
SARA LEON
& ASSOCIATES, LLC

September 26, 2019

Via Electronic Mail and Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Wink-Loving Independent School District and MarkWest Tornado GP, L.L.C.

First Year of Qualifying Time Period – 2020
First Year of Limitation – 2022

Dear Local Government Assistance and Economic Analysis Division:

The Wink-Loving Independent School District Board of Trustees approved the enclosed Application for Appraised Value Limitation on Qualified Property at a duly called meeting held on September 16, 2019. The Application was determined to be complete on September 25, 2019. The Applicant proposes to build a new 200 million cubic feet per day gas processing plant in Loving County, Texas on approximately 80 acres of land located in the northwestern part of the County.

A copy is being provided to the Loving 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,



Sara Hardner Leon

Enclosures

Austin • Houston • Corpus Christi

2901 Via Fortuna • Suite 475 • Austin, Texas 78746 • 512.637.4244 • saraleonlaw.com

cc: *Via U.S. Postal Service:*
Sherlene Burrows
Chief Appraiser
Loving County Appraisal District
P.O. Box 352
Mentone, Texas 79754-0352

Via Electronic Mail: scarman@wlisd.net
Scotty Carman, Superintendent of Schools, Wink-Loving Independent School District

Via Electronic Mail: nmbusey@marathonpetroleum.com
Nicole Busey, Assistant Secretary, Mark West Tornado GP, L.L.C.

Via Electronic Mail: smkrzyzak@marathonpetroleum.com
Stephen Krzyzak, Tax Agent, Mark West Tornado GP, L.L.C.

Via Electronic Mail: trey.novosad@ryan.com
Trey Novosad, Principal, Ryan, LLC

MARKWEST

MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

MARKWEST

MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

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MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 1

Pages 1 through 9 of Application

See Attached.

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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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

☐ Yes

☐ No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

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

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

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

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

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

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

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☐ N/A

SECTION 4: Business Applicant Information

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

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

SECTION 10: The Property

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

SECTION 11: Investment

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

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

SECTION 12: Qualified Property

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

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

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

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

SECTION 14: Wage and Employment Information

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

SECTION 15: Economic Impact

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

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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



MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 2

Proof of Payment of Application Fee

See Attached.

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)*



MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 3

Documentation of Combined Group Membership Under Texas Tax Code 171.0001(7),
History of Tax Default, Delinquencies and/or Material Litigation (*if applicable*)

See Attached.

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

TAB 4

Detailed Description of the Project

Proposed Project Description

MarkWest Tornado GP, L.L.C. is considering building a new 200 million cubic feet per day gas processing plant in Loving County, Texas on approximately 80 acres of land located in the northwestern part of the County.

Feedstock

The gas plant will receive raw Natural Gas via a to-be-built high-pressure gas pipeline. Existing and new Gathering lines located throughout the Permian Basin will be used to collect the natural gas produced at the well-head. The gas in the gathering lines will connect to the high-pressure line that will feed the plant. The gathering lines are typically owned by the exploration and production companies.

Products

The gas plant will process the raw natural gas gathered in the field into pipeline grade natural gas by removing impurities, water, and heavier liquid hydrocarbons such that the natural gas meets the shipping pipeline's purity requirements.

Logistics

The gas plant will be connected via a new to-be-built pipeline that will deliver raw natural gas and via new to-be-built connector pipelines that will connect to existing pipeline grade natural gas and natural gas liquid "NGL" pipelines. The existing pipeline grade natural gas and NGL pipelines will deliver the natural gas and the NGLs to the Gulf Coast for marketing. The composition of the NGL product stream will vary depending on the quality and mix of the raw gas being captured from the field but will typically include hydrocarbon molecules heavier than C₂ (Ethane). The new to-be-built pipelines are not part of this application.

Equipment List

- | | |
|--|--------------------------|
| o Amine Unit | o Valves |
| o Inlet Slug Catcher | o Piping |
| o Condensate Stabilizer | o Heat Exchangers |
| o Distillation Towers | o Flare System |
| o Heaters | o Fire Protection |
| o Coolers | o Electricity and Steam |
| o Pumps | o Waste Water Processing |
| o Distributed Control System "DCS"
(Computer Control) | o Compression Equipment |

TAB 5

Documentation to Assist in Determining if Limitation is a Determining Factor

1. Does the applicant currently own land on which the proposed project will occur?

NO

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

NO

3. Does the applicant have current business activities at the location where the proposed project will occur?

YES

The applicant is currently constructing a gas plant named Tornado on the same leased land identified in this application. See Tab 10 for additional details.

4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?

NO

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

NO

6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?

NO

7. Is the applicant evaluating other locations not in Texas for the proposed project?

YES

MPLX LP, the parent company of MarkWest Tornado GP, L.L.C., is currently evaluating certain discretionary projects in multiple state-wide and out-of-state locations. The projects under review could all generate attractive returns on capital. However, MPLX's ability to finance these competing projects is limited and therefore dependent on a thorough and comprehensive financial analysis for each of the prospective projects and locations.

The Appraised Value Limitation from Wink-Loving ISD will be a significant factor in determining whether to allocate the limited amount of capital to this specific project and location. As an

TAB 5 Continued

example, Louisiana offers up to a 10-year 100% exemption for new projects of this size and magnitude. Without the Appraised Value Limitation, this project would have a significant financial disadvantage when internally competing for capital versus a project in Louisiana.

The project will receive natural gas via pipeline from multiple Domestic gas producers including production from West Texas and New Mexico. The plant will produce products which are used as raw materials for other downstream products. The products will have the ability to be shipped via pipelines directly to downstream users as well as central marketing hubs. Due to the extensive existing pipeline and storage infrastructure in both Texas and New Mexico, this project could be located in either state and still have the necessary pipeline access.

The value limitation is a determining factor for several reasons, including but not limited to the following:

- a. Texas has high property tax rates when compared to New Mexico.
- b. New Mexico offers Industrial Revenue Bonds and Job Training incentive programs.
- c. This project is competing for internal capital with projects that are being considered in other low-property tax rate states.
- d. There are several direct competitors who have recently applied for and/or received limitation agreements for similar projects in Texas. For this project to be economically competitive with those other projects, a value limitation agreement is necessary.

Due to the significant existing infrastructure in both Texas and New Mexico as well as multiple site leases or purchases in both States, and as a result of the proximity of New Mexico to this potential site location, the proposed Chapter 313 limitation agreement is considered a major economic factor when making the final determination on this site location in Wink-Loving ISD.

8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?

NO

9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?

YES

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

TAB 5 Continued

The Appraised Value Limitation from Wink-Loving ISD will be a significant factor in determining whether to allocate the limited amount of capital to this specific project location in Texas in comparison to a project location in New Mexico. Due to the extensive existing pipeline and storage infrastructure in both Texas and New Mexico, this project could be located in either state and still have the necessary pipeline access.

The value limitation is a determining factor for several reasons, including but not limited to the following:

- a. Texas has high property tax rates when compared to New Mexico.
- b. New Mexico offers Industrial Revenue Bonds and Job Training incentive programs.
- c. This project is competing for internal capital with projects that are being considered in other low-property tax rate states.
- d. There are several direct competitors who have recently applied for and/or received limitation agreements for similar projects in Texas. For this project to be economically competitive with those other projects, a value limitation agreement is necessary.

Due to the significant existing infrastructure in both Texas and New Mexico as well as multiple site leases or purchases in both States, and as a result of the proximity of New Mexico to this potential site location, the proposed Chapter 313 limitation agreement is considered a major economic factor when making the final determination on this site location in Wink-Loving ISD.

TAB 6

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

<u>Tax Entity</u>	<u>2018 Tax Rate</u>
100% Loving County	0.491000
100% Loving County WID #1	0.490000
100% Wink-Loving Independent School District	1.320000

TAB 7

Description of Qualified Investment

Proposed Project Description

MarkWest Tornado GP, L.L.C. is considering building a new 200 million cubic feet per day gas processing plant in Loving County, Texas on approximately 80 acres of land located in the northwestern part of the County.

