

UNDERWOOD

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November 16, 2018

John Villarreal
Stephanie Jones
Michelle Luera
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: 313 Application – Targa Pipeline Mid-Continent Westtex, LLC

Dear John, Stephanie and Michelle:

Enclosed please find an application for appraised value limitation on qualified property submitted to Reagan County ISD by Targa Pipeline Mid-Continent Westtex, LLC on November 12, 2018, along with the schedules in Excel format. A CD containing these documents is also enclosed.

The Reagan County ISD Board elected to accept the application on November 12, 2018. The application was determined to be complete on November 16, 2018. We ask that the Comptroller's Office prepare the economic impact report for this application.

A copy of the application will also be submitted to the Reagan County Appraisal District in accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,



Fred A. Stormer

Encl.
NCHOMWCY0D40BC

cc: Chief Appraiser, Reagan County Appraisal District
Dorothy Pearson, Director-Indirect Taxes
Mike Fry, Director-Energy Services

via US Mail
via email: dpearson@targaresources.com
via email: mike@keatax.com



Targa Pipeline Mid-Continent Westtex, LLC (Gateway Plant L1)

*Chapter 313 Application for Appraised
Value Limitation to Reagan County
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

November 12, 2018

Date Application Received by District

Bobby

First Name

Fryar

Last Name

Superintendent

Title

Reagan County Independent School District

School District Name

1111 12th Street, Big Lake, Texas 76932

Street Address

1111 12th Street

Mailing Address

Big Lake

City

(325)-884-3021

Phone Number

Texas

State

76932

ZIP

(325)884-3021

Fax Number

bobby.fryar@rcisd.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)*

Fred	Stormer
First Name	Last Name
Attorney	
Title	
Underwood	
Firm Name	
806-379-0306	806-379-0316
Phone Number	Fax Number
	fred.stormer@uwlaw.com
Mobile Number <i>(optional)</i>	Email Address

4. On what date did the district determine this application complete? November 16, 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)*

John	Thompson
First Name	Last Name
VP Tax	Targa Pipeline Mid-Continent Westtex, LLC
Title	Organization
811 Louisiana Street, Suite 2100	
Street Address	
811 Louisiana Street, Suite 2100	
Mailing Address	
Houston	Texas
City	State
713-584-1580	77002
Phone Number	ZIP
	713-888-4265
Mobile Number <i>(optional)</i>	Fax Number
	jthompson@targaresources.com
	Business Email Address

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

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

Dorothy	Pearson
First Name	Last Name
Director-Indirect Taxes	Targa Pipeline Mid-Continent Westtex, LLC
Title	Organization
811 Louisiana Street, Suite 2100	
Street Address	
811 Louisiana Street, Suite 2100	
Mailing Address	
Houston	TX
City	State
713-584-1477	77002
Phone Number	ZIP
	713-888-4265
Mobile Number <i>(optional)</i>	Fax Number
	DPearson@targaresources.com
	Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Mike	Fry
First Name	Last Name
Director-Energy Services	
Title	
KE Andrews 1900 Dalrock Road; Rowlett, TX 75088	
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? Targa Pipeline Mid-Continent Westtex LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 14217331074
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

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
- ☒ Land has no existing improvements ☐ Land has existing improvements (*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 2nd Qtr 2019
2. Commencement of construction June 1, 2019
3. Beginning of qualifying time period 2nd Qtr 2019
4. First year of limitation January 1, 2020
5. Begin hiring new employees January 1, 2020
6. Commencement of commercial operations February 1, 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? February 1, 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Reagan County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Reagan 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: Reagan County, .548328 (100%) City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Santa Rita Water District, .005570 (100%)
(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? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
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:
- 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**);
 - 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
 - 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:
- legal description of the land (**Tab 9**);
 - 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**);
 - owner (**Tab 9**);
 - the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - 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:
- evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - legal description of reinvestment zone (**Tab 16**);
 - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - guidelines and criteria for creating the zone (**Tab 16**); and
 - 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? February, 2019

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**:
- maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - 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? 10
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 1,122.50 ..
- b. 110% of the average weekly wage for manufacturing jobs in the county is **No Data Available, See Tab 13** ..
- c. 110% of the average weekly wage for manufacturing jobs in the region is 865.70
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? 45,016.40 ..
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 45,016.40 ..
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 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)*



Tab 3

Documentation of Combined Group Membership

**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, Targa Pipeline Mid-Continent Westtex, LLC requests an appraised value limitation from Reagan County Independent School District. Targa Pipeline Mid-Continent Westtex, LLC is proposing to construct Gateway Plant L1, a natural gas processing facility in Reagan County, Texas. The facility, which will encompass approximately 62 acres on 1 parcel of land, will be located in the northwestern portion of the county. Additionally, the entirety of the project will be within Reagan County Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 250 mmcf (million cubic feet). Construction is anticipated to commence in June 2019, when the purchase of equipment and machinery will also occur. New employees will be hired in January 2020 and construction is projected to be complete by February 2020 when the plant will also be fully operational.

Targa Pipeline Mid-Continent Westtex, LLC requests that this application includes but is not limited to the following components of this project:

- Maintenance & Operations Buildings
- Inlet Separator
- Boilers
- Natural Gas/Air/H2O Piping
- Dehydration Units
- Slug Catcher
- Vessels
- Liners & Containment
- SCADA (monitoring software) plus Controls
- Foundations
- Amine Unit
- Heat Exchangers
- Control Valves
- Knock Out Drums
- Compressors
- Heat Exchanger
- Flare Stack, Scrubber, Leak Detection

Targa Pipeline Mid-Continent Westtexas, LLC, a leader in the energy sector, primarily focuses on midstream operations. These activities include but are not limited to the following:

- Gathering, treating, processing, and transporting of natural gas and natural gas liquids (NGL's)
- Storing, fractionating, treating, transporting, and trading of NGL's and NGL products
- Gathering, storing, and terminaling of crude oil
- Storing, terminaling, and trading of refined petroleum products

Currently, Targa's operations span a variety of locations across the United States with 27,000 miles of pipeline, 40 gas processing plants, 4 gas & petroleum crude terminals, 1 hydrotreater, 1 gas treater, 18 NGL terminals, 3 petroleum logistics facilities, and 2 storage facilities across 11 states including Arizona, Florida, Kansas, Louisiana, Maryland, Mississippi, North Dakota, New Mexico, Oklahoma, Texas, and Washington. Their ability to distribute products throughout the country is supported by their investment in transportation assets that include 700 railcars, 90 tractors, and 20 barges.

Considering Targa's footprint in the midstream energy services sector, their flexibility in selecting a location to establish facilities in is based on the economic viability of locations which are largely impacted by financial incentives such as value limitation agreements.

Gateway Plant L1 will serve as a gas processing plant manufacturing both dry natural gas, and natural gas liquids for sale to consumers and refiners. Upon completion, this facility will serve as a long-term processing, compression, and residue gas takeaway in the Delaware Basin Region of Texas.

Summary of Production Process

The initial stages of production will begin with raw natural gas produced at the well-head from various sources throughout the Permian Basin. This raw natural gas is then transported through gathering systems where it is either further process into natural gas or natural gas liquids. Upon processing, the products are delivered to the market through newly constructed pipelines.

Throughout this process there are a variety of components used including the following:

- | | |
|--|--|
| • Inlet Slug Catcher | • GSP Cryogenic Gas Plants |
| • Inlet Separation and Filtration | • Residue Recompression Units |
| • Amine Treating for CO ₂ Removal | • Heat Medium Systems |
| • TEG Dehydration for H ₂ O Removal | • Flare System |
| • Thermal Oxidizers | • Water Systems (supply, drain, waste) |
| • Molecular Sieve Dehydration | • Utilities |



Natural gas, as it is used by consumers, is much different from the natural gas that is brought from underground up to the wellhead. Although the processing of natural gas is in many respects less complicated than the processing and refining of crude oil, it is equally necessary before its used by end users.

