

Blake G. Powell
Sara Hardner Leon
Darrick W. Eugene
Michelle Alcala
Mackenzie Lewis
Casandra Johnson
William C. Bednar, Of Counsel



Jay Youngblood
Tyler, Texas
John J. Janssen, Ph.D.
Corpus Christi, Texas
Geneva L. Taylor
Houston, Texas
Rick W. Powell
Pittsburg/Lewisville, Texas

October 2, 2018

Via Electronic Mail

Via Hand Delivery

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Post Office Box 13528
Austin, Texas 78711-3528

Re: Application for a Chapter 313 Value Limitation Agreement between the Barbers Hill Independent School District and Lone Star NGL Asset Holdings II, LLC (Frac VII)

First Year of Qualifying Time Period: 2020

First Year of Limitation: 2021

Dear Local Government Assistance and Economic Analysis Division:

The Barbers Hill Independent School District Board of Trustees approved the enclosed Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes at a duly called meeting held on September 24, 2018. The Application was determined to be complete on October 2, 2018. The proposed Frac VII project is a new NGL fractionator in Chambers County, Texas.

A copy is being provided to the Chambers County Appraisal District by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thanks so much for your kind attention to this matter.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sara Leon', is written over a horizontal line.

Sara Hardner Leon

SHL;sl

1001 ESE Loop 323, Ste. 450 Tyler, Texas 75701 t: 903-526-6618 f: 903-526-5766	115 Wild Basin Rd., Ste. 106 Austin, Texas 78746 t: 512-494-1177 f: 512-494-1188	7324 Southwest Freeway, Ste. 365 Houston, Texas 77074 t: 713-779-7500 f: 713-485-0169	802 N. Carancahua, Ste. 665 Corpus Christi, Texas 78401 t: 361-452-2804 f: 361-452-2743
---	---	--	--

www.powell-leon.com
Toll Free: 800-494-1971

cc: *Via Electronic Mail: mmccullough@chamberscad.org*
Mr. Mitch McCullough, Chief Appraiser
Chambers County Appraisal District

Via Electronic Mail: megan.mckavanagh@energytransfer.com
Ms. Megan McKavanagh, Property Tax Manager
Energy Transfer Partners, LP

Via Electronic Mail: Mike@keatax.com
Mr. Mike Fry, Director of Energy Services
K.E. Andrews & Company

Via Electronic Mail: gpoole@bbisd.net
Dr. Greg Poole, Superintendent of Schools
Barbers Hill Independent School District

Via Electronic Mail: bmcmanus@bbisd.net
Ms. Rebecca McManus, Assistant Superintendent of Finance
Barbers Hill Independent School District



K.E. Andrews & Company
1900 Dalrock Road
Rowlett, Texas 75088

September 5, 2018

Becky McManus, Assistant Superintendent of Finance
cc. Texas Comptroller of Public Accounts
9600 Eagle Drive, P.O. Box 1108
Mont Belvieu, Texas 77580-1108

Re: Application for Texas Property Tax Code Section 313 Value Limitation Agreement

Ms. McManus:

Please find attached an application for a Section 313 Value Limitation Agreement. On behalf of our client, Lone Star NGL Asset Holdings II, LLC and in accordance with the guidelines and principles outlined in Section 313 of the Texas Property Tax Code, it is our request that Barbers Hill Independent School District consider the approval of a Section 313 Value Limitation Agreement. The approval of this agreement would undoubtedly prove beneficial to the economic development of Chambers County, as well as the viability of Lone Star NGL Asset Holdings II, LLC (Frac VII) if located within the state of Texas.

Frac VII is a 120,000 barrel per day fractionation facility which will process natural gas liquids into useable products. If established, Frac VII will provide 12, full-time salary competitive jobs. The project is anticipated to commence in April 2019 and will be fully operational by March 2020.

Lone Star NGL Asset Holdings II, LLC, a subsidiary of Energy Transfer, is an energy producer primarily focused on NGL storage, fractionation, and transportation. They are dedicated to positive and engaging stakeholder relationships in the communities they choose to invest, and are managed by a team of individuals with years of experience in developing and managing energy facilities.

If you have any questions, please feel free to contact me at 469-298-1594 or mike@keatax.com. We look forward to working with you.

Sincerely,

Mike Fry



Lone Star NGL Asset Holdings II, LLC (Frac VII)

Chapter 313 Application for Appraised Value Limitation to Barbers Hill Independent School District



Tab 1

Pages 1-9 of the application

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

September 24, 2018

Date Application Received by District

Dr. Greg

First Name

Poole

Last Name

Superintendent

Title

Barbers Hill Independent School District

School District Name

9600 Eagle Drive

Street Address

P.O. Box 1108

Mailing Address

Mont Belvieu

City

281-576-2221

Phone Number

Texas

State

77580-1108

ZIP

281-576-5879

Fax Number

GPOOLE@bhisd.net

Email Address

Mobile Number (optional)

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)*

Sara	Leon
First Name	Last Name
Partner	
Title	
Powell & Leon, L.L.P.	
Firm Name	
512-494-1177	512-494-1188
Phone Number	Fax Number
	sleon@powell-leon.com
	Email Address
Mobile Number <i>(optional)</i>	

4. On what date did the district determine this application complete? October 2, 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)*

Mark	Apostle
First Name	Last Name
Assistant Controller	Energy Transfer Partners, L.P.
Title	Organization
800 E. Sonterra Blvd., Suite 400	
Street Address	
800 E. Sonterra Blvd., Suite 400	
Mailing Address	
San Antonio	Texas
City	State
210-572-0456	78258-3941
Phone Number	ZIP
	210-403-6664
	Fax Number
	mark.apostle@energytransfer.com
Mobile Number <i>(optional)</i>	Business Email Address

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

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

Megan	McKavanagh
First Name	Last Name
Property Tax Manager	Energy Transfer Partners, L.P.
Title	Organization
800 E. Sonterra Blvd., Suite 400	
Street Address	
800 E. Sonterra Blvd., Suite 400	
Mailing Address	
San Antonio	Texas
City	State
210-572-0457	78258-3941
Phone Number	ZIP
	210-403-6664
	Fax Number
	megan.mckavanagh@energytransfer.com
Mobile Number <i>(optional)</i>	Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Mike	Fry
First Name	Last Name
Energy Services-Director	
Title	
KE Andrews	
Firm Name	
469-298-1594	469-298-1619
Phone Number	Fax Number
mike@keatax.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? Lone Star NGL Asset Holdings II LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32044534082
3. List the NAICS code 325120
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement
- #1016 Barbers Hill ISD (2017); #1034 Barbers Hill ISD (2018); #1035 Barbers Hill ISD (2018);
#339 Barbers Hill (2014) #195 Barbers Hill ISD (2012); #251 Barbers Hill ISD (2014)

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board February 2019
2. Commencement of construction April 2019
3. Beginning of qualifying time period January 1 2020
4. First year of limitation January 2021
5. Begin hiring new employees April 2019
6. Commencement of commercial operations March 2020
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☐ Yes ☒ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? March 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Chambers County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Chambers County CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Chambers County, .542548 (100%) City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): N/A Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? See Tab 16

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): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 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)? 0
- 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? 12
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 1,190.75
- b. 110% of the average weekly wage for manufacturing jobs in the county is 2,426.88
- c. 110% of the average weekly wage for manufacturing jobs in the region is 1,273.50
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? 66,222.20
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,222.20
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
- 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
- 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

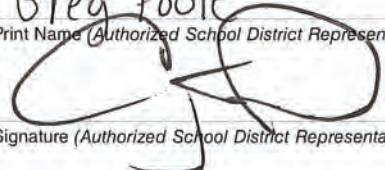
I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here ▶

Greg Poole
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign
here ▶


Signature (Authorized School District Representative)

9/25/18
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 ▶

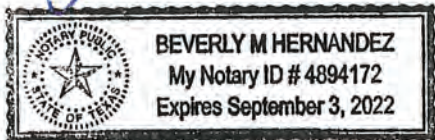
Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

Sr Mgr Property Tax
Title

sign
here ▶

Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

9-10-18
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10 day of September 2018

Beverly M. Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2022

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.



Tab 2

Proof of Payment Application Fee

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

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



KEANDREWS

VALUATION • TAX • SOLUTIONS

Tab 3

Documentation of Combined Group Membership

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com

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



Tab 4

Detailed Description of the Project

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Frac VII requests an appraised value limitation from Barbers Hill Independent School District. Lone Star NGL Asset Holdings II, LLC is proposing to construct a NGL fractionator in Chambers County, Texas. The facility will be located in the western portion of the county. Additionally, the entirety of the project will be within Barbers Hill Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

Frac VII will be a NGL fractionator with a total plant capacity of 120,000 barrels per day located within a reinvestment zone in Chambers County, Texas. Construction is anticipated to commence in April 2019. The hiring of new employees will begin in March 2020, and the purchase of equipment and machinery will also begin in March 2019. Construction is projected to be complete by March 2020, when the plant will also be fully operational.

