

Summit Next Gen - JETI Application Tab Information

Application Tab Order For Requested Attachments	
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Application for Taxable Value Limitation on Eligible Property

(Tax Code, Chapter 403, Subchapter T, Texas Jobs, Energy, Technology and Innovation Act)

FILING INSTRUCTIONS: This application must be completed and submitted to the Comptroller by the applicant or their representative.

The Comptroller will publish all submitted non-confidential application information on its website. The Comptroller is authorized to treat certain application information as confidential and withhold it from publication. Any confidential information must be fully segregated and comply with all other requirements stated in the Comptroller's rules.

If necessary, the Comptroller may request additional materials from the applicant.

SECTION 1: Applicant Information

1. Legal name of the applicant under which this application is made SUMMIT NEXT GEN, LLC
2. Applicant's address PO Box 1831, Austin, TX 78767
3. Texas Taxpayer I.D. number 805404924
4. NAICS code 32519
5. Applicant's form of business (*corporation, limited liability corporation, etc*) Limited Liability Corp.
6. Is the applicant current on all tax payments to the State of Texas? Yes No
7. Provide parent company information (*if applicable*)

SNGMM, LLC

Parent Company Name

108 Lakeland Ave, Dover, DE 19901

Parent Company Address

92-2663080

Parent Company Tax ID

8. Authorized Company Representative

Kevin

First Name

Vice President of SNGMM, LLC

Title

10640 Co Hwy D20

Mailing Address

Alden

City

(515) 854-2168

Phone Number

Bogenreif

Last Name

Summit Agricultural Group

Organization

IA

State

kbogenreif@summitag.com

Email Address

50006

Zip

9. Additional Authorized Company Representative (*if applicable*)

First Name

Title

Mailing Address

City

Phone Number

Last Name

Organization

State

Email Address

Zip

SECTION 1: Applicant Information (continued)

10. Authorized Company Consultant (if applicable)

Eddie
First Name

Solis
Last Name

Title

HillCo Partners
Firm Name

(512) 771-5947
Phone Number

esolis@hillcopartners.com
Email Address

SECTION 2: School District Information

1. Authorized School District Representative

John
First Name

Moore
Last Name

Dr.
Title

Galena Independent School District
School District Name

(832) 386-1000
Phone Number

GPISDSuperintendent@galenaparkisd.com
Email Address

2. Authorized School District Consultant (if applicable and known)

First Name

Last Name

Title

Firm Name

Phone Number

Email Address

SECTION 3: Fee

Provide a copy of the check or electronic transfer of the required application fee to the School District in Tab 1.

SECTION 4: Project Information

NOTE: Job and investment requirements for eligible projects located in more than one county are determined by the county with the smallest population.

1. In Tab 2, provide a detailed description of the proposed project. Include a legal description of the real property on which the proposed project will be located and the address, if known.

2. The county or counties in which the proposed project will be located Harris

3. The minimum required investment, at the time of application \$200,000,000.00

4. The Central Appraisal District (CAD) that will be responsible for appraising the property Harris CAD

5. The population of the County (or Counties) per the Federal Decennial Census at the time of application 4,731,145

SECTION 4: Project Information (continued)

6. List all taxing entities that have jurisdiction for the property.

M&O (ISD): Galena Park ISD, 0.83760, 100%
(Name, tax rate and percent of project)

I&S (ISD): Galena Park ISD, 0.29431, 100%
(Name, tax rate and percent of project)

County: Harris County, 0.35007, 100%
(Name, tax rate and percent of project)

City: NA
(Name, tax rate and percent of project)

Hospital District: Harris County H.D., 0.14343, 100%
(Name, tax rate and percent of project)

Water District: NA
(Name, tax rate and percent of project)

Other (describe): San Jacinto C.C., 0.14620, 100%
(Name, tax rate and percent of project)

Other (describe): Other Taxing Units, 0.08859, 100%
(Name, tax rate and percent of project)

7. List all state and local incentives.

County: NA
(Incentive type, percentage, start and end year)

City: NA
(Incentive type, percentage, start and end year)

Hospital District: NA
(Incentive type, percentage, start and end year)

Water District: NA
(Incentive type, percentage, start and end year)

Other (describe): NA
(Incentive type, percentage, start and end year)

Other (describe): NA
(Incentive type, percentage, start and end year)

8. List any grants or loans of public money this project is receiving or expects to receive in Tab 3.

9. If the project is not located entirely within the ISD listed in Section 2, provide maps of the entire project (depicting all other relevant school districts) and any other relevant information in Tab 4. Only the eligible property within the ISD listed in Section 2 is eligible for the limitation from this application.

10. Indicate which zone the land on which proposed new construction or new improvements is located.

- a. An area designated as a Reinvestment Zone under Tax Code Chapter 311 or 312
- b. An Enterprise Zone under Government Code Chapter 2303
- c. A Qualified Opportunity Zone as designated by the Secretary of the United States Treasury
- d. Attach the applicable supporting documentation in Tab 4.
 - i. evidence that the area qualifies as an Enterprise Zone as defined by the Governor’s Office;
 - ii. order, resolution, or ordinance establishing the Reinvestment Zone; or
 - iii. evidence that the Qualified Opportunity Zone has been designated by the Secretary of the United States Treasury; and
 - iv. a high resolution map depicting the eligible property and project boundaries within the Reinvestment/Enterprise zone, any relevant Opportunity Zones, along with the ISD and County boundaries.

A zone must be designated before the agreement is executed.

11. Did the Applicant consider locating the proposed project in a Qualified Opportunity Zone? Yes No

SECTION 5: Eligible Property

1. In Tab 5, provide a detailed list and description of the eligible property for which you are requesting a limitation.

2. The property will be used for one of the following activities:

- a. A Manufacturing Facility as classified in NAICS 311111-339999
- b. Provision of Utility Services as classified in NAICS 221111-221118

SECTION 5: Eligible Property (continued)

- c. Development of Natural Resources defined as Agriculture, Forestry, Fishing and Hunting as classified in NAICS 111110-115310
 - d. Development of Natural Resources defined as Mining, Quarrying, and Oil and Gas Extraction as classified in NAICS 211120-213115
 - e. Research, Development, or Manufacture of high-tech equipment or technology as classified in NAICS 541713-541720
 - f. Related to Critical Infrastructure as classified in:
 - i. NAICS 221310-221330
 - ii. NAICS 424710
 - iii. NAICS 486110-486990
3. Will any of the proposed required investment be leased under a capitalized lease? Yes No

SECTION 6: Ineligible Property

1. **Existing Property:** In Tab 6, provide a high-resolution map that includes a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application complete date. The description must provide sufficient detail to distinguish existing property from future proposed property.
2. **Proposed new property that will not be eligible for this limitation:** In Tab 6, provide a high-resolution map that includes a specific and detailed description of all proposed new property within the project boundary that will not become new improvements. The description must provide sufficient information to distinguish existing property from proposed new property that won't be eligible for the limitation.

SECTION 7: Projected Timeline

NOTE: Construction must commence after the agreement is executed to qualify.

- 1. Projected commencement of construction Q4 2024
- 2. Projected completion of construction Q4 2026
- 3. Projected commencement of commercial operations Q1 2027
- 4. First year of the incentive period 2027
- 5. Last year of the incentive period 2036

SECTION 8: Job and Wage Requirements

NOTE: Applicants are required to offer and contribute to a group health plan for each employee employed in a full-time job in connection with the project.

- 1. Number of new required jobs applicant will create 75
- 2. Wage NAICS code 325199
 - a. Indicate the NAICS level used (county, WDA or statewide) County
 - b. Texas Workforce Commission Quarterly Census of Employment and Wages Area Harris County

Q1	Year	<u>2023</u>	Wage	<u>\$206,648.00</u>
Q2	Year	<u>2023</u>	Wage	<u>\$172,692.00</u>
Q3	Year	<u>2022</u>	Wage	<u>\$149,084.00</u>
Q4	Year	<u>2022</u>	Wage	<u>\$155,584.00</u>
 - c. Average Annual Wage \$171,002.00
 - d. 110% of the Average Annual Wage \$188,102.20

SECTION 9: Limitation as Compelling Factor

- 1. In Tab 7, explain how the limitation is a compelling factor in a competitive site selection process. Provide information regarding potential project sites outside of Texas and include incentive offers, permits obtained or any incentive programs applied to.
- 2. Has the applicant entered into any agreements, contracts or letters of intent related to this project? Yes No
If Yes, provide details in Tab 7.
- 3. Has the applicant made any publicly available statements regarding the proposed project? (Include any alternate project names) Yes No
If Yes, attach statements and explain how the limitation is a compelling factor in Tab 7.
- 4. Has the applicant applied for or received any federal, state or local permits for activities at the proposed project site? Yes No
If Yes, include a list of all permits and dates applied for and received in Tab 7.

SECTION 10: Economic Benefit Statement and Schedules

Tab 8 must include an Economic Benefit Statement along with schedules formatted in Excel.

The economic benefit statement must include the project's associated economic benefits that, at minimum, consist of the following:

- 1. the impact on the gross revenues and employment levels of local businesses that provide goods or services in connection with the project or to an applicant's employees;
- 2. the amount of state and local taxes that will be generated as a result of the indirect economic impact of the project;
- 3. the development of complementary businesses or industries that locate in this state as a direct consequence of the project;
- 4. the total impact of the project on the gross domestic product of this state;
- 5. the total impact of the project on personal income in this state; and
- 6. the total impact of the project on state and local taxes.

SECTION 11: Section 403.606 Affidavit

In Tab 9, submit your Section 403.606 Sworn Affidavit.

SECTION 12: Authorized Signature

Authorized Company Representative (Applicant) Signature

I hereby certify and affirm that the applicant has fulfilled all application requirements under Chapter 403, Government Code, and the information provided herein is true and correct to the best of my knowledge, under penalty of perjury. I also affirm that the applicant is in good standing under the laws of Texas and I am authorized to file this application on behalf of the applicant.

Kevin Bogenreif

Print Name (Authorized Company Representative (Applicant))

Vice President of SNGMM, LLC

Title

sign here

[Handwritten Signature]

Signature (Authorized Company Representative (Applicant))

01/30/2024

Date

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.

Click to Submit Form

TAB 1

Copy of Check or Electronic of Required Application Fee

Please find on the attached page a copy of the check for the \$30,000 application fee paid to Galena Park ISD.

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

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

TAB 2

Detailed Description of the Proposed Project

Summit Next Gen “SNG” is developing the construction of an ethanol-to-jet (ETJ) Sustainable Aviation Fuel “SAF” manufacturing and refining plant on the Gulf Coast. The plant or “Facility” will have a nameplate production capacity of 256 million gallons of neat SAF produced from 450 million gallons of ethanol feedstock per annum. The facility will be the largest of its kind presently announced in North America and globally utilizing ethanol as the base feedstock. Once operational, SNG will support the aviation industry in reducing its carbon emissions by 50%+ compared to conventional jet fuel. SNG has completed meaningful front-end engineering and design (“FEED”) and has been actively evaluating various site locations along the Gulf Coast, principally evaluating Louisiana and Texas locations. In its evaluation of siting for the project and large scale investment, SNG has engaged with the Texas Governor’s Office of Economic Development.

SNG expects to purchase low-carbon ethanol from qualifying ethanol producers and the feedstock will be transported to the plant and subsequently converted to sustainable aviation fuel “SAF” and renewable diesel through the processes of dehydration, oligomerization, hydrogenation, and fractionation. Together, these steps make up the ethanol-to-jet “ETJ” production process.

SNG has already raised \$15 million to facilitate initial FEED, general development expenses, due diligence, initial permitting risk review, and to support site selection activities. Following finalization of site selection, SNG expects to begin initial site work and construction on the plant site in Q4 2024 and initiate commercial operation by January 2027. SNG expects to simultaneously raise both equity and debt for the project in the first half of 2024. Before the financial close of debt, SNG will have equity committed and subscription agreements executed as conditions precedent to close. SNG has established dialogues with industry leading airlines both domestically and abroad and has begun to exchange draft term sheets with potential customers. SNG has met with multiple financial advisors to facilitate the structuring, negotiation, and execution of commercial contracts to support a de-risked cash flow operating model to enable debt financing. SNG expects to hire a financial advisor in the first half of 2024.

Summit Next Gen’s business model is to facilitate energy transition in a pragmatic way to help the aviation industry reduce its total emissions, while also providing a new market for ethanol producers as the broader biofuels industry also decarbonizes. Through SNG’s pioneering project it will enable ethanol producers to remain relevant for generations to come as electrification slowly evolves in the light vehicle fleet. The US agricultural economy and ethanol are interlinked, providing billions in economic output for the US economy enabling quality jobs and income for everyday Americans along with enhanced energy security through domestic production of liquid fuels. Through projects such as SNG, renewable fuels producers can work within existing installed assets in the energy value-chain which includes ethanol, providing an orderly transition away from higher emissions energy sources without the side effects of job losses as the conventional energy economy is under increasing pressure to reduce emissions.

SNG expects to enter commercial and/or offtake agreements with key purchasers of jet fuel, such as logistics companies and airlines, for the sale of a material volume of the plants capacity and will sell co-product renewable diesel locally in spot markets. SNG will also benefit from significant renewable fuel incentives on both a Federal and state-by-state level whereby various states have incentivized the use of SAF in connection with state and local policies. Ultimately SNG expects to deliver much of its finished products to interstate refined product pipelines which originate in the Gulf Coast region, however there is also a strong likelihood that a significant volume of production will be sold to California via Jones Act vessels or to international export markets where SAF utilization is mandated by environmental policies.

To execute the engineering and construction of the SAF production facility, SNG has entered into an engineering agreement with Burns & McDonnell (“B&M”) to provide design engineering completed to date. SNG is in active discussions with B&M on the core terms of a complete engineering procurement and construction agreement to facilitate the completion of the proposed ETJ (Ethanol-to-Jet) plant. B&M is a leading U.S. engineering firm, having executed 150 renewable fuel and chemical projects over the last 25 years. B&M’s portfolio of fuel project experience includes wet and dry mill ethanol, cellulosic ethanol, biodiesel, biochemicals, renewable diesel, and SAF created from a variety of feedstocks. B&M has participated in planning, designing, and building greenfield and retrofit projects, as well as first-of-a-kind technologies. B&M has previously worked on six other SAF projects within the United States. B&M has begun front-end engineering and design for the SNG facility with the expectation that development of a FEED study will proceed shortly. This will be completed in

advance of the financial close of debt financing with the anticipation that SNG will begin initial equipment procurement preceding construction.

SNG is a portfolio investment of Summit Ag Investors, the project developer and sponsor which has deep industry domain expertise in development of large-scale renewable fuels and agricultural centric operating business. Summit Ag Investors is uniquely positioned as a sponsor given its proven track record of success in shepherding large scale projects with a heavy operational focus. As opposed to a typical private equity sponsor, Summit Ag Investors remains primarily involved in project development rather than acquiring and selling pre-existing businesses. Summit believes that they are best equipped to generate returns with the entrepreneurial development of new business ideas within the renewable energy and agribusiness sectors. Summit Ag Investors' parent group, Summit Agricultural Group, has raised large amounts of equity for various other agricultural investment funds and businesses. These include numerous farmland investment funds, as well as funds investing in the development and ownership of swine production facilities. Summit Ag Investors numerous pork investment funds have led to current ownership of over 820,000 swine finishing spaces that enables high-quality protein production coupled with industry leading animal welfare practices. Summit Agricultural Group's successful greenfield developments have led to the company's current management of over \$5 billion in assets.

The two primary sources of equity for Summit Ag Investors' projects are private and institutional investors. The sponsor has a base of Midwest investors (business owner and farmers) that has grown over the years. These investors are responsible for the majority of equity that has been invested in Summit's projects historically. Because of prior project successes, some institutional investors have recently partnered in recent Summit Ag Investors projects. Some examples of these current institutional investors are: TPG Rise Climate; SK E&S; Continental Resources; Tiger Infrastructure Partners and John Deere. For this project, Summit Next Gen expects to attract new institutional investors with a stated interest in developing low-carbon intensity fuel production markets.

Summit Ag Investors currently manages three other related projects that will produce or enable low carbon intensity ("CI") ethanol at the time of the future plant's operations. (Summit Carbon Solutions, Amber Wave, and FS Bioenergia). Two of these projects, FS Bioenergia and Amber Wave, already produce low CI ethanol. FS Bioenergia currently produces 550MGPY of low CI ethanol and expects to expand production in the near-future. Amber Wave became operational in October 2023 and will ramp-up its low CI waste-based starch slurry ethanol production over the next year. Summit Carbon Solutions has partnered with 34 corn ethanol plants in the U.S. Midwest to sequester and store GHG emissions created during the ethanol production process, therefore creating low CI corn ethanol. Because of SNG's unique relationship with these projects, the proposed SAF production facility will have access to an advantaged feedstock supply that other ETJ/ATJ SAF producers will not have. SNG will enter feedstock supply agreements concurrently with the financial close of debt commitments and will also coordinate arm's length contracts consistent with the margin pro forma and contracted cash flows available to service debt obligations.

These other three projects have a track record of economic growth in their communities. For example, Amber Wave employs approximately 110 employees at its Phillipsburg, Kansas location. Before the investment by Summit, the previous biofuels refinery at the location was considering shutting down. The transformation of the Amber Wave plant brought skilled labor jobs back to the rural community, which has a population of just over 2,000 people. Amber Wave has participated in several community outreach and engagement events since construction began on the new wheat processing facilities and was recently named Business of the Year by Phillipsburg Chamber & Main Street. Summit Carbon Solutions expects to employ over 11,000 full and part-time employees during the construction of the pipeline and carbon capture facilities. Combined, the total economic impact of this project will be over \$5 billion across the Midwest; this figure may grow if new carbon capture points are added to the project. Summit Carbon Solutions has also participated in a number of community engagement projects across the project's geographical footprint, including, but not limited to:

- school supplies donations to local schools
- career fair opportunities for both high school and college students
- sponsoring food kitchen meals,

- sponsorships at county fairs and similar community events
- multiple cash donations to senior living centers, community centers, emergency responder departments, and student agricultural groups.