Natural gas is composed almost entirely of methane. However, natural gas found at the wellhead, although still composed primarily of methane is by no means as pure. Raw natural gas comes from three types of wells: oil wells, gas wells, and condensate wells. Natural gas that comes from oil wells is typically termed 'associated gas.' This gas can exist separate from oil in the formation (free gas), or dissolved in the crude oil (dissolved gas). Natural gas from gas and condensate wells, in which there is little or no crude oil, is termed 'non-associated gas.' Gas wells typically produce raw natural gas by itself, while condensate wells produce free natural gas along with a semi-liquid hydrocarbon condensate. Whatever the source of the natural gas, once separated from crude oil (if present) it commonly exists in mixtures with other hydrocarbons; principally ethane, propane, butane, and pentanes. In addition, raw natural gas contains water vapor, hydrogen sulfide, carbon dioxide, helium, nitrogen, and other compounds.

Natural gas processing consists of separating all the various hydrocarbons and fluids from the pure natural gas, the produce what is known as 'pipeline quality' dry natural gas. Major transportation pipelines usually impose restrictions on the make-up of the natural gas that is allowed into the pipeline. That means that before the natural gas can be transported it must be purified. While the ethane, propane, butane, and pentanes must be removed from natural gas, this does not mean they are all 'waste products.'

In fact, associated hydrocarbons, known as 'natural gas liquids' (NGLs) can be very valuable by products of natural gas processing. NGLs include ethane, propane, butane, iso-butane, and natural gasoline. These NGLs are sold separately and have a variety of different uses; including enhancing oil recovery in oil wells, providing raw materials for oil refineries or petrochemical plants, and as sources of energy.

While some of the needed processing can be accomplished at or near the wellhead (field processing), the complete processing of natural gas takes place at a processing plant, usually located in a natural gas producing region. The extracted natural gas is transported to these processing plants through a network of gathering pipelines, which are small diameter, low pressure pipes. A complex gathering system can consist of thousands of miles of pipes, interconnecting the processing plant to upwards of 100 wells in the area. According to the American Gas Association's Gas Facts 2000, there was an estimated 36,100 miles of gathering system pipeline in the U.S. in 1999.

The actual practice of processing natural gas to pipeline dry gas quality levels can be quite complex, but usually involves four main processes to remove the various impurities:

- Oil and Condensate Removal
- Water Removal
- Separation of Natural Gas Liquids
- Sulfur and Carbon Dioxide Removal

Oil and Condensate Removal

The actual process used to separate oil from natural gas, as well as the equipment that is used, can vary widely. Although dry pipeline quality natural gas is virtually identical across different geographic areas, raw natural gas from different regions may have different compositions and separation requirements. In many instances, natural gas is dissolved in oil underground primarily due to the pressure that the formation is under. When this natural gas and oil is produced, it is possible that it will separate on its own, simply due to decreased pressure. In these cases, separation of oil and gas is relatively easy, and the two hydrocarbons are sent separate ways for further processing. The most basic type of separator is known as a conventional separator. It consists of a simple closed tank, where the force of gravity serves to separate the heavier liquids like oil, and the lighter gases, like natural gas.

Water Removal

In addition to separating oil and some condensate from the wet gas stream, it is necessary to remove most of the associated water. Most of the liquid, free water associated with extracted natural gas is removed by simple separation methods at or near the wellhead. However, the removal of the water vapor that exists in solution in natural gas requires a more complex treatment. This treatment consists of 'dehydrating' the natural gas, which usually involves one of two processes: either absorption or adsorption.

Absorption occurs when the water vapor is taken out by a dehydrating agent.

Adsorption occurs when the water vapor is condensed and collected on the surface.

Glycol Dehydration

An example of absorption dehydration is known as Glycol Dehydration. In this process, a liquid desiccant dehydrator serves to absorb water vapor from the gas stream. Glycol, the principal agent in this process, has a chemical affinity for water. This means that, when in contact with a stream of natural gas that contains water, glycol will serve to 'steal' the water out of the gas stream. Essentially, glycol dehydration involves using a glycol solution, usually either diethylene glycol (DEG)



or triethylene glycol (TEG), which is brought into contact with the wet gas stream in what is called the 'contactor'. The glycol solution will absorb water from the wet gas. Once absorbed, the glycol particles become heavier and sink to the bottom of the contactor where they are removed. The natural gas, having been stripped of most of its water content, is then transported out of the dehydrator. The glycol solution, bearing all of the water stripped from the natural gas, is put through a specialized boiler designed to vaporize only the water out of the solution. While water has a boiling point of 212 degrees Fahrenheit, glycol does not boil until 400 degrees Fahrenheit. This boiling point differential makes it relatively easy to remove water from the glycol solution, allowing it to be reused in the dehydration process. An innovation in this process has been the addition of flash tank separator-condensers. As well as absorbing water from the wet gas stream, the glycol solution occasionally carries with it small amounts of methane and other compounds found in the wet gas. In the past, this methane was simply vented out of the boiler. In addition to losing a portion of the natural gas that was extracted, this venting contributes to air pollution and the greenhouse effect. To decrease the amount of methane and other compounds that are lost, flash tank separator-condensers work to remove these compounds before the glycol solution reaches the boiler. Essentially, a flash tank separator consists of a device that reduces the pressure of the glycol solution stream, allowing the methane and other hydrocarbons to vaporize ('flash'). The glycol solution then travels to the boiler, which may also be fitted with air or water-cooled condensers, which serve to capture any remaining organic compounds that may remain in the glycol solution. In practice, according to the Department of Energy's Office of Fossil Energy, these systems have been shown to recover 90 to 99 percent of methane that would otherwise be flared into the atmosphere.

Solid-Desiccant Dehydration

Solid-desiccant dehydration is the primary form of dehydrating natural gas using adsorption, and usually consists of two or more adsorption towers, which are filled with a solid desiccant. Typical desiccants include activated alumina or a granular silica gel material. Wet natural gas is passed through these towers, from top to bottom. As the wet gas passes around the particles of desiccant material, water is retained on the surface of these desiccant particles. Passing through the entire desiccant bed, almost all of the water is adsorbed onto the desiccant material, leaving the dry gas to exit the bottom of the tower.

Separation of Natural Gas Liquids

Natural gas coming directly from a well contains many natural gas liquids that are commonly removed. In most instances, natural gas liquids (NGLs) have higher value as separate products, and it is thus economical to remove them from the gas stream. The removal of natural gas liquids usually takes place in a relatively centralized processing plant, and uses techniques like those used to dehydrate natural gas.

The Cryogenic Expansion Process

Cryogenic processes are used to extract NGLs from natural gas. Lighter hydrocarbons, such as ethane, are often more difficult to recover from the natural gas stream. In certain instances, it is economic to simply leave the lighter NGLs in the natural gas stream. However, if it is economic to extract ethane and other lighter hydrocarbons, cryogenic processes are required for high recovery rates. Essentially, cryogenic processes consist of dropping the temperature of the gas stream to around -120 degrees Fahrenheit.

There are many ways of chilling the gas to these temperatures, but one of the most effective is known as the turbo expander process. In this process, external refrigerants are used to cool the natural gas stream. Then, an expansion turbine is used to rapidly expand the chilled gases, which causes the temperature to drop significantly. This rapid temperature drop condenses ethane and other hydrocarbons in the gas stream, while maintaining methane in gaseous form. This process allows for the recovery of about 90 to 95 percent of the ethane originally in the gas stream. In addition, the expansion turbine can convert some of the energy released when the natural gas stream is expanded into recompressing the gaseous methane effluent, thus saving energy costs associated with extracting ethane. The extraction of NGLs from the natural gas stream produces both cleaner, purer natural gas, as well as the valuable hydrocarbons that are the NGLs themselves.