Lone Star NGL Asset Holdings, LLC (Frac VII) requests that this application includes but is not limited to the following components of this project:

- Deethanizer
- Depropanizer
- Debutanizer
- Associated Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to



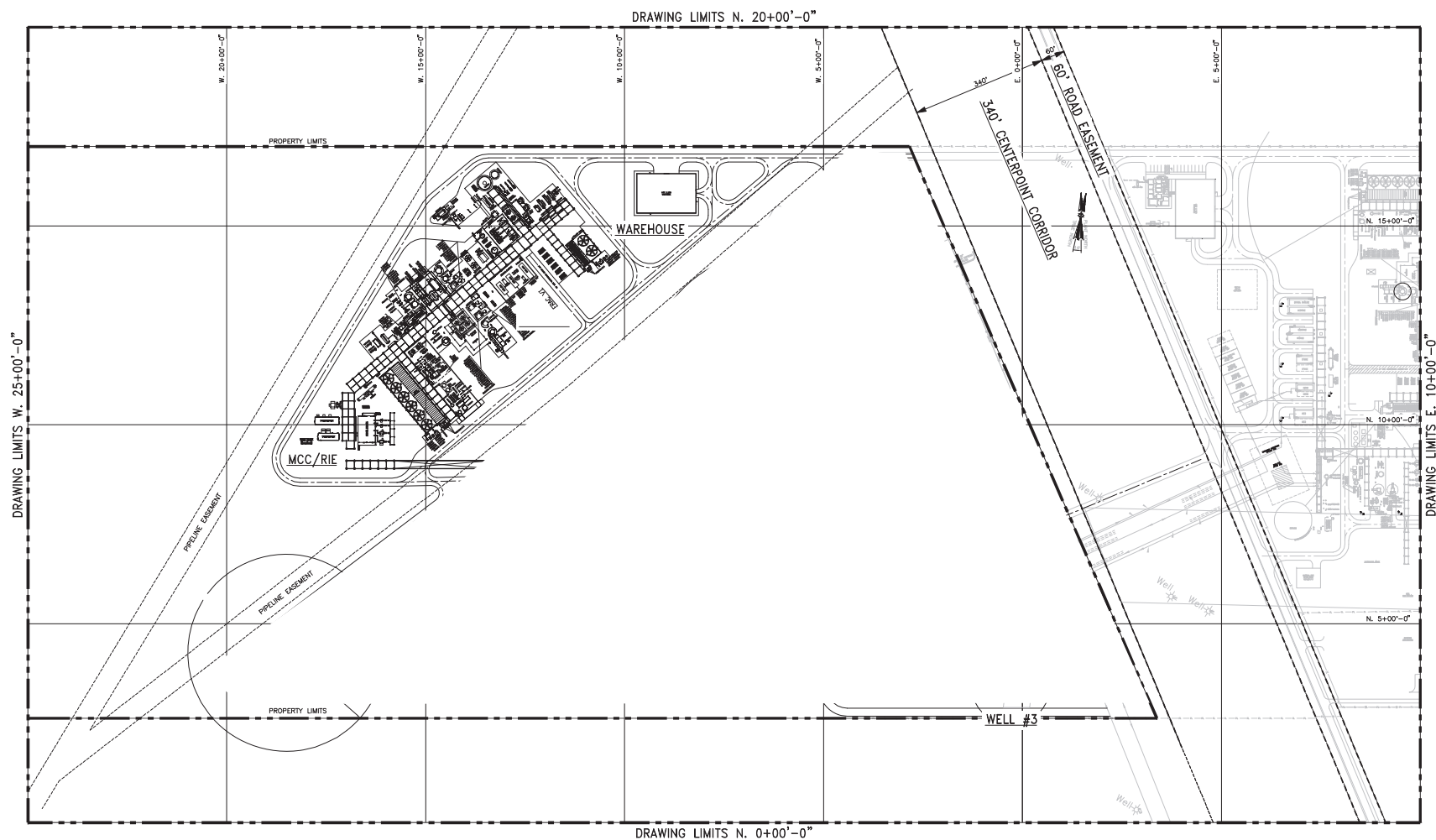
the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e. propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the net lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGL's

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas liquids is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world).
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The bulk of remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as a normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline:** Natural gasoline is used primarily as a blendstock.



DRAWING NUMBER	DRAWING DESCRIPTION

8/2015

FOR ESTIMATING
PURPOSES ONLY

[illegible]

JOB. NO. PC-1581			
 S&B ENGINEERS and CONSTRUCTORS, LTD. HOUSTON, TEXAS			
Lone Star NGL Fractionators LLC Mont Behrhu Y-Grade Fractionation Plant			
DRAWN JS	CHECKED 	ENGINEER 	SCALE 1" =
DATE 8/2015	DATE 	DATE 	SHEET 1



FRACTIONATION PLANT
PLOT PLAN ~ OVERALL
FRAC VI & VII - OPT. #4

DRAWING NUMBER
SK-600-4250-0004

*Lone Star NGL
Fractionators LLC*



Tab 5

Limitation as a Determining Factor

ETC Texas Pipeline, LTD is a leading midstream company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. Currently, Energy Transfer operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities, and 3 gas conditioning plants. The states where these operations are located include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas, and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Frac VII Plant economics. Approval of such agreement will be an influential factor in determining the establishment of the plant, especially since there are multiple other potential projects presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico where similar property tax incentives such as the following are also offered:

- Louisiana offer a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs

The vast footprint of ETC provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation. In the event a 313 agreement is not permitted, Energy Transfer will relocate Frac VII to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss Chambers County from receiving the economic benefits associated with the development of an additional natural gas processing plant within their county. It is our goal to reach a 313 value limitation agreement for Frac VII for the benefit of both Chambers County, Texas, and Energy Transfer.

SIGNIFICANT GEOGRAPHIC FOOTPRINT ACROSS THE FAMILY



Asset Overview

ETP Assets	Marcus Hook
SXL Assets	Eagle Point
Terminals	Nederland
	Midland

Recently In-service & Announced Growth Projects

Lake Charles LNG	Bayou Bridge
Dakota Access Pipeline	Rover Pipeline
Crude Conversion Pipeline	Revolution System
Comanche Trail Pipeline	Mariner East Phase 2
Trans-Pecos Pipeline	

(1) Represents Sunoco LP retail locations. On April 6, 2017, Sunoco LP announced the partnership will be divesting approximately 1,100 convenience stores to 7-Eleven. Sunoco LP is currently marketing another 207 convenience stores in North and West Texas, New Mexico and Oklahoma. SUN plans to exit the company-operated convenience store business in the Continental United States during 2017.



Tab 6

Frac VII is located 100 % in Barbers Hill Independent School District in Chambers County, Texas.

Taxing Jurisdiction	Percentage of Project located within Jurisdiction	Tax Rate
Chambers County	100 %	.542548
Barbers Hill ISD	100 %	1.3298



Tab 7

Description of Qualified Investment

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Frac VII requests an appraised value limitation from Barbers Hill Independent School District. Lone Star NGL Asset Holdings II, LLC is proposing to construct a NGL fractionator in Chambers County, Texas. The facility will be located in the western portion of the county. Additionally, the entirety of the project will be within Barbers Hill Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

Frac VII will be a NGL fractionator with a total plant capacity of 120,000 barrels/day located within a reinvestment zone in Chambers County, Texas. Construction is anticipated to commence in April 2019. The hiring of new employees will begin in March 2020, and the purchase of equipment and machinery will also begin in March 2019. Construction is projected to be complete by March 2020, when the plant will also be fully operational.

Lone Star NGL Asset Holdings II, LLC (Frac VII) requests that this application includes but is not limited to the following components of this project:

- Deethanizer
- Depropanizer
- Debutanizer
- Associated Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e. propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the net lightest

AUSTIN • DALLAS • DENVER



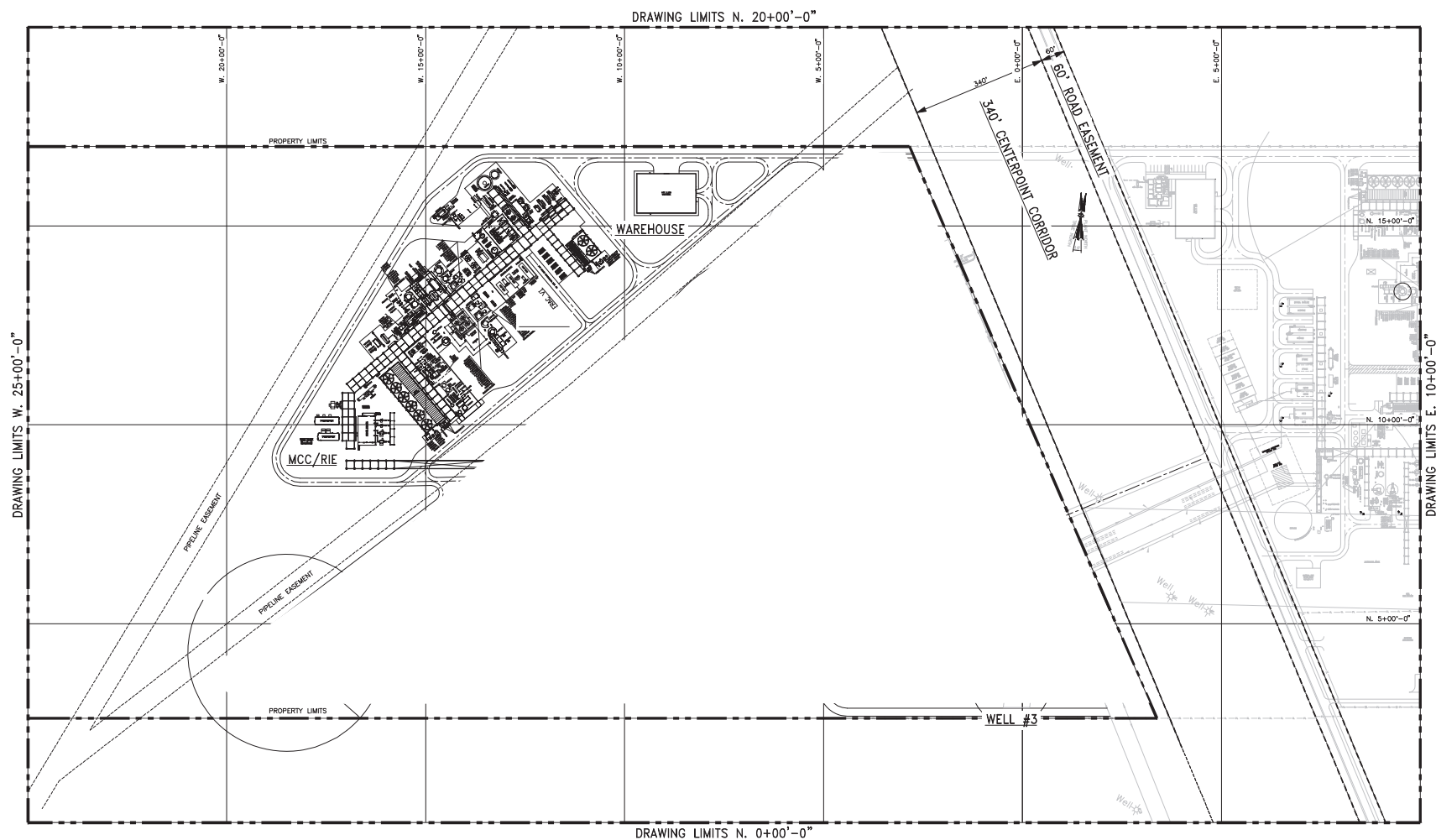
component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGL's

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas liquids is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world).
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The bulk of remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as a normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline:** Natural gasoline is used primarily as a blendstock.



