



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

October 9, 2024

Jeffrey Neumann  
Chief Administrator Officer and Treasurer  
Braven Environmental LLC  
430 Nepperhan Ave  
Yonkers, NY 10701

Re: Revised Recommendation for Approval for Limitation on Taxable Value of Property  
for School District Maintenance and Operations Taxes by Braven Environmental-  
Texarkana I, LLC, Application J0003

Dear Jeffrey Neumann:

Our office issued a negative recommendation for Application J0003 on September 3, 2024. On September 10, 2024 Braven Environmental-Texarkana I, LLC provided additional competitive site selection materials to our office. Pursuant to Section 403.609, Government Code, the Comptroller issues this revised recommendation and makes the following findings in support of the application's approval:

- 1. Eligible Applicant:** The applicant is not listed as a company ineligible to receive a state contract. Section 403.606, Government Code.
- 2. Eligible Project:** The application pertains to a type of project (NAICS Code 3251) project that meets the criteria for eligibility. Section 403.609(b)(1), Government Code.
- 3. 20-Year Analysis:** The proposed project has demonstrated its ability to generate state or local tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. Section 403.609(b)(2), Government Code.
- 4. Competitive Site Selection:** The applicant provided additional materials that demonstrate that the agreement plays a pivotal role in a competitive site selection, highlighting its significance as a compelling factor and that, in the absence of the agreement, the applicant would not make the proposed investment in this state. Section 403.609(b)(3), Government Code.
- 5. Qualified Opportunity Zone:** Applicant has indicated that the eligible project is proposed to be located in a qualified opportunity zone. Section 403.609(b)(4), Government Code.


Based on the above findings, the Comptroller recommends the application for approval of an agreement to limit the taxable value for maintenance and operations ad valorem tax of the eligible property used as a part of the eligible project that is the subject of the application.

If the application is modified, the information presented changes or the agreement deviates from the application, this recommendation for approval is rescinded, thereby rendering the prerequisite for a Comptroller recommendation, under Section 403.609, Government Code, as not attained.

Any building or improvement existing as of the date the agreement is entered into, or any tangible personal property placed in service prior to that date may not become eligible for the benefit as specified in Section 403.602(9), Government Code. Additionally, this recommendation is contingent on approving, and executing the agreement within one year of the date of this letter.

For further inquiries, please contact Will Counihan, Director, Data Analysis & Transparency, at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or 1-800-531-5441, ext. 6-0758, or 512-936-0758.

Sincerely,

DocuSigned by:  
  
E450165D764443C...

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Allea Newbold, Ryan, LLC  
Eric Kronlund, Ryan, LLC  
Keith Minter, Hooks ISD  
Shelly Leung, Powell Law Group

**Attachment A – Summary**

|   |   |
|---|---|
| Applicant Name  | Braven Environmental - Texarkana I, LLC |
| Eligibility Category (six digit NAICS code)   | 3251                                    |
| School District   | Hooks ISD                               |
| County  | Bowie                                   |
| Population in County  | 92,893                                  |
| Minimum required jobs per Sec. 403.604  | 10                                      |
| Number of committed required jobs   | 10                                      |
| Projected commencement of construction  | December 2024                           |
| Projected completion of construction  | December 2026                           |
| First year of the incentive period  | 2027                                    |
| Last year of the incentive period   | 2036                                    |
| Project is located inside a qualified opportunity zone (yes or no)  | Yes                                     |
| Limitation percent (50% or 75%)   | 75%                                     |
| 110% of the average annual wage   | \$55,040.70                             |
| Minimum wage required per Sec. 403.612(b)(6)  | \$55,041.70                             |
| Reasonably likely to generate in a 20-year period taxes greater than or equal to the district maintenance and operations ad valorem tax revenue lost as a result of the agreement | Yes                                     |
| Estimated M&O levy without Limitation   | \$15,174,856                            |
| Estimated M&O levy with Limitation  | \$7,906,469                             |
| Estimated M&O gross tax benefit   | \$7,268,387                             |
| Amount of performance bond  | \$726,839                               |

