | $ 362,300,000 |
| | QTP2 | 2022-2023 | 2022 | $ 700,000 | $ 159,200,000 | 0 | 0 | $ 159,900,000 |
| **Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]** | | | | $ 3,000,000 | $ 712,000,000 | 0 | 0 | $ 715,000,000 |
| | | | | **Enter amounts from TOTAL row above in Schedule A2** | | | | |
| **Total Qualified Investment (sum of green cells)** | | | | $ 715,000,000 | | | | |

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

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

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

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

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

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

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

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

Date 6/6/2018

Applicant Name The Dow Chemical Company

ISD Name Brazosport ISD

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A<br>New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property | Column B<br>New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property | Column C<br>Other investment made during this year that will not become Qualified Property [SEE NOTE] | Column D<br>Other investment made during this year that will become Qualified Property [SEE NOTE] | Column E<br>**Total Investment** (A+B+C+D) |
|---|---|---|---|---|---|---|---|---|
| | | | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | |
| Total Investment from Schedule A1* | -- | **TOTALS FROM SCHEDULE A1** | | $ 3,000,000 | $ 712,000,000 | $ - | $ - | $ 715,000,000 |
| Each year prior to start of value limitation period** Insert as many rows as necessary | 0 | 2021-2022 | 2021 | | | | | |
| Value limitation period*** | 1 | 2022-2023 | 2022 | | | | | |
| | 2 | 2023-2024 | 2023 | | | | | |
| | 3 | 2024-2025 | 2024 | | | | | |
| | 4 | 2025-2026 | 2025 | | | | | |
| | 5 | 2026-2027 | 2026 | | | | | |
| | 6 | 2027-2028 | 2027 | | | | | |
| | 7 | 2028-2029 | 2028 | | | | | |
| | 8 | 2029-2030 | 2029 | | | | | |
| | 9 | 2030-2031 | 2030 | | | | | |
| | 10 | 2031-2032 | 2031 | | | | | |
| **Total Investment made through limitation** | | | | | | | | |
| Continue to maintain viable presence | 11 | 2032-2033 | 2032 | | | | | |
| | 12 | 2033-2034 | 2033 | | | | | |
| | 13 | 2034-2035 | 2034 | | | | | |
| | 14 | 2035-2036 | 2035 | | | | | |
| | 15 | 2036-2037 | 2036 | | | | | |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2037-2038 | 2037 | | | | | |
| | 17 | 2038-2039 | 2038 | | | | | |
| | 18 | 2039-2040 | 2039 | | | | | |
| | 19 | 2040-2041 | 2040 | | | | | |
| | 20 | 2041-2042 | 2041 | | | | | |
| | 21 | 2042-2043 | 2042 | | | | | |
| | 22 | 2043-2044 | 2043 | | | | | |
| | 23 | 2044-2045 | 2044 | | | | | |
| | 24 | 2045-2046 | 2045 | | | | | |
| | 25 | 2046-2047 | 2046 | | | | | |