Sulfur and Carbon Dioxide Removal

In addition to water, oil, and NGL removal, one of the most important parts of gas processing involves the removal of sulfur and carbon dioxide. Natural gas from some wells contains significant amounts of sulfur and carbon dioxide. This natural gas, because of the rotten smell provided by its sulfur content, is commonly called 'sour gas'. Sour gas is undesirable because the sulfur compounds it contains can be extremely harmful, even lethal, to breathe. Sour gas can also be extremely corrosive. In addition, the sulfur that exists in the natural gas stream can be extracted and marketed on its own. In fact, according to the USGS, U.S. sulfur production from gas processing plants accounts for about 15 percent of the total U.S. production of sulfur.



Sulfur exists in natural gas as hydrogen sulfide (H_2S), and the gas is usually considered sour if the hydrogen sulfide content exceeds 5.7 milligrams of H_2S per cubic meter of natural gas. The process for removing hydrogen sulfide from sour gas is commonly referred to as 'sweetening' the gas.

The primary process for sweetening sour natural gas is quite like the processes of glycol dehydration in this case, however, amine solutions are used to remove the hydrogen sulfide. This process is known simply as the 'amine process', or alternatively as the Girdler process, and is used in 95 percent of U.S. gas sweetening operations. The sour gas is run through a tower, which contains the amine solution. This solution has an affinity for sulfur, and absorbs it much like glycol absorbing water. There are two principle amine solutions used, monoethanolamine (MEA) and diethanolamine (DEA). Either of these compounds, in liquid form, will absorb sulfur compounds from natural gas as it passes through. The effluent gas is virtually free of sulfur compounds, and thus loses its sour gas status. Like the process for NGL extraction and glycol dehydration, the amine solution used can be regenerated (that is, the absorbed sulfur is removed), allowing it to be reused to treat more sour gas.

Gas processing is an instrumental piece of the natural gas value chain. It is instrumental in ensuring that the natural gas intended for use is as clean and pure as possible, making it the clean burning and environmentally sound energy choice. Once the natural gas has been fully processed, and is ready to be consumed, it must be transported from those areas that produce natural gas, to those areas that require it.

Block 36, T-5-S, T. & P. RR. Co. Survey
Reagan County, Texas

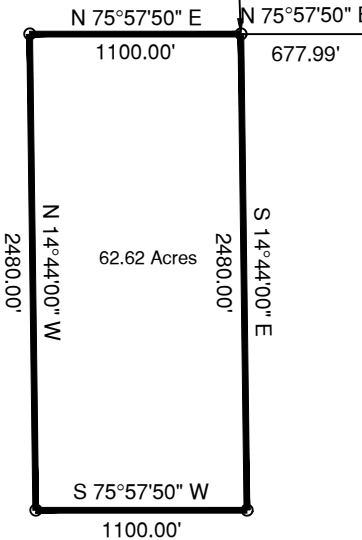
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N 75°57'50" E 5321.52'

Found 2 1/2" I.P. with 3"
Circular Cap at Fence Corner

26 (73700)

Place of Beginning
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Lon: -101°39'07.077"W



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O = Set I/R with Cap
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S 75°59'43" W 5318.45'

35 (S-19813)

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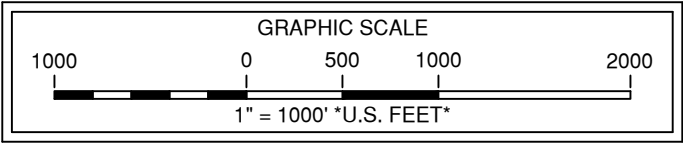
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Revised 3-28-2018 - SPM
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Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

March 13, 2018
180313JR1-BCL

P.O. Box 51887, Midland, Texas 79710 (432) 262-0901 Fax (432) 262-0679 Firm #100201-00

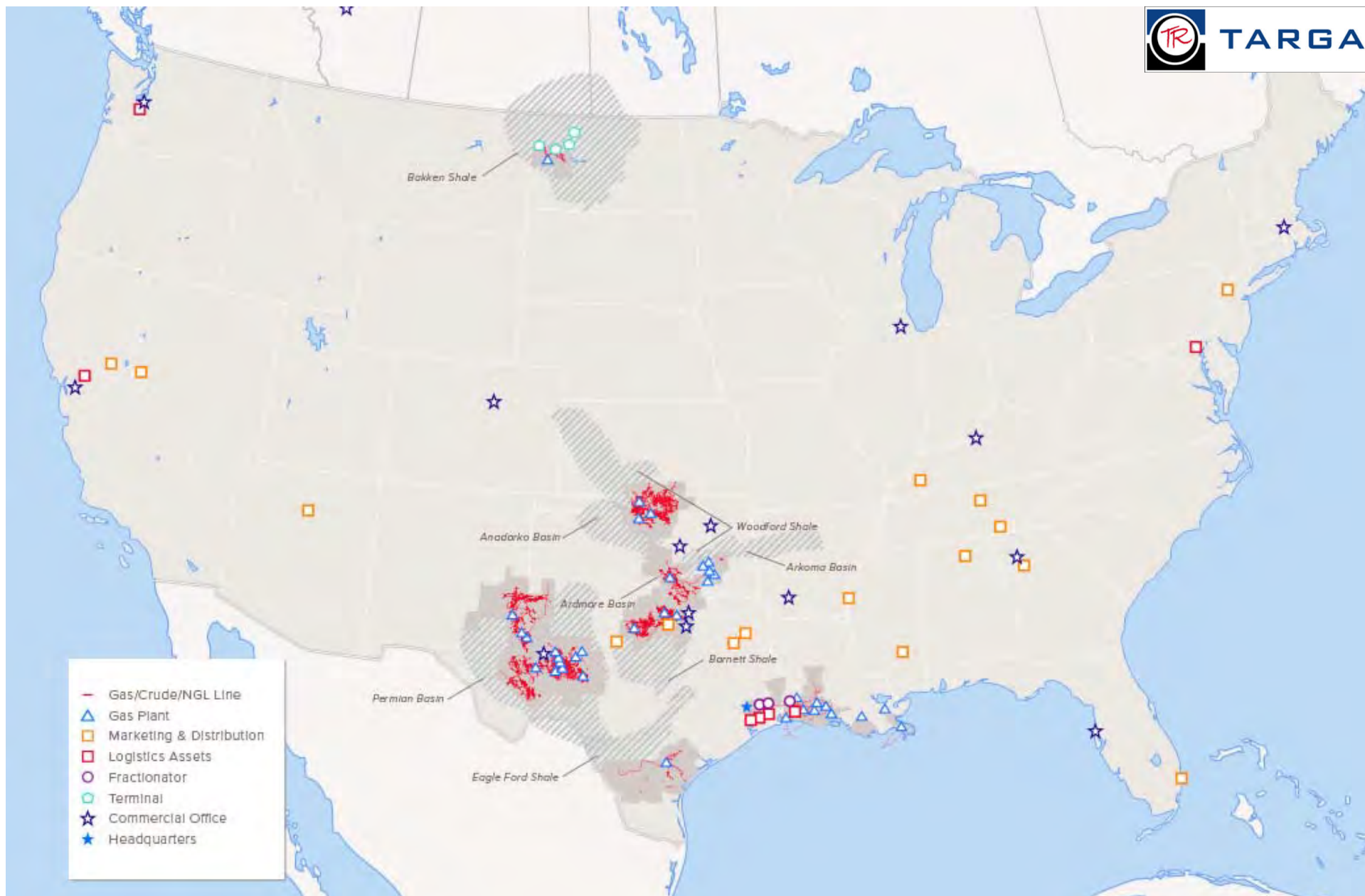
Scale: 1" = 1000'

Tab 5

Limitation as a Determining Factor

Currently, Targa Pipeline Mid-Continent Westtexas, LLC is considering a variety of other locations for the establishment of Gateway Plant L1 but believes Reagan County, Texas, would be an ideal location for this gas processing plant. Considering Targa's footprint in the midstream energy services sector, their flexibility in selecting a location to establish facilities in is based on the economic viability of locations, which are largely impacted by financial incentives such as value limitation agreements. In the event a 313 agreement is not permitted, Targa Pipeline Mid-Continent Westtexas, LLC could relocate Gateway Plant L1 to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss Reagan County from receiving the economic benefits associated with the development of a gas processing facility within their county. It is our goal to reach a 313 value limitation agreement for Gateway Plant L1 for the benefit of both Reagan County, Texas, and Targa Pipeline Mid-Continent Westtexas, LLC.