## Attachment B – 20-Year Analysis

| Tax Year   | Estimated ISD M&O Tax Levy Generated (Annual without limitation) | Estimated ISD M&O Tax Levy Generated (Annual without limitation) (Cumulative) | Estimated ISD M&O Tax Levy Generated (Annual with limitation) | Estimated ISD M&O Tax Levy Generated (Annual with limitation) (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|--|--|---|---|--|---|---|
| 2024   | \$8,522  | \$8,522   | \$8,522   | \$8,522  | \$0   | \$0   |
| 2025   | \$8,522  | \$17,044  | \$8,522   | \$17,044   | \$0   | \$0   |
| 2026   | \$8,522  | \$25,566  | \$8,522   | \$25,566   | \$0   | \$0   |
| 2027   | \$1,108,041  | \$1,133,606   | \$283,402   | \$308,967  | \$824,639   | \$824,639   |
| 2028   | \$1,076,681  | \$2,210,287   | \$275,562   | \$584,529  | \$801,119   | \$1,625,759   |
| 2029   | \$1,046,262  | \$3,256,550   | \$267,957   | \$852,486  | \$778,305   | \$2,404,064   |
| 2030   | \$1,016,756  | \$4,273,306   | \$260,580   | \$1,113,066  | \$756,176   | \$3,160,240   |
| 2031   | \$988,135  | \$5,261,441   | \$253,425   | \$1,366,491  | \$734,710   | \$3,894,949   |
| 2032   | \$960,373  | \$6,221,813   | \$246,485   | \$1,612,976  | \$713,888   | \$4,608,837   |
| 2033   | \$933,443  | \$7,155,256   | \$239,752   | \$1,852,728  | \$693,691   | \$5,302,528   |
| 2034   | \$907,321  | \$8,062,578   | \$233,222   | \$2,085,950  | \$674,100   | \$5,976,628   |
| 2035   | \$881,983  | \$8,944,561   | \$226,887   | \$2,312,837  | \$655,096   | \$6,631,724   |
| 2036   | \$857,406  | \$9,801,967   | \$220,743   | \$2,533,580  | \$636,663   | \$7,268,387   |
| 2037   | \$833,565  | \$10,635,532  | \$833,565   | \$3,367,145  | \$0   | \$7,268,387   |
| 2038   | \$810,440  | \$11,445,971  | \$810,440   | \$4,177,585  | \$0   | \$7,268,387   |
| 2039   | \$788,008  | \$12,233,979  | \$788,008   | \$4,965,593  | \$0   | \$7,268,387   |
| 2040   | \$766,249  | \$13,000,229  | \$766,249   | \$5,731,842  | \$0   | \$7,268,387   |
| 2041   | \$745,144  | \$13,745,373  | \$745,144   | \$6,476,986  | \$0   | \$7,268,387   |
| 2042   | \$724,671  | \$14,470,043  | \$724,671   | \$7,201,657  | \$0   | \$7,268,387   |
| 2043   | \$704,812  | \$15,174,856  | \$704,812   | \$7,906,469  | \$0   | \$7,268,387   |
|  |  | <b>\$15,174,856</b>   |   | <b>\$7,906,469</b>   |   | <b>\$7,268,387</b>  |
|  |  | Estimated M&O Tax Levy without limitation                                     |   | Estimated M&O Tax Levy with limitation                                     |   | Estimated M&O Tax levy loss   |
| Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the Incentive agreement?                           |  |   |   |  |   | Yes   |
| NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project. |  |   |   |  |   |   |

Source: CPA, Braven Environmental - Texarkana I, LLC

**Disclaimer:** This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided as part of the application examination and is based on information from the application. This examination is intended to meet the statutory requirement of 20-Year Analysis as required by Section 403.609 (b)(2) of the Government Code and is not intended for any other purpose.