DRAWING NUMBER	DRAWING DESCRIPTION

8/2015

FOR ESTIMATING
PURPOSES ONLY

A	8/2015	JS	ISSUED FOR ESTIMATING			-	-	-
REV	_DAT	BY	DESCRIPTION			CHRD	ENG	APR

JOB. NO. PC-1581	
 S&B ENGINEERS and CONSTRUCTORS, LTD. HOUSTON, TEXAS	
Lone Star NGL Fractionators LLC Mont Belvieu Y-Grade Fractionation Plant	
DRAWN JS	CHECKED ENGINEER SCALE 1" = 12'
DATE 8/2015	DATE DATE SHEET 1 of 1



FRACTIONATION PLANT
PLOT PLAN ~ OVERALL
FRAC VI & VII - OPT. #4

*Lone Star NGL
Fractionators LLC*

CLIENT APPROVAL	DRAWING NUMBER SK-600-4250-0004	REV. A
-----------------	---	------------------

Tab 8

Description of Qualified Property

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Frac VII requests an appraised value limitation from Barbers Hill Independent School District. Lone Star NGL Asset Holdings II, LLC is proposing to construct a NGL fractionator in Chambers County, Texas. The facility will be located in the western portion of the county. Additionally, the entirety of the project will be within Barbers Hill Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

Frac VII will be a NGL fractionator with a total plant capacity of 120,000 barrels/day located within a reinvestment zone in Chambers County, Texas. Construction is anticipated to commence in April 2019. The hiring of new employees will begin in March 2020, and the purchase of equipment and machinery will also begin in March 2019. Construction is projected to be complete by March 2020, when the plant will also be fully operational.

Lone Star NGL Asset Holdings II, LLC (Frac VII) requests that this application includes but is not limited to the following components of this project:

- Deethanizer
- Depropanizer
- Debutanizer
- Associated Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture



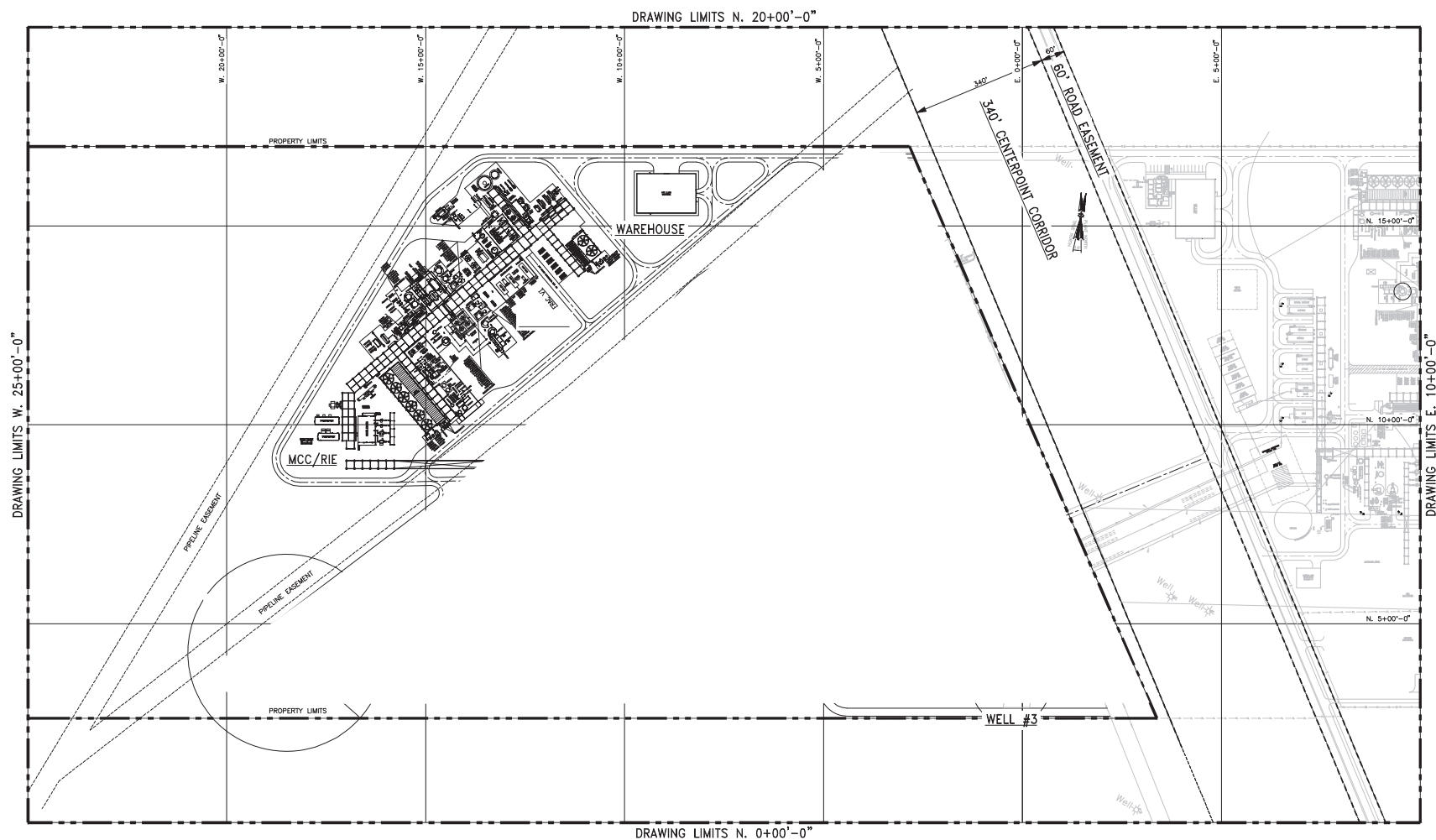
at the bottom of the tower (i.e. propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the net lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGL's

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas liquids is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world).
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The bulk of remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as a normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline:** Natural gasoline is used primarily as a blendstock.



DRAWING NUMBER	DRAWING DESCRIPTION

8/2015

FOR ESTIMATING
PURPOSES ONLY

[illegible]

JOB. NO. PC-1581			
 S&B ENGINEERS and CONSTRUCTORS, LTD. HOUSTON, TEXAS			
Lone Star NGL Fractionators LLC Mont Behrhu Y-Grade Fractionation Plant			
DRAWN JS	CHECKED	ENGINEER	SCALE 1" =
DATE 8/2015	DATE	DATE	SHEET 1