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

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

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

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

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

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

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

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

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

**Date** 6/6/2018

**Applicant Name** The Dow Chemical Company

**Form 50-296A**

**ISD Name** Brazosport ISD

*Revised May 2014*

| | | | | Qualified Property | | | Estimated Taxable Value | | |
|---|---|---|---|---|---|---|---|---|---|
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements" | Market Value less any exemptions (such as pollution control) and before limitation | Final taxable value for I&S after all reductions | Final taxable value for M&O after all reductions |
| Each year prior to start of Value Limitation Period *Insert as many rows as necessary* | 0 | 2021-2022 | 2021 | 2,038,670 | 192,000,000 | 800,000 | 194,838,670 | 194,838,670 | 194,838,670 |
| Value Limitation Period | 1 | 2022-2023 | 2022 | 2,038,670 | 552,800,000 | 2,300,000 | 557,138,670 | 557,138,670 | 30,000,000 |
| | 2 | 2023-2024 | 2023 | 2,038,670 | 712,000,000 | 3,000,000 | 700,038,670 | 700,038,670 | 30,000,000 |
| | 3 | 2024-2025 | 2024 | 2,038,670 | 683,520,000 | 2,880,000 | 671,438,670 | 671,438,670 | 30,000,000 |
| | 4 | 2025-2026 | 2025 | 2,038,670 | 656,179,200 | 2,764,800 | 643,982,670 | 643,982,670 | 30,000,000 |
| | 5 | 2026-2027 | 2026 | 2,038,670 | 629,932,032 | 2,654,208 | 617,624,910 | 617,624,910 | 30,000,000 |
| | 6 | 2027-2028 | 2027 | 2,038,670 | 604,734,751 | 2,548,040 | 592,321,460 | 592,321,460 | 30,000,000 |
| | 7 | 2028-2029 | 2028 | 2,038,670 | 580,545,361 | 2,446,118 | 568,030,149 | 568,030,149 | 30,000,000 |
| | 8 | 2029-2030 | 2029 | 2,038,670 | 557,323,546 | 2,348,273 | 544,710,490 | 544,710,490 | 30,000,000 |
| | 9 | 2030-2031 | 2030 | 2,038,670 | 535,030,604 | 2,254,342 | 522,323,617 | 522,323,617 | 30,000,000 |
| | 10 | 2031-2032 | 2031 | 2,038,670 | 513,629,380 | 2,164,169 | 500,832,219 | 500,832,219 | 30,000,000 |
| Continue to maintain viable presence | 11 | 2032-2033 | 2032 | 2,038,670 | 493,084,205 | 2,077,602 | 480,200,477 | 480,200,477 | 480,200,477 |
| | 12 | 2033-2034 | 2033 | 2,038,670 | 473,360,837 | 1,994,498 | 460,394,005 | 460,394,005 | 460,394,005 |
| | 13 | 2034-2035 | 2034 | 2,038,670 | 454,426,403 | 1,914,718 | 441,379,791 | 441,379,791 | 441,379,791 |
| | 14 | 2035-2036 | 2035 | 2,038,670 | 436,249,347 | 1,838,129 | 423,126,146 | 423,126,146 | 423,126,146 |
| | 15 | 2036-2037 | 2036 | 2,038,670 | 418,799,373 | 1,764,604 | 405,602,647 | 405,602,647 | 405,602,647 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2037-2038 | 2037 | 2,038,670 | 402,047,398 | 1,694,020 | 388,780,088 | 388,780,088 | 388,780,088 |
| | 17 | 2038-2039 | 2038 | 2,038,670 | 385,965,502 | 1,626,259 | 372,630,432 | 372,630,432 | 372,630,432 |
| | 18 | 2039-2040 | 2039 | 2,038,670 | 370,526,882 | 1,561,209 | 357,126,761 | 357,126,761 | 357,126,761 |
| | 19 | 2040-2041 | 2040 | 2,038,670 | 355,705,807 | 1,498,760 | 342,243,237 | 342,243,237 | 342,243,237 |
| | 20 | 2041-2042 | 2041 | 2,038,670 | 341,477,575 | 1,438,810 | 327,955,055 | 327,955,055 | 327,955,055 |
| | 21 | 2042-2043 | 2042 | 2,038,670 | 327,818,472 | 1,381,258 | 314,238,399 | 314,238,399 | 314,238,399 |
| | 22 | 2043-2044 | 2043 | 2,038,670 | 314,705,733 | 1,326,007 | 301,070,410 | 301,070,410 | 301,070,410 |
| | 23 | 2044-2045 | 2044 | 2,038,670 | 302,117,504 | 1,272,967 | 288,429,141 | 288,429,141 | 288,429,141 |
| | 24 | 2045-2046 | 2045 | 2,038,670 | 290,032,803 | 1,222,048 | 276,293,522 | 276,293,522 | 276,293,522 |
| | 25 | 2046-2047 | 2046 | 2,038,670 | 278,431,491 | 1,173,166 | 264,643,328 | 264,643,328 | 264,643,328 |