## Attachment C – Estimated Direct Ad Valorem Taxes

**Table 1** examines the estimated direct impact on ad valorem taxes to the county if all taxes are assessed.

| Year of project | Year | Estimated Total Taxable Value | Estimated Total Taxable Value without M&O Limitation |           | Hooks ISD I&S Tax Levy | Hooks ISD M&O Tax Levy | Hooks ISD Total Tax Rate | Bowie County Tax Levy | Texarkana College Tax Levy | Estimated Total Property Taxes |
|-----------------|------|-------------------------------|--|-----------|------------------------|------------------------|--------------------------|-----------------------|----------------------------|--------------------------------|
|                 |      |                               |  | Tax Rate* | 0.4725                 | 0.7575                 | 1.2300                   | 0.3969                | 0.1096                     |                                |
| 1               | 2024 | \$1,125,000                   | \$1,125,000  |           | \$5,316                | \$8,522                | \$13,838                 | \$4,466               | \$1,233                    | \$19,536                       |
| 2               | 2025 | \$1,125,000                   | \$1,125,000  |           | \$5,316                | \$8,522                | \$13,838                 | \$4,466               | \$1,233                    | \$19,536                       |
| 3               | 2026 | \$1,125,000                   | \$1,125,000  |           | \$5,316                | \$8,522                | \$13,838                 | \$4,466               | \$1,233                    | \$19,536                       |
| 4               | 2027 | \$146,276,000                 | \$146,276,000  |           | \$691,154              | \$1,108,041            | \$1,799,195              | \$580,619             | \$160,376                  | \$2,540,190                    |
| 5               | 2028 | \$142,136,120                 | \$142,136,120  |           | \$671,593              | \$1,076,681            | \$1,748,274              | \$564,187             | \$155,837                  | \$2,468,297                    |
| 6               | 2029 | \$138,120,436                 | \$138,120,436  |           | \$652,619              | \$1,046,262            | \$1,698,881              | \$548,247             | \$151,434                  | \$2,398,562                    |
| 7               | 2030 | \$134,225,223                 | \$134,225,223  |           | \$634,214              | \$1,016,756            | \$1,650,970              | \$532,786             | \$147,163                  | \$2,330,919                    |
| 8               | 2031 | \$130,446,867                 | \$130,446,867  |           | \$616,361              | \$988,135              | \$1,604,496              | \$517,788             | \$143,021                  | \$2,265,305                    |
| 9               | 2032 | \$126,781,861                 | \$126,781,861  |           | \$599,044              | \$960,373              | \$1,559,417              | \$503,240             | \$139,002                  | \$2,201,660                    |
| 10              | 2033 | \$123,226,805                 | \$123,226,805  |           | \$582,247              | \$933,443              | \$1,515,690              | \$489,129             | \$135,105                  | \$2,139,923                    |
| 11              | 2034 | \$119,778,401                 | \$119,778,401  |           | \$565,953              | \$907,321              | \$1,473,274              | \$475,441             | \$131,324                  | \$2,080,039                    |
| 12              | 2035 | \$116,433,449                 | \$116,433,449  |           | \$550,148              | \$881,983              | \$1,432,131              | \$462,164             | \$127,656                  | \$2,021,952                    |
| 13              | 2036 | \$113,188,845                 | \$113,188,845  |           | \$534,817              | \$857,406              | \$1,392,223              | \$449,285             | \$124,099                  | \$1,965,607                    |
| 14              | 2037 | \$110,041,580                 | \$110,041,580  |           | \$519,946              | \$833,565              | \$1,353,511              | \$436,792             | \$120,648                  | \$1,910,952                    |
| 15              | 2038 | \$106,988,732                 | \$106,988,732  |           | \$505,522              | \$810,440              | \$1,315,961              | \$424,675             | \$117,301                  | \$1,857,937                    |
| 16              | 2039 | \$104,027,470                 | \$104,027,470  |           | \$491,530              | \$788,008              | \$1,279,538              | \$412,920             | \$114,055                  | \$1,806,513                    |
| 17              | 2040 | \$101,155,046                 | \$101,155,046  |           | \$477,958              | \$766,249              | \$1,244,207              | \$401,519             | \$110,905                  | \$1,756,631                    |
| 18              | 2041 | \$98,368,795                  | \$98,368,795   |           | \$464,793              | \$745,144              | \$1,209,936              | \$390,459             | \$107,851                  | \$1,708,246                    |
| 19              | 2042 | \$95,666,131                  | \$95,666,131   |           | \$452,022              | \$724,671              | \$1,176,693              | \$379,731             | \$104,887                  | \$1,661,312                    |
| 20              | 2043 | \$93,044,547                  | \$93,044,547   |           | \$439,635              | \$704,812              | \$1,144,448              | \$369,325             | \$102,013                  | \$1,615,786                    |
|                 |      |                               |  | Total     | \$6,114,098            | \$9,801,967            | \$15,916,065             | \$5,136,282           | \$1,418,717                | \$22,471,064                   |