Feedstock

The gas plant will receive raw Natural Gas via a to-be-built high-pressure gas pipeline. Existing and new Gathering lines located throughout the Permian Basin will be used to collect the natural gas produced at the well-head. The gas in the gathering lines will connect to the high-pressure line that will feed the plant. The gathering lines are typically owned by the exploration and production companies.

Products

The gas plant will process the raw natural gas gathered in the field into pipeline grade natural gas by removing impurities, water, and heavier liquid hydrocarbons such that the natural gas meets the shipping pipeline's purity requirements.

Logistics

The gas plant will be connected via a new to-be-built pipeline that will deliver raw natural gas and via new to-be-built connector pipelines that will connect to existing pipeline grade natural gas and natural gas liquid "NGL" pipelines. The existing pipeline grade natural gas and NGL pipelines will deliver the natural gas and the NGLs to the Gulf Coast for marketing. The composition of the NGL product stream will vary depending on the quality and mix of the raw gas being captured from the field but will typically include hydrocarbon molecules heavier than C2 (Ethane). The new to-be-built pipelines are not part of this application.

Equipment List

- | | |
|--|--------------------------|
| o Amine Unit | o Valves |
| o Inlet Slug Catcher | o Piping |
| o Condensate Stabilizer | o Heat Exchangers |
| o Distillation Towers | o Flare System |
| o Heaters | o Fire Protection |
| o Coolers | o Electricity and Steam |
| o Pumps | o Waste Water Processing |
| o Distributed Control System "DCS"
(Computer Control) | o Compression Equipment |

TAB 8

Description of Qualified Property

Proposed Project Description

MarkWest Tornado GP, L.L.C. is considering building a new 200 million cubic feet per day gas processing plant in Loving County, Texas on approximately 80 acres of land located in the northwestern part of the County.

Feedstock

The gas plant will receive raw Natural Gas via a to-be-built high-pressure gas pipeline. Existing and new Gathering lines located throughout the Permian Basin will be used to collect the natural gas produced at the well-head. The gas in the gathering lines will connect to the high-pressure line that will feed the plant. The gathering lines are typically owned by the exploration and production companies.

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Equipment List

- | | |
|--|--------------------------|
| o Amine Unit | o Valves |
| o Inlet Slug Catcher | o Piping |
| o Condensate Stabilizer | o Heat Exchangers |
| o Distillation Towers | o Flare System |
| o Heaters | o Fire Protection |
| o Coolers | o Electricity and Steam |
| o Pumps | o Waste Water Processing |
| o Distributed Control System "DCS"
(Computer Control) | o Compression Equipment |



MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 9

Description of Land

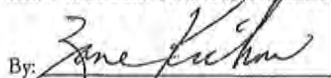
See Attached.

MEMORANDUM OF PRODUCTION FACILITY SITE LEASE
AND RIGHT OF WAY EASEMENT AGREEMENT

THIS Memorandum of Production Facility Site Lease and Right of Way Easement Agreement is filed of record to give constructive notice of a surface lease and right of way agreement ("Agreement") dated 8-9-2018 by and between Z&T Cattle Company, LLC ("Lessor") and MarkWest Tornado GP, LLC, whose address is 1515 Arapahoe Street, Tower 1, Suite 1600, Denver, Colorado 80202 ("Lessee"). The Agreement contains covenants and conditions with respect to the surface lease and right of way located in Section 12, Block 55, T-1, T&P RR Company Survey, A-1273, Loving County, Texas, as more particularly described in Exhibit "A" attached to and made a part hereof. The original executed Agreement shall be maintained in the offices of Lessor and Lessee. Any third persons requesting to view the document must have a material and relevant interest in the gas plant, and provided, further, that neither Lessor nor Lessee objects to such request.

LESSOR:

Z&T CATTLE COMPANY, LLC

By: 

Zane Kiehne
President of Z&T Cattle Company, LLC

LESSEE:

MARKWEST TORNADO GP, LLC

By: 

Greg Floerke, Executive Vice President,
Gathering & Processing

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF LOVING §

On this 9th day of August, 2018, before me, a Notary Public in and for said County and State, personally appeared Zane Kiehne, as President of Z&T Cattle Company, LLC, a Texas limited liability company in the capacity therein stated, to me known to be the identical person(s) who executed the foregoing instrument.

WITNESS my hand and official seal the day and year first above written.

My commission expires: 9-27-18

[Signature]
Notary Public, State of Texas



ACKNOWLEDGEMENT

Colorado
STATE OF ~~TEXAS~~ §

COUNTY OF Denver §

On this 11th day of August, 2018, before me, a Notary Public in and for said County and State, personally appeared Greg Floorke, Executive Vice President, Gathering & Processing, MarkWest Tornado GP, LLC a Delaware limited liability company in the capacity therein stated, to me known to be the identical person(s) who executed the foregoing instrument.

WITNESS my hand and official seal the day and year first above written.

My commission expires: 12-18-2018

[Signature]
Notary Public, State of Colorado

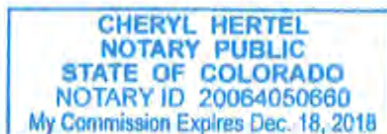
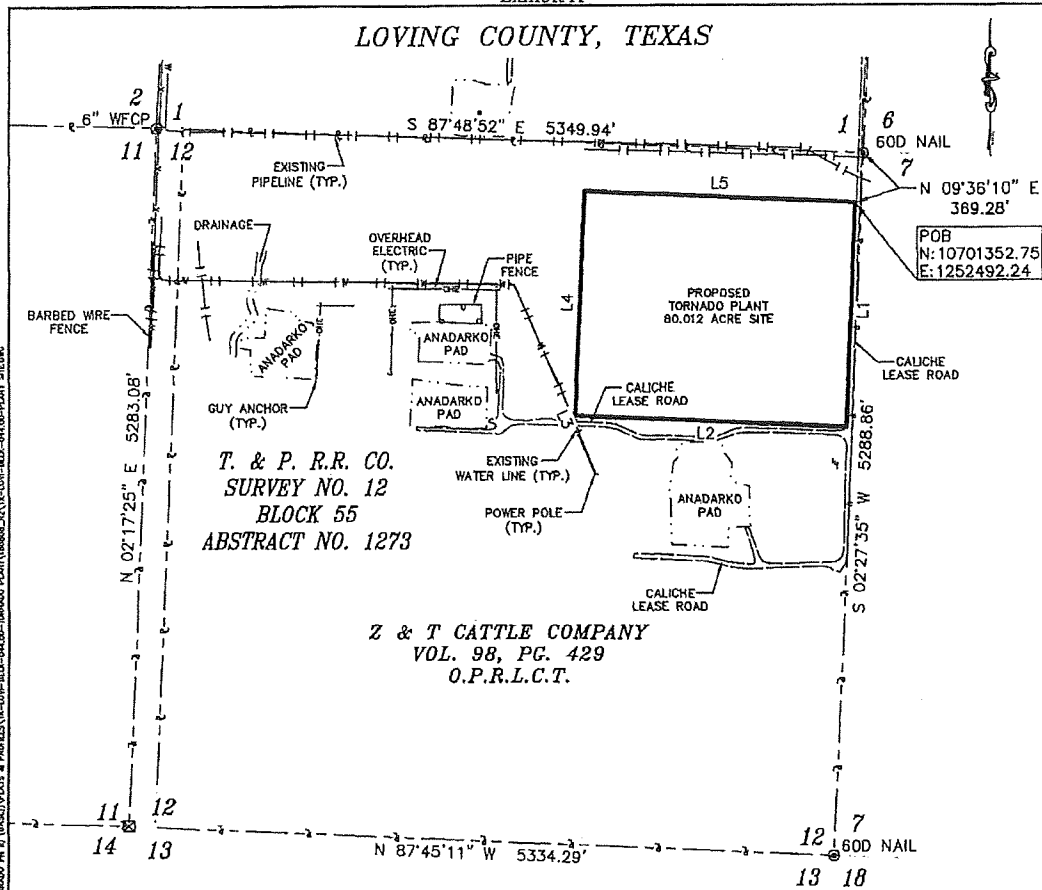


Exhibit A

LOVING COUNTY, TEXAS



T. & P. R.R. CO.
SURVEY NO. 12
BLOCK 55
ABSTRACT NO. 1273

Z & T CATTLE COMPANY
VOL. 98, PG. 429
O.P.R.L.C.T.