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** 6/6/2018

**Applicant Name** The Dow Chemical Company

**ISD Name** Brazosport ISD

**Form 50-296A**

*Revised May 2014*

| | | | | Construction | | Non-Qualifying Jobs | Qualifying Jobs | |
|---|---|---|---|---|---|---|---|---|
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Number of Construction FTE's or man-hours (specify) | **Average** annual wage rates for construction workers | Number of non-qualifying jobs applicant estimates it will create (cumulative) | Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | **Average** annual wage of new qualifying jobs |
| Each year prior to start of Value Limitation Period *Insert as many rows as necessary* | 0 | 2021-2022 | 2021 | 265 FTE (peak) | $ 73,000 | 0 | 30 | $ 62,971 |
| Value Limitation Period *The qualifying time period could overlap the value limitation period.* | 1 | 2022-2023 | 2022 | 900 FTE (peak) | $ 73,000 | 0 | 40 | $ 62,971 |
| | 2 | 2023-2024 | 2023 | 875 FTE (peak) | $ 73,000 | 0 | 40 | $ 62,971 |
| | 3 | 2024-2025 | 2024 | | | 0 | 40 | $ 62,971 |
| | 4 | 2025-2026 | 2025 | | | 0 | 40 | $ 62,971 |
| | 5 | 2026-2027 | 2026 | | | 0 | 40 | $ 62,971 |
| | 6 | 2027-2028 | 2027 | | | 0 | 40 | $ 62,971 |
| | 7 | 2028-2029 | 2028 | | | 0 | 40 | $ 62,971 |
| | 8 | 2029-2030 | 2029 | | | 0 | 40 | $ 62,971 |
| | 9 | 2030-2031 | 2030 | | | 0 | 40 | $ 62,971 |
| | 10 | 2031-2032 | 2031 | | | 0 | 40 | $ 62,971 |
| Years Following Value Limitation Period | 11 through 25 | 2032-2047 | 2032-2046 | | | 0 | 40 | $ 62,971 |

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

**C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 **qualifying jobs in Subchapter B districts**, 10 qualifying jobs in Subchapter C districts) ☐ Yes ☒ No

If yes, answer the following two questions:

**C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No

**C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

## Schedule D: Other Incentives (Estimated)

**Date** 6/6/2018

**Applicant Name** The Dow Chemical Company

**ISD Name** Brazosport ISD

**Form 50-296A**

*Revised May 2014*

| State and Local Incentives for which the Applicant intends to apply (Estimated) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Incentive Description** | **Taxing Entity (as applicable)** | **Beginning Year of Benefit** | **Duration of Benefit** | **Annual Tax Levy without Incentive** | **Annual Incentive** | **Annual Net Tax Levy** |
| Tax Code Chapter 311 | County: | | | | | |
| | City: | | | | | |
| | Other: | | | | | |
| Tax Code Chapter 312 | Brazoria County | 2021 | 7 years | $ 2,500,000 | $ 2,500,000 | $ - |
| | Brazosport College | 2021 | 7 years | $ 1,800,000 | $ 1,800,000 | $ - |
| | Port Freeport | 2021 | 7 years | $ 200,000 | $ 200,000 | $ - |
| | Velasco Drainage District | 2021 | 7 years | $ 500,000 | $ 500,000 | $ - |
| 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** | $ 5,000,000 | $ 5,000,000 | $ - |

Additional information on incentives for this project:

Annual tax levy without incentive and annual incentive presented above are average estimates based on a 7 year Chapter 312 abatement. This project will be located in an Industrial District pursuant to a pre-existing agreement.

Tab 15

N/A

Tab 16

**DOW CHEMICAL COMPANY, B-9400 BLOCK**
**42.3726 ACRE TAX ABATEMENT TRACT**
**STEPHEN F. AUSTIN 5 LEAGUE GRANT, ABSTRACT 19**
**BRAZORIA COUNTY, TEXAS**
**PAGE 1 OF 2**