FRACTIONATION PLANT
PLOT PLAN ~ OVERALL
FRAC VI & VII - OPT. #4

*Lone Star NGL
Fractionators LLC*

CLIENT APPROVAL	DRAWING NUMBER SK-600-4250-0004	REV. A
-----------------	---	------------------



Tab 9

Description of Land

Land not considered part of qualified property or investment



Tab 10

Description of Existing Improvement

There are no existing improvements related to the project at the proposed site



Tab 11

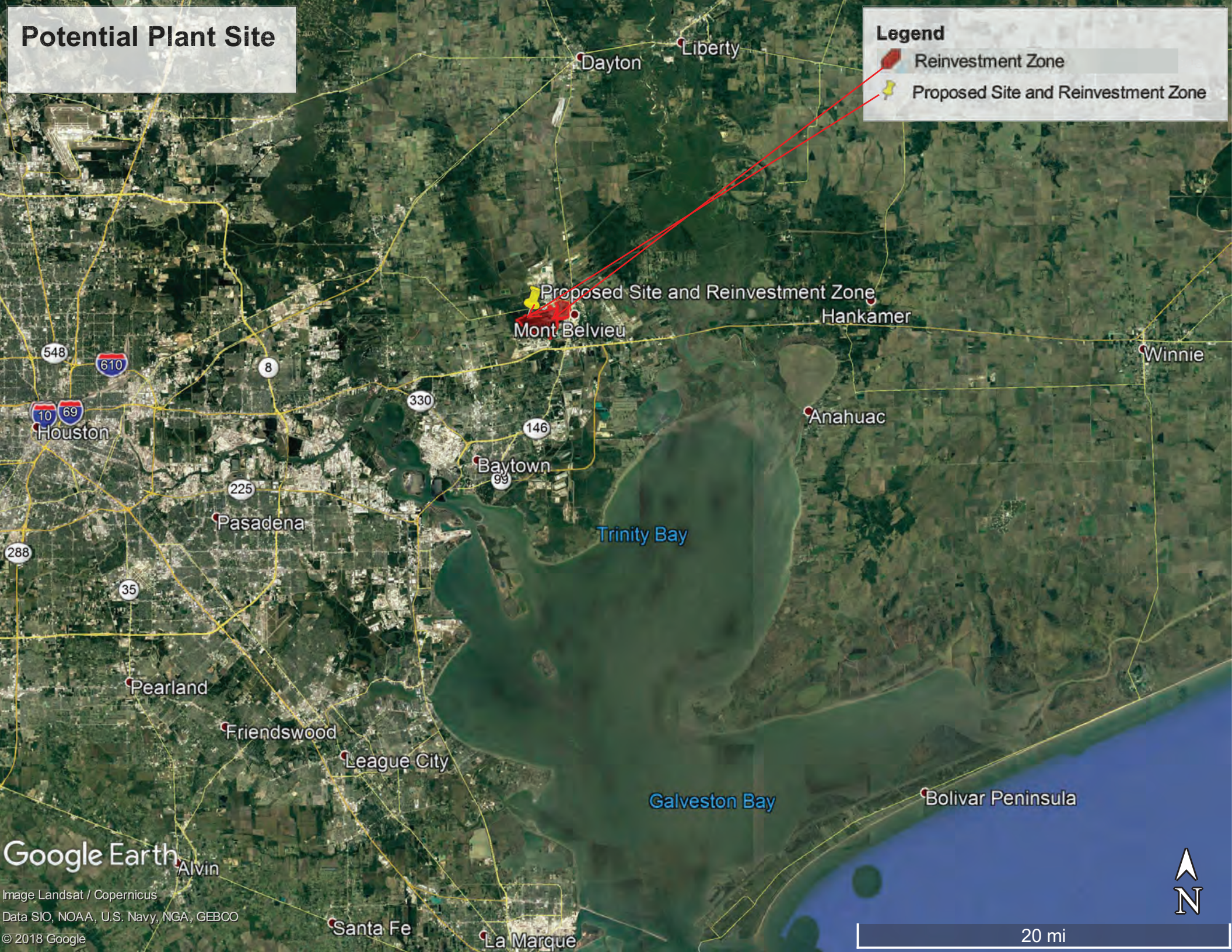
Maps

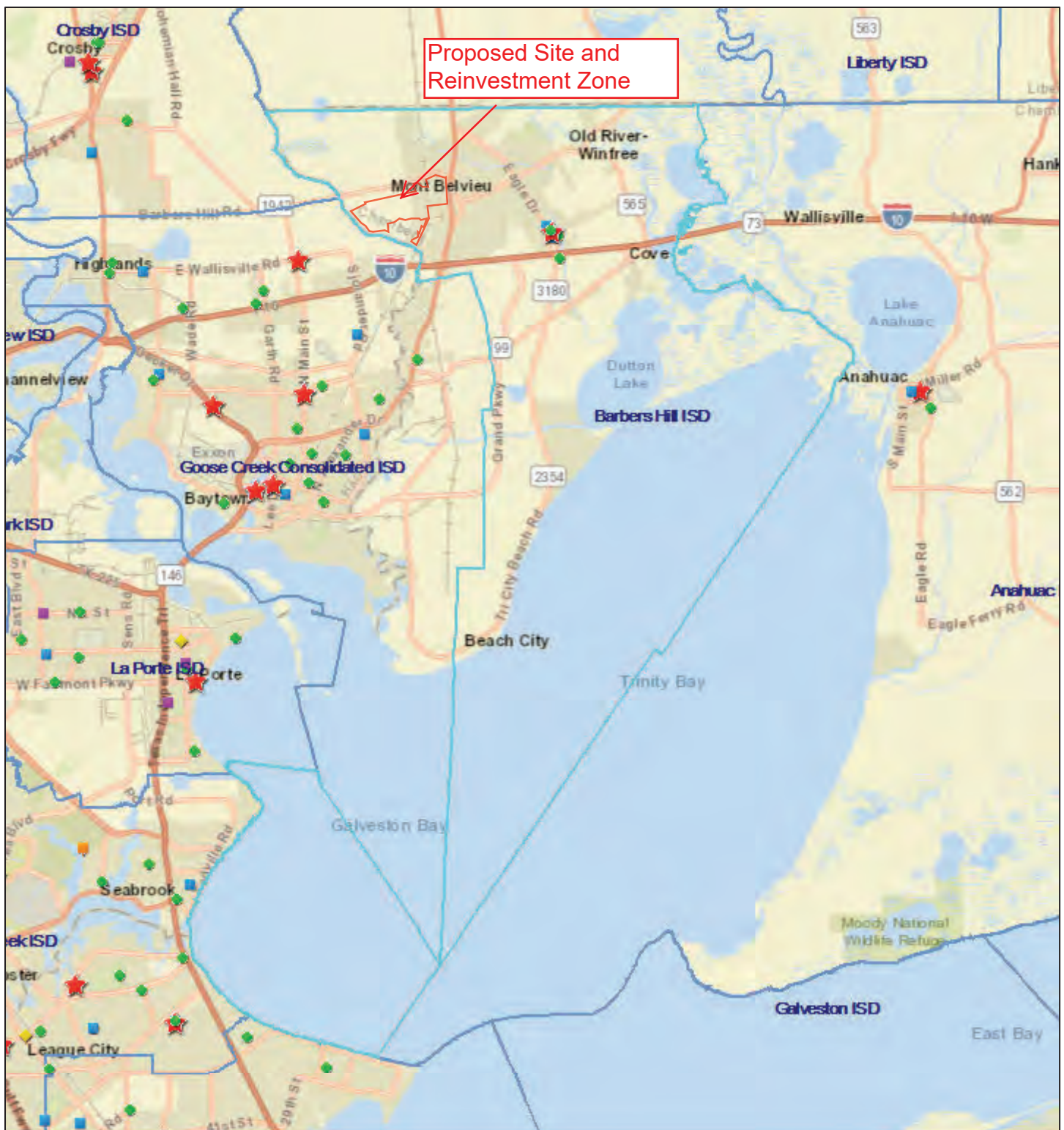
Potential Plant Site

Legend

 Reinvestment Zone

 Proposed Site and Reinvestment Zone





August 11, 2017

Current_Schools

- Elementary School
- Middle School
- Junior High School
- ★ High School

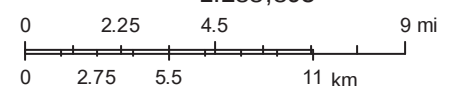
◆ Academy/Charter School

■ Other Schools

Texas_Outline

Current_Districts

1:288,895



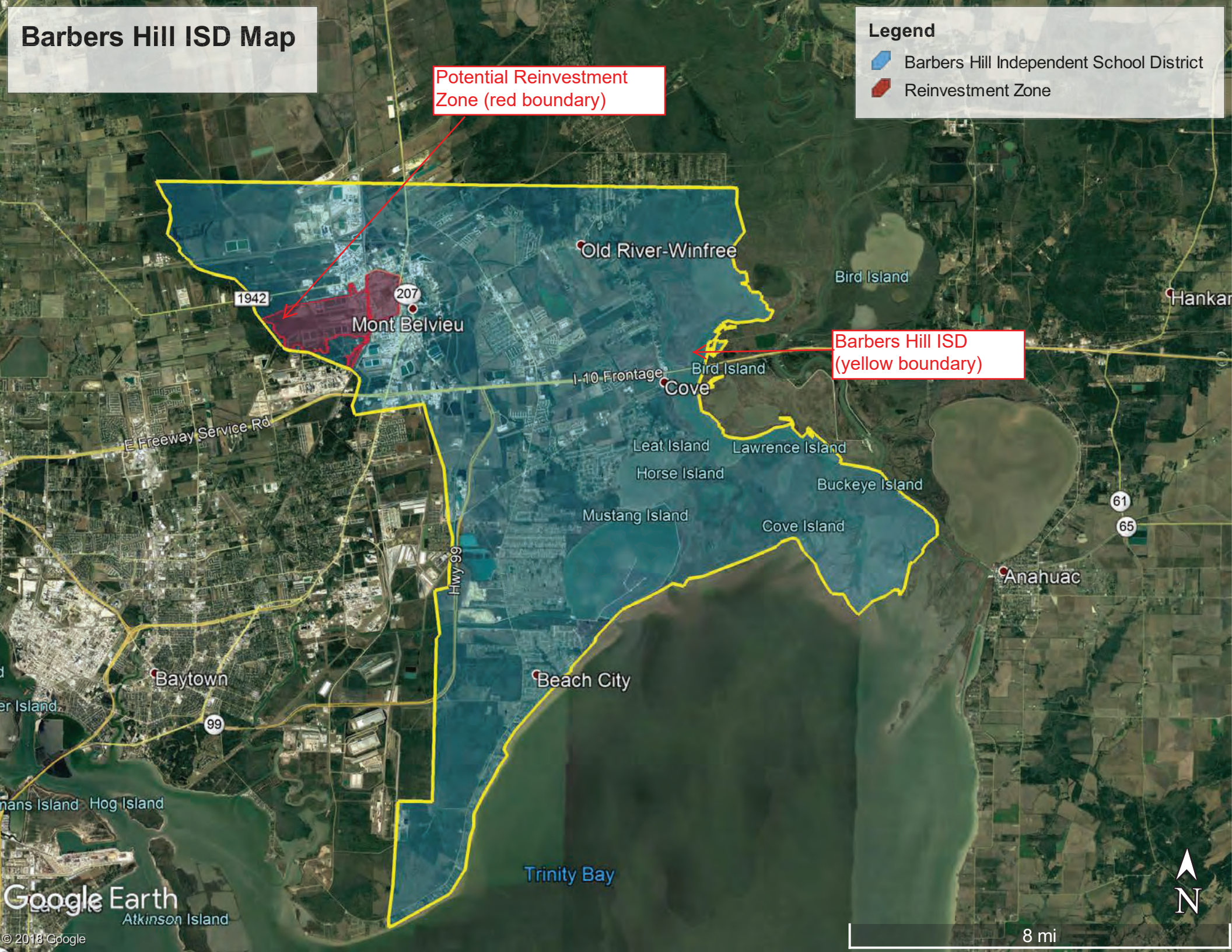
Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

Barbers Hill ISD Map

Legend

 Barbers Hill Independent School District

 Reinvestment Zone



Potential Reinvestment Zone (red boundary)

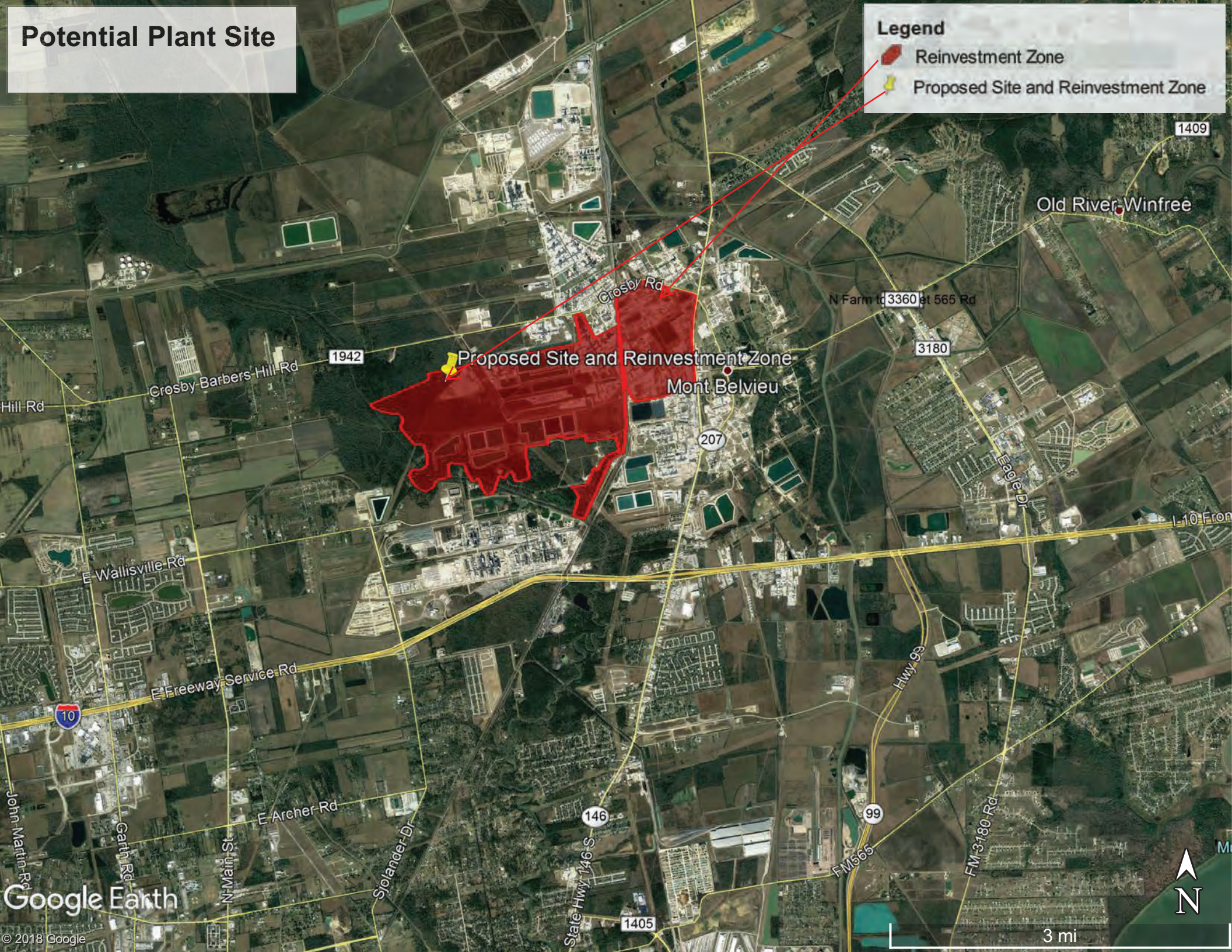
Barbers Hill ISD (yellow boundary)