SURFACE SITE = 60.012 ACRES / 3,485,325 SQ. FT.
TITLE INFORMATION PROVIDED BY LATERAL LAND SERVICES

NOTES

1. ALL BEARINGS AND DISTANCES CONTAINED HEREIN ARE GRID, BASED ON THE TEXAS STATE PLANE COORDINATES SYSTEM, NAD 83, CENTRAL ZONE (4203), NAVD 83, ELEVATIONS USED, DERIVED FROM GPS OBSERVATION AND DERIVED FROM AN ON-THE-GROUND SURVEY CONDUCTED IN JULY, 2018.
2. THIS ROUTE HAS BEEN CONSTRUCTED USING RECORD MONUMENTS FROM RECORDED DEEDS PROVIDED BY THE CLIENT, OFFICIAL SURVEY RECORDS, MAPS AND OTHER DATA AVAILABLE TO US. THIS SKETCH DOES NOT IN ANY WAY REPRESENT A "BOUNDARY SURVEY" AND DOES NOT COMPLY WITH T.S.P.L.S. MINIMUM STANDARDS OF PROCEDURES FOR A BOUNDARY SURVEY.

LINE	BEARING	DISTANCE
L1	S 02°27'40" W	1696.89'
L2	N 87°32'20" W	2047.56'
L3	N 23°27'47" W	15.26'
L4	N 02°28'43" E	1683.16'
L5	S 87°32'20" E	2053.72'

LEGEND

- VALVE SITE EASEMENT
- CENTERLINE CREEK/DITCH
- CENTERLINE OF EASEMENT
- CENTERLINE ROAD
- SECTION LINE
- ⊙ = BRASS MONUMENT (UNLESS OTHERWISE NOTED)
- ⊠ = CALCULATED CORNER

NOTE:
LEGEND IS TYPICAL. NOT ALL ITEMS IN LEGEND
APPEAR IN DRAWING.

CGS:	
DRAWN BY:	NDW
CHECKED BY:	MBT
SEGMENT ID:	
DATE:	8/8/18
SHEET:	1 OF 2
SCALE:	1"=1000'

MARKWEST
Energy Partners, L.P.

BELL LAKE 20
Z & T CATTLE COMPANY
LOVING COUNTY, TEXAS

SHT. NAME: TX-LOV1-BELK-044.00-PLANT SITE

REV. 2

EXHIBIT
LOVING COUNTY, TEXAS
T. & P. R.R. CO. SURVEY NO. 12, BLOCK 55, ABSTRACT NO. 1273

MARKWEST
ENERGY PARTNERS, L.P.
BELL LAKE 20
Z & T CATTLE COMPANY

PROPOSED 80.012 ACRE SITE

Being a description of a proposed 80.012 acre site being situated in the T. & P. R.R. CO. Survey No. 12, Block 55, Abstract No. 1273, Loving County, Texas; being part of a tract of land described in Deed to Z & T Cattle Company as recorded in Volume 98, Page 429, Official Public Records, Loving County, Texas; said site being more particularly described by metes and bounds as follows:

BEGINNING at a point for the Northeast corner of this herein described site in said Z & T Cattle Company tract, from which a 60d nail found at the Northeast corner of said Z & T Cattle Company tract bears North 09°36'10" East, a distance of 369.28 feet;

THENCE South 02°27'40" West, a distance of 1,696.89 feet to a point for corner;

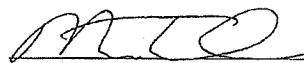
THENCE North 87°32'20" West, a distance of 2,047.56 feet to a point for corner;

THENCE North 23°27'47" West, a distance of 15.26 feet to a point for corner;

THENCE North 02°28'43" East, a distance of 1,683.16 feet to a point for corner;

THENCE South 87°32'20" East, a distance of 2,053.72 feet to the **POINT OF BEGINNING**; said site containing 3,485,325 square feet or 80.012 acres of land, more or less.

I, Matthew Tomerlin, Registered Professional Land Surveyor No. 6503 of the State of Texas, do hereby certify this plat shows the results of an on the ground survey made under my direction.
Original signed and stamped in red ink.



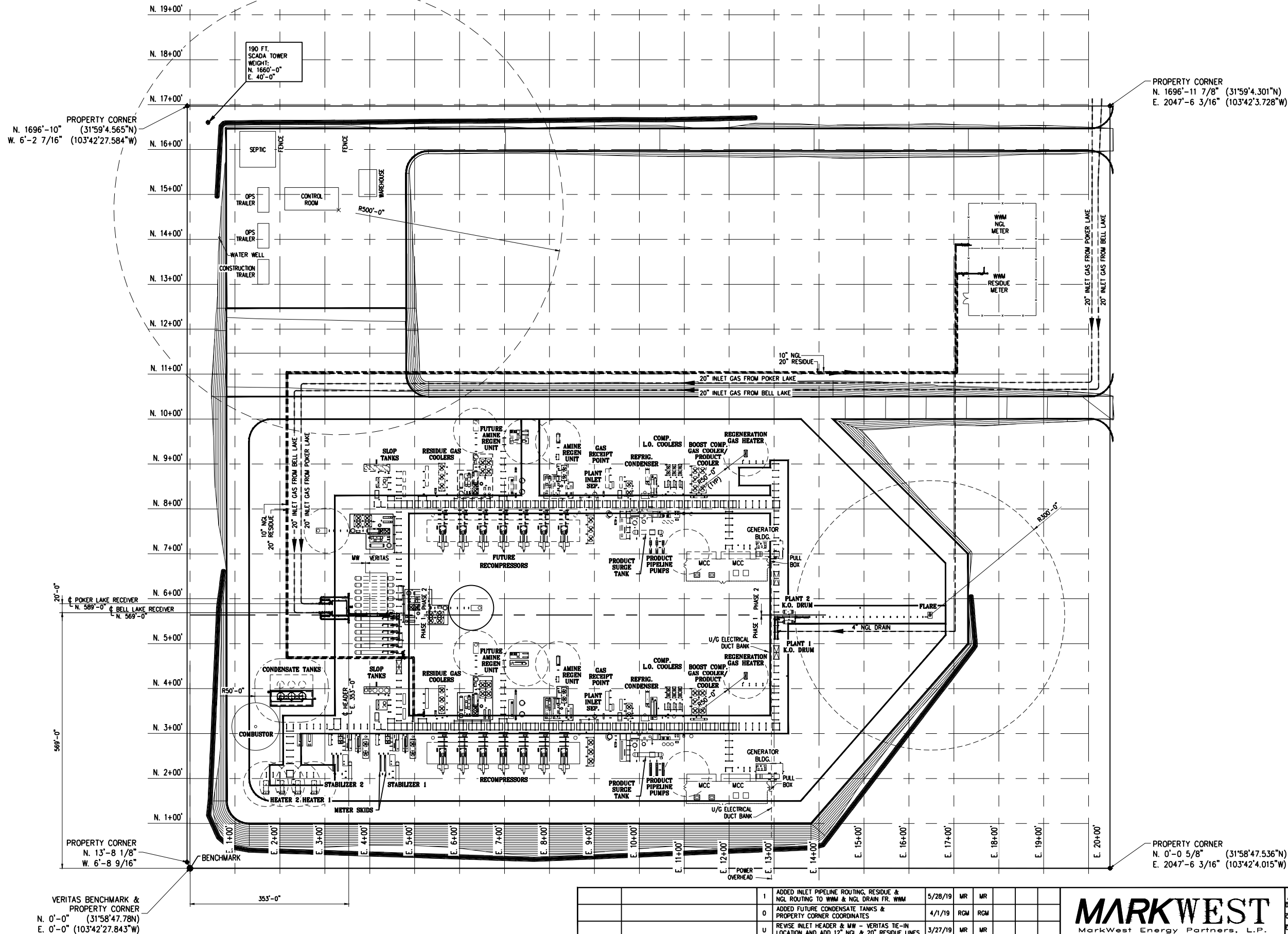
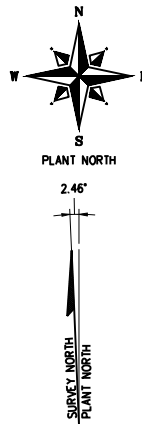
Date of Signature: August 8, 2018

MATTHEW TOMERLIN
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6503
FIRM REGISTRATION/LICENSE NO. 10129300
FOR PIPELINE LAND SERVICES, INC.
1200 S. WOODROW LN, STE 200
DENTON, TX. 76205
(940) 808-1191 OFFICE
(940) 808-1195 FAX



MARKWEST
Energy Partners, L.P.