FS Bioenergia has grown to be one of the largest corn ethanol producer in Brazil, with three plants now in operational producing over 550 MGPY. This rapid growth in production has led to economic development in various Mato Grosso communities. FS now employs over 1,000 full-time workers, a massive increase in skilled labor positions and well-paying jobs for several nearby rural towns. FS Bioenergia has also taken steps to benefit the members of these communities. This includes:

- Being official sponsors of and working closely with the Força Vôlei initiative, a project that provides free women's volleyball training for students in the municipality
- Sponsoring “+Possibilities,” a program developed with the aim of training People with Disabilities (PwD) in the areas of management and logistics and promoting inclusion in the labor market
- Creating “FeraS do Bem,” FS Bioenergia’s volunteer program with over 100 members
- Sponsoring “Todos Pela Bola Oval,” an after-school program that teaches American football to over 300 children
- Creating a Young Apprentice program

SNG through its active and operationally involved sponsor organization Summit Ag Investors will continue this legacy of fostering strong community relations to help the ongoing economic development at the final site location community which should benefit stakeholders.

TAB 3

List of Grants and Loans Received or Expected to Receive

The proposed project has not yet received any loans or grants. The project has submitted an application to the Fueling Aviation's Sustainable Transition (FAST) discretionary grant program administered by the Federal Department of Transportation and the Federal Aviation Administration, but has received no feedback yet as of the time of this application. This project is also in the initial stages of applying for the Title 17 Clean Energy Financing Program run by the Department of Energy's Loan Program Office, but cannot provide guidance on a timeline for expected approval.

TAB 4

Maps of Entire Project and Evidence of Enterprise Zone Project Location

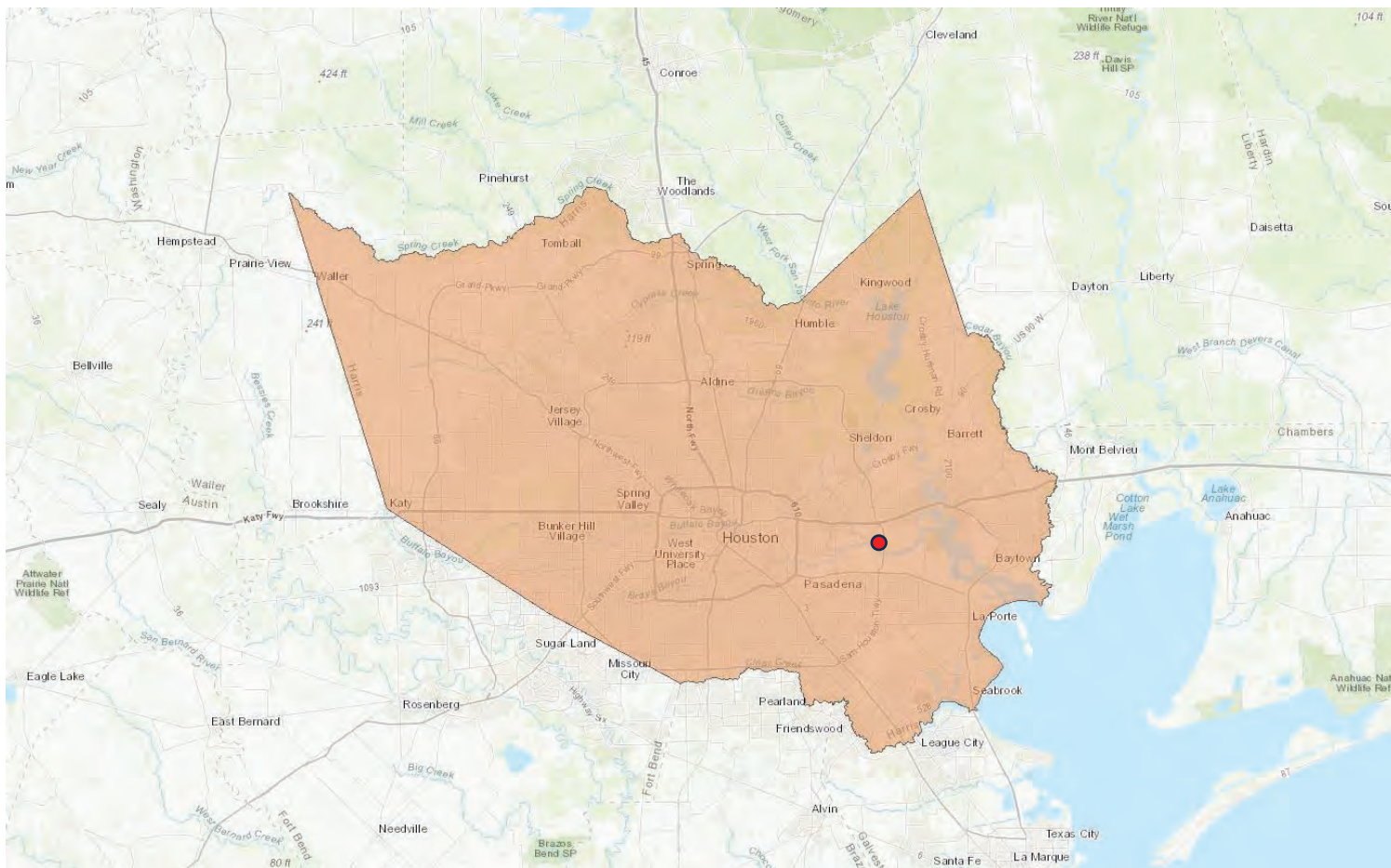


Figure 1: Project Site Location (highlighted red) within Harris County Boundary

Map Reference: [Harris County GIS Open Data Portal](#)

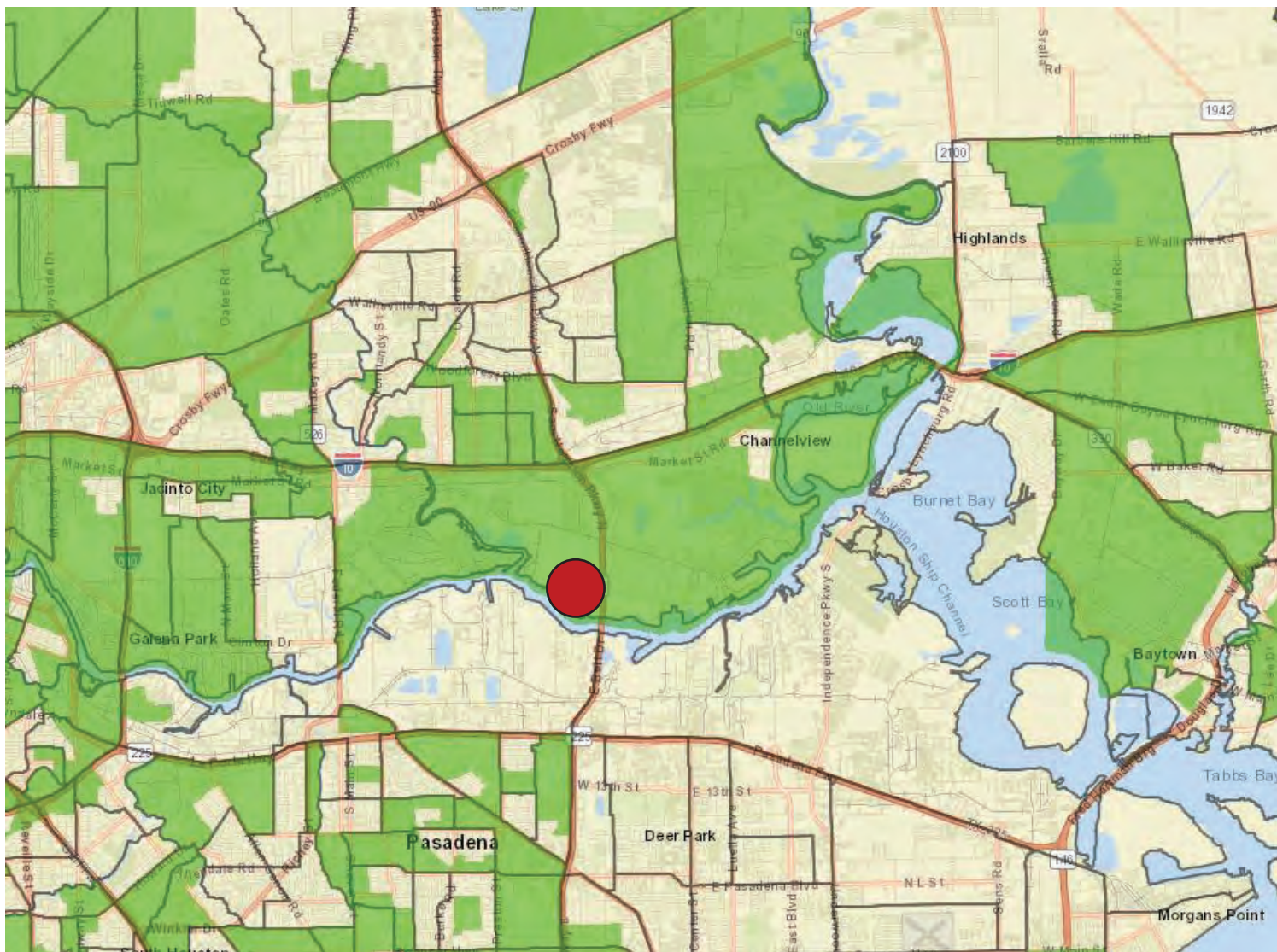


Figure 2: Proposed Site Location Shown within Texas Enterprise Zone (Census Tract 48201252500)

Map Reference: [Texas Economic Development & Tourism Office](#)

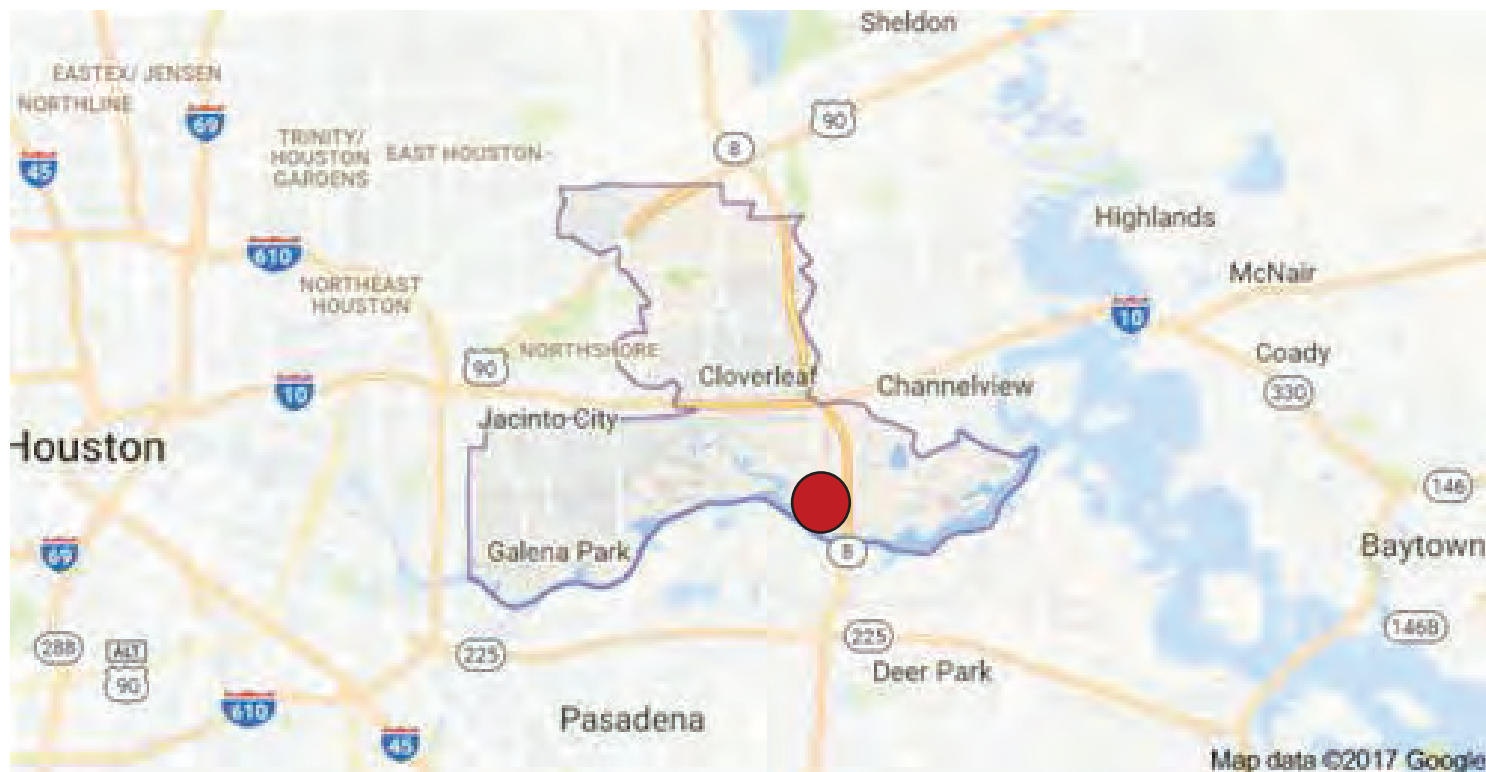


Figure 3: Proposed Project Site Shown in Galena Park ISD Boundary

Map Reference: [Galena Park ISD](#)

TAB 5

Eligible Property Description

This application covers all eligible property necessary for the commercial operations of Summit Next Gen. Property to be built includes:

- Foundations
- Roadways
- Administrative office
- Utility infrastructure
- Feedstock storage
- Product storage
- Wastewater treatment facilities
- Ground flare
- Barge and pipeline interface points
- Ethanol dehydration equipment
- Oligomerization equipment
- Hydrogenation equipment
- Fractionation equipment
- Cooling tower

All qualified property and investment will be located within the Land Parcel Boundary shown in Figure 1, as well as the Enterprise Zone shown in Figure 3, and Galena Park ISD and Harris County, Texas

TAB 6

Existing and Proposed Ineligible Property Description


The railyard (highlighted in green in Figure 4) currently located on the proposed project site may or may not be used in the final project. The electrical substation (highlighted in yellow at the lower left section of Figure 4) will be used in the project. There is a concrete pad in the dry bulk and high & heavy area (highlighted in purple), but no material permanent structures that could be used in the proposed project have been constructed there. The proposed docks outlined in the lower right-hand portion of Figure 4 will be built for this project, but will not be owned by Summit Next Gen, but are not being considered as part of the qualified investment. These docks will be used in the operations of Summit Next Gen.

The existing legal parcel description document created by the Harris County Tax Assessor’s Office is located in this tab.

The final site survey of the potential site is currently located in the Confidential Supplement. This site survey is confidential due to specific metes and bounds descriptions located within that involve an operational business currently located on the site. This business has not yet been informed of Summit Next Gen’s potential project and would be materially affected by the public release of this information.



Figure 4: Proposed Project Location Current Layout




HCAD, Eagleview Powered by Esri

2323 PENN CITY RD
HOUSTON, TX 77015

Industrial Maple@ Account

Account: 0410320010001
Name: GULF ACCESS TERMINAL LLC
Mailing Address: 811 MAIN ST STE 2800 HOUSTON, TX 77002-6234

Valuation History



Valuations

Land:	Pending
Improvement:	Pending
Market:	Pending
Appraised:	Pending

Jurisdictions/Exemptions

District	Jurisdictions	Exemption Value	2023 Rate	2024 Rate
015	GALENA PARK ISD	Pending	1.131910	--
040	HARRIS COUNTY	Pending	0.350070	--
041	HARRIS CO FLOOD CNTRL	Pending	0.031050	--
042	PORT OF HOUSTON AUTHY	Pending	0.005740	--
043	HARRIS CO HOSP DIST	Pending	0.143430	--
044	HARRIS CO EDUC DEPT	Pending	0.004800	--
047	SAN JACINTO COM COL D	Pending	0.146195	--
667	HC EMERG SERV DIST 50	Pending	0.047000	--

Exemption Type: None

Property Details

Legal Description: TR 1 ABST 76 R & R VINCE

Land: 13,047,298 SF
Building Area: 5,000 SF
Building Class: E
Units: 0
Net Rentable Area: 0

Fiduciary
RYAN TR - 05062

Status
Notice Sent on:
Deadline to file a protest:

Location

State Class Code	Neighborhood	Neighborhood Name	Market Area	Map Facet	Key Map
F2 -- Real, Industrial	9435.00	JACINTO PORT EAST	4018 -- Interstate 10 East	5957C	497V

Land Details

Line	Land Use	Unit type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
Market Value Land											
1	8004 -- Land Neighborhood Section 4 4427 -- Industrial Warehouse - Light Metallic	SF	5,575,680	1.00	1.00	0.50	Shape or Size	0.50	Pending	Pending	Pending
2	8001 -- Land Neighborhood Section 1 4427 -- Industrial Warehouse - Light Metallic	SF	7,471,616	1.00	1.00	0.50	Shape or Size	0.50	Pending	Pending	Pending

Ownership History

Owner	Effective Date
GULF ACCESS TERMINAL LLC	10/01/2019
TDWP TERMINALS 1 LLC	10/08/2015
P L JACINTO PORT I LLC	05/02/2007
P L JACINTO PORT J LLC	05/02/2007
PORT AT GREENS BAYOU LTD	05/01/2006
SENTERRA JACINTO PORT LP	01/01/2001
K J TEXAS DEV LTD PTNR	01/02/1991
JACINTO PORT INC	03/21/1986

Building Summary

Building	Year Build	Type	Style	Quality	Impr Sq Ft
1	2019	Industrial Warehouse- Light Metallic	9454 Shell, Industrial	Average	5,000