Potential Plant Site

Legend

Reinvestment Zone

Proposed Site and Reinvestment Zone

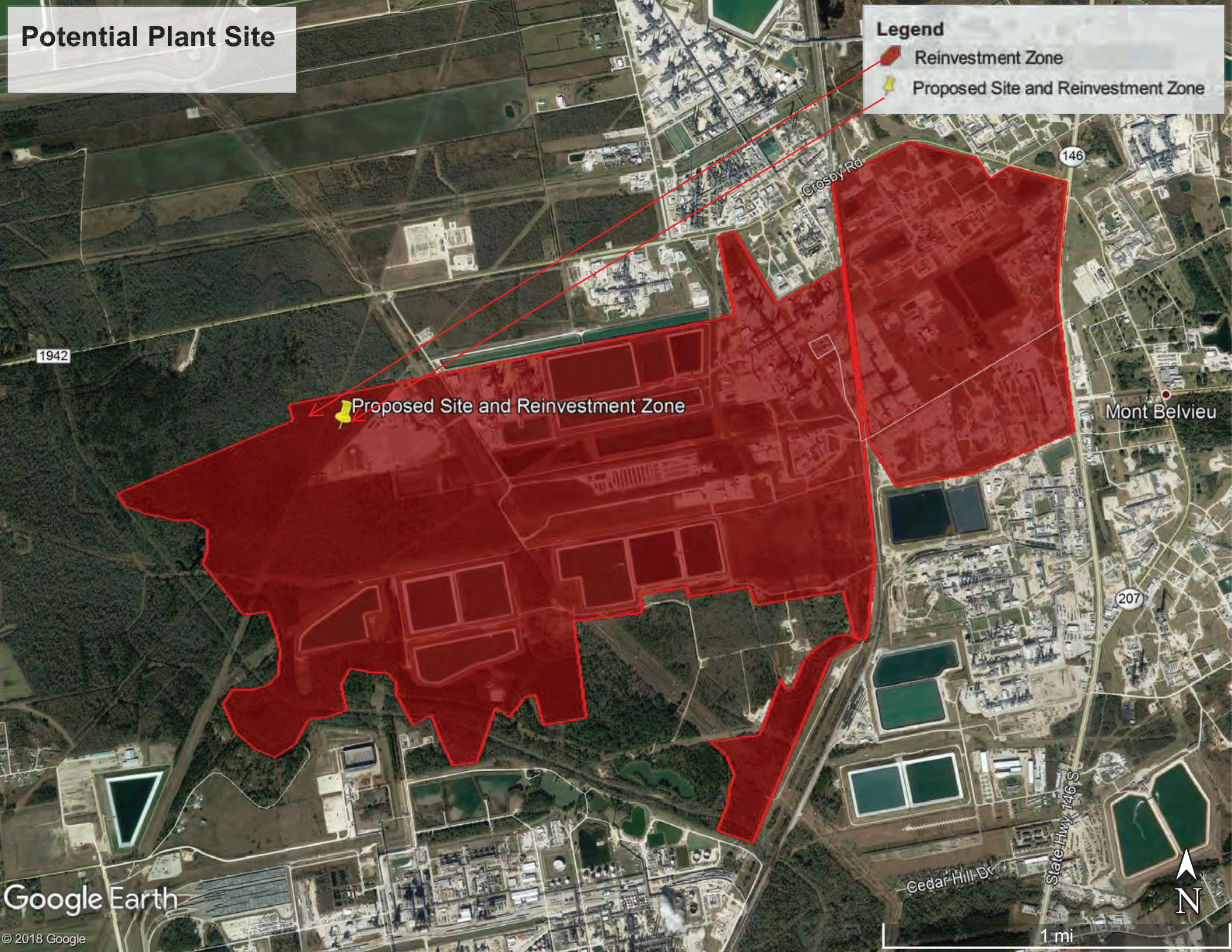


Potential Plant Site

Legend

 Reinvestment Zone

 Proposed Site and Reinvestment Zone



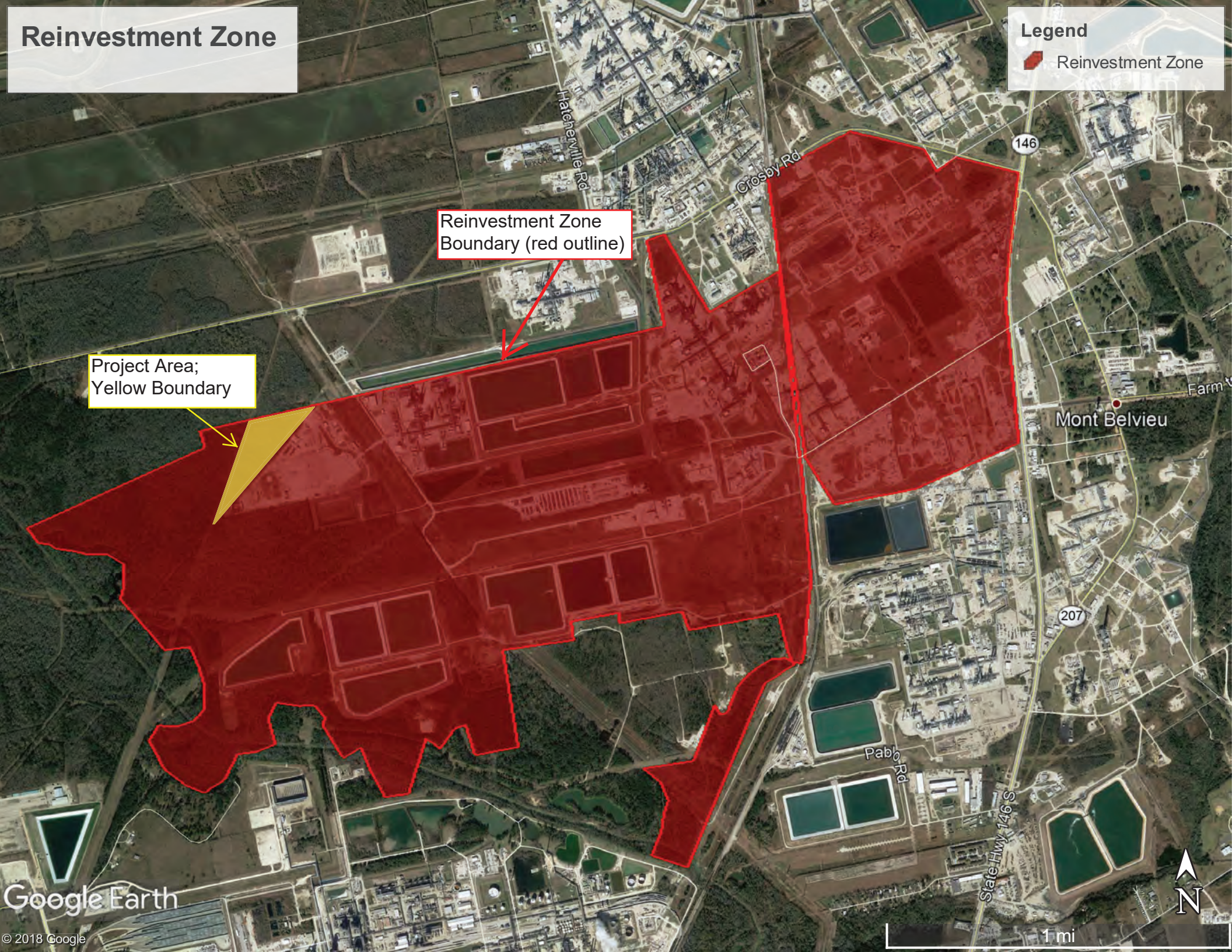
Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary (red outline)

Project Area;
Yellow Boundary



Project Area Map

Frac 7 Schematic, inside yellow project area, inside red Reinvestment Zone

Legend

-  Project Area
-  Reinvestment Zone

Reinvestment Zone; Red Boundary

Project Area; Yellow Boundary

Frac 7 and Associated qualified property schematic; Everything in Black





Tab 12

Request for Waiver of Job Requirements

Please refer to the proceeding letter.

September 4, 2018

Dr. Greg Poole
 Barbers Hill Independent School District
 9600 Eagle Drive
 Mont Belvieu, TX 77523

Re: Lone Star NGL Asset Holdings II, LLC (Frac VII) Chapter 313 Job Waiver Request

Dear Dr. Poole,

Lone Star NGL Asset Holdings II, LLC (Frac VII) is requesting that Barbers Hill Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Lone Star NGL Asset Holdings II, LLC (Frac VII) requests that Barbers Hill ISD makes such finding and waive the job creation requirement of 25 permanent jobs. In line with current industry standards for job requirements, Lone Star NGL Asset Holdings II, LLC (Frac VII) has committed to create 12 qualifying jobs in Barbers Hill ISD.