N:\Engineering Department\WTECH\Tornado\Construction Drawings\Piping\TO-1000.dwg, 8/21/2019 11:16:19 AM, s7r



NOTE:
1. COORDINATES PROVIDED ARE IN THE PLANT COORDINATE SYSTEM BASED ON BENCHMARK & GRID.

REFERENCE	NO.	REVISION-DESCRIPTION	DATE	DRAWN	CHK'D	ENG. APP'D	PROCESS APP'D	DIRECTOR APP'D	LOWING CO.
	1	ADDED INLET PIPELINE ROUTING, RESIDUE & NGL ROUTING TO WWM & NGL DRAIN FR. WWM	5/28/19	MR	MR				
	0	ADDED FUTURE CONDENSATE TANKS & PROPERTY CORNER COORDINATES	4/1/19	RGM	RGM				
	U	REVISE INLET HEADER & MW - VERITAS TIE-IN LOCATION AND ADD 12" NGL & 20" RESIDUE LINES	3/27/19	MR	MR				
	1	REVISED PER VERITAS PLOT PLAN REV. 0 ISSUE FOR REVIEW	3/4/19	RGM	RGM				
	2	REVISED PER LATEST VERITAS PLOT PLAN		RGM	MR				

MARKWEST
MarkWest Energy Partners, L.P.

OVERALL PLOT PLAN
TORNADO GAS PLANT
PHASE 1 & 2
TORNADO

A.F.E.	DATE:	01/25/17
DRAWN: DB	DATE:	9/5/18
CHECK: RGM	DATE:	
ENG. APP: DATE:		
PROCESS APP: DATE:		
DIRECTOR APP: DATE:		
SCALE: 1"=100'-0"	CAD. FILE:	10-1000
DRAWING NO.	REV.	2
TEXAS	TO-PM-1000	

TAB 10

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

Existing Improvements & Equipment / Non-Qualified Property

- o Caliche Road
- o Fence
- o Existing Pipeline

Tornado I Gas Plant

- o Amine Unit
- o Inlet Slug Catcher
- o Condensate Stabilizer
- o Distillation Towers
- o Heaters
- o Coolers
- o Pumps
- o Compression Equipment
- o Distributed Control System “DCS” (Computer Control)
- o Valves
- o Piping
- o Heat Exchangers
- o Flare System
- o Fire Protection
- o Electricity and Steam
- o Waste Water Processing

The Tornado I Gas Plant is a 200 million standard cubic feet per day gas plant that is currently under construction on the 80 acres identified in this application. If constructed, the Tornado II gas plant will sit next to the Tornado Gas Plant. See attached Tornado I and Tornado II Plot Plan for additional details.



Tornado II

PROPERTY CORNER
N. 1696'-10"
(31°59'4.563"N)
W. 5'-2 7/16"
(103°42'27.584"W)

VERTAS BENCHMARK &
PROPERTY CORNER
N. 0'-0"
(31°58'47.780"N)
E. 0'-0"
(103°42'27.845"W)

PROPERTY CORNER
N. 1595'-11 7/8"
(31°59'4.301"N)
E. 2047'-6 3/16"
(103°42'3.728"W)

PROPERTY CORNER
N. 0'-0 5/8"
(31°58'47.535"N)
E. 2047'-6 3/16"
(103°42'4.015"W)

NOTE:
1. COORDINATES PROVIDED ARE IN THE PLANT COORDINATE
SYSTEM BASED ON BENCHMARK & GRID.

NO.	REVISION-DESCRIPTION	DATE	DESIGN	CHECK	APP'D	PREP'D	REVIEW	ISSUED BY
1	ADDED INLET PIPELINE RATING, RESQUE & INCL. NOTING TO WBM & INCL. DRAIN PLE WBM	5/28/19	MM	MM				
2	ADDED FUTURE CONDUIT RATING & PROPERTY CORNER COORDINATES	4/1/19	RCM	RCM				
3	REVISED INLET HEADER & INCL. - VERTAS DE-IN LOCATION AND ADD 12" INCL. & 20" MEDIANE LINES	3/27/19	MM	MM				
4	REVISED FOR VERTAS PLOT PLAN REV. 0	3/4/19	RCM	RCM				
5	REVISED FOR LATEST VERTAS PLOT PLAN		RCM	MM				

MARKWEST
MarkWest Energy Partners, L.P.

INTERNAL PLOT PLAN
TORNADO GAS PLANT
PHASE 1 & 2

DATE	5/28/19
DESIGN	RCM
CHECK	RCM
APP'D	MM
PREP'D	MM
REVIEW	MM
ISSUED BY	MM
DATE	5/28/19
TO-PM-1000	2

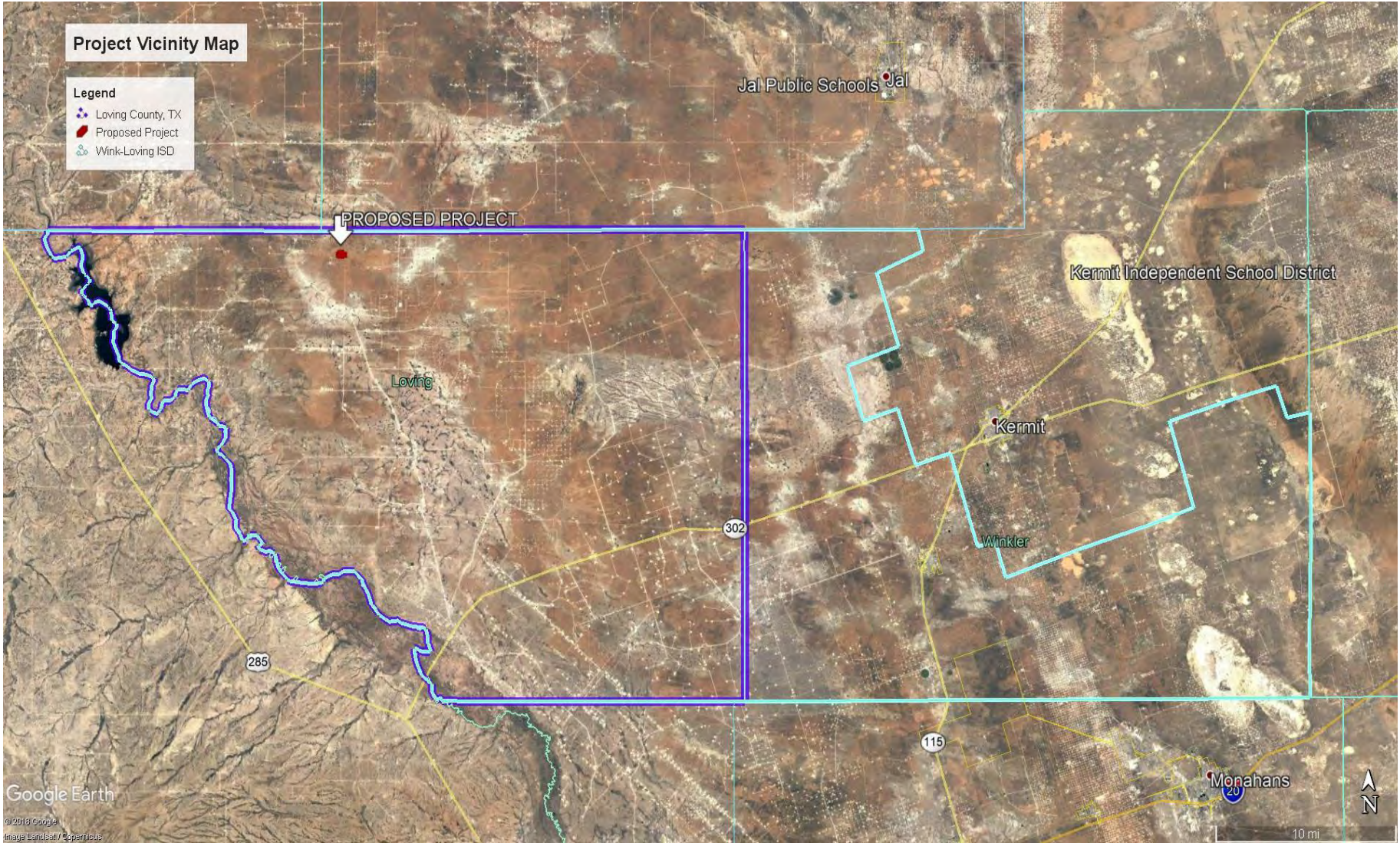
TAB 11

Maps of Project

Maps that clearly show:

- a) Project vicinity
 - a. See the following attached map labeled **"Project Vicinity Map"**
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period
 - a. See the following attached map labeled **"Qualified Investment/Qualified Property Map"**
- c) Qualified property including location of new buildings or new improvements
 - a. See the following attached map labeled **"Qualified Investment/Qualified Property Map"**
- d) Existing property
 - a. No existing property. See Tab #10.
- e) Land location with vicinity map
 - a. See the following attached map labeled **"Project Vicinity Map"**
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size
 - a. See the following attached map labeled **"Reinvestment Zone Map"**

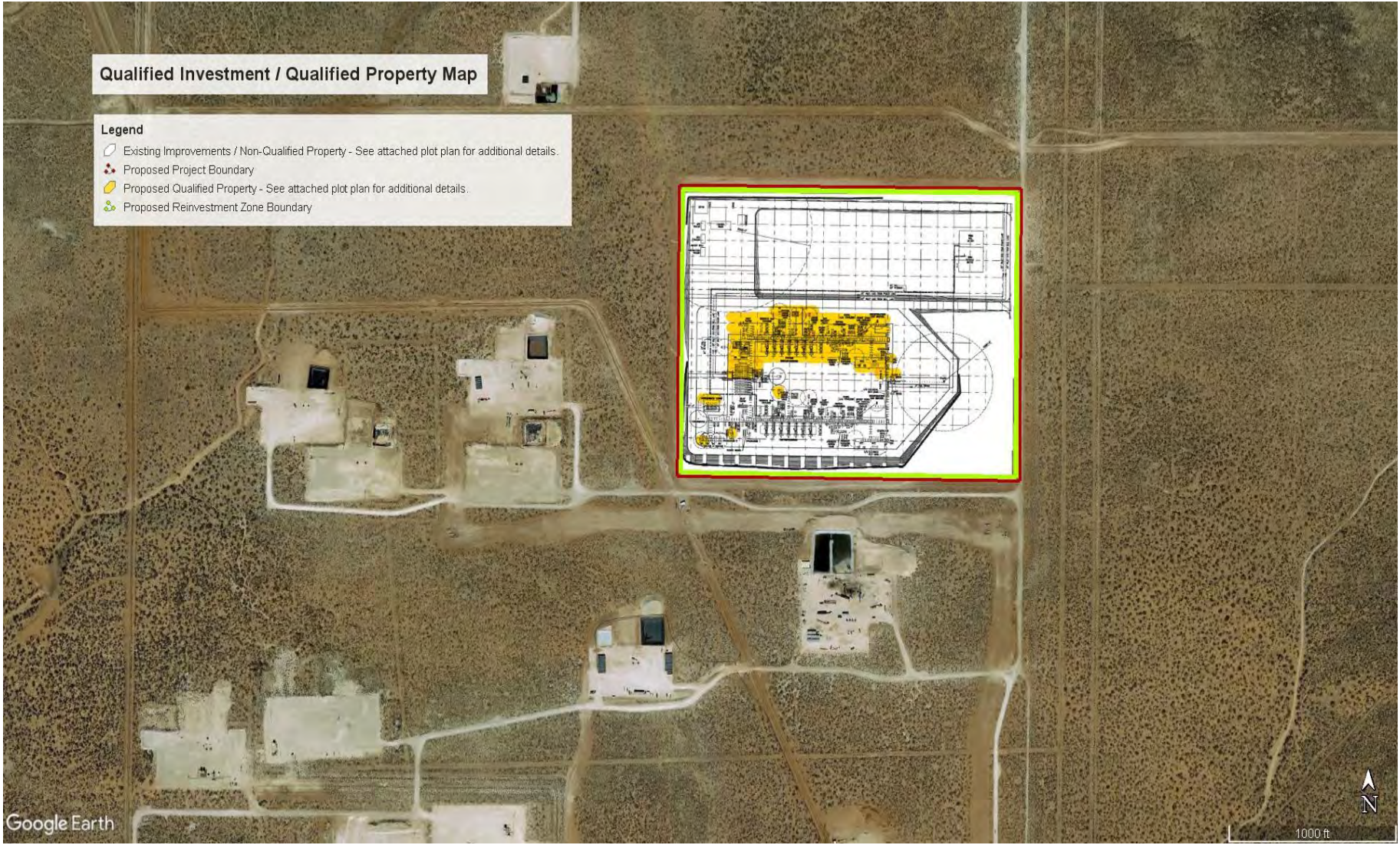
MARKWEST
MarkWest Tornado GP, L.L.C.
CHAPTER 313 APPLICATION TO WINK-LOVING ISD



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MarkWest Tornado GP, L.L.C.
CHAPTER 313 APPLICATION TO WINK-LOVING ISD



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MarkWest Tornado GP, L.L.C.
CHAPTER 313 APPLICATION TO WINK-LOVING ISD



CHAPTER 313 APPLICATION TO WINK-LOVING ISD



Plot Plan
View Two



NOTE:
1. COORDINATES PROVIDED ARE IN THE PLANT COORDINATE SYSTEM BASED ON BENCHMARK & GRID.

REVISION	NO.	REVISION-DESCRIPTION	DATE	DESIGN	CHECK	APP'D	APP'D	APP'D	APP'D	APP'D
	1	ADDED INLET PIPELINE ROUTING, RESERVE & INLET ROUTING TO TOWER & MOL DRUM FILL WHEN	5/26/19	MR	MR					
	2	ADDED VENTURE CONDENSATE LINES & PROPERTY CORNER COORDINATES	4/1/19	RCM	RCM					
	3	REVISED INLET HEADER & SIZE - VERITAS TO-48 LOCATION AND ADD 12" NGL & 20" WETLINE LINES	3/27/19	MR	MR					
	4	REVISED FOR VERITAS PLOT PLAN REV. B	2/4/19	RCM	RCM					
	5	ISSUE FOR REVIEW								
	6	REVISED FOR LATEST VERITAS PLOT PLAN		RCM	MR					

MARKWEST
MarkWest Energy Partners, L.P.

TORNADO GAS PLANT
PHASE 1 & 2
TORNADO

DATE	NO.	DATE	NO.
5/26/19	1	5/26/19	1
4/1/19	2	4/1/19	2
3/27/19	3	3/27/19	3
2/4/19	4	2/4/19	4
	5		5
	6		6
	7		7
	8		8
	9		9
	10		10



MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 12

Request for Waiver of Job Creation Requirement and Supporting Information *(if applicable)*

See Attached.



100 Congress Avenue
Suite 1900
Austin, TX 78701
Tel. 512.476.0022
Fax 512.476.0033

September 16, 2019

www.ryan.com

Mr. Scotty Carman
Wink-Loving Independent School District
200 North Rosey
Austin, Texas, 78711-3087

Re: MarkWest Tornado GP, L.L.C. Chapter 313 New Qualifying Jobs Waiver Request

Dear Superintendent Carman,

Please consider this letter to be MarkWest Tornado GP, L.L.C.'s formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new job creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the new job creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application.