Extra Features

Figure 5: Property Description

Site Legal Description

“BEING a 60.00 acre (2,613,622 square foot) tract of land situated in the Richard and Robert Vince Survey, Abstract No. 76, City of Houston of Harris County, Texas and being a portion of a called 415.0 acre tract of land described as Tract 1 in an instrument to Gulf Access Terminals LLC recorded under File Number RP-2019-479581 of the Official Public Records of Real Property of Harris County (O.P.R.R.P.H.C.), said 60.00 acre tract of land described by metes and bounds as follows, with all bearings based on the Texas Coordinate System of 1983 (NAD83), South Central Zone 4204 and referenced to monuments found along the West line of PENN CITY ROAD STREET DEDICATION SEC 1 as cited herein and as shown on a survey plat of even date prepared by the undersigned in conjunction with this metes and bounds description:

COMMENCING at a 3/4-inch iron pipe with cap stamped “BGE INC” found for the Northerly corner of PENN CITY ROAD STREET DEDICATION SEC 1, a subdivision per plat recorded under Film Code Number 690190 of the Harris County Map Records (H.C.M.R.), lying in the Westerly right-of-way line of Penn City Road (width varies) as shown on PENN CITY, a subdivision per plat recorded under Volume 2, Page 72 of the H.C.M.R., from which a 3/4-inch iron rod with cap stamped “BGE INC” found for the Southerly corner of said PENN CITY ROAD STREET DEDICATION SEC 1, bears S 03°19'04" E, 138.84 feet;

THENCE, N 20°19'10" E, a distance of 623.81 feet over and across said 415.0 acre tract to a 3/4-inch iron rod with cap stamped “BGE INC” set for the POINT OF BEGINNING and the Northwest corner of the herein described tract;

THENCE, continuing over and across said 415.0 acre tract the following courses and distances:

N 88°56'02" E, a distance of 2,075.21 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for the Northeast corner of the herein described tract;

S 30°48'45" E, a distance of 264.37 feet the beginning of a tangent curve to the right;

In a Southwesterly direction, a distance of 1,303.06 feet along and with said curve to the right, having a radius of 671.09 feet, a central angle of 111°15'07" and a chord which bears S 24°48'49" W, 1,107.79 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for the point of tangency;

S 80°26'22" W, a distance of 213.86 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for a Southerly corner of the herein described tract;

S 85°38'40" W, a distance of 129.79 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for a Southerly corner of the herein described tract;

N 89°09'02" W, a distance of 682.63 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for the beginning of a tangent curve to the right;

In a Northwesterly direction, a distance of 1,164.15 feet along and with said curve to the right, having a radius of 740.49 feet, a central angle of 90°04'37" and a chord which bears N 44°06'43" W, 1,047.91 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for the point of tangency;

N 00°55'35" E, a distance of 439.95 feet to a 3/4-inch iron rod with cap stamped “BGE INC” set for the beginning of a tangent curve to the left;

In a Northerly direction, a distance of 36.94 feet along and with said curve to the left, having a radius of 848.49 feet, a central angle of 02°29'41" and a chord which bears N 00°19'15" W, 36.94 feet to the POINT OF BEGINNING and containing 60.00 acres (2,613,622 square feet) of land.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.”

TAB 7

Limiting as Compelling Factor Information

Summit Next Gen is currently in the site selection process for the future development of this project. The Harris County/Houston Ship Channel Site is a feasible site based on permitting and logistics optionality, but concerns about the total cost of acquisitions, taxing authority willingness to provide tax incentives, and the cost of labor in the Houston Ship Channel are drawbacks. These concerns have previously been outlined in a meeting with the Governor's Office of Economic Development. These meeting slides are currently confidential due to the mention of other potential site locations for the project. These alternative site locations are confidential due to existing private non-disclosure agreements between SNG and the current site owners; public disclosure could harm SNG's future ability to acquire these site(s).

Summit Next Gen has also completed negotiations and executed a Purchase and Sale Agreement regarding the option to purchase up to 100 acres of the Harris County/Houston Ship Channel site (attached in this application). This Purchase and Sale Agreement and the most recent 3rd Amendment to the executed agreement includes provisions that acknowledge the purchase and close is subject to SNG's ability to receive various state and local incentives, tax abatements, or otherwise grants as a key economic bargain.

SNG has also engaged with eligible site(s) in Louisiana regarding the potential development of the project. SNG has received multiple bonified proposals from current Louisiana site owner(s) which can be found in the Confidential Supplement. These proposals are confidential due to existing private non-disclosure agreements between SNG and the current site owners; public disclosure of these negotiations could harm SNG's future ability to acquire these site(s).

SNG believes that the JETI program is necessary for a Texas project location for three reasons:

1. The State of Louisiana's property taxes are materially lower than the State of Texas and would benefit the Summit Next Gen project greatly in the long term.
2. Potential project sites located in Louisiana are 33% - 66% less expensive on a per acre basis despite being similarly capable to the Harris County location described in this application.
3. Labor costs to operate the proposed Harris County-based project would be considerably higher than a Louisiana-based project.

Summit Agricultural Group Announces the Creation of Summit Next Gen to Develop the World's Largest Ethanol to Jet Sustainable Aviation Fuel Facility



NEWS PROVIDED BY

Summit Agricultural Group →

15 May, 2023, 08:00 ET

- *The facility, to be located in the U.S. Gulf Coast region, will utilize Honeywell's leading Ethanol to Jet (ETJ) process technology to transform low-carbon ethanol into sustainable aviation fuel (SAF)*
- *The innovative project will produce over 250 million gallons of sustainable aviation fuel per year and is expected to be operational in 2025*

ALDEN, Iowa and DES PLAINES, Ill., May 15, 2023 /PRNewswire/ -- Today, Summit Agricultural Group announces the creation of Summit Next Gen, a sustainable aviation fuel production platform that will revolutionize the global aviation industry by providing a scalable supply of low-carbon jet fuel. Summit Next Gen will utilize Honeywell's (NASDAQ: [HON](#)) [Ethanol to Jet](#) processing technology to convert ethanol into sustainable aviation fuel (SAF). Through the project, Summit Next Gen creates an additional market for low-carbon ethanol producers and advances the sustainability goals of the difficult to decarbonize aviation industry.



The global aviation industry demands over 100 billion gallons of jet fuel annually and is expected to double in the next 20 years with increasing passenger demand. Governments, companies, and consumers are demanding low-carbon alternatives to traditional jet fuel; however, the current production of SAF remains challenged by the undersupply of feedstocks consisting of vegetable oils, animal fats and waste oils. The ETJ pathway provides a scalable and cost competitive solution now to solve this problem, and this is largely attributable to advancements undertaken by ethanol producers who have continued to reduce their carbon footprints through adoption of new technologies such as carbon capture and storage (CCS) and investments to boost efficiency.

Growing low-carbon markets, recent state-level programs, and incentives created under the Inflation Reduction Act that are broadly supported by the biofuels, energy, and aviation industries catalyzed the creation of Summit Next Gen to meet growing demand for SAF. Sustainable aviation fuel is nearly identical to petroleum-based jet fuel sources and is currently approved at blend rates up to 50% by ASTM International providing a "drop in fuel" solution.

"The creation of Summit Next Gen and our partnership with a technology leader like Honeywell UOP sets a new standard for the agriculture, ethanol, and aviation industries," said Bruce Rastetter, CEO of Summit Agricultural Group. "The agriculture and ethanol industries have a long history of continuous improvement producing more with less, and this has enabled forward-thinking ethanol producers to be favorably positioned for the present challenge of helping aviation reduce its carbon footprint."

Summit Next Gen will be located in the U.S. Gulf Coast region, providing access to significant logistics and utility infrastructure. The company is advancing engineering and design and has selected Burns & McDonnell in collaboration with Honeywell for the development of the transformational project.

"Replacing fossil fuels with SAF enables a material reduction in aviation related GHG emissions. Expanding SAF feedstocks to include ethanol, biomass, and CO₂ is essential to increasing the share of SAF of the total jet fuel demand," said Barry Glickman, vice president and general manager, Honeywell Sustainable Technology Solutions. "We are delighted to collaborate with

Summit Next Gen to combine Honeywell UOP ETJ technology with Summit Agricultural Group's experience low-carbon biofuels to help the aviation industry accelerate its decarbonization."



"ETJ is a natural next step for the ethanol industry," said Summit Ag Investors President Justin Kirchhoff. "Scale, cost of production, and carbon footprint are the most important factors for the SAF industry, and we believe ethanol has a material advantage in these areas relative to existing SAF feedstocks."

Summit Agricultural Group is a diversified agribusiness operator and investment manager with operations in the United States and Brazil. Summit deploys capital across the agricultural supply chain with a particular focus at the intersection of agriculture and renewable energy. For more information, visit: www.summitag.com

Honeywell (www.honeywell.com) delivers industry-specific solutions that include aerospace products and services; control technologies for buildings and industry; and performance materials globally. Our technologies help aircraft, buildings, manufacturing plants, supply chains, and workers become more connected to make our world smarter, safer, and more sustainable. For more news and information on Honeywell, please visit www.honeywell.com/newsroom.

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TAB 8

Economic Benefit Statement and Excel Schedules

Economic Benefit Statement Summit Next Gen Gulf Coast Sustainable Aviation Fuel Plant in Harris County, TX

January 30, 2024

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An Economic Benefit Statement for Summit Next Gen Gulf Coast Sustainable Aviation Fuel Plant

Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin Texas. The analysis was to estimate the economic benefits to be generated by the Summit Next Gen Gulf Coast Sustainable Aviation Fuel Plant in Harris County, Texas during the first 25 years of the project inclusive of construction and operations of the facility for their Jobs, Energy, Technology and Innovation (JETI) application. The economic benefits include economic impacts - measured by revenues (or output), jobs, and salaries in the state and local region. In addition, the benefits include estimated state and local tax revenues supported by the company, its employees, and other businesses economically linked to the project throughout the state over the first 25 years of the project.

A Description of the Facility and Its Operations

Summit Next Gen "SNG" is developing the construction of an ethanol-to-jet (ETJ) Sustainable Aviation Fuel "SAF" plant on the Houston Ship Channel. The plant or "Facility" will have a nameplate production capacity of 256 million gallons of neat SAF and 13 million gallons of renewable diesel produced from 450 million gallons of ethanol feedstock per annum. SNG has licensed proprietary production technology developed by Honeywell UOP for use in the plant. SNG has also reached an MoU with Burns & McDonnell B&M to be the full service EPC provider for the plant's construction. After plant startup, approximately 75 full-time employees will operate the plant.

Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 25 years will be as follows:

Timeline for Permanent Employment and Investment					
Year	Number of New Workers to be Hired Each Year		Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2024	6	<i>Construction</i>	\$398,657,960	\$0	\$398,657,960
2025	13	<i>Construction</i>	\$581,379,960	\$0	\$581,379,960
2026	56	<i>Construction</i>	\$689,294,080	\$0	\$689,294,080
2027	0	<i>Incentive Year 1</i>	\$0	\$0	\$0
2028	0	<i>Incentive Year 2</i>	\$0	\$0	\$0
2029	0	<i>Incentive Year 3</i>	\$0	\$0	\$0
2030	0	<i>Incentive Year 4</i>	\$0	\$0	\$0
2031	0	<i>Incentive Year 5</i>	\$0	\$0	\$0
2032	0	<i>Incentive Year 6</i>	\$0	\$0	\$0
2033	0	<i>Incentive Year 7</i>	\$0	\$0	\$0
2034	0	<i>Incentive Year 8</i>	\$0	\$0	\$0
2035	0	<i>Incentive Year 9</i>	\$0	\$0	\$0
2036	0	<i>Incentive Year 10</i>	\$0	\$0	\$0
2037	0		\$0	\$0	\$0
2038	0		\$0	\$0	\$0
2039	0		\$0	\$0	\$0
2040	0		\$0	\$0	\$0
2041	0		\$0	\$0	\$0
2042	0		\$0	\$0	\$0
2043	0		\$0	\$0	\$0
2044	0		\$0	\$0	\$0
2045	0		\$0	\$0	\$0
2046	0		\$0	\$0	\$0
2047	0		\$0	\$0	\$0
2048	0		\$0	\$0	\$0
Total	75		\$1,669,332,000	\$0	\$1,669,332,000

Total Capital Investment and Total Employment

The facility's proposed capital investment and total employment will be as follows:

Total Capital Investment and Employment Over the First 25 Years	
Total Capital Investment	\$1,669,332,000
Total Employment	75

Estimated Increase in Appraised Value of Property Attributable to the Project

The estimated increase in appraised value of the facility's investment over the next 25 years is shown below. The table focuses on the appraised value of the investment as defined by the Jobs, Energy, Technology and Innovation (JETI) program. This property is expected to be eligible for the value limitation.

Appraised Value of the Facility's Investment				
Year		Buildings and Other Real Property Improvements	Machinery & Equipment	Total Appraised Value of Investment
2024	<i>Construction</i>	\$0	\$0	\$0
2025	<i>Construction</i>	\$0	\$0	\$0
2026	<i>Construction</i>	\$0	\$0	\$0
2027	<i>Incentive Year 1</i>	\$1,669,332,000	\$0	\$1,669,332,000
2028	<i>Incentive Year 2</i>	\$1,619,252,040	\$0	\$1,619,252,040
2029	<i>Incentive Year 3</i>	\$1,570,674,479	\$0	\$1,570,674,479
2030	<i>Incentive Year 4</i>	\$1,523,554,244	\$0	\$1,523,554,244
2031	<i>Incentive Year 5</i>	\$1,477,847,617	\$0	\$1,477,847,617
2032	<i>Incentive Year 6</i>	\$1,433,512,189	\$0	\$1,433,512,189
2033	<i>Incentive Year 7</i>	\$1,390,506,823	\$0	\$1,390,506,823
2034	<i>Incentive Year 8</i>	\$1,348,791,618	\$0	\$1,348,791,618
2035	<i>Incentive Year 9</i>	\$1,308,327,870	\$0	\$1,308,327,870
2036	<i>Incentive Year 10</i>	\$1,269,078,034	\$0	\$1,269,078,034
2037		\$1,231,005,693	\$0	\$1,231,005,693
2038		\$1,194,075,522	\$0	\$1,194,075,522
2039		\$1,158,253,256	\$0	\$1,158,253,256
2040		\$1,123,505,658	\$0	\$1,123,505,658
2041		\$1,089,800,489	\$0	\$1,089,800,489
2042		\$1,057,106,474	\$0	\$1,057,106,474
2043		\$1,025,393,280	\$0	\$1,025,393,280
2044		\$994,631,481	\$0	\$994,631,481
2045		\$964,792,537	\$0	\$964,792,537
2046		\$935,848,761	\$0	\$935,848,761
2047		\$907,773,298	\$0	\$907,773,298
2048		\$880,540,099	\$0	\$880,540,099

Appraised Value Assumptions:

Buildings and Other Real Property Improvements Value: Equal to 100% of the building investment and incorporates a 3% annual depreciation in value.

Estimated Ad Valorem Taxes Imposed by Each Taxing Unit on the Investment

The prospective site is located in Harris County subject to the following property tax rates:

Taxing Units and Tax Rates (Per \$100 of Taxable Value) at Proposed Site		
City:	N/A	0.000000
County:	Harris County	0.350070
School:	Galena Park ISD	1.131910
	<i>M&O Rate:</i>	<i>0.83760</i>
	<i>I&S Rate:</i>	<i>0.29431</i>
Spec Dist #1	Harris County Flood Control	0.031050
Spec Dist #2	Port of Houston	0.005740
Spec Dist #3	Harris County Hospital District	0.143430
Spec Dist #4	Harris County Education Department	0.004800
Spec Dist #5	San Jacinto Community College	0.146195
Spec Dist #6	Harris County ESD 50	0.047000
<u>Total Rate</u>		<u>1.86020</u>

The estimated ad valorem taxes to be collected by each taxing unit on the eligible investment is summarized in the table below and shown in detail on the following pages.

Ad Valorem Taxes for Each Taxing Unit on the Investment Over the Next 25 Years		
City:	N/A	\$0
County:	Harris County	\$95,126,634
School:	Galena Park ISD	\$246,390,382
	<i>M&O Taxes:</i>	<i>\$166,415,750</i>
	<i>I&S Taxes:</i>	<i>\$79,974,632</i>
Spec Dist #1	Harris County Flood Control	\$8,437,404
Spec Dist #2	Port of Houston	\$1,559,765
Spec Dist #3	Harris County Hospital District	\$38,975,099
Spec Dist #4	Harris County Education Department	\$1,304,333
Spec Dist #5	San Jacinto Community College	\$39,726,450
Spec Dist #6	Harris County ESD 50	\$12,771,594
<u>Total</u>		<u>\$444,291,660</u>

It is important to note these property tax calculations reflect the expected taxes on the company's eligible investment. The company may pay additional property taxes on land and inventories and those taxes are detailed separately in the "Local Area Benefits: Economic Impact & Tax Revenue" section of this report.