Targa Pipeline Mid-Continent Westtexas, LLC is a leader in midstream energy production, and have consistently proved their dedication to the energy sector throughout Texas and the United States. Currently, Targa's operations span a variety of locations across the United States with 27,000 miles of pipeline, 40 gas processing plants, 4 gas & petroleum crude terminals, 1 hydrotreater, 1 gas treater, 18 NGL terminals, 3 petroleum logistics facilities, and 2 storage facilities across 11 states including Arizona, Florida, Kansas, Louisiana, Maryland, Mississippi, North Dakota, New Mexico, Oklahoma, Texas, and Washington. Their ability to distribute products throughout the country is supported by their investment in transportation assets that include 700 railcars, 90 tractors, and 20 barges.





Tab 6

Gateway Plant L1 is located 100 % in Reagan County Independent School District in Reagan County, Texas.

Taxing Jurisdiction	Percentage of Project located within Jurisdiction	Tax Rate
Reagan County	100 %	.548328
Reagan County ISD	100 %	1.27
Santa Rita Water District	100%	.00557

Tab 7

Description of Qualified Investment

The facility itself is expected to have a total capacity of 250 mmcf (million cubic feet). Construction is anticipated to commence in June 2019, when the purchase of equipment and machinery will also occur. New employees will be hired in January 2020 and construction is projected to be complete by February 2020 when the plant will also be fully operational.

Targa Pipeline Mid-Continent Westtex, LLC requests that this application includes but is not limited to the following components of this project:

- Maintenance & Operations Buildings
- Inlet Separator
- Boilers
- Natural Gas/Air/H₂O Piping
- Dehydration Units
- Slug Catcher
- Vessels
- Liners & Containment
- SCADA (monitoring software) plus Controls
- Foundations
- Amine Unit
- Heat Exchangers
- Control Valves
- Knock Out Drums
- Compressors
- Heat Exchanger
- Flare Stack, Scrubber, Leak Detection

Summary of Production Process

The initial stages of production will begin with raw natural gas produced at the well-head from various sources throughout the Permian Basin. This raw natural gas is then transported through gathering systems where it is either further process into natural gas or natural gas liquids. Upon processing, the products are delivered to the market through newly constructed pipelines.

Throughout this process there are a variety of components used including the following:

- Inlet Slug Catcher
- Inlet Separation and Filtration
- Amine Treating for CO₂ Removal
- TEG Dehydration for H₂O Removal
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- Molecular Sieve Dehydration
- GSP Cryogenic Gas Plants
- Residue Recompression Units
- Heat Medium Systems
- Flare System
- Water Systems (supply, drain, waste)
- Utilities

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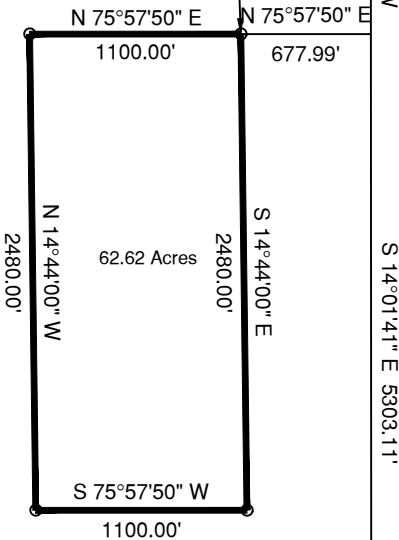
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Place of Beginning
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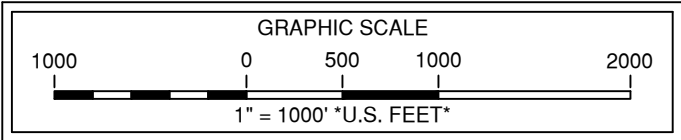
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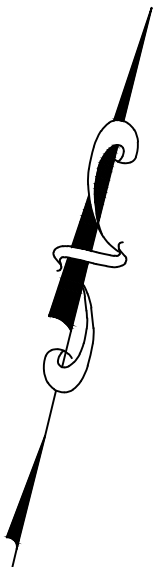
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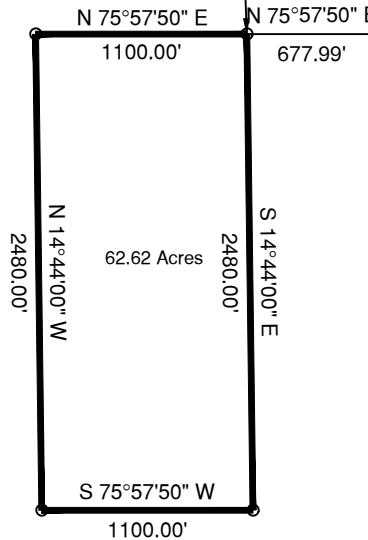
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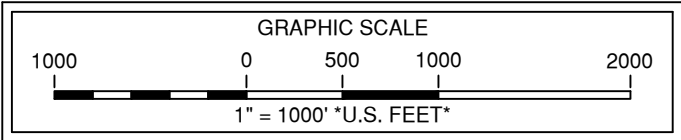
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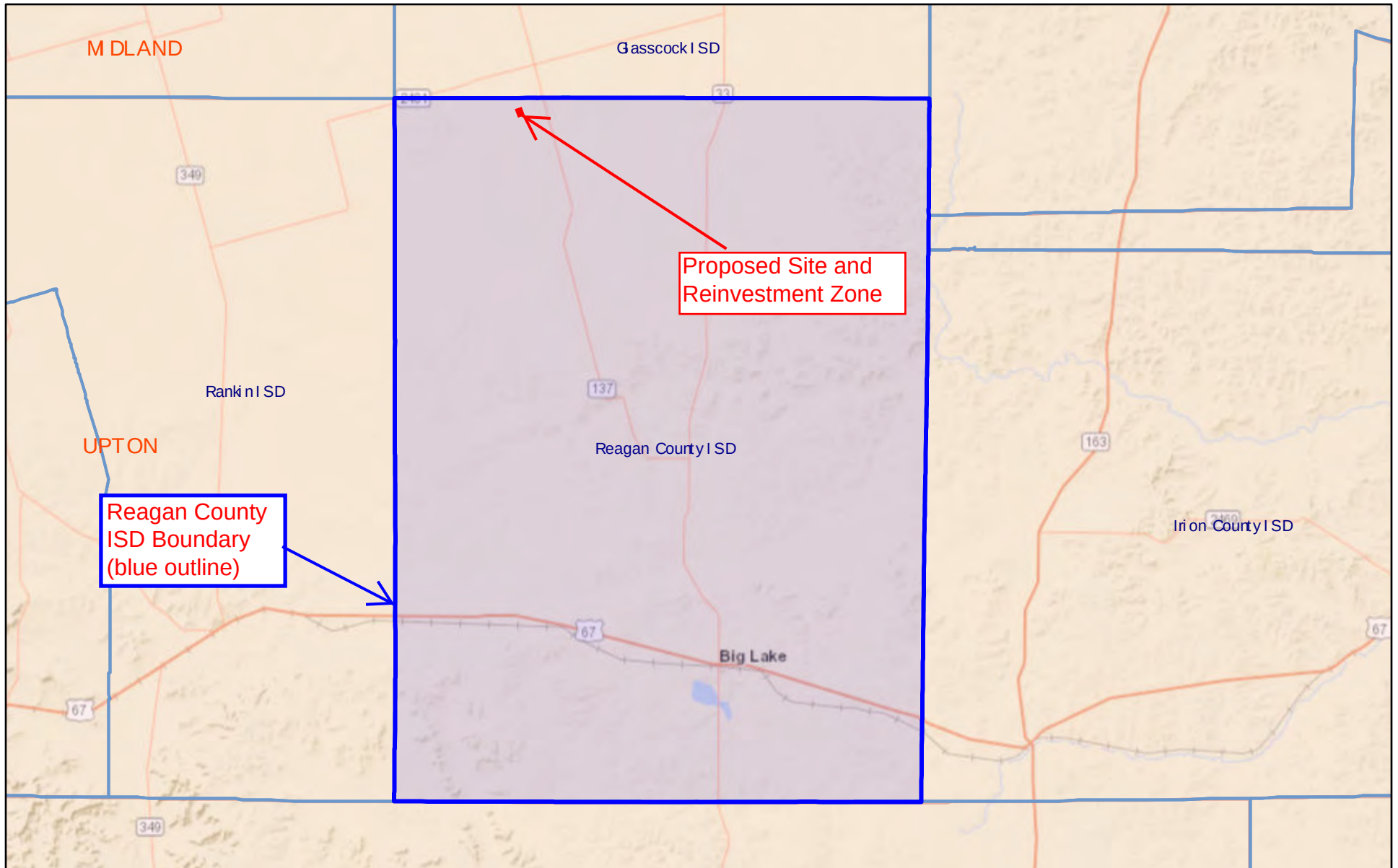
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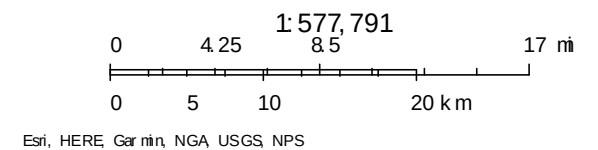
Scale: 1" = 1000'