During construction, this project will create as many as 100 full-time equivalent jobs, over a one-year construction period however, those jobs are temporary. Gas Plants and industrial plants in general, are becoming more and more automated. As such, a project of this type will only require a small full-time crew to operate the facility once the plant is up and running. Based on current standards and advanced automation, we anticipate that three full-time employees will be needed to operate this gas plant. As such, we will commit to creating three full-time jobs to fill those positions. All the full-time jobs created would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

Additional jobs may be created to service, supervise and operate pipelines and compression assets directly associated with this project but not part of this application. The applicant requests that the Wink-Loving ISD's Board of Trustees make a finding that the jobs creation requirement may be waived for this facility.

If you have any questions regarding this application, please contact me at 512.960.1129 or email at trey.novosad@ryan.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Trey Novosad", with a long horizontal flourish extending to the right.

Trey Novosad
Principal
Ryan, LLC

TAB 13

Calculation of Three Possible Wage Requirements with TWC Documentation

- 1) Loving County average weekly wage for all jobs (All Industries)
 - a. See attached Wage Calculation Chart with data from the first quarter of 2019 and the second, third, fourth quarter of 2018.
- 2) Loving County average weekly wage for all jobs (Manufacturing)
 - a. Not applicable. There is no available data for years 1990 to 2019 because data does not meet BLS or State Agency Disclosure Standards.
- 3) Council of Government Regional Wage Calculation and Documentation
 - a. See attached 2018 Manufacturing Average Wages by Council of Government Region Wages for All Occupations.

Loving County
Chapter 313 Wage Calculation – All Jobs, All Industries

Year	Quarter	Average Weekly Wages*	Annualized
2019	First	\$1,236	\$64,272
2018	Second	\$781	\$40,612
2018	Third	\$899	\$46,748
2018	Fourth	\$1,146	\$59,592
Average		\$1,015.50	\$52,806

Loving County
Chapter 313 Wage Calculation – Manufacturing Jobs

Year	Quarter	Average Weekly Wages*	Annualized
N/A	N/A	N/A	N/A
Average		N/A	N/A
	X	110%	110%
		N/A	N/A

**** Not applicable. There is available data for years 1990 to 2019 because data does not meet BLS or State Agency Disclosure Standards.****

Chapter 313 Wage Calculation – Regional Wage Rate (Permian Basin)

Year	Average Weekly Wages*	Annualized
2018	\$ 1,036.19	\$ 53,882
X	110%	
	\$ 1,139.81	\$ 59,270.20

****See attached TWC Documentation****

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Reset

Export to Excel

Drag a column header and drop it here to group by that column

<u>Year</u>	<u>Period</u>	<u>Area</u>	<u>Ownership</u>	<u>Industry Code</u>	<u>Industry</u>	<u>Level</u>	<u>Average Weekly Wage</u>
2019	01	Loving	Total All	10	Total, All Industries	0	1,236

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Reset

Export to Excel

Drag a column header and drop it here to group by that column

<u>Year</u>	<u>Period</u>	<u>Area</u>	<u>Ownership</u>	<u>Industry Code</u>	<u>Industry</u>	<u>Level</u>	<u>Average Weekly Wage</u>
2018	02	Loving	Total All	10	Total, All Industries	0	781
2018	03	Loving	Total All	10	Total, All Industries	0	899
2018	04	Loving	Total All	10	Total, All Industries	0	1,146

2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

**\$53,882 x 110% =
\$59,270.20**

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data,
and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.



MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 14

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

See Attached.

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

Date 9/16/2019
Applicant Name MarkWest Tornado GP, L.L.C.
ISD Name Wink-Loving 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 new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	Qualified Investment	Qualified Investment	0	0
Complete tax years of qualifying time period	QTP1	2021-2022	2020	100,000,000	Qualified Investment	Qualified Investment	0	100,000,000
	QTP2	2022-2023	2021	10,000,000	Qualified Investment	Qualified Investment	0	10,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				110,000,000	0	0	0	110,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				110,000,000				

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

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

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

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

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

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

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

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

Date 9/16/2019
Applicant Name MarkWest Tornado GP, L.L.C.
ISD Name Wink-Loving 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		Enter amounts from TOTAL row in Schedule A1 in the row below				
				110,000,000	0	0	0	110,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020		0	0	0	
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021	110,000,000	0	0	0	110,000,000
Value limitation period***	1	2022-2023	2022	0	0	0	0	0
	2	2023-2024	2023	0	0	0	0	0
	3	2024-2025	2024	0	0	0	0	0
	4	2025-2026	2025	0	0	0	0	0
	5	2026-2027	2026	0	0	0	0	0
	6	2027-2028	2027	0	0	0	0	0
	7	2028-2029	2028	0	0	0	0	0
	8	2029-2030	2029	0	0	0	0	0
	9	2030-2031	2030	0	0	0	0	0
	10	2031-2032	2031	0	0	0	0	0
Total Investment made through limitation				110,000,000	0	0	0	110,000,000
Continue to maintain viable presence	11	2032-2033	2032			0		0
	12	2033-2034	2033			0		0
	13	2034-2035	2034			0		0
	14	2035-2036	2035			0		0
	15	2036-2037	2036			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			0		0
	17	2038-2039	2038			0		0
	18	2039-2040	2039			0		0
	19	2040-2041	2040			0		0
	20	2041-2042	2041			0		0
	21	2042-2043	2042			0		0
	22	2043-2044	2043			0		0
	23	2044-2045	2044			0		0
	24	2045-2046	2045			0		0
	25	2046-2047	2046			0		0

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

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

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

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

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

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

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

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

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

Date

9/16/2019

Applicant Name

MarkWest Tornado GP, L.L.C.

Form 50-296A

ISD Name

Wink-Loving ISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	0	0	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	0	0	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000
Value Limitation Period	1	2022-2023	2022	0	0	\$ 95,000,000	\$ 90,250,000	\$ 90,250,000	\$ 30,000,000
	2	2023-2024	2023	0	0	\$ 90,250,000	\$ 85,738,000	\$ 85,738,000	\$ 30,000,000
	3	2024-2025	2024	0	0	\$ 85,737,500	\$ 81,451,000	\$ 81,451,000	\$ 30,000,000
	4	2025-2026	2025	0	0	\$ 81,450,625	\$ 77,378,000	\$ 77,378,000	\$ 30,000,000
	5	2026-2027	2026	0	0	\$ 77,378,094	\$ 73,509,000	\$ 73,509,000	\$ 30,000,000
	6	2027-2028	2027	0	0	\$ 73,509,000	\$ 69,834,000	\$ 69,834,000	\$ 30,000,000
	7	2028-2029	2028	0	0	\$ 69,834,000	\$ 66,342,000	\$ 66,342,000	\$ 30,000,000
	8	2029-2030	2029	0	0	\$ 66,342,000	\$ 63,025,000	\$ 63,025,000	\$ 30,000,000
	9	2030-2031	2030	0	0	\$ 63,025,000	\$ 59,874,000	\$ 59,874,000	\$ 30,000,000
	10	2031-2032	2031	0	0	\$ 59,874,000	\$ 56,880,000	\$ 56,880,000	\$ 30,000,000
Continue to maintain viable presence	11	2032-2033	2032	0	0	\$ 56,880,000	\$ 54,036,000	\$ 54,036,000	\$ 54,036,000
	12	2033-2034	2033	0	0	\$ 54,036,000	\$ 51,334,000	\$ 51,334,000	\$ 51,334,000
	13	2034-2035	2034	0	0	\$ 51,334,000	\$ 48,767,000	\$ 48,767,000	\$ 48,767,000
	14	2035-2036	2035	0	0	\$ 48,767,000	\$ 46,329,000	\$ 46,329,000	\$ 46,329,000
	15	2036-2037	2036	0	0	\$ 46,329,000	\$ 44,013,000	\$ 44,013,000	\$ 44,013,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	0	0	\$ 44,013,000	\$ 41,812,000	\$ 41,812,000	\$ 41,812,000
	17	2038-2039	2038	0	0	\$ 41,812,000	\$ 39,721,000	\$ 39,721,000	\$ 39,721,000
	18	2039-2040	2039	0	0	\$ 39,721,000	\$ 37,735,000	\$ 37,735,000	\$ 37,735,000
	19	2040-2041	2040	0	0	\$ 37,735,000	\$ 35,848,000	\$ 35,848,000	\$ 35,848,000
	20	2041-2042	2041	0	0	\$ 35,848,000	\$ 34,056,000	\$ 34,056,000	\$ 34,056,000
	21	2042-2043	2042	0	0	\$ 34,056,000	\$ 32,353,000	\$ 32,353,000	\$ 32,353,000
	22	2043-2044	2043	0	0	\$ 32,353,000	\$ 30,735,000	\$ 30,735,000	\$ 30,735,000
	23	2044-2045	2044	0	0	\$ 30,735,000	\$ 29,198,000	\$ 29,198,000	\$ 29,198,000
	24	2045-2046	2045	0	0	\$ 29,198,000	\$ 27,738,000	\$ 27,738,000	\$ 27,738,000
	25	2046-2047	2046	0	0	\$ 27,738,000	\$ 26,351,000	\$ 26,351,000	\$ 26,351,000