Ad Valorem Taxes for School District on Investment: Galena Park ISD

Year	Taxable Value of Eligible Property for M&O Tax*	M&O Tax Rate	M&O Taxes	Taxable Value of Property for I&S Tax**	I&S Tax Rate	I&S Taxes	Total School District Taxes
2024	\$0	0.83760	\$0	\$0	0.29431	\$0	\$0
2025	\$0	0.83760	\$0	\$0	0.29431	\$0	\$0
2026	\$0	0.83760	\$0	\$0	0.29431	\$0	\$0
2027	\$834,666,000	0.83760	\$6,991,162	\$1,669,332,000	0.29431	\$4,913,011	\$11,904,173
2028	\$809,626,020	0.83760	\$6,781,428	\$1,619,252,040	0.29431	\$4,765,621	\$11,547,048
2029	\$785,337,239	0.83760	\$6,577,985	\$1,570,674,479	0.29431	\$4,622,652	\$11,200,637
2030	\$761,777,122	0.83760	\$6,380,645	\$1,523,554,244	0.29431	\$4,483,972	\$10,864,618
2031	\$738,923,809	0.83760	\$6,189,226	\$1,477,847,617	0.29431	\$4,349,453	\$10,538,679
2032	\$716,756,094	0.83760	\$6,003,549	\$1,433,512,189	0.29431	\$4,218,970	\$10,222,519
2033	\$695,253,411	0.83760	\$5,823,443	\$1,390,506,823	0.29431	\$4,092,401	\$9,915,843
2034	\$674,395,809	0.83760	\$5,648,739	\$1,348,791,618	0.29431	\$3,969,629	\$9,618,368
2035	\$654,163,935	0.83760	\$5,479,277	\$1,308,327,870	0.29431	\$3,850,540	\$9,329,817
2036	\$634,539,017	0.83760	\$5,314,899	\$1,269,078,034	0.29431	\$3,735,024	\$9,049,922
2037	\$1,231,005,693	0.83760	\$10,310,904	\$1,231,005,693	0.29431	\$3,622,973	\$13,933,877
2038	\$1,194,075,522	0.83760	\$10,001,577	\$1,194,075,522	0.29431	\$3,514,284	\$13,515,860
2039	\$1,158,253,256	0.83760	\$9,701,529	\$1,158,253,256	0.29431	\$3,408,855	\$13,110,384
2040	\$1,123,505,658	0.83760	\$9,410,483	\$1,123,505,658	0.29431	\$3,306,590	\$12,717,073
2041	\$1,089,800,489	0.83760	\$9,128,169	\$1,089,800,489	0.29431	\$3,207,392	\$12,335,561
2042	\$1,057,106,474	0.83760	\$8,854,324	\$1,057,106,474	0.29431	\$3,111,170	\$11,965,494
2043	\$1,025,393,280	0.83760	\$8,588,694	\$1,025,393,280	0.29431	\$3,017,835	\$11,606,529
2044	\$994,631,481	0.83760	\$8,331,033	\$994,631,481	0.29431	\$2,927,300	\$11,258,333
2045	\$964,792,537	0.83760	\$8,081,102	\$964,792,537	0.29431	\$2,839,481	\$10,920,583
2046	\$935,848,761	0.83760	\$7,838,669	\$935,848,761	0.29431	\$2,754,296	\$10,592,966
2047	\$907,773,298	0.83760	\$7,603,509	\$907,773,298	0.29431	\$2,671,668	\$10,275,177
2048	\$880,540,099	0.83760	\$7,375,404	\$880,540,099	0.29431	\$2,591,518	\$9,966,921
Total			<u>\$166,415,750</u>			<u>\$79,974,632</u>	<u>\$246,390,382</u>

* Taxable Value of Eligible Property for M&O Tax is equal to 50% of the appraised or market value of the investment property for 10 years and equal to the appraised or market value thereafter.

** Taxable Value of Property for I&S Tax is equal to the appraised or market value of the investment property.

Ad Valorem Taxes for Other Taxing Units on Investment (Table 1 of 2)					
Year	Taxable Value of Property	N/A 0.00000	Harris County 0.35007	Harris County Flood Control 0.03105	Port of Houston 0.00574
2024	\$0	\$0	\$0	\$0	0.00000
2025	\$0	\$0	\$0	\$0	0.00000
2026	\$0	\$0	\$0	\$0	0.00000
2027	\$1,669,332,000	\$0	\$5,843,831	\$518,328	95,819.65680
2028	\$1,619,252,040	\$0	\$5,668,516	\$502,778	92,945.06710
2029	\$1,570,674,479	\$0	\$5,498,460	\$487,694	90,156.71508
2030	\$1,523,554,244	\$0	\$5,333,506	\$473,064	87,452.01363
2031	\$1,477,847,617	\$0	\$5,173,501	\$458,872	84,828.45322
2032	\$1,433,512,189	\$0	\$5,018,296	\$445,106	82,283.59963
2033	\$1,390,506,823	\$0	\$4,867,747	\$431,752	79,815.09164
2034	\$1,348,791,618	\$0	\$4,721,715	\$418,800	77,420.63889
2035	\$1,308,327,870	\$0	\$4,580,063	\$406,236	75,098.01972
2036	\$1,269,078,034	\$0	\$4,442,661	\$394,049	72,845.07913
2037	\$1,231,005,693	\$0	\$4,309,382	\$382,227	70,659.72676
2038	\$1,194,075,522	\$0	\$4,180,100	\$370,760	68,539.93495
2039	\$1,158,253,256	\$0	\$4,054,697	\$359,638	66,483.73690
2040	\$1,123,505,658	\$0	\$3,933,056	\$348,849	64,489.22480
2041	\$1,089,800,489	\$0	\$3,815,065	\$338,383	62,554.54805
2042	\$1,057,106,474	\$0	\$3,700,613	\$328,232	60,677.91161
2043	\$1,025,393,280	\$0	\$3,589,594	\$318,385	58,857.57426
2044	\$994,631,481	\$0	\$3,481,906	\$308,833	57,091.84704
2045	\$964,792,537	\$0	\$3,377,449	\$299,568	55,379.09162
2046	\$935,848,761	\$0	\$3,276,126	\$290,581	53,717.71888
2047	\$907,773,298	\$0	\$3,177,842	\$281,864	52,106.18731
2048	\$880,540,099	\$0	\$3,082,507	\$273,408	50,543.00169
Total		\$0	\$95,126,634	\$8,437,404	\$1,559,765

* Taxable Value of Property for these taxing units is equal to the appraised or market value of the investment property.

Ad Valorem Taxes for Other Taxing Units on Investment (Table 2 of 2)					
Year	Taxable Value of Property	Harris County Hospital District 0.14343	Harris County Education Department 0.00480	San Jacinto Community College 0.14620	Harris County ESD 50 0.04700
2024	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0
2027	\$1,669,332,000	\$2,394,323	\$80,128	\$2,440,480	\$784,586
2028	\$1,619,252,040	\$2,322,493	\$77,724	\$2,367,266	\$761,048
2029	\$1,570,674,479	\$2,252,818	\$75,392	\$2,296,248	\$738,217
2030	\$1,523,554,244	\$2,185,234	\$73,131	\$2,227,360	\$716,070
2031	\$1,477,847,617	\$2,119,677	\$70,937	\$2,160,539	\$694,588
2032	\$1,433,512,189	\$2,056,087	\$68,809	\$2,095,723	\$673,751
2033	\$1,390,506,823	\$1,994,404	\$66,744	\$2,032,851	\$653,538
2034	\$1,348,791,618	\$1,934,572	\$64,742	\$1,971,866	\$633,932
2035	\$1,308,327,870	\$1,876,535	\$62,800	\$1,912,710	\$614,914
2036	\$1,269,078,034	\$1,820,239	\$60,916	\$1,855,329	\$596,467
2037	\$1,231,005,693	\$1,765,631	\$59,088	\$1,799,669	\$578,573
2038	\$1,194,075,522	\$1,712,663	\$57,316	\$1,745,679	\$561,215
2039	\$1,158,253,256	\$1,661,283	\$55,596	\$1,693,308	\$544,379
2040	\$1,123,505,658	\$1,611,444	\$53,928	\$1,642,509	\$528,048
2041	\$1,089,800,489	\$1,563,101	\$52,310	\$1,593,234	\$512,206
2042	\$1,057,106,474	\$1,516,208	\$50,741	\$1,545,437	\$496,840
2043	\$1,025,393,280	\$1,470,722	\$49,219	\$1,499,074	\$481,935
2044	\$994,631,481	\$1,426,600	\$47,742	\$1,454,101	\$467,477
2045	\$964,792,537	\$1,383,802	\$46,310	\$1,410,478	\$453,452
2046	\$935,848,761	\$1,342,288	\$44,921	\$1,368,164	\$439,849
2047	\$907,773,298	\$1,302,019	\$43,573	\$1,327,119	\$426,653
2048	\$880,540,099	\$1,262,959	\$42,266	\$1,287,306	\$413,854
Total		<u>\$38,975,099</u>	<u>\$1,304,333</u>	<u>\$39,726,450</u>	<u>\$12,771,594</u>

* Taxable Value of Property for these taxing units is equal to the appraised or market value of the investment property.

Total Impact on Gross Domestic Product and Personal Income in the State

The project's construction and on-going operations will generate new revenues for businesses in the state and increase the gross domestic product of the state. Additionally, these activities will support employment and increase personal income in the state.

The economic output represents gross revenues of businesses impacted by the project. Indirect businesses reflect suppliers to the project and induced businesses reflect business serving employees supported by the project.

State Economic Output During Construction

The economic impact/increase in gross state product during construction of buildings and improvements will be as follows:

Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect and Induced	Total
Economic output / increase in gross area product	\$1.67 B	\$2.73 B	\$4.40 B
Construction employment	3,424	4,075	7,499
Payroll / increase in state personal income	\$667.73 M	\$599.42 M	\$1.27 B

State Economic Impacts During the Facility's Operations

The total annual economic output/increase in gross state product during the facility's operations is shown below along with the employment and payroll supported in the state economy.

Total Economic Impact During the Facility's Operations in the State of Texas			
		Annually at Full Operations in 2030	25-Year Total
Economic output / increase in gross state product:			
	Direct	\$1.64 B	\$36.87 B
	Indirect & Induced	\$2.72 B	\$61.05 B
	<u>Total</u>	<u>\$4.36 B</u>	<u>\$97.92 B</u>
Employment:			
	Direct	75	75
	Indirect & Induced	370	370
	<u>Total</u>	<u>445</u>	<u>445</u>
Payroll / increase in state personal income:			
	Direct	\$16.88 M	\$0.49 B
	Indirect & Induced	\$44.53 M	\$1.30 B
	<u>Total</u>	<u>\$61.41 M</u>	<u>\$1.79 B</u>

Additional information and year-by-year calculations for state impacts summarized above can be found in the "State of Texas Benefits: Economic Impact & Tax Revenue" section of this report.

Impact on Gross Revenues and Employment of Local Businesses

The project's construction and on-going operations will generate new revenues for local businesses and support local employment. The tables below summarize these local economic impacts within Harris County.

The economic output represents gross revenues of businesses impacted by the project. Indirect businesses reflect suppliers to the project and induced businesses reflect business serving employees supported by the project.

Local Economic Output During Construction

The economic impact/increase in gross area product during construction of buildings and improvements will be as follows:

Local Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect and Induced	Total
Economic output / increase in gross area product	\$1.67 B	\$1.72 B	\$3.39 B
Construction employment	3,424	2,474	5,899
Payroll / increase in county personal income	\$667.73 M	\$391.42 M	\$1.06 B

Local Economic Impacts During the Facility's Operations

The total annual economic output/increase in gross area product during the facility's operations is shown below along with the employment and payroll supported in the Harris County economy.

Total Economic Impact During the Facility's Operations in Harris County			
		Annually at Full Operations in 2030	25-Year Total
Economic output / increase in gross area product:			
	Direct	\$1.64 B	\$36.87 B
	Indirect & Induced	\$2.02 B	\$45.47 B
	<u>Total</u>	<u>\$3.66 B</u>	<u>\$82.33 B</u>
Employment			
	Direct	75	75
	Indirect & Induced	255	255
	<u>Total</u>	<u>330</u>	<u>330</u>
Payroll/Personal Income			
	Direct	\$16.88 M	\$491.56 M
	Indirect & Induced	\$33.60 M	\$978.56 M
	<u>Total</u>	<u>\$50.49 M</u>	<u>\$1.47 B</u>

Additional information and year-by-year calculations for state impacts summarized above can be found in the "Local Area Benefits: Economic Impact & Tax Revenue" section of this report.

The State and Local Tax Revenues Generated as a Result of the Project

During construction, the State of Texas and city will receive the following tax revenues:

Tax Revenues for the State and Local Taxing Units During Operations				
	Sales Tax Collections	Franchise Franchise Tax Collections	Other Taxes and Revenues	Total Tax Revenues
State of Texas	\$29,981,286	\$3,303,149	\$24,974,583	\$58,259,018
City of Houston	\$7,675,209	\$0	\$0	\$7,675,209
Total	\$37,656,495	\$3,303,149	\$24,974,583	\$65,934,228

The state and local tax revenues from the facility's operations over the 25-year period is shown below.

Tax Revenues for the State and Local Taxing Units During Operations						
	Sales Tax Collections	Hotel Taxes	Franchise Tax Collections	Other Taxes and Revenues	Property Taxes*	Total Tax Revenues
State of Texas	\$594,963,209	\$0	\$155,946,059	\$16,593,112	\$0	\$767,502,380
City of Houston	\$152,310,582	\$0	\$0	\$0	\$0	\$152,310,582
Harris County	\$0	\$0	\$0	\$0	\$105,443,488	\$105,443,488
Galena Park ISD	\$0	\$0	\$0	\$0	\$279,748,711	\$279,748,711
Harris County Flood Control	\$0	\$0	\$0	\$0	\$9,352,473	\$9,352,473
Port of Houston	\$0	\$0	\$0	\$0	\$1,728,927	\$1,728,927
Harris County Hospital District	\$0	\$0	\$0	\$0	\$43,202,101	\$43,202,101
Harris County Education Departme	\$0	\$0	\$0	\$0	\$1,445,793	\$1,445,793
San Jacinto Community College	\$0	\$0	\$0	\$0	\$44,034,938	\$44,034,938
Harris County ESD 50	\$0	\$0	\$0	\$0	\$14,156,723	\$14,156,723
Total	\$747,273,791	\$0	\$155,946,059	\$16,593,112	\$499,113,154	\$1,418,926,115

* Property taxes include both taxes on the facilities JETI investment as well as the taxable land and inventories. See the Local Area Benefits section for more detail.

Additional information and year-by-year calculations for state and local tax revenues summarized above can be found in the State of Texas and Local Area Benefits sections of this report.

Development of Complementary Businesses or Industries in the State

The company's operations will draw on suppliers throughout the state and drive expansion in complementary businesses. Although the specific businesses are not known at this time, the expansion of industries affected by the company and its employees is show below based on the impact by industry.

Development of Industries in the State		
	New Spending	Percent of Total
Agriculture, forestry, fishing and hunting	\$69,548,452	2.6%
Mining, quarrying, and oil and gas extraction	\$123,842,172	4.6%
Utilities	\$90,708,240	3.3%
Construction	\$28,049,022	1.0%
Durable goods manufacturing	\$78,242,008	2.9%
Nondurable goods manufacturing	\$974,662,499	35.9%
Wholesale trade	\$199,623,740	7.3%
Retail trade	\$98,581,650	3.6%
Transportation and warehousing	\$146,150,166	5.4%
Information	\$56,918,190	2.1%
Finance and insurance	\$139,753,021	5.1%
Real estate and rental and leasing	\$212,746,089	7.8%
Professional, scientific, and technical services	\$96,613,297	3.6%
Management of companies and enterprises	\$40,515,254	1.5%
Administrative & support & waste mgmt & remediation svcs	\$77,913,949	2.9%
Educational services	\$18,207,260	0.7%
Health care and social assistance	\$122,365,908	4.5%
Arts, entertainment, and recreation	\$10,825,938	0.4%
Accommodation	\$10,661,909	0.4%
Food services and drinking places	\$43,795,841	1.6%
Other services	\$76,601,714	2.8%
Total	\$2,716,326,319	100.0%

The industries most affected by the project will include:

1. Nondurable goods manufacturing
2. Real estate and rental and leasing
3. Wholesale trade
4. Transportation and warehousing*
5. Finance and insurance

State of Texas Benefits Economic Impact & Tax Revenue

State of Texas Economic Impacts During Construction

The facility plans to spend the following estimated amounts on construction at the facility:

Construction Costs	
Year	Construction Costs
2024	\$398,657,960
2025	\$581,379,960
2026	\$689,294,080
<u>Total</u>	<u>\$1,669,332,000</u>

Construction Economic Output/Increase in Gross State Product

The facility's construction project will provide direct, indirect and induced economic output/increase in gross state product, as shown below.

Economic Output/Increase in Gross State Product During Construction			
Year	Direct Construction Output	Indirect and Induced Output	Total Output
2024	\$398,657,960	\$653,121,336	\$1,051,779,296
2025	\$581,379,960	\$952,474,788	\$1,533,854,748
2026	\$689,294,080	\$1,129,270,491	\$1,818,564,571
<u>Total</u>	<u>\$1,669,332,000</u>	<u>\$2,734,866,616</u>	<u>\$4,404,198,616</u>

An explanation of the multipliers used to calculate indirect and induced impacts is included later in this report.

Construction Employment

The estimated number of construction workers for a hypothetical construction project is shown below.

Number of Construction Workers for a Hypothetical \$1 Million Construction Project	
Total estimated construction	\$1,000,000
Estimated on-site labor costs as a percentage of construction costs	40%
Estimated annual construction worker's salary	\$65,000
Estimated number of construction workers for a \$1 million construction project	6.15

Using the above average construction worker estimate, the number of construction workers employed during the facility's construction is shown below.

Construction Workers Employed During Construction		
Year	Construction Costs	Number of Construction Jobs Supported Each Year
2024	\$398,657,960	2,453
2025	\$581,379,960	3,578
2026	\$689,294,080	4,242
<u>Total</u>	<u>\$1,669,332,000</u>	
<u>Average construction jobs per year</u>		<u>3,424</u>

During construction, the following number of direct, indirect and induced jobs will be supported each year:

Direct, Indirect and Induced Employment During Construction			
Year	Direct Construction Employment	Indirect and Induced Employment	Total Employment
2024	2,453	2,919	5,372
2025	3,578	4,257	7,835
2026	4,242	5,047	9,289
<u>Annual Avg.</u>	<u>3,424</u>	<u>4,075</u>	<u>7,499</u>

Construction Payroll

Construction workers will have the following payrolls:

Direct Construction Payroll		
Year	Construction Costs	Total Construction Payroll
2024	\$398,657,960	\$159,463,184
2025	\$581,379,960	\$232,551,984
2026	\$689,294,080	\$275,717,632
<u>Total</u>	<u>\$1,669,332,000</u>	<u>\$667,732,800</u>

The direct, indirect and induced payrolls during construction will be the following:

Direct, Indirect and Induced Payroll During Construction			
Year	Direct Construction Payroll	Indirect and Induced Payroll	Total Payroll
2024	\$159,463,184	\$143,150,100	\$302,613,284
2025	\$232,551,984	\$208,761,916	\$441,313,900
2026	\$275,717,632	\$247,511,718	\$523,229,350
<u>Total</u>	<u>\$667,732,800</u>	<u>\$599,423,735</u>	<u>\$1,267,156,535</u>

State of Texas Fiscal Impacts During Construction

Taxable Sales

The percent of construction costs for building materials and the percent of total worker salaries to be spent on taxable goods and services are shown below.