**ALL THAT CERTAIN 42.3726 ACRE** tract of land, lying and situated in the Stephen F. Austin 5 League Grant, Abstract 19, Brazoria County, Texas, located in The Dow Chemical Company Plant B site, B-9400 Block, being a portion of Tracts 152, 190, 192 through 196, 216 through 220, 268 and 269 and portions of abandoned 30 foot wide roadways of the Brazos Coast Investment Company Division Number 15, according to the map or plat thereof recorded in Volume 2, Page 141-148 of the Brazoria County Plat Records, said Tract 152 being the same tract conveyed by deed on September 29, 1948 from Reconstruction Finance Corporation to The Dow Chemical Company, as recorded in Volume 439, Page 279 of the Brazoria County Deed Records (B.C.D.R.), said Tracts 190, 192, 193, 194 and 220, being the same tract conveyed by deed on May 14, 1952 from H. S. Wetzel and Emmie E. Wetzel to The Dow Chemical Company, as recorded in Volume 535, page 284 of the B.C.D.R., said Tract 195 being the same tract conveyed by deed on November 7, 1955 from Ethel L. Rutledge, et al to The Dow Chemical Company as recorded in Volume 637, Page 269 of the B.C.D.R., said Tract 196, being the same tract conveyed by deed on December 8, 1955 from Pauline Huebner Howard and Russell F. Howard to The Dow Chemical Company, as recorded in Volume 640, Page 160 of the B.C.D.R., said Tract 216 being the same tract conveyed by deed on August 28, 1951 from Ben D. Cannan and Jeanette B. Cannan to The Dow Chemical Company as recorded in Volume 533, Page 118 of the B.C.D.R., said Tract 217 being the same tract conveyed by deed on November 30, 1955 from L. A. Hammer to The Dow Chemical Company, as recorded in Volume 649, Page 421 of the B.C.D.R., said Tract 218 being the same tract conveyed by deed on April 7, 1952 from Nannie Stringfellow to The Dow Chemical Company as recorded in Volume 532, Page 84 of the B.C.D.R., said Tract 219 being the same tract conveyed by deed on June 5, 1956 from Nat U. Collier to The Dow Chemical Company as recorded in Volume 657, Page 33 of the B.C.D.R., said Tract 268 being the same tract conveyed by deed on April 1, 1955 from J. W. Hazen to The Dow Chemical Company as recorded in Volume 618, Page 402 of the B.C.D.R. and said Tract 269 being the same tract conveyed by deed on March 13, 1952 from B. H. Autrey to The Dow Chemical Company, as recorded in Volume 529, Page 615 of the B.C.D.R., said 30 foot wide roadways, being abandoned, vacated and closed in the Brazoria County Commissioners Court Minutes, dated February 10, 1969, said 42.3726 acre tract being more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 27), in which the directions are Lambert Grid bearings and the distances are horizontal, surface level lengths (SF=0.99988201) as follows:

**COMMENCING** at National Geodetic Survey Triangulation Station "Plant B2", a brass disk in concrete monument found at Texas State Plane position X=3154584.44 and 442176.16;

**DOW CHEMICAL COMPANY, B-9400 BLOCK**
**42.3726 ACRE TAX ABATEMENT TRACT**
**STEPHEN F. AUSTIN 5 LEAGUE GRANT, ABSTRACT 19**
**BRAZORIA COUNTY, TEXAS**


**THENCE** South 79°16'19" West, a distance of 9763.59 feet to a point located on the northern boundary line of Dow B-9400 Block, for the northeast corner and the **POINT OF BEGINNING** of the herein described 42.3726 acre tract, at position X=3145992.64 and Y=440358.91 (Dow Plant B coordinate North 11+75.00 and West 80+48.00);

**THENCE** South 24°07'34" West, at a distance of 1075.00 feet pass the southern boundary line of said Dow B-9400 Block, same being the northern margin of 150 foot wide GulfStream Road, continuing a total distance of 1150.00 feet to a point located on the centerline of said 150 foot wide GulfStream Road, for the southeast corner of the herein described 42.3726 acre tract, at position X=3144522.63 and Y=439309.49 (Dow Plant B coordinate North 0+25.00 and West 80+48.00);

**THENCE** North 65°52'26" West, coincident with centerline of said 150 foot wide GulfStream Road, a distance of 1605.00 feet to the southwest corner of the herein described 42.3726 acre tract, at position X=3143058.01 and Y=439965.45 (Dow Plant B coordinate North 0+25.0 and West 96+53.00);

**THENCE** North 24°07'34" East, a distance of 1150.00 feet to the northwest corner of the herein described 42.3726 acre tract, at position X=3143528.01 and Y=441014.87 (Dow Plant B coordinate North 11+75.00 and West 96+53.00);

**THENCE** South 65°52'26" East, at a distance of 75.00 feet pass the northwest corner of said Dow B-9400 Block, continuing a total distance of 1605.00 feet to the **POINT OF BEGINNING**, containing 42.3726 acres of land, more or less.