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 C: Employment Information

Date **9/16/2019**
 Applicant Name **MarkWest Torndado GP, L.L.C.**
 ISD Name **Wink-Loving ISD**

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	125 FTE	59,270.20	0	3	59,270.20
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	25 FTE	59,270.20	0	3	59,270.20
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	N/A	N/A	0	3	59,270.20
	2	2023-2024	2023	N/A	N/A	0	3	59,270.20
	3	2024-2025	2024	N/A	N/A	0	3	59,270.20
	4	2025-2026	2025	N/A	N/A	0	3	59,270.20
	5	2026-2027	2026	N/A	N/A	0	3	59,270.20
	6	2027-2028	2027	N/A	N/A	0	3	59,270.20
	7	2028-2029	2028	N/A	N/A	0	3	59,270.20
	8	2029-2030	2029	N/A	N/A	0	3	59,270.20
	9	2030-2031	2030	N/A	N/A	0	3	59,270.20
	10	2031-2032	2031	N/A	N/A	0	3	59,270.20
Years Following Value Limitation Period	11 through 25	2032-2046	2032-2046	N/A	N/A	0	3	59,270.20

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) ☐ Yes ☒ No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 9/16/2019

Applicant Name MarkWest Tornado GP, L.L.C.

Form 50-296A

ISD Name Wink-Loving

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: Loving	2022	2022-2026	\$ 335,043	Average 50% per Year	\$ 167,522
	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				\$ 335,043		\$ 167,522

Additional information on incentives for this project:

TAB 15

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

Not applicable to this project.

TAB 16

Description of Reinvestment or Enterprise Zone

Guidelines and Criteria

- Evidence that the area qualifies as an enterprise zone as defined by the Governor's office
- Legal description of reinvestment zone
- Order, resolution or ordinance establishing the reinvestment zone
- Guidelines and criteria for creating the zone

See Attached Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created By Loving County, Texas – Updated May 14, 2018.

**GUIDELINES AND
CRITERIA FOR GRANTING TAX
ABATEMENT IN REINVESTMENT
ZONES CREATED BY
LOVING COUNTY, TEXAS
MAY 14th, 2018**

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN
REINVESTMENT ZONES CREATED BY LOVING COUNTY**

WHEREAS, taxing units for Texas and the nation now use Tax Abatement to successfully attract industry to their localities and Loving County deems it necessary to compete with these localities by having the ability to offer Tax Abatements, and

WHEREAS, Tax Abatement is a useful tool to attract new wealth and employment into Loving County and is the highest civic priority, and

WHEREAS, any tax Incentive offered by Loving County will be limited to new and existing businesses that bring added wealth and employment into the community, and

WHEREAS, an eligible taxing jurisdiction, under Texas law, must establish Guidelines and Criteria to be eligible to offer Tax Abatement prior to granting Tax Abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-fourths vote of the governing body, and

WHEREAS, all applicants for Tax Abatement will be considered on a case-by-case basis and established Guidelines and Criteria shall not be construed or implied that Loving County is under obligation to grant Tax Abatement or other tax incentives to an applicant:

NOW THEREFORE BE IT RESOLVED, in consideration of these premises, the Guidelines and Criteria for granting Tax Abatement in reinvestment zones are hereby established for Loving County.

SECTION 1 – DEFINITIONS

- A. ABATEMENT: The full or partial exemption from ad valorem taxes of certain property in a reinvestment zone for economic development purposes.
- B. ABATEMENT AGREEMENT: A contract between a property owner and Loving County for the Abatement of tax on qualified Real Property located within the Reinvestment Zone, or Tangible Personal Property, or both, as authorized by V.T.C.A., Tax Code, Section 312.204.
- C. BASE YEAR VALUE: The assessed value of eligible property January 1 preceding the execution of an Abatement Agreement as herein defined, plus (if applicable) the agreed upon value of eligible property improvements made after January 1 but before the execution of an Abatement Agreement.
- D. DEFERRED MAINTENANCE: Improvements necessary for continued operation which do not improve productivity or alter the process of technology.
- E. DISTRIBUTION CENTER FACILITY: A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.
- F. EXPANSION OF EXISTING FACILITIES OR STRUCTURES: The addition of buildings, structures, machinery or equipment to a Facility after the date of execution of an Abatement Agreement.

- G. EXISTING FACILITY OR STRUCTURE: A facility as of the date of execution of the Abatement Agreement, located in or on Real Property eligible for tax abatement.
- H. FACILITY: The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be placed in or on said Real Property.
- I. IMPROVEMENTS TO REAL PROPERTY OR IMPROVEMENTS: The construction, addition to, structural upgrading or, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
- J. MANUFACTURING FACILITY: A facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
- K. MODERNIZATION means the complete or partial reconstruction or installation of a facility similar or expanded production capacity. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. Modernization is not the repair or reconditioning of machinery or building.
- L. NEW FACILITY: The construction of a Facility on previously undeveloped Real Property eligible for tax abatement.
- M. NEW PERMANENT JOB: A new employment position created by a business that has provided employment to an employee of at least 1,820 hours annually and intended to be an employment position that exists during the life of the abatement.
- N. OTHER BASIC INDUSTRY: A facility other than a distribution center facility, a regional service facility or a manufacturing facility which produces goods or services or which creates new or expanded job opportunities and services a market of which fifty percent (50%) of revenues come from outside of Loving County.
- O. OWNER: The record title owner of Real Property of the legal owner of Tangible Personal Property. In the case of land leased from a public entity, the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon.
- P. PRODUCTIVE LIFE: The number of years a Facility is expected to be in service.
- Q. REAL PROPERTY: Land on which Improvements are to be made or fixtures placed.
- R. REGIONAL SERVICES FACILITY: A Facility, the primary purpose of which is to service or repair goods or materials and which creates Job opportunities with Loving County
- S. REINVESTMENT ZONE: Real Property designated as a Reinvestment Zone under the provisions of V.T.C.A., Tax Code, Section 312.
- T. RENEWABLE POWER FACILITY AND FIXTURES A facility and fixtures associated therewith which is or will be used for the primary purpose of the production of electricity from a renewable fuel source such as wind and solar.
- U. TANGIBLE PERSONAL PROPERTY: Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility

SECTION 2 - ABATEMENT AUTHORIZED

- A. **ELIGIBLE FACILITIES** Upon application, eligible facilities shall be considered for Tax Abatement as hereinafter provided:
- 1) Distribution Center Facilities;
 - 2) Manufacturing Facilities;
 - 3) Regional Services Facilities;
 - 4) Oil & Gas Processing and Field Services;
 - 5) Renewable Power Facility and Fixtures;
 - 6) Any other industry that Loving County, through its Commissioners Court determines will add to the County's economic base and result in the creation of new permanent jobs within Loving County
- B. **CREATION OF NEW VALUE** Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the property owner or lessee and Loving County subject to such limitations as Loving County may require.
- C. **EXISTING AND NEW FACILITIES** for the purpose of modernization or expansion, existing or new facilities may be granted Tax Abatement.
- D. **ELIGIBLE PROPERTY** Abatement may be granted to the value of buildings, structures, fixed machinery and equipment, size improvements and related fixed improvements necessary to the operation and administration of the facility.
- E. **PARTIALLY ELIGIBLE** Partially eligible for abatements are modernization projects which are intended to replace existing equipment or facilities when the existing equipment and facilities will be removed, thus eliminating existing value from the tax rolls. In this event, the value of the existing facility and equipment shall be frozen at the time of the abatement agreement and shall be frozen throughout the abatement period. The eligible abatable value of the new project shall be the difference between the total new investment amount and the existing tax value of the equipment and/or facility to be removed.
- F. **INELIGIBLE PROPERTY** The following types of property shall be fully taxable and ineligible for Tax Abatement: land, supplies, inventories, furnishings, and other forms of movable personal property, housing, Deferred Maintenance, property to be rented or leased except for as provided in Section 2 (g) and property with a productive life of less than ten (10) years.
- G. **LEASED FACILITIES** If a new facility is to be constructed by a third party for lease to an eligible applicant for abatement, then the building owner may also be eligible for abatement or other agreement may be executed and signed by the lessor and lessee.
- H. **ECONOMIC QUALIFICATION** In order to be eligible to receive Tax Abatement, the planned improvement must have an increased ad valorem tax value of \$ 150,000.00 based upon the Loving County Appraisal District assessment of eligible property and must add at least (10) new permanent jobs, unless the Commissioners Court approves an exception to the minimum jobs requirement due to the nature of the improvement. It must retain, increase or create payroll on a permanent basis. A company meeting the criteria and guidelines for tax abatement, as set forth herein, shall be eligible for tax abatement as follows:

Capital Investment	Or	Jobs Created	Max. Term	Abatement
\$25,000,000 —		10-20.	5 Years	20%-30%
\$50,000,000—		21-35	10 Years	20% - 60%
\$101,000,000 or more		36 or more	10 Years	30%- 70%

The foregoing table is intended to be a general guideline; however, the Commissioners Court at its discretion may agree to Tax Abatement percentages and maximum terms greater than those set forth above.

- I. Terms of the Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement.
- J. TAX ABATEMENT STANDARDS. The following factors, among others shall be considered in determining the qualifications for Tax Abatement:
 - 1) Type and value or proposed improvements;
 - 2) Productive life of proposed improvements;
 - 3) Number of existing jobs to be retained by the use of proposed improvements;
 - 4) Type and number of new jobs to be created by the use of improvements;
 - 5) Expected annual payroll to be created;
 - 6) If the projected new jobs will be held by persons residing in the taxing units of Loving County;
 - 7) Financing structure and the time period and amount of expenditures;
 - 8) If the improvements are compatible with all applicable land use regulations;
 - 9) If the operation will be comparable with environmental laws and will have no negative impact on quality of life; and
 - 10) Ability to provide an upfront financial contribution to Loving County or other projects.
- K. Loving County may reject an application for Tax Abatement for failure to meet any of the above listed under Section (2J).
- L. TAXABILITY From the execution of the Abatement agreement to the end of the Agreement period, the effect on taxes due and payable shall be as follows:
 - 1) the value of ineligible property as provided in section 2 (f) shall be *fully* taxable; and
 - 2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - 3) after the agreement period. All existing property plus the property considered as eligible property in this Agreement shall be fully taxable.
- M. If a property under an Abatement Agreement is sold, the Agreement may be transferred to the new owner upon notice to the Commissioner's Court. However, the Agreement may not be transferred if the new owner owes delinquent taxes in any of the taxing units affected by the abatement.

SECTION 3 – APPLICATION

- A. If a request for Tax Abatement is not in an existing Reinvestment Zone, an application must be made to Loving County for creating a Reinvestment Zone. The written application must contain a plat with means and bounds or lot and block or section and block description of the Reinvestment Zone. The application shall be accompanied by an application fee of one thousand dollars (\$1,000) as authorized by Section 312.002(e) of the Texas Tax Code.
- B. An application for Tax Abatement must contain the following: a general description of the proposed use and general nature and extent of modernization, expansion or improvements to be undertaken, a description of the improvements, a map and description of the property, and a time schedule for undertaking and completing the improvements, and the investment for each stage of the improvements with proof of adequate financing. The application should contain information contained in Sec 2(1)
- C. Loving County shall give notice as provided by the Texas Property Tax Code, i.e. (1) written notice shall be given to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located no later than that seventh day before the public hearing before the Governing Body of Loving County, and (2) publication shall be made in a newspaper of general circulation within such taxing jurisdiction no later than the seventh day before the public hearing. Loving County, through public hearing, shall afford the applicant, the designated representatives of the governing bodies, and other interested parties, referenced herein, a chance to show cause why Abatement should or should not be granted.

SECTION 4 - RECAPTURE

- A. In the event that the Owner or its assignee (I) allows its ad valorem taxes owed to Loving County to become delinquent and fails to timely and properly follow the legal procedures for their process and/or contest; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure during the Cure Period in and after described, the agreement then may be terminated and taxes previously abated will be recaptured in the manner provided by the abatement agreement.
- B. Should Loving County determine that the company or individual is in default according to the terms and conditions of its agreement, Loving County shall notify the company or individual of such default in writing at the address stated in the Agreement, and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the Agreement may be terminated.
- C. In the event that the Owner or Its assignee sells, leases, transfers, or otherwise conveys property subject to a tax abatement agreement to a governmental entity or other tax-exempt organization, the Owner will be considered to be in default and will be subject to the recapture provisions established by these guidelines and by the governing tax abatement agreement.

SECTION 5 – ADMINISTRATION

- A. The Loving County Appraisal District appraiser shall annually determine an assessment of the real and personal property comprising the reinvestment zone.
- B. The property owner shall each year certify to the County, compliance with all terms of the agreement. The County may cancel or modify the agreement if the owner fails to comply with the terms of the Agreement and shall collect all taxes as 100% of the assessed value of the property before entering into the Tax Abatement Agreement.
- C. The owner shall twee to permit the County to inspect the operation to verify compliance with the terms of the Agreement.

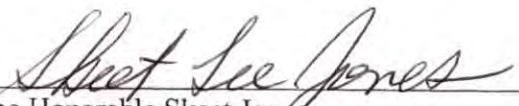
SECTION 6 – AGREEMENT

- A. Upon approval, the County shall formally pass a resolution and execute an Agreement with the Applicant and if applicable, the owner of the facility, which shall include:(1) the estimated value Lobe abated and the base year value;(2) percent of value to be abated each year;(3) the commencement date and termination date of the Abatement;(4) the proposed use of the facility, time schedule of construction, property description and improvement list; and (5) obligations in the event of default violation of terms of the Agreement delinquent taxes, recapture, administration and assignment Such agreement shall be executed at a date agreed between the applicant and Loving County.
- B. Applicant agrees to purchase all supplies and equipment locally, if possible.

SECTION 7 - SUNSET PROVISION

These Guidelines and Criteria shall remain in force for two (2) years after their adoption unless amended by three-fourths vote of the Commissioner's Court.

PASSED AND ADOPTED ON THIS THE 14th DAY OF MAY, 2018.


The Honorable Skeet Jones
Loving County Judge

Attest:


County Clerk





MarkWest Tornado GP, L.L.C.

CHAPTER 313 APPLICATION TO WINK-LOVING ISD

TAB 17

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

See Attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print
hereScotty Carman
Print Name (Authorized School District Representative)Superintendent
Titlesign
here[Signature]
Signature (Authorized School District Representative)9-16-19
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
hereNicole M. Busey
Print Name (Authorized Company Representative (Applicant))Assistant Secretary
Titlesign
here[Signature]
Signature (Authorized Company Representative (Applicant))Sep. 13, 2019
Date

(Notary Seal)

KATIE M. BALTZ
Notary Public, State of Ohio
My Commission Expires 08-29-2020

GIVEN under my hand and seal of office this, the

13th day of September, 2019[Signature]
Notary Public in and for the State of Texas

My Commission expires: 08-29-2020

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