Reagan County I SD



July 20, 2018

-  Texas_Outline
-  Counties
-  Current_Districts





Tab 9

Description of Land: the proceeding chart is a description of the parcel where Gateway Plant L1 will be established.

Parcel ID	Size (approximate acreage)	Owner	Property Legal Description	Property Coordinates
3225	640	Cauble, Mary G.	AB 72 SEC 34 BLK 36 T AND P	31°38'28.47" N 101°39'09.12" W



Tab 10

Description of Existing Improvement

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

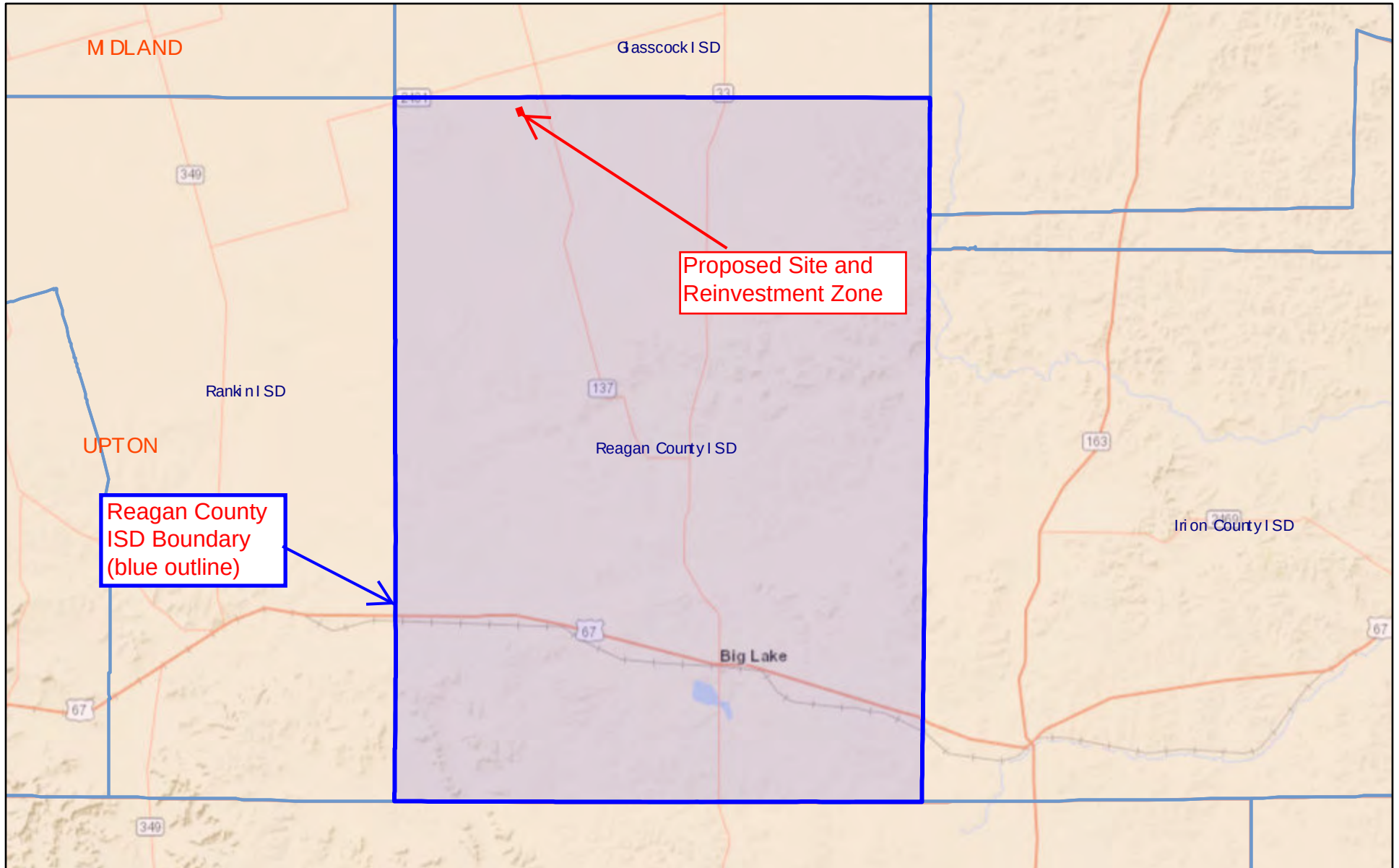


Tab 11

Maps

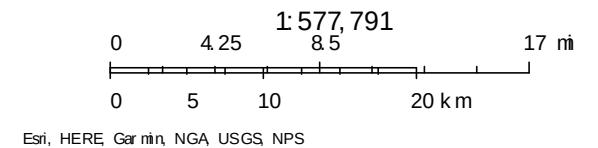
Please find the following maps attached:

Reagan County I SD



July 20, 2018

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-  Counties
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Project Overview

Legend

 Reagan County ISD

Project Boundary
(yellow outlines)

Reinvestment
Zone Boundary
(red outline)

Reagan County
(blue border)
**Reagan County and
Reagan County ISD
share the same
border

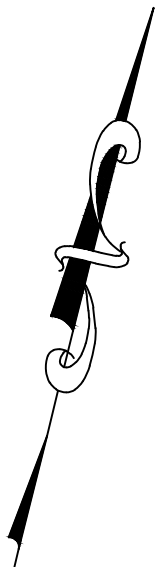
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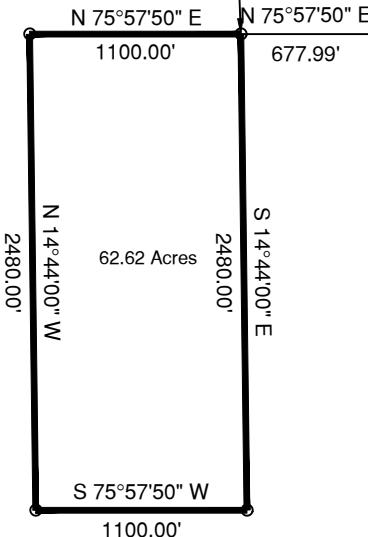
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Reagan County, Texas

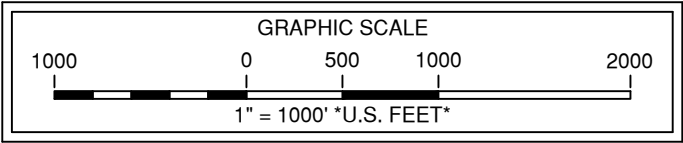
Beginning at a set iron rod with cap marked "RPLS 5715" for the Northeast corner of this 62.62 acre tract from which a found 2 1/2" iron pipe for the Northeast corner of Section 34, Block 36, T-5-S bears N 75°57'50" E 677.99 feet, and N 14°01'41" W 990.47 feet;

Thence S 14°44'00" E, a distance of 2480.00 feet to a set iron rod with cap marked "RPLS 5715" for the Southeast corner of this tract;

Thence S 75°57'50" W, a distance of 1100.00 feet to a set iron rod with cap marked "RPLS 5715" for the Southwest corner of this tract;

Thence N 14°44'00" W, a distance of 2480.00 feet to a set iron rod with cap marked "RPLS 5715" for the Northwest corner of this tract;

Thence N 75°57'50" E, a distance of 1100.00 feet to the place of beginning.