Percent of Construction Costs and Worker Salaries Subject to Sales Tax	
Percent of construction costs for materials	60%
Estimated percent of construction materials that may be subject to sales tax	15%
Percent of worker salaries spent on taxable goods and services	26%
Estimated percent of machinery and equipment subject to sales tax	10%

The facility's construction project will result in the following taxable sales:

Estimated Taxable Sales					
Year	Estimated Taxable Machinery and Equipment	Estimated Total Construction Materials	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2024	\$0	\$239,194,776	\$35,879,216	\$78,679,454	\$114,558,670
2025	\$0	\$348,827,976	\$52,324,196	\$114,741,614	\$167,065,810
2026	\$0	\$413,576,448	\$62,036,467	\$136,039,631	\$198,076,098
<u>Total</u>	<u>\$0</u>	<u>\$1,001,599,200</u>	<u>\$150,239,880</u>	<u>\$329,460,699</u>	<u>\$479,700,579</u>

Sales Tax Collections

With a 6.25% sales tax, the state will collect the following sales tax on machinery and equipment, construction materials and construction worker spending:

Estimated Sales Tax Collections During Construction				
Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections
2024	\$0	\$2,242,451	\$4,917,466	\$7,159,917
2025	\$0	\$3,270,262	\$7,171,351	\$10,441,613
2026	\$0	\$3,877,279	\$8,502,477	\$12,379,756
<u>Total</u>	<u>\$0</u>	<u>\$9,389,993</u>	<u>\$20,591,294</u>	<u>\$29,981,286</u>

Taxable Margins Subject to Texas Franchise Tax

If direct, indirect and induced revenues during construction are revenues for organizations subject to Texas' franchise tax, their taxable margins will be subject to the tax. If this is the case, and the estimated taxable margins of the construction companies and indirect and induced companies are 10% of revenues, then construction on this project will result in the following taxable margins:

Estimated Taxable Margins During Construction Subject to Texas' Franchise Tax			
Year	On Direct Revenues During Construction	On Indirect and Induced Revenues	Total Taxable Margins
2024	\$39,865,796	\$65,312,134	\$105,177,930
2025	\$58,137,996	\$95,247,479	\$153,385,475
2026	\$68,929,408	\$112,927,049	\$181,856,457
<u>Total</u>	<u>\$166,933,200</u>	<u>\$273,486,662</u>	<u>\$440,419,862</u>

Franchise Tax Collections

Texas franchise tax is a tax on “taxable margin,” which is a concept similar to taxable income. Generally, an entity’s taxable margin is its revenue less either its cost of goods sold or its compensation expense, but not both. If 70% of the entity’s revenue is less than either of these calculations, then 70% of revenue is the taxable margin. Taxable margin must then be apportioned to business done in Texas, measured by the ratio of gross receipts from business done in Texas to gross receipts from business done everywhere. The tax rate is then applied to the apportioned margin. A rate of .375% is used for taxable entities primarily engaged in retail or wholesale trade, and a .75% rate is used for all other entities.

The estimated franchise tax to be collected by the state from construction companies and indirect and induced businesses is shown below.

Estimated Franchise Tax Collections During Construction		
Year	Total Taxable Margins	Franchise Tax Collections
2024	\$105,177,930	\$788,834
2025	\$153,385,475	\$1,150,391
2026	\$181,856,457	\$1,363,923
<u>Total</u>	<u>\$440,419,862</u>	<u>\$3,303,149</u>

Other Taxes and Revenues from Workers

During the facility’s construction, other taxes -- in addition to sales and franchise taxes -- will be collected for the State’s general fund. The estimated annual collections from each worker of these other taxes during construction are the following:

Other Revenues for the State from Each Worker During Construction	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$110
Alcohol beverage taxes	\$185
Net lottery proceeds	\$302
<u>Total</u>	<u>\$1,072</u>

Other taxes and revenues from workers for the State during construction will be the following:

Other Revenues for the State from Workers During Construction						
Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes & Revenues
2024	\$201,466	\$2,350,441	\$590,968	\$993,901	\$1,622,476	\$5,759,253
2025	\$302,621	\$3,530,582	\$887,689	\$1,492,932	\$2,437,110	\$8,650,934
2026	\$369,557	\$4,311,496	\$1,084,033	\$1,823,147	\$2,976,164	\$10,564,397
<u>Total</u>	<u>\$873,644</u>	<u>\$10,192,519</u>	<u>\$2,562,690</u>	<u>\$4,309,979</u>	<u>\$7,035,750</u>	<u>\$24,974,583</u>

Summary of General Fund Revenues for the State During Construction

During the facility's construction project, the State will receive the following revenues for its general fund:

General Fund Revenues for the State During Construction				
Year	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Revenues
2024	\$7,159,917	\$788,834	\$5,759,253	\$13,708,004
2025	\$10,441,613	\$1,150,391	\$8,650,934	\$20,242,938
2026	\$12,379,756	\$1,363,923	\$10,564,397	\$24,308,076
<u>Total</u>	<u>\$29,981,286</u>	<u>\$3,303,149</u>	<u>\$24,974,583</u>	<u>\$58,259,018</u>

State of Texas Economic Impacts During the Facility's Operations

The facility's estimated annual revenues during the first 25 years are shown below:

Facility's Estimated Annual Operating Revenues Over the First 25 Years of Operations		
		Total Operating Revenues
2024	Year 1	\$0
2025	Year 2	\$0
2026	Year 3	\$0
2027	Year 4	\$0
2028	Year 5	\$1,199,060
2029	Year 6	\$1,375,329,589
2030	Year 7	\$1,640,392,729
2031	Year 8	\$1,660,856,024
2032	Year 9	\$1,681,607,166
2033	Year 10	\$1,704,712,219
2034	Year 11	\$1,728,319,803
2035	Year 12	\$1,752,441,990
2036	Year 13	\$1,778,728,620
2037	Year 14	\$1,805,409,549
2038	Year 15	\$1,832,490,692
2039	Year 16	\$1,859,978,053
2040	Year 17	\$1,887,877,724
2041	Year 18	\$1,916,195,889
2042	Year 19	\$1,944,938,828
2043	Year 20	\$1,974,112,910
2044	Year 21	\$2,003,724,604
2045	Year 22	\$2,033,780,473
2046	Year 23	\$2,064,287,180
2047	Year 24	\$2,095,251,488
2048	Year 25	\$2,126,680,260
<u>Total</u>		<u>\$36,868,314,849</u>

Economic Output During Operations

The facility's annual operating revenues will result in the following direct, indirect and induced output:

Output During Operations			
Year	Direct Operations Output	Indirect and Induced Output	Total Output
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$1,199,060	\$1,985,524	\$3,184,584
2029	\$1,375,329,589	\$2,277,408,267	\$3,652,737,856
2030	\$1,640,392,729	\$2,716,326,319	\$4,356,719,048
2031	\$1,660,856,024	\$2,750,211,490	\$4,411,067,514
2032	\$1,681,607,166	\$2,784,573,306	\$4,466,180,472
2033	\$1,704,712,219	\$2,822,832,964	\$4,527,545,183
2034	\$1,728,319,803	\$2,861,924,762	\$4,590,244,565
2035	\$1,752,441,990	\$2,901,868,691	\$4,654,310,681
2036	\$1,778,728,620	\$2,945,396,722	\$4,724,125,341
2037	\$1,805,409,549	\$2,989,577,672	\$4,794,987,222
2038	\$1,832,490,692	\$3,034,421,337	\$4,866,912,030
2039	\$1,859,978,053	\$3,079,937,658	\$4,939,915,710
2040	\$1,887,877,724	\$3,126,136,722	\$5,014,014,446
2041	\$1,916,195,889	\$3,173,028,773	\$5,089,224,663
2042	\$1,944,938,828	\$3,220,624,205	\$5,165,563,033
2043	\$1,974,112,910	\$3,268,933,568	\$5,243,046,478
2044	\$2,003,724,604	\$3,317,967,571	\$5,321,692,175
2045	\$2,033,780,473	\$3,367,737,085	\$5,401,517,558
2046	\$2,064,287,180	\$3,418,253,141	\$5,482,540,321
2047	\$2,095,251,488	\$3,469,526,938	\$5,564,778,426
2048	\$2,126,680,260	\$3,521,569,842	\$5,648,250,102
Total	\$36,868,314,849	\$61,050,242,559	\$97,918,557,408

Employment during Operations

The facility expects to have the following number of new jobs:

Number of Jobs to be Created		
Year	Number of New Jobs to be Created	Cumulative Number of New Jobs
2024	6	6
2025	13	19
2026	56	75
2027	0	75
2028	0	75
2029	0	75
2030	0	75
2031	0	75
2032	0	75
2033	0	75
2034	0	75
2035	0	75
2036	0	75
2037	0	75
2038	0	75
2039	0	75
2040	0	75
2041	0	75
2042	0	75
2043	0	75
2044	0	75
2045	0	75
2046	0	75
2047	0	75
2048	0	75
<u>Total</u>	<u>75</u>	

Therefore, the following number of direct, indirect and induced jobs will be supported during the facility's operations:

Direct, Indirect & Induced Employment During Operations			
Year	Direct Operations Employment	Indirect and Induced Employment	Total Employment
2024	6	30	36
2025	19	94	113
2026	75	370	445
2027	75	370	445
2028	75	370	445
2029	75	370	445
2030	75	370	445
2031	75	370	445
2032	75	370	445
2033	75	370	445
2034	75	370	445
2035	75	370	445
2036	75	370	445
2037	75	370	445
2038	75	370	445
2039	75	370	445
2040	75	370	445
2041	75	370	445
2042	75	370	445
2043	75	370	445
2044	75	370	445
2045	75	370	445
2046	75	370	445
2047	75	370	445
2048	75	370	445

The estimated annual payroll at the facility will be the following:

Estimated Annual Payroll			
Percent of annual increase			3.0%
	Year	<i>Average Annual Salaries</i>	Annual Payroll
Year 1	2024	\$188,500	\$1,131,000
Year 2	2025	\$194,155	\$3,688,945
Year 3	2026	\$199,980	\$14,998,474
Year 4	2027	\$205,979	\$15,448,428
Year 5	2028	\$212,158	\$15,911,881
Year 6	2029	\$218,523	\$16,389,237
Year 7	2030	\$225,079	\$16,880,914
Year 8	2031	\$231,831	\$17,387,342
Year 9	2032	\$238,786	\$17,908,962
Year 10	2033	\$245,950	\$18,446,231
Year 11	2034	\$253,328	\$18,999,618
Year 12	2035	\$260,928	\$19,569,606
Year 13	2036	\$268,756	\$20,156,695
Year 14	2037	\$276,819	\$20,761,395
Year 15	2038	\$285,123	\$21,384,237
Year 16	2039	\$293,677	\$22,025,764
Year 17	2040	\$302,487	\$22,686,537
Year 18	2041	\$311,562	\$23,367,133
Year 19	2042	\$320,909	\$24,068,147
Year 20	2043	\$330,536	\$24,790,192
Year 21	2044	\$340,452	\$25,533,898
Year 22	2045	\$350,666	\$26,299,915
Year 23	2046	\$361,185	\$27,088,912
Year 24	2047	\$372,021	\$27,901,579
Year 25	2048	\$383,182	\$28,738,627

The direct, indirect and induced payrolls during the facility's operations will be the following:

Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect and Induced Payroll	Total Payroll
2024	\$1,131,000	\$2,983,239	\$4,114,239
2025	\$3,688,945	\$9,730,330	\$13,419,275
2026	\$14,998,474	\$39,561,474	\$54,559,948
2027	\$15,448,428	\$40,748,318	\$56,196,746
2028	\$15,911,881	\$41,970,768	\$57,882,649
2029	\$16,389,237	\$43,229,891	\$59,619,128
2030	\$16,880,914	\$44,526,788	\$61,407,702
2031	\$17,387,342	\$45,862,591	\$63,249,933
2032	\$17,908,962	\$47,238,469	\$65,147,431
2033	\$18,446,231	\$48,655,623	\$67,101,854
2034	\$18,999,618	\$50,115,292	\$69,114,910
2035	\$19,569,606	\$51,618,751	\$71,188,357
2036	\$20,156,695	\$53,167,313	\$73,324,008
2037	\$20,761,395	\$54,762,333	\$75,523,728
2038	\$21,384,237	\$56,405,203	\$77,789,440
2039	\$22,025,764	\$58,097,359	\$80,123,123
2040	\$22,686,537	\$59,840,279	\$82,526,817
2041	\$23,367,133	\$61,635,488	\$85,002,621
2042	\$24,068,147	\$63,484,552	\$87,552,700
2043	\$24,790,192	\$65,389,089	\$90,179,281
2044	\$25,533,898	\$67,350,762	\$92,884,659
2045	\$26,299,915	\$69,371,284	\$95,671,199
2046	\$27,088,912	\$71,452,423	\$98,541,335
2047	\$27,901,579	\$73,595,996	\$101,497,575
2048	\$28,738,627	\$75,803,876	\$104,542,502
Total	<u>\$491,563,669</u>	<u>\$1,296,597,491</u>	<u>\$1,788,161,160</u>

State of Texas Fiscal Impacts During the Facility's Operations

Taxable Sales on Direct and Indirect Worker Spending

An estimated 26% of the gross salaries of direct and indirect workers will be spent on taxable goods and services. If this is the case, worker spending will result in taxable sales, as shown below.

Taxable Spending by Direct and Indirect Workers		
Year	Worker Salaries	Workers' Taxable Spending
2024	\$4,114,239	\$1,069,702
2025	\$13,419,275	\$3,489,012
2026	\$54,559,948	\$14,185,586
2027	\$56,196,746	\$14,611,154
2028	\$57,882,649	\$15,049,489
2029	\$59,619,128	\$15,500,973
2030	\$61,407,702	\$15,966,003
2031	\$63,249,933	\$16,444,983
2032	\$65,147,431	\$16,938,332
2033	\$67,101,854	\$17,446,482
2034	\$69,114,910	\$17,969,877
2035	\$71,188,357	\$18,508,973
2036	\$73,324,008	\$19,064,242
2037	\$75,523,728	\$19,636,169
2038	\$77,789,440	\$20,225,254
2039	\$80,123,123	\$20,832,012
2040	\$82,526,817	\$21,456,972
2041	\$85,002,621	\$22,100,682
2042	\$87,552,700	\$22,763,702
2043	\$90,179,281	\$23,446,613
2044	\$92,884,659	\$24,150,011
2045	\$95,671,199	\$24,874,512
2046	\$98,541,335	\$25,620,747
2047	\$101,497,575	\$26,389,370
2048	\$104,542,502	\$27,181,051
Total	\$1,788,161,160	\$464,921,902

The Facility's Taxable Sales

The facility expects to have the following sales subject to Texas sales tax:

The Facility's Taxable Sales	
Year	Taxable Sales
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0
2031	\$0
2032	\$0
2033	\$0
2034	\$0
2035	\$0
2036	\$0
2037	\$0
2038	\$0
2039	\$0
2040	\$0
2041	\$0
2042	\$0
2043	\$0
2044	\$0
2045	\$0
2046	\$0
2047	\$0
2048	\$0
<u>Total</u>	<u>\$0</u>

Taxable Spending by the Facility and Indirect and Induced Companies

The facility's estimated taxable spending is shown below along with 10% of operating expenditures of indirect and induced companies which may be spent on taxable goods and services. If this is the case, the following taxable spending can be expected from the companies:

Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect and Induced Companies	Total Facility and Companies' Taxable Spending
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$95,925	\$198,552	\$294,477
2029	\$110,026,367	\$227,740,827	\$337,767,194
2030	\$131,231,418	\$271,632,632	\$402,864,050
2031	\$132,868,482	\$275,021,149	\$407,889,631
2032	\$134,528,573	\$278,457,331	\$412,985,904
2033	\$136,376,978	\$282,283,296	\$418,660,274
2034	\$138,265,584	\$286,192,476	\$424,458,060
2035	\$140,195,359	\$290,186,869	\$430,382,228
2036	\$142,298,290	\$294,539,672	\$436,837,962
2037	\$144,432,764	\$298,957,767	\$443,390,531
2038	\$146,599,255	\$303,442,134	\$450,041,389
2039	\$148,798,244	\$307,993,766	\$456,792,010
2040	\$151,030,218	\$312,613,672	\$463,643,890
2041	\$153,295,671	\$317,302,877	\$470,598,548
2042	\$155,595,106	\$322,062,420	\$477,657,527
2043	\$157,929,033	\$326,893,357	\$484,822,390
2044	\$160,297,968	\$331,796,757	\$492,094,725
2045	\$162,702,438	\$336,773,709	\$499,476,146
2046	\$165,142,974	\$341,825,314	\$506,968,289
2047	\$167,620,119	\$346,952,694	\$514,572,813
2048	\$170,134,421	\$352,156,984	\$522,291,405
Total	\$2,949,465,188	\$6,105,024,256	\$9,054,489,444

Taxable Spending by Out-of-Town Visitors to the Facility

The firm expects to have the following number of out-of-town visitors to its facility along with the estimated number of days and spending:

Spending by a Typical Out-of-State Visitor	
Estimated number of out of town visitors	0
Annual increase in the number of out of town visitors after year 1	0%
Estimated average number of days spent visiting the facility	0
Average daily spending in the community subject to sales tax	\$0
Estimated number of nights in a local motel	0
Average nightly room rate at a local motel	\$0
Average annual increase in nightly room rate	2%
Average annual increase in daily taxable spending in the community	2%

Therefore, taxable spending by these visitors in the community and spending on lodging subject to hotel occupancy taxes are shown below.