Source: CPA, Braven Environmental - Texarkana I, LLC

\*Tax Rate per \$100 Valuation

**Table 2** examines the estimated direct impact on ad valorem taxes to the school district and Bowie County, with all property tax incentives sought being granted using estimated taxable value from the application. The project has applied for a value limitation under Chapter 403, Government Code, with the college and county.

The difference noted in the last line is the difference between the totals in Table 1 and Table 2.

| Year of project | Year | Estimated Total Taxable Value | Estimated Total Taxable Value with M&O Limitation |           | Hooks ISD I&S Tax Levy | Hooks ISD M&O Tax Levy | Hooks ISD Total Tax Rate | Bowie County Tax Levy | Texarkana College Tax Levy | Estimated Total Property Taxes |
|-----------------|------|-------------------------------|---|-----------|------------------------|------------------------|--------------------------|-----------------------|----------------------------|--------------------------------|
|                 |      |                               |   | Tax Rate* | 0.4725                 | 0.7575                 | 1.2300                   | 0.3969                | 0.1096                     |                                |
| 1               | 2024 | \$1,125,000                   | \$1,125,000                                       |           | \$5,316                | \$8,522                | \$13,838                 | \$2,233               | \$308                      | \$16,379                       |
| 2               | 2025 | \$1,125,000                   | \$1,125,000                                       |           | \$5,316                | \$8,522                | \$13,838                 | \$2,233               | \$308                      | \$16,379                       |
| 3               | 2026 | \$1,125,000                   | \$1,125,000                                       |           | \$5,316                | \$8,522                | \$13,838                 | \$2,233               | \$308                      | \$16,379                       |
| 4               | 2027 | \$146,276,000                 | \$37,412,750                                      |           | \$691,154              | \$283,402              | \$974,556                | \$290,310             | \$40,094                   | \$1,304,959                    |
| 5               | 2028 | \$142,136,120                 | \$36,377,780                                      |           | \$671,593              | \$275,562              | \$947,155                | \$282,093             | \$38,959                   | \$1,268,207                    |
| 6               | 2029 | \$138,120,436                 | \$35,373,859                                      |           | \$652,619              | \$267,957              | \$920,576                | \$274,123             | \$37,858                   | \$1,232,558                    |
| 7               | 2030 | \$134,225,223                 | \$34,400,056                                      |           | \$634,214              | \$260,580              | \$894,795                | \$266,393             | \$36,791                   | \$1,197,978                    |
| 8               | 2031 | \$130,446,867                 | \$33,455,467                                      |           | \$616,361              | \$253,425              | \$869,787                | \$258,894             | \$35,755                   | \$1,164,436                    |
| 9               | 2032 | \$126,781,861                 | \$32,539,215                                      |           | \$599,044              | \$246,485              | \$845,529                | \$251,620             | \$34,751                   | \$1,131,900                    |
| 10              | 2033 | \$123,226,805                 | \$31,650,451                                      |           | \$582,247              | \$239,752              | \$821,999                | \$244,565             | \$33,776                   | \$1,100,340                    |
| 11              | 2034 | \$119,778,401                 | \$30,788,350                                      |           | \$565,953              | \$233,222              | \$799,175                | \$475,441             | \$131,324                  | \$1,405,940                    |
| 12              | 2035 | \$116,433,449                 | \$29,952,112                                      |           | \$550,148              | \$226,887              | \$777,035                | \$462,164             | \$127,656                  | \$1,366,856                    |