Fractionation projects create many jobs, both full and part time. Additionally, during the construction phase fractionation projects create many temporary jobs; however, after construction is complete fractionation plants only require a relatively small number of workers to operate and maintain the plant. The number of jobs (insert) Lone Star NGL Asset Holdings II, LLC (Frac VII) has committed to create is congruent with current industry standards for the maintenance and operation of a facility of this capacity. This is evidenced by previously certified limitation agreement applications by other fractionator developers. The following chart is an example of job creation standards for regional fractionation units:

Facility	FTE Operators	FTE Maintenance	FTE Admin, Supervision, Safety, etc.	FTE Total
Cedar Bayou Train 4	4	9	-	13
Cedar Bayou Train 5	4	6	-	10
Frac #9, Mont Belvieu	4	4	4	12
Frac #4,5,6,8, Mont Belvieu	4	4	4	12
Seminole, Mont Belvieu	5	4	4	13
West Texas, Mont Belvieu	5	4	5	14
Average				12



KEANDREWS

VALUATION • TAX • SOLUTIONS

The establishment of Lone Star NGL Asset Holdings II, LLC (Frac VII) will undoubtedly be beneficial to the economic development of Chambers County and the advancement of the Texas energy sector. The salaries for these positions will be competitive and at minimum 110% of the Houston-Galveston Area Council of Government Regional Wage.

Thank you for the consideration of this request. If you have any questions, feel free to contact us.

Sincerely,

Mike Fry-Director—Energy Services
mike@keatax.com

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com



Tab 13

Calculation of Wage Requirements

U.S. Department of Labor—Bureau of Labor Statistics

The proceeding calculations are for the following wage requirements:

Calculation A: Chambers County Average Weekly Wage

Calculation B: 110% of Chambers County Average for Manufacturing Jobs

Calculation C: 110% of Houston-Galveston Area Council Average for Regional Manufacturing Jobs

Calculation A: Chambers County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2017	Q2	\$1092.00
2017	Q3	\$1146.00
2017	Q4	\$1185.00
2018	Q1	\$1340.00
2017- 2018	Q Average	\$1190.75

In order to calculate the Chambers County Average Weekly Wage for all Jobs, the following calculations were completed:

Quarterly Average Calculation:

Step 1: \$1092.00 + \$1146.00 + \$1185.00 + \$1340.00 = \$4763.00

Step 2: \$4763.00 / 4 = \$1190.75

**Calculation B: 110% of Chambers County Average Weekly Wage for Manufacturing Jobs**

Year	Quarter	Average Weekly Wage
2017	Q2	\$1859.00
2017	Q3	\$2064.00
2017	Q4	\$1950.00
2018	Q1	\$2952.00
2017-2018	Q Average	\$2206.25
2017-2018	110 % Q Average	\$2426.88

In order to calculate 110% of the Chambers County Average Weekly Wage for Manufacturing Jobs, the following calculations were completed:

110% Quarterly Average Calculation

Step 1: \$1859.00 + \$2064.00 + \$1950.00 + \$2952.00 = \$8825.00

Step 2: \$8825.00/4= \$2206.25

Step 3: \$2206.25 *1.10= **\$2426.88**



Calculation C: 110% of Houston-Galveston Area Council Average for Manufacturing Jobs in the Region

2017 Houston-Galveston Area Council of Government Regional Annual Wage: \$60,202.00

2017 Houston-Galveston Area Council of Government 110% Regional Wage: \$66,022.00 annually or \$1,269.65 weekly

In order to calculate 110% of the Houston-Galveston Area Council Average for Manufacturing Jobs in the Region the following calculations were completed:

Step 1: $\$60,202.00 \times 1.10 = \$66,222.20$

Step 2: $\$66,222.20 / 52 = \$1,273.50$

*All calculations were completed using the most recent data available from the Bureau of Labor Statistics—data attached



Quarterly Employment and Wages (QCEW)

[Restart](#) [Back](#) [Print](#) [Download](#)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,092
2017	3rd Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,146
2017	4th Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,185

Quarterly Employment and Wages (QCEW)

[Restart](#) [Back](#) [Print](#) [Download](#)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Chambers County	Total All	00	0	10	Total, all industries	\$1,340

Source: Texas Workforce Commission

Generated on: September 27, 2018 (1:53:48 PM)

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com



Quarterly Employment and Wages (QCEW)

[Restart](#) [Back](#) [Print](#) [Download](#)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Chambers County	Total All	31	2	31-33	Manufacturing	\$1,859
2017	3rd Qtr	Chambers County	Total All	31	2	31-33	Manufacturing	\$2,064
2017	4th Qtr	Chambers County	Total All	31	2	31-33	Manufacturing	\$1,950

Quarterly Employment and Wages (QCEW)

[Restart](#) [Back](#) [Print](#) [Download](#)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Chambers County	Total All	31	2	31-33	Manufacturing	\$2,952

Source: Texas Workforce Commission

Generated on: September 27, 2018 (1:59:08 PM)

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com



**2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
1. Panhandle Regional Planning Commission	\$23.65	\$49,190
2. South Plains Association of Governments	\$19.36	\$40,262
3. NORTEX Regional Planning Commission	\$23.46	\$48,789
4. North Central Texas Council of Governments	\$26.80	\$55,747
5. Ark-Tex Council of Governments	\$18.59	\$38,663
6. East Texas Council of Governments	\$21.07	\$43,827
7. West Central Texas Council of Governments	\$21.24	\$44,178
8. Rio Grande Council of Governments	\$18.44	\$38,351
9. Permian Basin Regional Planning Commission	\$26.24	\$54,576
10. Concho Valley Council of Governments	\$19.67	\$40,924
11. Heart of Texas Council of Governments	\$21.53	\$44,781
12. Capital Area Council of Governments	\$31.49	\$65,497
13. Brazos Valley Council of Governments	\$17.76	\$39,931
14. Deep East Texas Council of Governments	\$17.99	\$37,428
15. South East Texas Regional Planning Commission	\$34.98	\$72,755
16. Houston-Galveston Area Council	\$28.94	\$60,202
17. Golden Crescent Regional Planning Commission	\$26.94	\$56,042
18. Alamo Area Council of Governments	\$22.05	\$48,869
19. South Texas Development Council	\$15.07	\$31,343
20. Coastal Bend Council of Governments	\$28.98	\$60,276
21. Lower Rio Grande Valley Development Council	\$17.86	\$37,152
22. Texoma Council of Governments	\$21.18	\$44,060
23. Central Texas Council of Governments	\$19.30	\$40,146
24. Middle Rio Grande Development Council	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.



Tab 14

Schedules A1-D

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018-2019	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2019-2020	2019	\$200,000,000.00	\$-	\$-	\$-	\$200,000,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$65,000,000.00	\$-	\$-	\$-	\$65,000,000.00
	QTP2	2021-2022	2021	\$-	\$-	\$-	\$-	\$-
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$265,000,000.00				\$265,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$265,000,000.00				

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

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

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

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

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

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

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

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

Date 9/6/2018
Applicant Name Lone Star NGL Asset Holdings II, LLC (Frac VII)
ISD Name Barbers Hill ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 265,000,000.00				\$ 265,000,000.00
Each year prior to start of value limitation period**	0	2018-2019	2018					
Each year prior to start of value limitation period**	0	2019-2020	2019	\$ 200,000,000				\$ 200,000,000
Each year prior to start of value limitation period**	0	2020-2021	2020	\$ 65,000,000				\$ 65,000,000
Value limitation period***	1	2021-2022	2021					
	2	2022-2023	2022					
	3	2023-2024	2023					
	4	2024-2025	2024					
	5	2025-2026	2025					
	6	2026-2027	2026					
	7	2027-2028	2027					
	8	2028-2029	2028					
	9	2029-2030	2029					
	10	2030-2031	2030					
Total Investment made through limitation				\$ 265,000,000.00				\$ 265,000,000.00
Continue to maintain viable presence	11	2031-2032	2031					
	12	2032-2033	2032					
	13	2033-2034	2033					
	14	2034-2035	2034					
	15	2035-2036	2035					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036					
	17	2037-2038	2037					
	18	2038-2039	2038					
	19	2039-2040	2039					
	20	2040-2041	2040					
	21	2041-2042	2041					
	22	2042-2043	2042					
	23	2043-2044	2043					
	24	2044-2045	2044					
	25	2045-2046	2045					

* 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 **9/6/2018**
Applicant Name **Lone Star NGL Asset Holdings II, LLC (Frac VII)**
ISD Name **Barbers Hill ISD**

Form 50-296A

Revised May 2014

			Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	0	0	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Value Limitation Period	1	2021-2022	2021	0	0	\$ 265,000,000	\$ 265,000,000	\$ 265,000,000	\$ 80,000,000
	2	2022-2023	2022	0	0	\$ 254,400,000	\$ 254,400,000	\$ 254,400,000	\$ 80,000,000
	3	2023-2024	2023	0	0	\$ 243,800,000	\$ 243,800,000	\$ 243,800,000	\$ 80,000,000
	4	2024-2025	2024	0	0	\$ 233,200,000	\$ 233,200,000	\$ 233,200,000	\$ 80,000,000
	5	2025-2026	2025	0	0	\$ 222,600,000	\$ 222,600,000	\$ 222,600,000	\$ 80,000,000
	6	2026-2027	2026	0	0	\$ 212,000,000	\$ 212,000,000	\$ 212,000,000	\$ 80,000,000
	7	2027-2028	2027	0	0	\$ 201,400,000	\$ 201,400,000	\$ 201,400,000	\$ 80,000,000
	8	2028-2029	2028	0	0	\$ 190,800,000	\$ 190,800,000	\$ 190,800,000	\$ 80,000,000
	9	2029-2030	2029	0	0	\$ 180,200,000	\$ 180,200,000	\$ 180,200,000	\$ 80,000,000
	10	2030-2031	2030	0	0	\$ 169,600,000	\$ 169,600,000	\$ 169,600,000	\$ 80,000,000
Continue to maintain viable presence	11	2031-2032	2031	0	0	\$ 159,000,000	\$ 159,000,000	\$ 159,000,000	\$ 159,000,000
	12	2032-2033	2032	0	0	\$ 148,400,000	\$ 148,400,000	\$ 148,400,000	\$ 148,400,000
	13	2033-2034	2033	0	0	\$ 137,800,000	\$ 137,800,000	\$ 137,800,000	\$ 137,800,000
	14	2034-2035	2034	0	0	\$ 127,200,000	\$ 127,200,000	\$ 127,200,000	\$ 127,200,000
	15	2035-2036	2035	0	0	\$ 116,600,000	\$ 116,600,000	\$ 116,600,000	\$ 116,600,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036-2037	2036	0	0	\$ 106,000,000	\$ 106,000,000	\$ 106,000,000	\$ 106,000,000
	17	2037-2038	2037	0	0	\$ 95,400,000	\$ 95,400,000	\$ 95,400,000	\$ 95,400,000
	18	2038-2039	2038	0	0	\$ 84,800,000	\$ 84,800,000	\$ 84,800,000	\$ 84,800,000
	19	2039-2040	2039	0	0	\$ 74,200,000	\$ 74,200,000	\$ 74,200,000	\$ 74,200,000
	20	2040-2041	2040	0	0	\$ 63,600,000	\$ 63,600,000	\$ 63,600,000	\$ 63,600,000
	21	2041-2042	2041	0	0	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000
	22	2042-2043	2042	0	0	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000
	23	2043-2044	2043	0	0	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000
	24	2044-2045	2044	0	0	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000
	25	2045-2046	2045	0	0	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000