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


**Wm. Patrick Doyle**
**Registered Professional Land Surveyor**
**Texas Registration Number 4467**
**February 23, 2018**
**Revised: March 5, 2018**

*G:\DGN\DOW\Danny\TaxAbatement\B94\Delivery\180305\LegalDow Plant B Block 9400 Tax Abatement 42.3726 acre tract Rev1.docx*

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

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

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

**WHEREAS**, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

**WHEREAS**, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

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

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

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

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

### DEFINITIONS Section 1

(a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.

(b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.

(c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.

(d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.

(e) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.

(f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.

(g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.

(h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.

(i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.

(j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.

(k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.

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

(m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.

(n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

(o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.

(q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(r) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Brazoria County.

(s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.

(t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.

(u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.

(v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of Brazoria County.

(x) "Tangible personal property" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the County.

**ABATEMENT AUTHORIZED Section 2**

(a) Authorized Facility. A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.

(b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.

(c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

(d) Eligible Property. Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

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

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

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

(f) Leased Facilities. Leasehold Interest: Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

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

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

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

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

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

(h) Economic Qualification. In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:

(1) must be reasonably expected to increase and must actually increase the value of the property in the amount of $1 million or more;

(2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

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

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

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

(3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.

(4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

(5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of $1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.

(6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the

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

(7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than $25,000.00 for projects $500 million or less in capital investment and no more than $50,000 for project greater than $500 million in capital investment nor less than 2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.

(8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.

(9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.

(10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction of an on-going maintenance and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:

- Cost to maintain the roads, if needed, utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
- Cost to reconstruct the roadway, if needed, will be actual cost to repair the County roads and right-of way incurred by the County and invoiced to the Abatee. These costs will include all construction costs as well as all related professional services for the repair work.
- Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities.

(i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:

(1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and

(3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

**APPLICATION Section 3**

(a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.

(b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.

(c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".

(d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the legislative body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.

(e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.

(f) If upon written request for a legal opinion or interpretation from the Commissioners' Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners' Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners' Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

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

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

(g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.

(h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.

(i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least $10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

**PUBLIC HEARING Section 4**

(a) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

(1) there would be a substantial adverse affect on the provision of government service or tax base;

(2) the Applicant has insufficient financial capacity;

(3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,

(4) violation of other codes or laws.

**AGREEMENT Section 5**

(a) After approval, Brazoria County Commissioners' Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:

(1) estimated value to be abated and the base year value;

(2) percent of value to be abated each year as provided in Section 2(g);

(3) the commencement date and the termination date of abatement;

(4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;

(5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;

(6) size of investment and average number of jobs involved for the period of abatement; and

(7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.

(8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*i.e.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.

(b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

**RECAPTURE Section 6**

(a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.

(b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.

(c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

(d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

**ADMINISTRATION Section 7**

(a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levy taxes on the amount of the assessment.

(b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.

(c) Tax Abatement Review Committee:

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

(d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners' Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.

(e) Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners' Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.

(f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*i.e.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

(g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

**ASSIGNMENT Section 8**

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

**PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9**

(a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.

(b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.

(c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.

(d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.

(e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.

(f) The notice provisions of Section 3(d) are not applicable to an application under this section.

(g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

**SUNSET PROVISION Section 10**

(a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

(b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.

(c) These guidelines and policies for Tax Abatement shall be effective May 31, 2016, and shall remain in force until May 31, 2018, unless amended or superseded, modified, renewed, or eliminated by Commissioners' Court prior to that date.

Tab 17

## SECTION 16: Authorized Signatures and Applicant Certification

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

### 1. Authorized School District Representative Signature

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

**print here** Danny Massey — Superintendent

Print Name *(Authorized School District Representative)* — Title

**sign here** Danny Massey — June 18, 2018

Signature *(Authorized School District Representative)* — 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** Lowell T. McLaughlin — State and Local Tax Director

Print Name *(Authorized Company Representative (Applicant))* — Title

**sign here** [signature] — June 12, 2018

Signature *(Authorized Company Representative (Applicant))* — Date

BELINDA SANCHEZ
NOTARY PUBLIC STATE OF TEXAS
MY COMM. EXP. 5/12/2020
NOTARY ID 1197046-0

*(Notary Seal)*

GIVEN under my hand and seal of office this, the

12 day of June, 2018

Belinda Sanchez

Notary Public in and for the State of Texas

My Commission expires: 5-12-2020

**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.**