Note: Survey Reconstruction filed in the Office of Pennell & Marlowe Land Surveyors, Inc.
Note: Latitudes and Longitudes shown are on NAD'83 Datum.
Note: Bearings and distances are based on The Texas Coordinate System of 1983, Central Zone.
Note: Example: (S-99999) indicates General Land Office file number.
Note: Surface ownership provided by Targa Midstream Services, LLC.

Revised 3-28-2018 - SPM
USGS Quadrangle Sheet: Bigby Corner, Tex.
Proposed Pipeline Survey Plat



TARGA MIDSTREAM SERVICES LLC
Gateway Plant
AFE No.
Survey of a 62.62 Acre Tract out of
Section 34, Block 36, T-5-S
T. & P. RR. Co. Survey
Reagan County, Texas

Stephen P. Marlowe
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5715

March 13, 2018

180313JR1-BCL

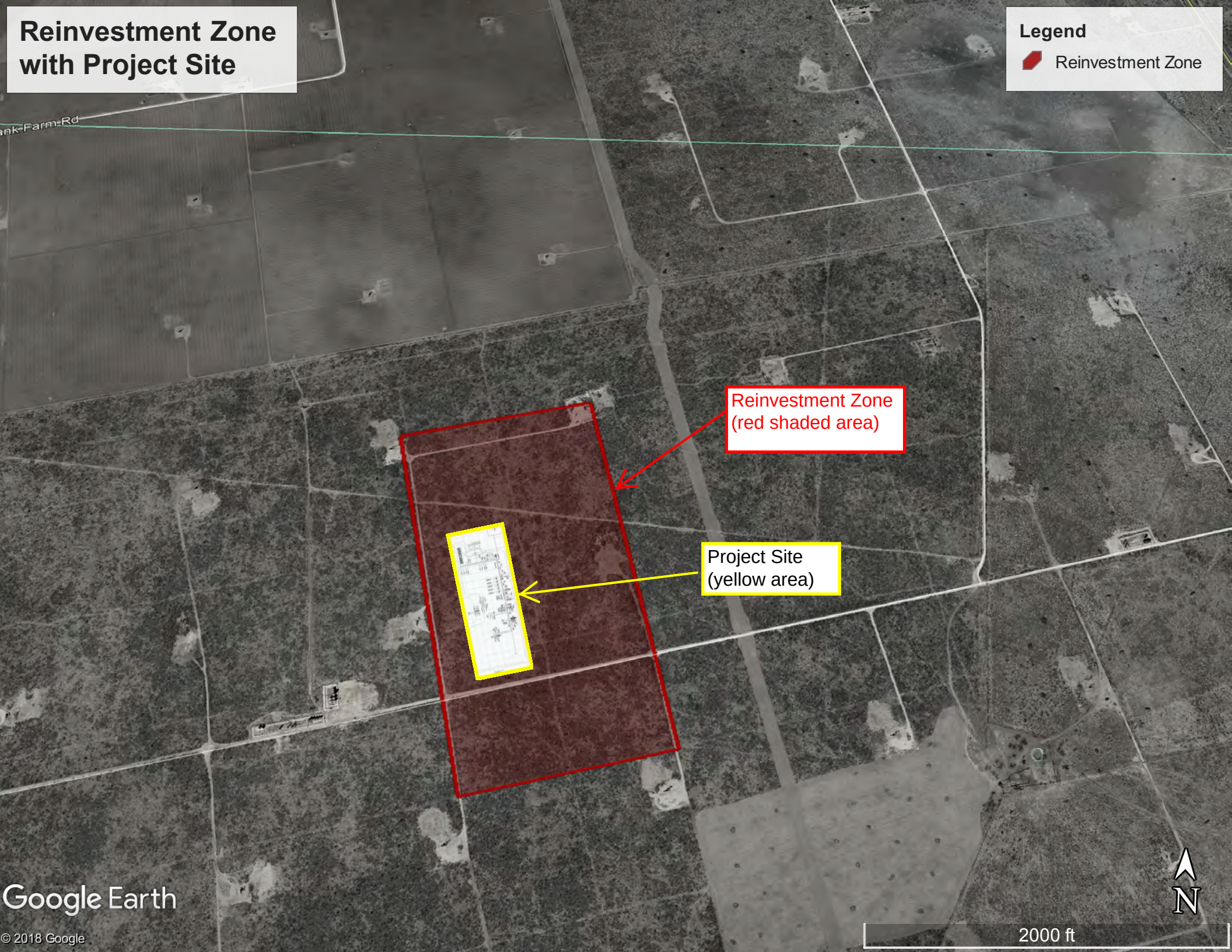
P.O. Box 51887, Midland, Texas 79710 (432) 262-0901 Fax (432) 262-0679 Firm #100201-00

Scale: 1" = 1000'

Reinvestment Zone
with Project Site

Legend

 Reinvestment Zone



Reinvestment Zone
(red shaded area)

Project Site
(yellow area)