Spending by Out-of-Town Visitors		
Year	Taxable Spending in the Community	Spending on Lodging in the Community
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
2041	\$0	\$0
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Total Taxable Sales

Taxable spending by workers and spending by the facility and related indirect and induced companies will result in the following total taxable sales:

Estimated Total Taxable Sales					
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Facility and Indirect Companies' Taxable Spending		Total Taxable Sales
			Spending	Taxable Spending	
2024	\$1,069,702	\$0	\$0	\$0	\$1,069,702
2025	\$3,489,012	\$0	\$0	\$0	\$3,489,012
2026	\$14,185,586	\$0	\$0	\$0	\$14,185,586
2027	\$14,611,154	\$0	\$0	\$0	\$14,611,154
2028	\$15,049,489	\$0	\$294,477	\$0	\$15,343,966
2029	\$15,500,973	\$0	\$337,767,194	\$0	\$353,268,167
2030	\$15,966,003	\$0	\$402,864,050	\$0	\$418,830,053
2031	\$16,444,983	\$0	\$407,889,631	\$0	\$424,334,614
2032	\$16,938,332	\$0	\$412,985,904	\$0	\$429,924,236
2033	\$17,446,482	\$0	\$418,660,274	\$0	\$436,106,756
2034	\$17,969,877	\$0	\$424,458,060	\$0	\$442,427,937
2035	\$18,508,973	\$0	\$430,382,228	\$0	\$448,891,201
2036	\$19,064,242	\$0	\$436,837,962	\$0	\$455,902,204
2037	\$19,636,169	\$0	\$443,390,531	\$0	\$463,026,700
2038	\$20,225,254	\$0	\$450,041,389	\$0	\$470,266,643
2039	\$20,832,012	\$0	\$456,792,010	\$0	\$477,624,022
2040	\$21,456,972	\$0	\$463,643,890	\$0	\$485,100,862
2041	\$22,100,682	\$0	\$470,598,548	\$0	\$492,699,230
2042	\$22,763,702	\$0	\$477,657,527	\$0	\$500,421,229
2043	\$23,446,613	\$0	\$484,822,390	\$0	\$508,269,003
2044	\$24,150,011	\$0	\$492,094,725	\$0	\$516,244,737
2045	\$24,874,512	\$0	\$499,476,146	\$0	\$524,350,658
2046	\$25,620,747	\$0	\$506,968,289	\$0	\$532,589,036
2047	\$26,389,370	\$0	\$514,572,813	\$0	\$540,962,182
2048	\$27,181,051	\$0	\$522,291,405	\$0	\$549,472,456
Total	<u>\$464,921,902</u>	<u>\$0</u>	<u>\$9,054,489,444</u>	<u>\$0</u>	<u>\$9,519,411,345</u>

Sales Tax Collections

With a 6.25% sales tax, the state will collect the following sales tax on the spending of workers, companies and visitors:

Estimated Sales Tax Collections During Operations					
Year	On Workers' Spending	On The Facility's Taxable Sales	On Taxable Companies' Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2024	\$66,856	\$0	\$0	\$0	\$66,856
2025	\$218,063	\$0	\$0	\$0	\$218,063
2026	\$886,599	\$0	\$0	\$0	\$886,599
2027	\$913,197	\$0	\$0	\$0	\$913,197
2028	\$940,593	\$0	\$18,405	\$0	\$958,998
2029	\$968,811	\$0	\$21,110,450	\$0	\$22,079,260
2030	\$997,875	\$0	\$25,179,003	\$0	\$26,176,878
2031	\$1,027,811	\$0	\$25,493,102	\$0	\$26,520,913
2032	\$1,058,646	\$0	\$25,811,619	\$0	\$26,870,265
2033	\$1,090,405	\$0	\$26,166,267	\$0	\$27,256,672
2034	\$1,123,117	\$0	\$26,528,629	\$0	\$27,651,746
2035	\$1,156,811	\$0	\$26,898,889	\$0	\$28,055,700
2036	\$1,191,515	\$0	\$27,302,373	\$0	\$28,493,888
2037	\$1,227,261	\$0	\$27,711,908	\$0	\$28,939,169
2038	\$1,264,078	\$0	\$28,127,587	\$0	\$29,391,665
2039	\$1,302,001	\$0	\$28,549,501	\$0	\$29,851,501
2040	\$1,341,061	\$0	\$28,977,743	\$0	\$30,318,804
2041	\$1,381,293	\$0	\$29,412,409	\$0	\$30,793,702
2042	\$1,422,731	\$0	\$29,853,595	\$0	\$31,276,327
2043	\$1,465,413	\$0	\$30,301,399	\$0	\$31,766,813
2044	\$1,509,376	\$0	\$30,755,920	\$0	\$32,265,296
2045	\$1,554,657	\$0	\$31,217,259	\$0	\$32,771,916
2046	\$1,601,297	\$0	\$31,685,518	\$0	\$33,286,815
2047	\$1,649,336	\$0	\$32,160,801	\$0	\$33,810,136
2048	\$1,698,816	\$0	\$32,643,213	\$0	\$34,342,028
Total	<u>\$29,057,619</u>	<u>\$0</u>	<u>\$565,905,590</u>	<u>\$0</u>	<u>\$594,963,209</u>

Hotel Occupancy Tax Collections

From the overnight lodging spending of visitors to the facility, the state will collect the following hotel occupancy taxes:

Estimated Hotel Occupancy Tax Collections from Visitors		
Year	Spending on Lodging	Total Hotel Occupancy Tax Collections
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
2041	\$0	\$0
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Franchise Tax Collections from the Company and Indirect and Induced Businesses

Texas franchise tax is a tax on “taxable margin,” which is a concept similar to taxable income. Generally, an entity’s taxable margin is its revenue less either its cost of goods sold or its compensation expense, but not both. If 70% of the entity’s revenue is less than either of these calculations, then 70% of revenue is the taxable margin. Taxable margin must then be apportioned to business done in Texas, measured by the ratio of gross receipts from business done in Texas to gross receipts from business done everywhere. The tax rate is then applied to the apportioned margin. A rate of .375% is used for taxable entities primarily engaged in retail or wholesale trade, and a .75% rate is used for all other entities.

Estimated Taxable Margins of the Company and Indirect and Induced Companies

The facility's estimated taxable margins subject to Texas franchise tax may be 15% of its operating revenues and the estimated taxable margins of indirect companies may be 25% of revenues.

If this is the case, the estimated taxable margins of the company and indirect and induced companies that will be subject to corporate franchise taxes in the state of Texas are shown below.

Revenues of the Company Subject to Franchise Taxes & Taxable Margins of Indirect and Induced Companies During Operations			
Year	Direct Taxable Margins	Indirect and Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$179,859	\$496,381	\$676,240
2029	\$206,299,438	\$569,352,067	\$775,651,505
2030	\$246,058,909	\$679,081,580	\$925,140,489
2031	\$249,128,404	\$687,552,873	\$936,681,276
2032	\$252,241,075	\$696,143,326	\$948,384,401
2033	\$255,706,833	\$705,708,241	\$961,415,074
2034	\$259,247,970	\$715,481,190	\$974,729,161
2035	\$262,866,298	\$725,467,173	\$988,333,471
2036	\$266,809,293	\$736,349,180	\$1,003,158,473
2037	\$270,811,432	\$747,394,418	\$1,018,205,850
2038	\$274,873,604	\$758,605,334	\$1,033,478,938
2039	\$278,996,708	\$769,984,414	\$1,048,981,122
2040	\$283,181,659	\$781,534,181	\$1,064,715,839
2041	\$287,429,383	\$793,257,193	\$1,080,686,577
2042	\$291,740,824	\$805,156,051	\$1,096,896,875
2043	\$296,116,937	\$817,233,392	\$1,113,350,329
2044	\$300,558,691	\$829,491,893	\$1,130,050,583
2045	\$305,067,071	\$841,934,271	\$1,147,001,342
2046	\$309,643,077	\$854,563,285	\$1,164,206,362
2047	\$314,287,723	\$867,381,735	\$1,181,669,458
2048	\$319,002,039	\$880,392,461	\$1,199,394,500
Total	\$5,530,247,227	\$15,262,560,640	\$20,792,807,867

Estimated Franchise Tax Payments by the Company and Indirect and Induced Companies

The estimated annual franchise tax payments to the State by the facility and indirect and induced businesses are shown below.

Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect Businesses	Total
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$1,349	\$3,723	\$5,072
2029	\$1,547,246	\$4,270,141	\$5,817,386
2030	\$1,845,442	\$5,093,112	\$6,938,554
2031	\$1,868,463	\$5,156,647	\$7,025,110
2032	\$1,891,808	\$5,221,075	\$7,112,883
2033	\$1,917,801	\$5,292,812	\$7,210,613
2034	\$1,944,360	\$5,366,109	\$7,310,469
2035	\$1,971,497	\$5,441,004	\$7,412,501
2036	\$2,001,070	\$5,522,619	\$7,523,689
2037	\$2,031,086	\$5,605,458	\$7,636,544
2038	\$2,061,552	\$5,689,540	\$7,751,092
2039	\$2,092,475	\$5,774,883	\$7,867,358
2040	\$2,123,862	\$5,861,506	\$7,985,369
2041	\$2,155,720	\$5,949,429	\$8,105,149
2042	\$2,188,056	\$6,038,670	\$8,226,727
2043	\$2,220,877	\$6,129,250	\$8,350,127
2044	\$2,254,190	\$6,221,189	\$8,475,379
2045	\$2,288,003	\$6,314,507	\$8,602,510
2046	\$2,322,323	\$6,409,225	\$8,731,548
2047	\$2,357,158	\$6,505,363	\$8,862,521
2048	\$2,392,515	\$6,602,943	\$8,995,459
Total	\$41,476,854	\$114,469,205	\$155,946,059

Other Taxes and Revenues from Workers

During the facility's operations, other taxes -- in addition to sales and franchise taxes -- will be collected for the State's general fund. The estimated annual collections of other taxes from each worker during operations are the following:

Other Revenues for the State from Each Worker During Operations	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$110
Alcoholic beverage taxes	\$185
Net lottery proceeds	\$302
<u>Total</u>	<u>\$1,072</u>

Other taxes and revenues for the State from workers during the facility's operations will be the following:

Other Revenues for the State from Workers During Operations						
Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes and Revenues
2024	\$1,336	\$15,581	\$3,917	\$6,589	\$10,755	\$38,178
2025	\$4,356	\$50,820	\$12,778	\$21,490	\$35,080	\$124,523
2026	\$17,711	\$206,623	\$51,951	\$87,372	\$142,629	\$506,285
2027	\$18,242	\$212,822	\$53,509	\$89,993	\$146,908	\$521,474
2028	\$18,789	\$219,206	\$55,115	\$92,693	\$151,315	\$537,118
2029	\$19,353	\$225,782	\$56,768	\$95,474	\$155,854	\$553,231
2030	\$19,933	\$232,556	\$58,471	\$98,338	\$160,530	\$569,828
2031	\$20,531	\$239,533	\$60,225	\$101,288	\$165,346	\$586,923
2032	\$21,147	\$246,719	\$62,032	\$104,327	\$170,306	\$604,531
2033	\$21,782	\$254,120	\$63,893	\$107,456	\$175,415	\$622,667
2034	\$22,435	\$261,744	\$65,810	\$110,680	\$180,678	\$641,347
2035	\$23,108	\$269,596	\$67,784	\$114,001	\$186,098	\$660,587
2036	\$23,801	\$277,684	\$69,818	\$117,421	\$191,681	\$680,405
2037	\$24,516	\$286,014	\$71,912	\$120,943	\$197,432	\$700,817
2038	\$25,251	\$294,595	\$74,070	\$124,572	\$203,355	\$721,841
2039	\$26,009	\$303,433	\$76,292	\$128,309	\$209,455	\$743,497
2040	\$26,789	\$312,536	\$78,580	\$132,158	\$215,739	\$765,802
2041	\$27,592	\$321,912	\$80,938	\$136,123	\$222,211	\$788,776
2042	\$28,420	\$331,569	\$83,366	\$140,206	\$228,877	\$812,439
2043	\$29,273	\$341,516	\$85,867	\$144,413	\$235,744	\$836,812
2044	\$30,151	\$351,762	\$88,443	\$148,745	\$242,816	\$861,916
2045	\$31,056	\$362,314	\$91,096	\$153,207	\$250,100	\$887,774
2046	\$31,987	\$373,184	\$93,829	\$157,803	\$257,604	\$914,407
2047	\$32,947	\$384,379	\$96,644	\$162,538	\$265,332	\$941,839
2048	\$33,935	\$395,911	\$99,543	\$167,414	\$273,292	\$970,095
Total	\$580,449	\$6,771,909	\$1,702,651	\$2,863,550	\$4,674,552	\$16,593,112

The Total Revenues for the State of Texas from the Facility's Operations

The total increase in state revenues from the facility's operations are shown below.

General Fund Revenues for the State During Operations					
Year	Sales Tax Collections	Hotel Occupancy Taxes	Franchise Tax Collections	Other Taxes and Revenues	Total State Revenues
2024	\$66,856	\$0	\$0	\$38,178	\$105,034
2025	\$218,063	\$0	\$0	\$124,523	\$342,586
2026	\$886,599	\$0	\$0	\$506,285	\$1,392,884
2027	\$913,197	\$0	\$0	\$521,474	\$1,434,671
2028	\$958,998	\$0	\$5,072	\$537,118	\$1,501,188
2029	\$22,079,260	\$0	\$5,817,386	\$553,231	\$28,449,878
2030	\$26,176,878	\$0	\$6,938,554	\$569,828	\$33,685,260
2031	\$26,520,913	\$0	\$7,025,110	\$586,923	\$34,132,946
2032	\$26,870,265	\$0	\$7,112,883	\$604,531	\$34,587,679
2033	\$27,256,672	\$0	\$7,210,613	\$622,667	\$35,089,952
2034	\$27,651,746	\$0	\$7,310,469	\$641,347	\$35,603,562
2035	\$28,055,700	\$0	\$7,412,501	\$660,587	\$36,128,788
2036	\$28,493,888	\$0	\$7,523,689	\$680,405	\$36,697,981
2037	\$28,939,169	\$0	\$7,636,544	\$700,817	\$37,276,530
2038	\$29,391,665	\$0	\$7,751,092	\$721,841	\$37,864,599
2039	\$29,851,501	\$0	\$7,867,358	\$743,497	\$38,462,356
2040	\$30,318,804	\$0	\$7,985,369	\$765,802	\$39,069,974
2041	\$30,793,702	\$0	\$8,105,149	\$788,776	\$39,687,627
2042	\$31,276,327	\$0	\$8,226,727	\$812,439	\$40,315,492
2043	\$31,766,813	\$0	\$8,350,127	\$836,812	\$40,953,752
2044	\$32,265,296	\$0	\$8,475,379	\$861,916	\$41,602,592
2045	\$32,771,916	\$0	\$8,602,510	\$887,774	\$42,262,200
2046	\$33,286,815	\$0	\$8,731,548	\$914,407	\$42,932,770
2047	\$33,810,136	\$0	\$8,862,521	\$941,839	\$43,614,497
2048	\$34,342,028	\$0	\$8,995,459	\$970,095	\$44,307,582
Total	\$594,963,209	\$0	\$155,946,059	\$16,593,112	\$767,502,380

Local Area Benefits Economic Impact & Tax Revenue

Local vs. State Economic Impacts

The previous section of this analysis presented the economic impact in the State of Texas and this section presents the local economic impact, specifically within Harris County. In general, the state level economic impacts will be larger than the county level economic impacts. The larger statewide impact results from the fact that more economic activity will be captured within the state economy relative to the county economy.

The reason the occurs is known as leakage. Leakage results when the local economy is unable to supply all of the inputs needed by the project and some inputs are purchased from suppliers located outside of the local economy, for example elsewhere in the state.

It is important to note that the local economic impacts of output, employment, and payroll represent a subset of the statewide impact.

Local Economic Impacts During Construction

Construction Economic Output/Increase in Gross Area Product

The facility's construction project will provide direct, indirect and induced economic output/increase in gross area product in Harris County, as shown below.

The facility's construction costs again serve as the direct construction output and county-level multipliers are used to estimate the total impact inclusive of the indirect and induced effects.

Economic Output/Increase in Gross Area Product in Harris County During Construction			
Year	Direct Construction Output	Indirect and Induced Output	Total Output
2024	\$398,657,960	\$411,175,820	\$809,833,780
2025	\$581,379,960	\$599,635,291	\$1,181,015,251
2026	\$689,294,080	\$710,937,914	\$1,400,231,994
<u>Total</u>	<u>\$1,669,332,000</u>	<u>\$1,721,749,025</u>	<u>\$3,391,081,025</u>

An explanation of the multipliers used to calculate indirect and induced impacts is included later in this report.

Construction Employment

During construction, the following number of direct, indirect and induced jobs will be supported in Harris County each year:

Direct, Indirect and Induced Employment in Harris County During Construction			
Year	Direct Construction Employment	Indirect and Induced Employment	Total Employment
2024	2,453	1,773	4,226
2025	3,578	2,585	6,163
2026	4,242	3,065	7,307
<u>Annual Avg.</u>	<u>3,424</u>	<u>2,474</u>	<u>5,899</u>

Construction Payroll

The direct, indirect and induced payrolls during construction will be the following:

Direct, Indirect and Induced Payroll in Harris County During Construction			
Year	Direct Construction Payroll	Indirect and Induced Payroll	Total Payroll
2024	\$159,463,184	\$93,477,318	\$252,940,502
2025	\$232,551,984	\$136,321,973	\$368,873,957
2026	\$275,717,632	\$161,625,676	\$437,343,308
<u>Total</u>	<u>\$667,732,800</u>	<u>\$391,424,967</u>	<u>\$1,059,157,767</u>

The direct construction employment and direct construction payroll derived in the state impact section serve as the direct impacts. The local impact shown here relies on Harris County multipliers to estimate the total impact inclusive of the indirect and induced effects.