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 D: Other Incentives (Estimated)

Date 9/6/2018
Applicant Name Lone Star NGL Asset Holdings II, LLC (Frac VII)
ISD Name Barbers Hill 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	County:					
	City:					
	Other:					
Local Government Code Chapters 380/381	Chambers County	2021	2021-2030	\$ 1,178,961	50%	\$ 589,481
	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				\$ 1,178,961.00	50%	\$ 589,480.50

Additional information on incentives for this project:

Date 9/6/2018
Applicant Name Lone Star NGL Asset Holdings II, LLC (Frac VII)
ISD Name Barbers Hill ISD

Schedule C: Employment Information

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	0	2018-2019	2018				0	N/A
Each year prior to start of Value Limitation Period	0	2019-2020	2019	300FTE	\$ 66,222.20	N/A	0	N/A
Each year prior to start of Value Limitation Period	0	2020-2021	2020	300FTE	\$ 66,222.20	N/A	12	\$ 66,222.20
Value Limitation Period The qualifying time period could overlap the value limitation period	1	2021-2022	2021			N/A	12	\$ 66,222.20
	2	2022-2023	2022			N/A	12	\$ 66,222.20
	3	2023-2024	2023			N/A	12	\$ 66,222.20
	4	2024-2025	2024			N/A	12	\$ 66,222.20
	5	2025-2026	2025			N/A	12	\$ 66,222.20
	6	2026-2027	2026			N/A	12	\$ 66,222.20
	7	2027-2028	2027			N/A	12	\$ 66,222.20
	8	2028-2029	2028			N/A	12	\$ 66,222.20
	9	2029-2030	2029			N/A	12	\$ 66,222.20
	10	2030-2031	2030			N/A	12	\$ 66,222.20
Years Following Value Limitation Period	11 through 25	2031-2045	2031-2045			N/A	12	\$ 66,222.20

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



Tab 15

Economic Impact Study

NA



Tab 16

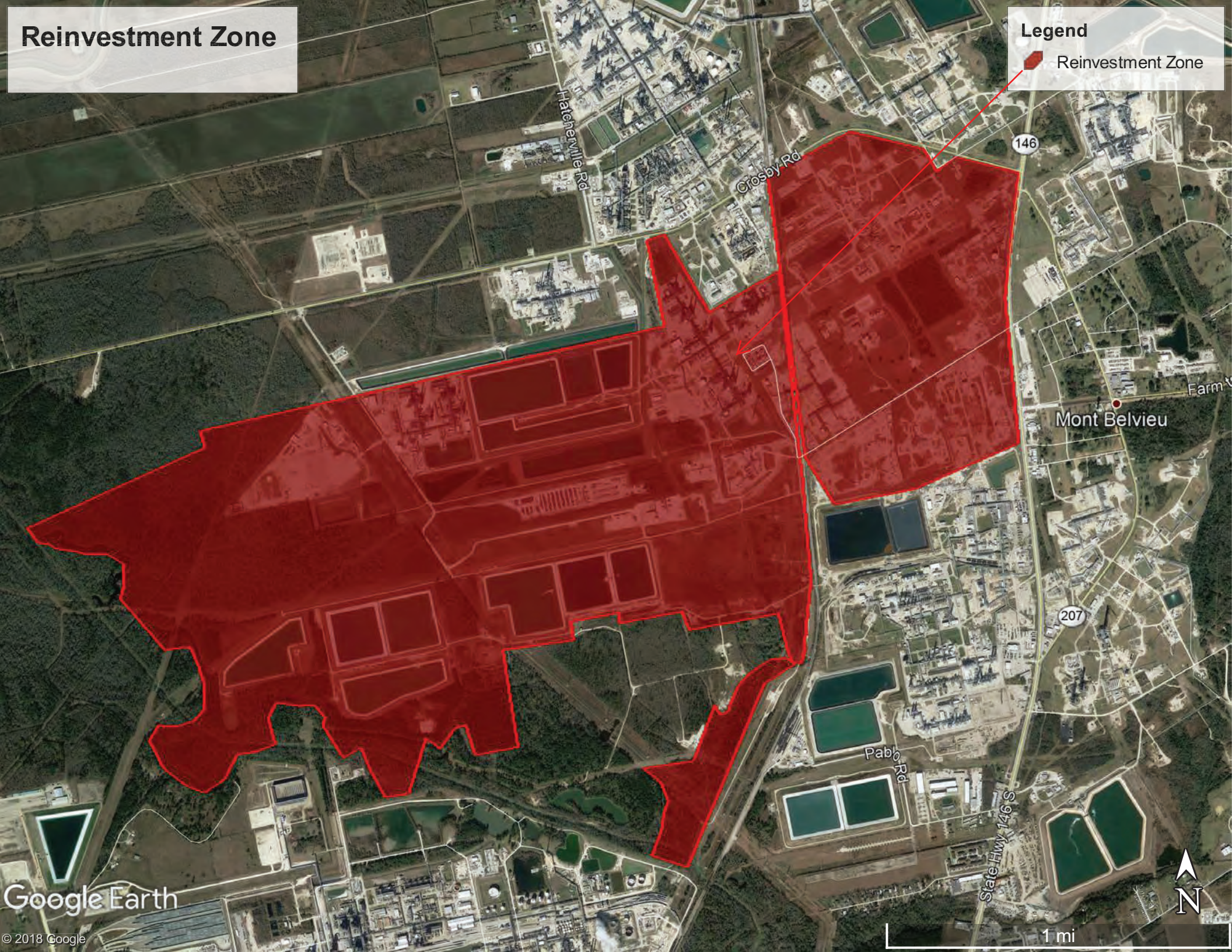
Description of Reinvestment Zone

**This project will exist within the reinvestment zone created in 2015 for previous Lone Star Fractionation projects. Please see the following documentation regarding the creation of said Reinvestment Zone.*

Reinvestment Zone

Legend

-  Reinvestment Zone



**NOTICE OF PUBLIC HEARING REGARDING CREATION OF THE
LONE STAR NGL 2015 REINVESTMENT ZONE**

Notice is given that LONE STAR NGL ASSET HOLDINGS II, LLC ("LONE STAR") has applied to the Commissioner's Court of CHAMBERS COUNTY, TEXAS ("the Court") for the creation of a commercial – industrial reinvestment zone within Chambers County, Texas. LONE STAR has requested that an 84.98-acre tract of land owned by it, located in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1, Chambers County, Texas ("the property") be designated a reinvestment zone by the Court, thereby permitting LONE STAR to seek tax abatement from Chambers County, Texas, on improvements proposed to be constructed on the property. The LONE STAR Application for Tax Abatement and Request for Designation of the LONE STAR 2015 Reinvestment Zone were submitted to the Court on December 9, 2014 and August 11, 2015, respectively.

The required hearing on the designation/creation of the reinvestment zone will be conducted by the Court on Tuesday, August 25, 2015, at 10:00 a.m. in the courtroom of the Chambers County Court located in the Chambers County Courthouse, 404 Washington Avenue, Anahuac, Texas 77514. All persons interested in such application or desiring to comment thereon are invited to attend and participate in such hearing.

DATED: August 11, 2015

CHAMBERS COUNTY COMMISSIONERS COURT
ANAHUAC, TEXAS

LONE STAR PROPERTY DESCRIPTION

84.98 acres of land in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1,
Chambers County, Texas.



Google earth

miles 1
km 2



**ORDER DESIGNATING/CREATING
LONE STAR 2015 REINVESTMENT ZONE**

On August 25, 2015, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("the Court"), the Court conducted a hearing on the application of LONE STAR NGL ASSET HOLDINGS II, LLC ("Lone Star") for the creation of the Lone Star NGL 2015 Reinvestment Zone ("the Reinvestment Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement.
2. Lone Star has applied, in a timely and adequate fashion, for tax abatement on a proposed project to be developed within the Reinvestment Zone.
3. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the creation of the Reinvestment Zone. Specifically, notice of today's hearing was published in the manner required by law and notice was timely given to the presiding officer of other taxing units of government as required by law.
4. The designation of the Reinvestment Zone will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will be a benefit to the property to be included in the Reinvestment Zone and will contribute to the economic development of the County and surrounding area.
5. The improvements sought to be made are feasible and practical and will be a benefit to the land to be included in the Reinvestment Zone.
6. The area requested to be designated as a reinvestment zone meets the criteria for designation as such in one of more ways as specifically provided by law.

Insert
15-08-504

Therefore, upon motion made by Commissioner Huddleston
seconded by Commissioner Senac and passed _____,
be it RESOLVED and ORDERED by the Court that the 84.98-acre tract of land,
more or less, described in the attached Exhibit " LONE STAR PROPERTY
DESCRIPTION" (2 pages) is hereby designated as the LONE STAR NGL 2015
REINVESTMENT ZONE and is eligible for commercial / industrial tax
abatement.

PASSED and ADOPTED August 25, 2015.