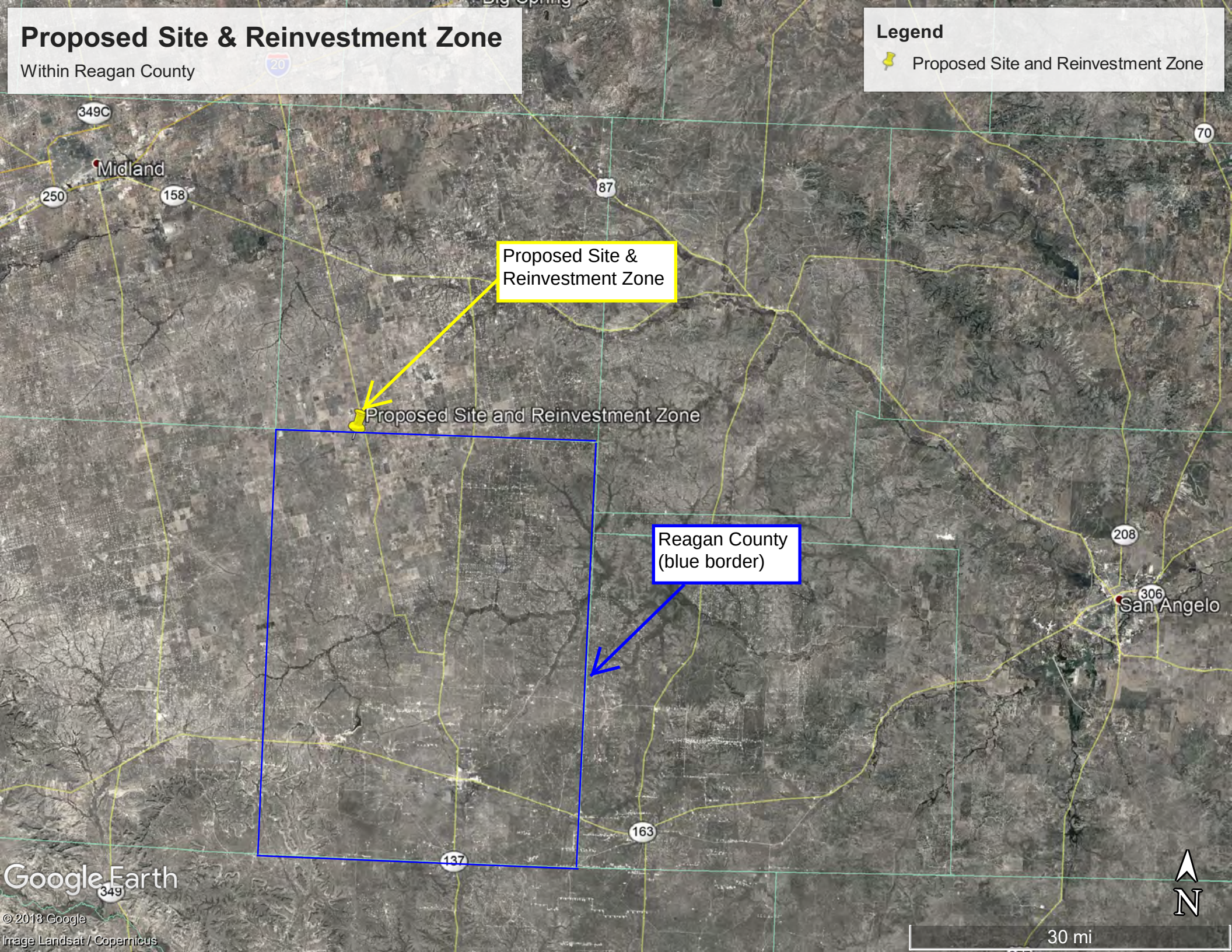


Proposed Site & Reinvestment Zone

Within Reagan County

Legend

 Proposed Site and Reinvestment Zone



Google Earth

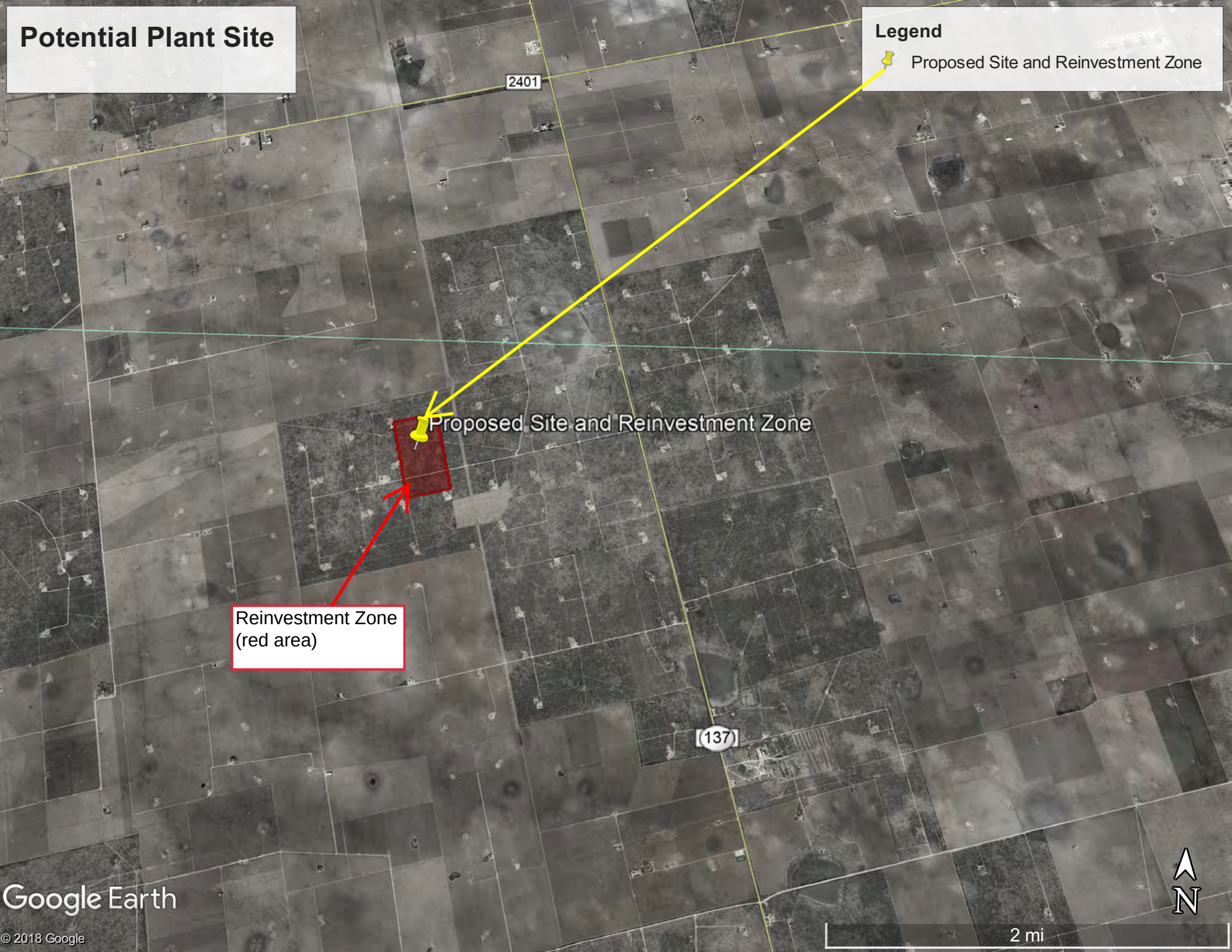
© 2018 Google
Image Landsat / Copernicus

30 mi

Potential Plant Site

Legend

 Proposed Site and Reinvestment Zone



Proposed Site and Reinvestment Zone

Reinvestment Zone
(red area)



Potential Plant Site

Legend

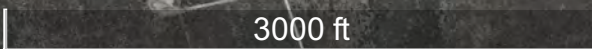
 Proposed Site and Reinvestment Zone

Tank
arm Rd

Proposed Site and Reinvestment Zone

(137)


N

3000 ft

Reinvestment Zone within Reagan County ISD

Legend

- Reagan County Independent School District
- Reinvestment Zone

Reinvestment Zone Boundary
(red outline)

Reagan ISD Boundary
(yellow outline)



Reinvestment Zone

Legend

 Reinvestment Zone

ank Farm Rd

Reinvestment Zone
(red shaded area)





Tab 12

Request for Waiver of Job Requirements-N/A

Gateway L1 meets the minimum job requirements.



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: Reagan County Average Weekly Wage

Calculation B: 110% of Reagan County Average for Manufacturing Jobs - ***N/A: Data does not meet BLS or State Agency Disclosure Standards***

Calculation C: 110% of Concho Valley Council of Governments Regional Average for Manufacturing Jobs

Calculation A: Reagan County Average Weekly Wage for all Jobs

Year	Quarter	Average Weekly Wage
2017	Q2	\$1026.00
2017	Q3	\$1178.00
2017	Q4	\$1115.00
2018	Q1	\$1171.00
2017	Q Average	\$1122.50

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

Quarterly Average Calculation:

Step 1: $\$1026.00 + \$1178.00 + \$1115.00 + \$1171.00 = \$4490.00$

Step 2: $\$4490.00 / 4 =$ **\$1122.50**



Calculation C: 110% of Concho Valley Regional Average Weekly Wage for Manufacturing Jobs

2017 Concho Valley Council of Government Regional Annual Wage: \$40,924.00

2017 Concho Valley Council of Government 110% Regional Wage: \$45,016.40 annually or \$865.70 weekly

In order to calculate 110% of the Concho Valley Regional Average Weekly Wage for Manufacturing Jobs the following calculations were completed:

Step 1: $\$40,924.00 \times 1.10 = \$45,016.40$

Step 2: $\$45,016.40 / 52 =$ **\$865.70**

*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 ▼
2018	1st Qtr	Reagan County	Total All	00	0	10	Total, all industries	\$1,171

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	Reagan County	Total All	00	0	10	Total, all industries	\$1,026
2017	3rd Qtr	Reagan County	Total All	00	0	10	Total, all industries	\$1,178
2017	4th Qtr	Reagan County	Total All	00	0	10	Total, all industries	\$1,115