Local Fiscal Impacts During Construction

Taxable Sales

A majority of the estimated statewide taxable sales during construction can be expected to take place within Harris County and likely within the City of Houston. If 80% of the statewide taxable sales during construction occur locally, the facility's construction project will result in the following taxable sales:

Local Estimated Taxable Sales				
Year	Estimated Taxable Machinery and Equipment	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2024	\$0	\$28,703,373	\$62,943,563	\$91,646,936
2025	\$0	\$41,859,357	\$91,793,291	\$133,652,648
2026	\$0	\$49,629,174	\$108,831,705	\$158,460,879
<u>Total</u>	<u>\$0</u>	<u>\$120,191,904</u>	<u>\$263,568,559</u>	<u>\$383,760,463</u>

Sales Tax Collections

With a 2.00% local sales tax, the City of Houston or other cities in Harris County will collect the following sales tax on machinery and equipment, construction materials and construction worker spending:

Estimated Sales Tax Collections During Construction				
Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections
2024	\$0	\$574,067	\$1,258,871	\$1,832,939
2025	\$0	\$837,187	\$1,835,866	\$2,673,053
2026	\$0	\$992,583	\$2,176,634	\$3,169,218
<u>Total</u>	<u>\$0</u>	<u>\$2,403,838</u>	<u>\$5,271,371</u>	<u>\$7,675,209</u>

Summary of Local Taxes During Construction

During the facility's construction project, the City of Houston or other cities within Harris County will receive the following tax revenues:

Tax Revenues for the City During Construction		
Year	Sales Tax Collections	Total Revenues
2024	\$1,832,939	\$1,832,939
2025	\$2,673,053	\$2,673,053
2026	\$3,169,218	\$3,169,218
<u>Total</u>	<u>\$7,675,209</u>	<u>\$7,675,209</u>

Local Economic Impacts During the Facility's Operations

Economic Output During Operations

The facility's estimated annual revenues during the first 25 years again serve as the direct economic output during operations.

The facility's annual operating revenues will result in the following direct, indirect and induced output: in Harris County when applying the local economic impact multiplier.

Direct, Indirect & Induced Output in Harris County During Operations			
Year	Direct Operations Output	Indirect and Induced Output	Total Output
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0
2027	\$0	\$0	\$0
2028	\$1,199,060	\$1,478,681	\$2,677,742
2029	\$1,375,329,589	\$1,696,056,450	\$3,071,386,039
2030	\$1,640,392,729	\$2,022,932,313	\$3,663,325,041
2031	\$1,660,856,024	\$2,048,167,649	\$3,709,023,673
2032	\$1,681,607,166	\$2,073,757,957	\$3,755,365,123
2033	\$1,704,712,219	\$2,102,251,109	\$3,806,963,328
2034	\$1,728,319,803	\$2,131,363,981	\$3,859,683,784
2035	\$1,752,441,990	\$2,161,111,462	\$3,913,553,452
2036	\$1,778,728,620	\$2,193,528,134	\$3,972,256,754
2037	\$1,805,409,549	\$2,226,431,056	\$4,031,840,605
2038	\$1,832,490,692	\$2,259,827,522	\$4,092,318,214
2039	\$1,859,978,053	\$2,293,724,935	\$4,153,702,987
2040	\$1,887,877,724	\$2,328,130,809	\$4,216,008,532
2041	\$1,916,195,889	\$2,363,052,771	\$4,279,248,660
2042	\$1,944,938,828	\$2,398,498,562	\$4,343,437,390
2043	\$1,974,112,910	\$2,434,476,041	\$4,408,588,951
2044	\$2,003,724,604	\$2,470,993,181	\$4,474,717,785
2045	\$2,033,780,473	\$2,508,058,079	\$4,541,838,552
2046	\$2,064,287,180	\$2,545,678,950	\$4,609,966,130
2047	\$2,095,251,488	\$2,583,864,135	\$4,679,115,622
2048	\$2,126,680,260	\$2,622,622,097	\$4,749,302,357
Total	\$36,868,314,849	\$45,466,005,872	\$82,334,320,722

Employment during Operations

Based on the expected number of new jobs created and the local employment multiplier for the project, the following number of direct, indirect and induced jobs will be supported during the facility's operations:

Direct, Indirect & Induced Employment in Harris County During Operations			
Year	Direct Operations Employment	Indirect and Induced Employment	Total Employment
2024	6	20	26
2025	19	65	84
2026	75	255	330
2027	75	255	330
2028	75	255	330
2029	75	255	330
2030	75	255	330
2031	75	255	330
2032	75	255	330
2033	75	255	330
2034	75	255	330
2035	75	255	330
2036	75	255	330
2037	75	255	330
2038	75	255	330
2039	75	255	330
2040	75	255	330
2041	75	255	330
2042	75	255	330
2043	75	255	330
2044	75	255	330
2045	75	255	330
2046	75	255	330
2047	75	255	330
2048	75	255	330

The direct, indirect and induced payrolls in Harris County during the facility's operations will be the following:

Direct, Indirect and Induced Payroll in Harris County During Operations			
Year	Direct Operations Payroll	Indirect and Induced Payroll	Total Payroll
2024	\$1,131,000	\$2,251,482	\$3,382,482
2025	\$3,688,945	\$7,343,583	\$11,032,528
2026	\$14,998,474	\$29,857,462	\$44,855,935
2027	\$15,448,428	\$30,753,186	\$46,201,614
2028	\$15,911,881	\$31,675,781	\$47,587,662
2029	\$16,389,237	\$32,626,055	\$49,015,292
2030	\$16,880,914	\$33,604,836	\$50,485,751
2031	\$17,387,342	\$34,612,981	\$52,000,323
2032	\$17,908,962	\$35,651,371	\$53,560,333
2033	\$18,446,231	\$36,720,912	\$55,167,143
2034	\$18,999,618	\$37,822,539	\$56,822,157
2035	\$19,569,606	\$38,957,215	\$58,526,822
2036	\$20,156,695	\$40,125,932	\$60,282,626
2037	\$20,761,395	\$41,329,710	\$62,091,105
2038	\$21,384,237	\$42,569,601	\$63,953,838
2039	\$22,025,764	\$43,846,689	\$65,872,453
2040	\$22,686,537	\$45,162,090	\$67,848,627
2041	\$23,367,133	\$46,516,952	\$69,884,086
2042	\$24,068,147	\$47,912,461	\$71,980,608
2043	\$24,790,192	\$49,349,835	\$74,140,027
2044	\$25,533,898	\$50,830,330	\$76,364,227
2045	\$26,299,915	\$52,355,240	\$78,655,154
2046	\$27,088,912	\$53,925,897	\$81,014,809
2047	\$27,901,579	\$55,543,674	\$83,445,253
2048	\$28,738,627	\$57,209,984	\$85,948,611
Total	\$491,563,669	\$978,555,797	\$1,470,119,466

Local Fiscal Impacts During the Facility's Operations

Local Taxable Sales

A majority of the estimated statewide taxable spending during operations can be expected to take place within Harris County and likely within the City of Houston. If 80% of the statewide taxable spending by workers, the company, indirect businesses, and visitors during operations occurs locally, the project will result in the following taxable sales:

Local Estimated Total Taxable Sales or Spending					
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Facility and Indirect Companies' Taxable Spending		Total Taxable Sales
			Spending	Taxable Spending by Visitors in The Community	
2024	\$855,762	\$0	\$0	\$0	\$855,762
2025	\$2,791,209	\$0	\$0	\$0	\$2,791,209
2026	\$11,348,469	\$0	\$0	\$0	\$11,348,469
2027	\$11,688,923	\$0	\$0	\$0	\$11,688,923
2028	\$12,039,591	\$0	\$235,582	\$0	\$12,275,173
2029	\$12,400,779	\$0	\$270,213,755	\$0	\$282,614,534
2030	\$12,772,802	\$0	\$322,291,240	\$0	\$335,064,042
2031	\$13,155,986	\$0	\$326,311,705	\$0	\$339,467,691
2032	\$13,550,666	\$0	\$330,388,723	\$0	\$343,939,389
2033	\$13,957,186	\$0	\$334,928,219	\$0	\$348,885,405
2034	\$14,375,901	\$0	\$339,566,448	\$0	\$353,942,350
2035	\$14,807,178	\$0	\$344,305,783	\$0	\$359,112,961
2036	\$15,251,394	\$0	\$349,470,369	\$0	\$364,721,763
2037	\$15,708,935	\$0	\$354,712,425	\$0	\$370,421,360
2038	\$16,180,203	\$0	\$360,033,111	\$0	\$376,213,315
2039	\$16,665,610	\$0	\$365,433,608	\$0	\$382,099,218
2040	\$17,165,578	\$0	\$370,915,112	\$0	\$388,080,690
2041	\$17,680,545	\$0	\$376,478,839	\$0	\$394,159,384
2042	\$18,210,962	\$0	\$382,126,021	\$0	\$400,336,983
2043	\$18,757,290	\$0	\$387,857,912	\$0	\$406,615,202
2044	\$19,320,009	\$0	\$393,675,780	\$0	\$412,995,789
2045	\$19,899,609	\$0	\$399,580,917	\$0	\$419,480,526
2046	\$20,496,598	\$0	\$405,574,631	\$0	\$426,071,228
2047	\$21,111,496	\$0	\$411,658,250	\$0	\$432,769,746
2048	\$21,744,840	\$0	\$417,833,124	\$0	\$439,577,965
Total	\$371,937,521	\$0	\$7,243,591,555	\$0	\$7,615,529,076

Sales Tax Collections

With a 2.00% sales tax, the City of Houston or other cities within Harris County will collect the following sales tax on the spending of workers, companies and visitors:

Estimated Sales Tax Collections During Operations					
Year	On Workers' Spending	On The Facility's Taxable Sales	On Taxable Companies' Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2024	\$17,115	\$0	\$0	\$0	\$17,115
2025	\$55,824	\$0	\$0	\$0	\$55,824
2026	\$226,969	\$0	\$0	\$0	\$226,969
2027	\$233,778	\$0	\$0	\$0	\$233,778
2028	\$240,792	\$0	\$4,712	\$0	\$245,503
2029	\$248,016	\$0	\$5,404,275	\$0	\$5,652,291
2030	\$255,456	\$0	\$6,445,825	\$0	\$6,701,281
2031	\$263,120	\$0	\$6,526,234	\$0	\$6,789,354
2032	\$271,013	\$0	\$6,607,774	\$0	\$6,878,788
2033	\$279,144	\$0	\$6,698,564	\$0	\$6,977,708
2034	\$287,518	\$0	\$6,791,329	\$0	\$7,078,847
2035	\$296,144	\$0	\$6,886,116	\$0	\$7,182,259
2036	\$305,028	\$0	\$6,989,407	\$0	\$7,294,435
2037	\$314,179	\$0	\$7,094,248	\$0	\$7,408,427
2038	\$323,604	\$0	\$7,200,662	\$0	\$7,524,266
2039	\$333,312	\$0	\$7,308,672	\$0	\$7,641,984
2040	\$343,312	\$0	\$7,418,302	\$0	\$7,761,614
2041	\$353,611	\$0	\$7,529,577	\$0	\$7,883,188
2042	\$364,219	\$0	\$7,642,520	\$0	\$8,006,740
2043	\$375,146	\$0	\$7,757,158	\$0	\$8,132,304
2044	\$386,400	\$0	\$7,873,516	\$0	\$8,259,916
2045	\$397,992	\$0	\$7,991,618	\$0	\$8,389,611
2046	\$409,932	\$0	\$8,111,493	\$0	\$8,521,425
2047	\$422,230	\$0	\$8,233,165	\$0	\$8,655,395
2048	\$434,897	\$0	\$8,356,662	\$0	\$8,791,559
Total	<u>\$7,438,750</u>	<u>\$0</u>	<u>\$144,871,831</u>	<u>\$0</u>	<u>\$152,310,582</u>

Hotel Occupancy Tax Collections

From the overnight lodging spending of visitors to the facility, the city and county will collect the following hotel occupancy taxes:

Estimated Hotel Occupancy Tax Collections from Visitors				
Year	Spending on Lodging	City Hotel Occupancy Tax Collections	County Hotel Occupancy Tax Collections	Total Hotel Occupancy Tax Collections
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0
2047	\$0	\$0	\$0	\$0
2048	\$0	\$0	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Property Tax Collections - JETI Investment

As detailed in an earlier section of this report ("Estimated Ad Valorem Taxes Imposed by Each Taxing Unit on the Investment") the annual property taxes to be collected on the facility's investment property is summarized below:

Ad Valorem Tax Collections for Local Taxing Units on Investment (Table 1 of 2)						
Year	N/A	Harris County	Galena Park ISD	Harris County Flood Control	Port of Houston	Subtotal Table 1
2024	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$5,843,831	\$11,904,173	\$518,328	\$95,820	\$18,362,151
2028	\$0	\$5,668,516	\$11,547,048	\$502,778	\$92,945	\$17,811,287
2029	\$0	\$5,498,460	\$11,200,637	\$487,694	\$90,157	\$17,276,948
2030	\$0	\$5,333,506	\$10,864,618	\$473,064	\$87,452	\$16,758,640
2031	\$0	\$5,173,501	\$10,538,679	\$458,872	\$84,828	\$16,255,880
2032	\$0	\$5,018,296	\$10,222,519	\$445,106	\$82,284	\$15,768,204
2033	\$0	\$4,867,747	\$9,915,843	\$431,752	\$79,815	\$15,295,158
2034	\$0	\$4,721,715	\$9,618,368	\$418,800	\$77,421	\$14,836,303
2035	\$0	\$4,580,063	\$9,329,817	\$406,236	\$75,098	\$14,391,214
2036	\$0	\$4,442,661	\$9,049,922	\$394,049	\$72,845	\$13,959,478
2037	\$0	\$4,309,382	\$13,933,877	\$382,227	\$70,660	\$18,696,145
2038	\$0	\$4,180,100	\$13,515,860	\$370,760	\$68,540	\$18,135,261
2039	\$0	\$4,054,697	\$13,110,384	\$359,638	\$66,484	\$17,591,203
2040	\$0	\$3,933,056	\$12,717,073	\$348,849	\$64,489	\$17,063,467
2041	\$0	\$3,815,065	\$12,335,561	\$338,383	\$62,555	\$16,551,563
2042	\$0	\$3,700,613	\$11,965,494	\$328,232	\$60,678	\$16,055,016
2043	\$0	\$3,589,594	\$11,606,529	\$318,385	\$58,858	\$15,573,366
2044	\$0	\$3,481,906	\$11,258,333	\$308,833	\$57,092	\$15,106,165
2045	\$0	\$3,377,449	\$10,920,583	\$299,568	\$55,379	\$14,652,980
2046	\$0	\$3,276,126	\$10,592,966	\$290,581	\$53,718	\$14,213,390
2047	\$0	\$3,177,842	\$10,275,177	\$281,864	\$52,106	\$13,786,989
2048	\$0	\$3,082,507	\$9,966,921	\$273,408	\$50,543	\$13,373,379
Total	\$0	\$95,126,634	\$246,390,382	\$8,437,404	\$1,559,765	\$351,514,185

Ad Valorem Tax Collections for Local Taxing Units on the Investment (Table 2 of 2)

Year	Harris County Hospital District	Harris County Education Department	San Jacinto Community College	Harris County ESD 50	<i>Subtotal Table 2</i>	Grand Total (Table 1 + Table 2)
2024	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$2,394,323	\$80,128	\$2,440,480	\$784,586	\$5,699,517	\$24,061,668
2028	\$2,322,493	\$77,724	\$2,367,266	\$761,048	\$5,528,531	\$23,339,818
2029	\$2,252,818	\$75,392	\$2,296,248	\$738,217	\$5,362,675	\$22,639,623
2030	\$2,185,234	\$73,131	\$2,227,360	\$716,070	\$5,201,795	\$21,960,435
2031	\$2,119,677	\$70,937	\$2,160,539	\$694,588	\$5,045,741	\$21,301,622
2032	\$2,056,087	\$68,809	\$2,095,723	\$673,751	\$4,894,369	\$20,662,573
2033	\$1,994,404	\$66,744	\$2,032,851	\$653,538	\$4,747,538	\$20,042,696
2034	\$1,934,572	\$64,742	\$1,971,866	\$633,932	\$4,605,112	\$19,441,415
2035	\$1,876,535	\$62,800	\$1,912,710	\$614,914	\$4,466,958	\$18,858,172
2036	\$1,820,239	\$60,916	\$1,855,329	\$596,467	\$4,332,950	\$18,292,427
2037	\$1,765,631	\$59,088	\$1,799,669	\$578,573	\$4,202,961	\$22,899,106
2038	\$1,712,663	\$57,316	\$1,745,679	\$561,215	\$4,076,872	\$22,212,133
2039	\$1,661,283	\$55,596	\$1,693,308	\$544,379	\$3,954,566	\$21,545,769
2040	\$1,611,444	\$53,928	\$1,642,509	\$528,048	\$3,835,929	\$20,899,396
2041	\$1,563,101	\$52,310	\$1,593,234	\$512,206	\$3,720,851	\$20,272,414
2042	\$1,516,208	\$50,741	\$1,545,437	\$496,840	\$3,609,226	\$19,664,242
2043	\$1,470,722	\$49,219	\$1,499,074	\$481,935	\$3,500,949	\$19,074,315
2044	\$1,426,600	\$47,742	\$1,454,101	\$467,477	\$3,395,921	\$18,502,085
2045	\$1,383,802	\$46,310	\$1,410,478	\$453,452	\$3,294,043	\$17,947,023
2046	\$1,342,288	\$44,921	\$1,368,164	\$439,849	\$3,195,222	\$17,408,612
2047	\$1,302,019	\$43,573	\$1,327,119	\$426,653	\$3,099,365	\$16,886,354
2048	\$1,262,959	\$42,266	\$1,287,306	\$413,854	\$3,006,384	\$16,379,763
Total	<u>\$38,975,099</u>	<u>\$1,304,333</u>	<u>\$39,726,450</u>	<u>\$12,771,594</u>	<u>\$92,777,476</u>	<u>\$444,291,660</u>

Property Tax Collections - Land and Inventories

In addition to the property taxes generated for local taxing units on the facility's eligible JETI investment, local taxing units will also benefit from property taxes paid on the facility's taxable land and inventory property. The table below shows the estimated taxable value of the facility's land and inventories.