CHAMBERS COUNTY, TEXAS

By: _____

JUDGE JIMMY SYLVIA,
Chambers County Judge

ATTEST

Heather H. Hawthorne
HEATHER H. HAWTHORNE, County Clerk

**APPLICATION FOR DESIGNATION / CREATION
OF THE LONE STAR NGL 2015 REINVESTMENT ZONE**

TO THE CHAMBERS COUNTY COMMISSIONERS COURT:

LONE STAR NGL ASSET HOLDINGS II, LLC ("LONE STAR") files this application and requests the designation / creation of a commercial-industrial reinvestment zone under Texas Tax Code Chapter 312. The property requested to be designated as a commercial-industrial reinvestment zone is 84.98 acres of land ("the property") in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1, Chambers County, Texas, as it is particularly described in the attached Exhibit 1 " LGH TRACTS", which consists of 3 pages. LONE STAR controls the property and the property is located in Chambers County, Texas, and in the City of Baytown's extraterritorial jurisdiction.

LONE STAR has filed an application for tax abatement with Chambers County, Texas. LONE STAR seeks abatement of ad valorem taxes from Chambers County on approximately \$308 million in commercial-industrial improvements to be constructed on the property. The proposed improvements subject to the proposed abatement are generally described in the attached Exhibit 2.

Notice of the required public hearing relating to the designation / creation of this requested commercial-industrial reinvestment zone will be timely given, published and/or posted as required by law. A hearing on the application is requested before the Chambers County Commissioner's Court on August 11, 2015.

SIGNED (Date)

8/5/15

LONE STAR NGL ASSET HOLDINGS II, LLC

By:

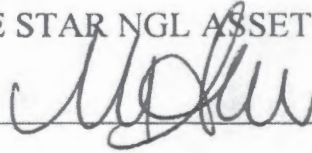
A handwritten signature in dark ink, appearing to be "M. J. ...", written over a horizontal line.

Exhibit 1:

LGH Tracts

LGH Tract	Chambers PID #	Chambers CAD Legal
1	16241	12 TR 67-1 H GRIFFITH
2	16242	12 TR 86-1 H GRIFFITH
3	16241	12 TR 67-1 H GRIFFITH
4	N/A	N/A
5	20620	4 TR 6A-0 WM BLOODGOOD
6A	20620	4 TR 6A-0 WM BLOODGOOD
6B	29968	4 TR 6A-0-1 WM BLOODGOOD
7	16241	12 TR 67-1 H GRIFFITH
8	20620	4 TR 6A-0 WM BLOODGOOD
9	16241	12 TR 67-1 H GRIFFITH
10	20620	4 TR 6A-0 WM BLOODGOOD
11	20620	4 TR 6A-0 WM BLOODGOOD
12	20620	4 TR 6A-0 WM BLOODGOOD
13	29968	4 TR 6A-0-1 WM BLOODGOOD
14	29968	4 TR 6A-0-1 WM BLOODGOOD
15	16242	12 TR 86-1 H GRIFFITH
16	16242	12 TR 86-1 H GRIFFITH
17	29968	4 TR 6A-0-1 WM BLOODGOOD
18	29968	4 TR 6A-0-1 WM BLOODGOOD
19	29968	4 TR 6A-0-1 WM BLOODGOOD
20	29968	4 TR 6A-0-1 WM BLOODGOOD
21	20620	4 TR 6A-0 WM BLOODGOOD
22	29968	4 TR 6A-0-1 WM BLOODGOOD
23	40368	4 TR 69B-0-1 WM BLOODGOOD
24	29968	4 TR 6A-0-1 WM BLOODGOOD
25	N/A	N/A
26	35521	12 TR 103-2-1 H GRIFFITH
27	35520	12 TR 103-1-1 H GRIFFITH
28	16241	12 TR 67-1 H GRIFFITH
29	16240	12 TR 12-0 H GRIFFITH
30	16240	12 TR 12-0 H GRIFFITH
31	16240	12 TR 12-0 H GRIFFITH
32	16240	12 TR 12-0 H GRIFFITH
33	16240	12 TR 12-0 H GRIFFITH
34	16240	12 TR 12-0 H GRIFFITH
35	16240	12 TR 12-0 H GRIFFITH
36		
	49011	12 TR 12-0-1 H GRIFFITH
	49012	12 TR 12-0-2 H GRIFFITH
37	N/A	N/A
38	16240	12 TR 12-0 H GRIFFITH
39	40885	4 TR 56-0-2 WM BLOODGOOD
40	N/A	N/A
41	29968	4 TR 6A-0-1 WM BLOODGOOD
42	29968	4 TR 6A-0-1 WM BLOODGOOD
43	29968	4 TR 6A-0-1 WM BLOODGOOD

44	16241	12 TR 67-1 H GRIFFITH	
45	16241	12 TR 67-1 H GRIFFITH	
46A	31391	4 TR 9-0-2 WM BLOODGOOD	
46B	31390	4 TR 9-0-1 WM BLOODGOOD	
47	3101	12 TR 74-5 H GRIFFITH	
48	3100	24 7-1 W D SMITH	
49	3099	24 6-1 W D SMITH	
50			
	3098	24 6-0 W D SMITH	
	22676	24 6-2 W D SMITH	part of 48-50
51	24544	24 8-1 W D SMITH	Part of 52
52			
	22668	24 8-5 WM D SMITH	
	20522	24 8-2 W D SMITH	
	24545	24 8-4 W D SMITH	
	24544	24 8-1 W D SMITH	
53	49400	12 TR 12-0-6 H GRIFFITH	
54	49351	24 1-2-4 W D SMITH	

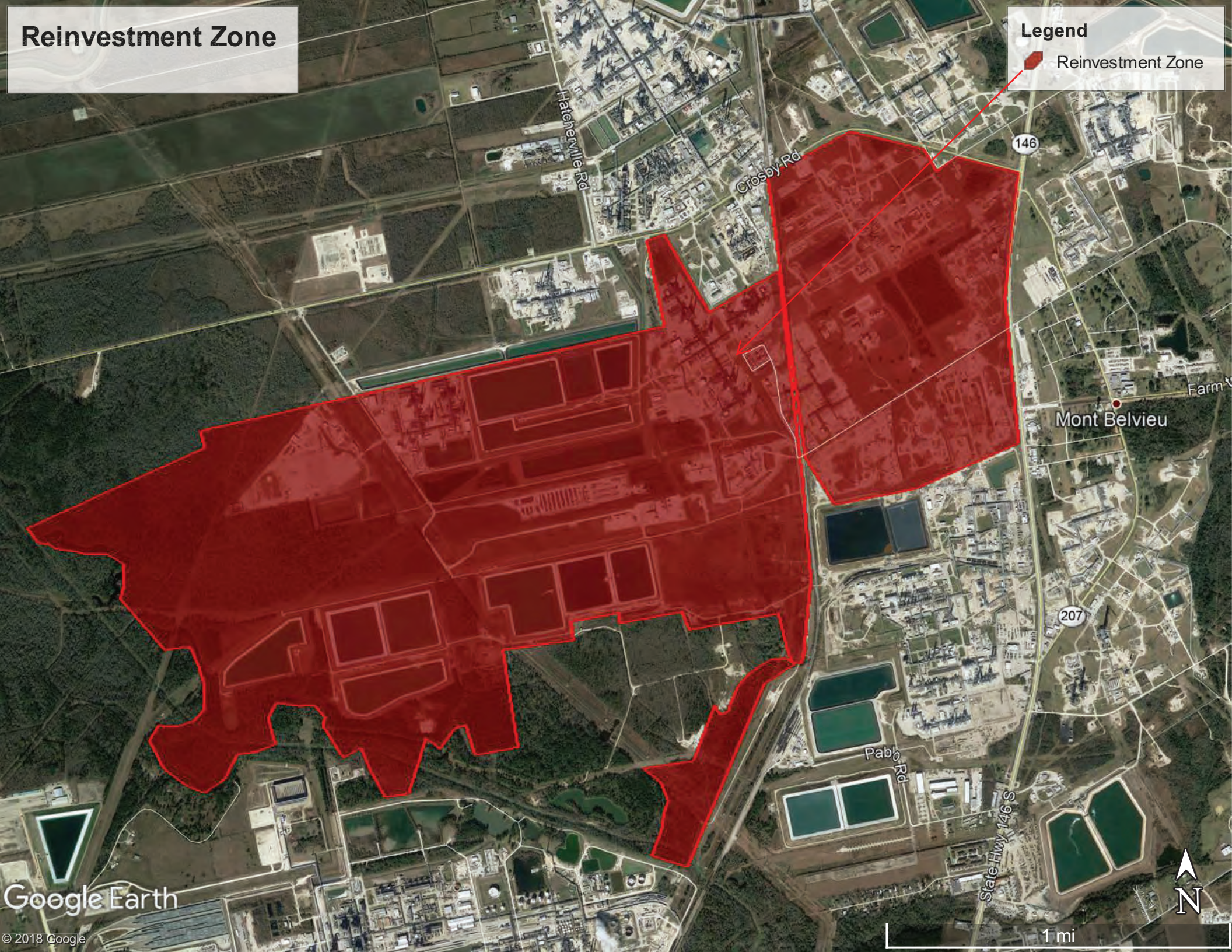
Non LGH Parcels

55	9831	24 11-1 WM D SMITH
56	50539	24 1-5-1 WM D SMITH
57	50538	24 1-3-1 W D SMITH
58	508	24 9-2 W D SMITH
59	18943	12 TR 74-0 H GRIFFITH
60	17620	12 TR 91-1 H GRIFFITH
61	4729	12 TR 82-0 H GRIFFITH
62	19145	12 TR 78-0 H GRIFFITH
63	5084	4 TR 4-0 WM BLOODGOOD
64	1863	4 TR 5-0 WM BLOODGOOD

Reinvestment Zone

Legend

-  Reinvestment Zone





KEANDREWS

VALUATION • TAX • SOLUTIONS

Tab 17

Signatures and Certification

AUSTIN • DALLAS • DENVER

1900 DALROCK ROAD • ROWLETT, TX 75088 • T (469) 298-1594 • F (469) 298-1595 • keatax.com

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

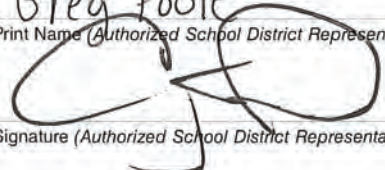
I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Greg Poole
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign
here


Signature (Authorized School District Representative)

9/25/18
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

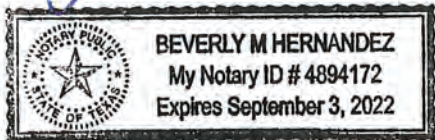
Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

Sr Mgr Property Tax
Title

sign
here

Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

9-10-18
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10 day of September 2018

Beverly M. Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2022

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.