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

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

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

Applicant Name Targa Pipeline Mid-Con Westtex, LLC
ISD Name Reagan County ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Years preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018-2019	2018			\$ -	[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	\$ 110,000,000.00	\$ -	\$ -	\$ -	\$ 110,000,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
	QTP2	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]								
				\$ 110,000,000.00		\$ -	\$ -	\$ 110,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)								
				\$ 110,000,000.00				

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)

Applicant Name Targa Pipeline Mid-Con Westtex, LLC
ISD Name Reagan County ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$ 110,000,000.00				\$ 110,000,000.00
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	\$ 110,000,000.00				\$ 110,000,000.00
Value limitation period***	1	2020-2021	2020					
	2	2021-2022	2021					
	3	2022-2023	2022					
	4	2023-2024	2023					
	5	2024-2025	2024					
	6	2025-2026	2025					
	7	2026-2027	2026					
	8	2027-2028	2027					
	9	2028-2029	2028					
	10	2029-2030	2029					
Total Investment made through limitation				\$ 110,000,000.00				\$ 110,000,000.00
Continue to maintain viable presence	11	2030-2031	2030					
	12	2031-2032	2031					
	13	2032-2033	2032					
	14	2033-2034	2033					
	15	2034-2035	2034					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035					
	17	2036-2037	2036					
	18	2037-2038	2037					
	19	2038-2039	2038					
	20	2039-2040	2039					
	21	2040-2041	2040					
	22	2041-2042	2041					
	23	2042-2043	2042					
	24	2043-2044	2043					
	25	2044-2045	2044					

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

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

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

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

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

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

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

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

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

Applicant Name

Targa Pipeline Mid-Con Westtex, LLC

Form 50-296A

ISD Name

Reagan County ISD

Revised Feb 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
	0	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2020-2021	2020	\$ -	\$ -	\$ 110,000,000	\$ 110,000,000	\$ 110,000,000.00	\$ 30,000,000.00
	2	2021-2022	2021	\$ -	\$ -	\$ 106,700,000	\$ 106,700,000	\$ 106,700,000.00	\$ 30,000,000.00
	3	2022-2023	2022	\$ -	\$ -	\$ 103,400,000	\$ 103,400,000	\$ 103,400,000.00	\$ 30,000,000.00
	4	2023-2024	2023	\$ -	\$ -	\$ 100,100,000	\$ 100,100,000	\$ 100,100,000.00	\$ 30,000,000.00
	5	2024-2025	2024	\$ -	\$ -	\$ 96,800,000	\$ 96,800,000	\$ 96,800,000.00	\$ 30,000,000.00
	6	2025-2026	2025	\$ -	\$ -	\$ 93,500,000	\$ 93,500,000	\$ 93,500,000.00	\$ 30,000,000.00
	7	2026-2027	2026	\$ -	\$ -	\$ 90,200,000	\$ 90,200,000	\$ 90,200,000.00	\$ 30,000,000.00
	8	2027-2028	2027	\$ -	\$ -	\$ 86,900,000	\$ 86,900,000	\$ 86,900,000.00	\$ 30,000,000.00
	9	2028-2029	2028	\$ -	\$ -	\$ 83,600,000	\$ 83,600,000	\$ 83,600,000.00	\$ 30,000,000.00
	10	2029-2030	2029	\$ -	\$ -	\$ 80,300,000	\$ 80,300,000	\$ 80,300,000.00	\$ 30,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	\$ -	\$ -	\$ 77,000,000	\$ 77,000,000	\$ 77,000,000.00	\$ 77,000,000.00
	12	2031-2032	2031	\$ -	\$ -	\$ 73,700,000	\$ 73,700,000	\$ 73,700,000.00	\$ 73,700,000.00
	13	2032-2033	2032	\$ -	\$ -	\$ 70,400,000	\$ 70,400,000	\$ 70,400,000.00	\$ 70,400,000.00
	14	2033-2034	2033	\$ -	\$ -	\$ 67,100,000	\$ 67,100,000	\$ 67,100,000.00	\$ 67,100,000.00
	15	2034-2035	2034	\$ -	\$ -	\$ 63,800,000	\$ 63,800,000	\$ 63,800,000.00	\$ 63,800,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	\$ -	\$ -	\$ 60,500,000	\$ 60,500,000	\$ 60,500,000.00	\$ 60,500,000.00
	17	2036-2037	2036	\$ -	\$ -	\$ 57,200,000	\$ 57,200,000	\$ 57,200,000.00	\$ 57,200,000.00
	18	2037-2038	2037	\$ -	\$ -	\$ 53,900,000	\$ 53,900,000	\$ 53,900,000.00	\$ 53,900,000.00
	19	2038-2039	2038	\$ -	\$ -	\$ 50,600,000	\$ 50,600,000	\$ 50,600,000.00	\$ 50,600,000.00
	20	2039-2040	2039	\$ -	\$ -	\$ 47,300,000	\$ 47,300,000	\$ 47,300,000.00	\$ 47,300,000.00
	21	2040-2041	2040	\$ -	\$ -	\$ 44,000,000	\$ 44,000,000	\$ 44,000,000.00	\$ 44,000,000.00
	22	2041-2042	2041	\$ -	\$ -	\$ 40,700,000	\$ 40,700,000	\$ 40,700,000.00	\$ 40,700,000.00
	23	2042-2043	2042	\$ -	\$ -	\$ 37,400,000	\$ 37,400,000	\$ 37,400,000.00	\$ 37,400,000.00
	24	2043-2044	2043	\$ -	\$ -	\$ 34,100,000	\$ 34,100,000	\$ 34,100,000.00	\$ 34,100,000.00
	25	2044-2045	2044	\$ -	\$ -	\$ 30,800,000	\$ 30,800,000	\$ 30,800,000.00	\$ 30,800,000.00

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

				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					
Each year prior to start of Value Limitation Period	0	2019-2020	2019	150 FTE	\$ 45,016.40			
Value Limitation Period The qualifying time period could overlap the value limitation period.	1	2020-2021	2020			N/A	10	\$ 45,016.40
	2	2021-2022	2021			N/A	10	\$ 45,016.40
	3	2022-2023	2022			N/A	10	\$ 45,016.40
	4	2023-2024	2023			N/A	10	\$ 45,016.40
	5	2024-2025	2024			N/A	10	\$ 45,016.40
	6	2025-2026	2025			N/A	10	\$ 45,016.40
	7	2026-2027	2026			N/A	10	\$ 45,016.40
	8	2027-2028	2027			N/A	10	\$ 45,016.40
	9	2028-2029	2028			N/A	10	\$ 45,016.40
	10	2029-2044	2029			N/A	10	\$ 45,016.40
Years Following Value Limitation Period	11 through 26	2030-2045	2030-2045			N/A	10	\$ 45,016.40

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)
If yes, answer the following two questions:

☐

Yes

☒

No

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)

Applicant Name Targa Pipeline Mid-Con Westtex, LLC
ISD Name Reagan County ISD

Form 50-296A
Revised Feb 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:Reagan County	2020	2024	\$ 736,797.00	50% Abatement	\$ 368,399.00
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 736,797.00		\$ 368,399.00

Additional information on incentives for this project:



Tab 15

Economic Impact Study-N/A



Tab 16

Description of Reinvestment Zone

Gateway Plant L1 is to be located within a proposed reinvestment zone. The adoption of this measure will not be complete until Reagan County creates and approves the reinvestment zone. It is anticipated that the Reinvestment Zone will be designated by Reagan County ISD in February 2019, and will be submitted before the date of final application approval by the school board.



Tab 17

Signatures and Certification

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

Bobby Frey
Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Signature]
Signature (Authorized School District Representative)

Date

11/12/2018

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

John D. Thompson
Print Name (Authorized Company Representative (Applicant))

Vice President, Tax

Title

sign
here

[Signature]
Signature (Authorized Company Representative (Applicant))

Date

11/2/18



(Notary Seal)

GIVEN under my hand and seal of office this, the

2nd day of November, 2018

[Signature]
Notary Public in and for the State of Texas

My Commission expires: Nov. 25, 2018

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