Appraised Value of the Facility's Land & Inventories			
Year	Land	Inventories	Total Appraised Value of Land & Inventories
2024	\$63,715,000	\$0	\$63,715,000
2025	\$63,715,000	\$0	\$63,715,000
2026	\$63,715,000	\$0	\$63,715,000
2027	\$63,715,000	\$30,558,219	\$94,273,219
2028	\$63,715,000	\$58,958,904	\$122,673,904
2029	\$63,715,000	\$58,958,904	\$122,673,904
2030	\$63,715,000	\$58,958,904	\$122,673,904
2031	\$63,715,000	\$58,958,904	\$122,673,904
2032	\$63,715,000	\$58,958,904	\$122,673,904
2033	\$63,715,000	\$58,958,904	\$122,673,904
2034	\$63,715,000	\$58,958,904	\$122,673,904
2035	\$63,715,000	\$58,958,904	\$122,673,904
2036	\$63,715,000	\$59,843,288	\$123,558,288
2037	\$63,715,000	\$60,740,937	\$124,455,937
2038	\$63,715,000	\$61,652,051	\$125,367,051
2039	\$63,715,000	\$62,576,832	\$126,291,832
2040	\$63,715,000	\$63,515,484	\$127,230,484
2041	\$63,715,000	\$64,468,217	\$128,183,217
2042	\$63,715,000	\$65,435,240	\$129,150,240
2043	\$63,715,000	\$66,416,768	\$130,131,768
2044	\$63,715,000	\$67,413,020	\$131,128,020
2045	\$63,715,000	\$68,424,215	\$132,139,215
2046	\$63,715,000	\$69,450,578	\$133,165,578
2047	\$63,715,000	\$70,492,337	\$134,207,337
2048	\$63,715,000	\$71,549,722	\$135,264,722

Appraised Value Assumptions:

Land Value: No increase over time.

Inventories: Company's projections.

Ad Valorem Taxes for Other Taxing Units on Land & Inventories (Table 1 of 2)

Year	Taxable Value of Land & Inventories	N/A 0.00000	Harris County 0.35007	Galena Park ISD 1.13191	Harris County Flood Control 0.03105	Port of Houston 0.00574
2024	\$63,715,000	\$0	\$223,047	\$721,196	\$19,784	\$3,657
2025	\$63,715,000	\$0	\$223,047	\$721,196	\$19,784	\$3,657
2026	\$63,715,000	\$0	\$223,047	\$721,196	\$19,784	\$3,657
2027	\$94,273,219	\$0	\$330,022	\$1,067,088	\$29,272	\$5,411
2028	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2029	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2030	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2031	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2032	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2033	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2034	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2035	\$122,673,904	\$0	\$429,445	\$1,388,558	\$38,090	\$7,041
2036	\$123,558,288	\$0	\$432,540	\$1,398,569	\$38,365	\$7,092
2037	\$124,455,937	\$0	\$435,683	\$1,408,729	\$38,644	\$7,144
2038	\$125,367,051	\$0	\$438,872	\$1,419,042	\$38,926	\$7,196
2039	\$126,291,832	\$0	\$442,110	\$1,429,510	\$39,214	\$7,249
2040	\$127,230,484	\$0	\$445,396	\$1,440,135	\$39,505	\$7,303
2041	\$128,183,217	\$0	\$448,731	\$1,450,919	\$39,801	\$7,358
2042	\$129,150,240	\$0	\$452,116	\$1,461,864	\$40,101	\$7,413
2043	\$130,131,768	\$0	\$455,552	\$1,472,974	\$40,406	\$7,470
2044	\$131,128,020	\$0	\$459,040	\$1,484,251	\$40,715	\$7,527
2045	\$132,139,215	\$0	\$462,580	\$1,495,697	\$41,029	\$7,585
2046	\$133,165,578	\$0	\$466,173	\$1,507,314	\$41,348	\$7,644
2047	\$134,207,337	\$0	\$469,820	\$1,519,106	\$41,671	\$7,704
2048	\$135,264,722	\$0	\$473,521	\$1,531,075	\$42,000	\$7,764
Total		\$0	\$10,316,854	\$33,358,329	\$915,069	\$169,163

Ad Valorem Taxes for Other Taxing Units on Land & Inventories (Table 2 of 2)

Year	Taxable Value of Land & Inventories	Harris County Hospital District 0.14343	Harris County Education Department 0.00480	San Jacinto Community College 0.14620	Harris County ESD 50 0.04700	Grand Total (Table 1 + Table 2) 1.86020
2024	\$63,715,000	\$91,386	\$3,058	\$93,148	\$29,946	\$1,185,223
2025	\$63,715,000	\$91,386	\$3,058	\$93,148	\$29,946	\$1,185,223
2026	\$63,715,000	\$91,386	\$3,058	\$93,148	\$29,946	\$1,185,223
2027	\$94,273,219	\$135,216	\$4,525	\$137,823	\$44,308	\$1,753,666
2028	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2029	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2030	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2031	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2032	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2033	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2034	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2035	\$122,673,904	\$175,951	\$5,888	\$179,343	\$57,657	\$2,281,974
2036	\$123,558,288	\$177,220	\$5,931	\$180,636	\$58,072	\$2,298,425
2037	\$124,455,937	\$178,507	\$5,974	\$181,948	\$58,494	\$2,315,123
2038	\$125,367,051	\$179,814	\$6,018	\$183,280	\$58,923	\$2,332,072
2039	\$126,291,832	\$181,140	\$6,062	\$184,632	\$59,357	\$2,349,274
2040	\$127,230,484	\$182,487	\$6,107	\$186,005	\$59,798	\$2,366,735
2041	\$128,183,217	\$183,853	\$6,153	\$187,397	\$60,246	\$2,384,458
2042	\$129,150,240	\$185,240	\$6,199	\$188,811	\$60,701	\$2,402,446
2043	\$130,131,768	\$186,648	\$6,246	\$190,246	\$61,162	\$2,420,705
2044	\$131,128,020	\$188,077	\$6,294	\$191,703	\$61,630	\$2,439,237
2045	\$132,139,215	\$189,527	\$6,343	\$193,181	\$62,105	\$2,458,047
2046	\$133,165,578	\$190,999	\$6,392	\$194,681	\$62,588	\$2,477,139
2047	\$134,207,337	\$192,494	\$6,442	\$196,204	\$63,077	\$2,496,518
2048	\$135,264,722	\$194,010	\$6,493	\$197,750	\$63,574	\$2,516,188
Total		\$4,227,001	\$141,460	\$4,308,488	\$1,385,129	\$54,821,493

The Total Tax Revenues for Local Taxing Units from the Facility's Operations

The total increase in local tax revenues from the facility's operations are shown below.

Tax Revenues for Local Taxing Units During Operations by Year							
Year	City Sales Tax Collections	City Hotel Occupancy Taxes	County Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues	
2024	\$17,115	\$0	\$0	\$0	\$1,185,223	\$1,202,338	
2025	\$55,824	\$0	\$0	\$0	\$1,185,223	\$1,241,047	
2026	\$226,969	\$0	\$0	\$0	\$1,185,223	\$1,412,193	
2027	\$233,778	\$0	\$0	\$24,061,668	\$1,753,666	\$26,049,112	
2028	\$245,503	\$0	\$0	\$23,339,818	\$2,281,974	\$25,867,295	
2029	\$5,652,291	\$0	\$0	\$22,639,623	\$2,281,974	\$30,573,888	
2030	\$6,701,281	\$0	\$0	\$21,960,435	\$2,281,974	\$30,943,689	
2031	\$6,789,354	\$0	\$0	\$21,301,622	\$2,281,974	\$30,372,949	
2032	\$6,878,788	\$0	\$0	\$20,662,573	\$2,281,974	\$29,823,335	
2033	\$6,977,708	\$0	\$0	\$20,042,696	\$2,281,974	\$29,302,378	
2034	\$7,078,847	\$0	\$0	\$19,441,415	\$2,281,974	\$28,802,236	
2035	\$7,182,259	\$0	\$0	\$18,858,172	\$2,281,974	\$28,322,406	
2036	\$7,294,435	\$0	\$0	\$18,292,427	\$2,298,425	\$27,885,288	
2037	\$7,408,427	\$0	\$0	\$22,899,106	\$2,315,123	\$32,622,657	
2038	\$7,524,266	\$0	\$0	\$22,212,133	\$2,332,072	\$32,068,471	
2039	\$7,641,984	\$0	\$0	\$21,545,769	\$2,349,274	\$31,537,028	
2040	\$7,761,614	\$0	\$0	\$20,899,396	\$2,366,735	\$31,027,745	
2041	\$7,883,188	\$0	\$0	\$20,272,414	\$2,384,458	\$30,540,060	
2042	\$8,006,740	\$0	\$0	\$19,664,242	\$2,402,446	\$30,073,428	
2043	\$8,132,304	\$0	\$0	\$19,074,315	\$2,420,705	\$29,627,323	
2044	\$8,259,916	\$0	\$0	\$18,502,085	\$2,439,237	\$29,201,238	
2045	\$8,389,611	\$0	\$0	\$17,947,023	\$2,458,047	\$28,794,680	
2046	\$8,521,425	\$0	\$0	\$17,408,612	\$2,477,139	\$28,407,176	
2047	\$8,655,395	\$0	\$0	\$16,886,354	\$2,496,518	\$28,038,267	
2048	\$8,791,559	\$0	\$0	\$16,379,763	\$2,516,188	\$27,687,510	
Total	\$152,310,582	\$0	\$0	\$444,291,660	\$54,821,493	\$651,423,735	

Tax Revenues for Local Taxing Units During Operations by Taxing Unit

Year	Sales Tax Collections	Hotel Occupancy Taxes	Property Taxes Investment	Property Taxes Land & Inventories	Total Local Revenues
City of Houston	\$152,310,582	\$0	\$0	\$0	\$152,310,582
Harris County	\$0	\$0	\$95,126,634	\$10,316,854	\$105,443,488
Galena Park ISD	\$0	\$0	\$246,390,382	\$33,358,329	\$279,748,711
Harris County Flood Control	\$0	\$0	\$8,437,404	\$915,069	\$9,352,473
Port of Houston	\$0	\$0	\$1,559,765	\$169,163	\$1,728,927
Harris County Hospital District	\$0	\$0	\$38,975,099	\$4,227,001	\$43,202,101
Harris County Education Department	\$0	\$0	\$1,304,333	\$141,460	\$1,445,793
San Jacinto Community College	\$0	\$0	\$39,726,450	\$4,308,488	\$44,034,938
Harris County ESD 50	\$0	\$0	\$12,771,594	\$1,385,129	\$14,156,723
Total	\$152,310,582	\$0	\$444,291,660	\$54,821,493	\$651,423,735

Discussion of Indirect and Induced Impacts

This analysis calculated the direct economic impact of the facility from its construction project and during its operations. In addition, the indirect and induced impacts were also calculated.

Indirect revenues, jobs and salaries are created in new or existing firms in the state, such as parts suppliers, that may supply goods and services to the facility. In addition, induced revenues, jobs and salaries are created and supported in new or existing businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families.

To estimate the indirect and induced economic impact of the facility on the state, regional economic multipliers were used. Regional economic multipliers for the state and counties are included in the US Department of Commerce’s Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: an output multiplier, an employment multiplier and an earnings multiplier.

The output multipliers show the estimated total output - inclusive of direct, indirect, and induced revenues - of other companies in the state for every dollar of revenue at the facility or for every dollar spent during construction. The employment multipliers show the total number of jobs created for each direct job of the associated activity. The earnings multipliers show the total amount of salaries paid to these workers. The following multipliers were used in this analysis to estimate the statewide impacts:

State of Texas RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	2.6383	2.6559
Employment multiplier	2.1899	5.9356
Earnings multiplier	1.8977	3.6377

The local economic impact is estimated for Harris County with the multipliers shown below.

Harris County RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	2.0314	2.2332
Employment multiplier	1.7226	4.4021
Earnings multiplier	1.5862	2.9907

About Impact DataSource

Impact DataSource is a 30-year old Austin, Texas economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and 39 other states. In addition, the firm has developed economic impact analysis computer programs for several clients including the Tennessee Department of Economic & Community Development.

The firm's principal, Paul Scheuren, performed this economic impact analysis. Paul has a Master of Arts in economics from Clemson University as well as a Bachelor of Business Administration in actuarial science from Temple University.

Some Rates and Assumptions Used in this Analysis

State tax rates for tax revenues that go into the state's general revenue fund:

Texas business franchise tax:

Texas franchise tax is a tax on "taxable margin," which is a concept similar to taxable income. Generally, an entity's taxable margin is its revenue less either its cost of goods sold or its compensation expense, but not both. If 70% of the entity's revenue is less than either of these calculations, then 70% of revenue is the taxable margin. Taxable margin must then be apportioned to business done in Texas, measured by the ratio of gross receipts from business done in Texas to gross receipts from business done everywhere. The tax rate is then applied to the apportioned margin. A rate of .375% is used for taxable entities primarily engaged in retail or wholesale trade, and a .75% rate is used for all other entities.

Sales and use tax rate	6.25%
Hotel occupancy tax rate	6.00%
Gasoline tax, per gallon	\$0.20
Percent of gasoline taxes going into state general revenues	25.00%
Motor vehicle sales and use tax	6.25%
Percent of total salaries that a typical worker spends on taxable goods and services	26.00%

Estimated other taxes collected annually by the state for the general revenue fund for each worker household:

	Total Collections in 2023	Number of Households in the State (2022 ACS)	Amount of Annual Collections Per Worker Household
Cigarette and tobacco taxes	\$1.218 B	11,087,708	\$110
Alcoholic beverage taxes	\$2.052 B	11,087,708	\$185
Net lottery proceeds	\$3.350 B	11,087,708	\$302
Total			\$597.00

Some assumptions used in this analysis:

Annual state gasoline tax collections per worker:

Miles driven per year by a typical worker	15,000
Miles per gallon	20
Number of gallons of gasoline purchased each year by a typical worker	750
Gasoline tax, per gallon	\$0.20
Gasoline taxes paid each year by a typical worker	\$150
Percent of gasoline taxes going into the general fund	25%
Gasoline taxes paid each year by a typical worker going to the general fund	\$37.50

Annual motor vehicle sales and use tax collections per worker:

Number of new or used automobiles purchased per 10 workers each year	2
Average value of new or used automobiles purchased by a typical worker who purchases an automobile	\$35,000
Motor vehicle sales and use tax	6.25%
Annual motor vehicle sales and use taxes paid by a typical worker	\$437.50

Estimated other taxes collected annually by the state for the general revenue fund for each worker household:

Summary of annual state taxes, other than sales taxes, collected from each worker:

Gasoline taxes	\$37.50
Motor vehicle sales and use taxes	\$437.50
Cigarette and tobacco taxes	\$110.00
Alcoholic beverage taxes	\$185.00
Net lottery proceeds	\$302.00
Total	\$1,072.00

Estimated annual increase in the above taxes per worker over each of the next 25 years 3%

Local tax rates used in this analysis:

Local Sales Tax Rates

City of Houston and other cities in Harris County	2.00%
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Local Hotel Occupancy Tax Rates

City of Houston	7.00%
Harris County, including Harris County Sports Authority	4.00%

Local Property Tax Rates

City: N/A		0.000000
County: Harris County		0.350070
School: Galena Park ISD		1.131910
	M&O Rate:	0.837600
	I&S Rate:	0.294310
Spec Dist #1 Harris County Flood Control		0.031050
Spec Dist #2 Port of Houston		0.005740
Spec Dist #3 Harris County Hospital District		0.143430
Spec Dist #4 Harris County Education Department		0.004800
Spec Dist #5 San Jacinto Community College		0.146195
Spec Dist #6 Harris County ESD 50		0.047000
Total Rate		1.860195

TAB 9

Notarized Sec. 403.606 Sworn Affidavit

AFFIDAVIT OF SUMMIT NEXT GEN, LLC

BEFORE ME, the undersigned authority, personally appeared Kevin Bogenreif, who, being by me duly sworn, deposed and said:

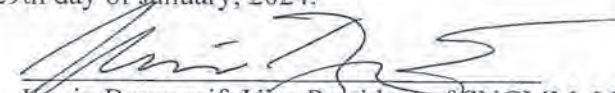
“My name is Kevin Bogenreif. I am over 18 years of age, of sound mind, and I have never been convicted of a felony or a crime of moral turpitude. I have personal knowledge of the facts stated in this affidavit and all the facts stated herein are true and correct.

I am Kevin Bogenreif of SNGMM, LLC and am authorized to make this affidavit on behalf of Summit Next Gen, LLC. Summit Next Gen, LLC hereby attests that it is not ineligible under Government Code, §403.606 to submit an application or enter into an agreement under Texas Jobs, Energy, Technology and Innovation Act (“Act”).

We certify that Summit Next Gen, LLC has thoroughly reviewed the ineligibility criteria outlined in Section 403.606 and Summit Next Gen, LLC affirms to the best of our knowledge and belief, none of the circumstances or conditions that render the company ineligible under Government Code, §403.606 are applicable.

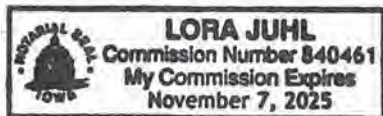
We understand the importance of accuracy and completeness in providing this information and acknowledge that any false statement or misrepresentation may result in legal consequences including rejection of an application or rescission of an agreement entered under the Act.”

WITNESS MY HAND on this the 29th day of January, 2024.



Kevin Bogenreif, Vice President of SNGMM, LLC

SUBSCRIBED AND SWORN TO BEFORE ME on 1/30/2024, to certify which witness my hand and official seal.



Notary Public, State of Iowa

My commission expires 11/7/2025