| 13              | 2036 | \$113,188,845                 | \$29,140,961                                      |           | \$534,817              | \$220,743              | \$755,560                | \$449,285             | \$124,099                  | \$1,328,944                    |
| 14              | 2037 | \$110,041,580                 | \$110,041,580                                     |           | \$519,946              | \$833,565              | \$1,353,511              | \$436,792             | \$120,648                  | \$1,910,952                    |
| 15              | 2038 | \$106,988,732                 | \$106,988,732                                     |           | \$505,522              | \$810,440              | \$1,315,961              | \$424,675             | \$117,301                  | \$1,857,937                    |
| 16              | 2039 | \$104,027,470                 | \$104,027,470                                     |           | \$491,530              | \$788,008              | \$1,279,538              | \$412,920             | \$114,055                  | \$1,806,513                    |
| 17              | 2040 | \$101,155,046                 | \$101,155,046                                     |           | \$477,958              | \$766,249              | \$1,244,207              | \$401,519             | \$110,905                  | \$1,756,631                    |
| 18              | 2041 | \$98,368,795                  | \$98,368,795                                      |           | \$464,793              | \$745,144              | \$1,209,936              | \$390,459             | \$107,851                  | \$1,708,246                    |
| 19              | 2042 | \$95,666,131                  | \$95,666,131                                      |           | \$452,022              | \$724,671              | \$1,176,693              | \$379,731             | \$104,887                  | \$1,661,312                    |
| 20              | 2043 | \$93,044,547                  | \$93,044,547                                      |           | \$439,635              | \$704,812              | \$1,144,448              | \$369,325             | \$102,013                  | \$1,615,786                    |
|                 |      |                               |   | Total     | \$6,114,098            | \$2,533,580            | \$8,647,678              | \$3,261,586           | \$641,989                  | \$12,551,253                   |
|                 |      |                               |   | Diff      | \$0                    | \$7,268,387            | \$7,268,387              | \$1,874,696           | \$776,728                  | \$9,919,811                    |

Source: CPA, Braven Environmental - Texarkana I, LLC

\*Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the comptroller.

## **Attachment D – Compelling Factor**

The Comptroller determines that the limitation on appraised value is a compelling factor in a competitive site selection and that, in the absence of the agreement, the applicant would not make the proposed investment in this state. This represents the Comptroller's determination. This is based on the information available at the time of review, including information provided by the applicant.

### **Methodology**

The Comptroller shall review any information available to the Comptroller including:

- the application;
- any public documents and statements relating to the applicant, the proposed project or the proposed eligible property that is subject to the application;
- official statements by the applicant, government officials or industry officials concerning the proposed project;
- alternative sites and prospects explored including any specific incentive information;
- any information concerning the proposed project's impact on the Texas economy;
- previous applications for and subsequent granting of economic development incentives;
- documents pertaining to the proposed project's financials, real estate transactions, utilities, infrastructure, transportation, regulatory environment, permits, workforce, marketing, existing facilities, nature of market conditions, and raw materials that demonstrate whether the incentive is a compelling factor in a competitive site selection process to locate the proposed project in Texas; and
- any other information that may aid the comptroller in its determination.

Specifically, the Comptroller notes the following:

- Per Applicant in Tab 2 of their Application for a Taxable Value Limitation on Eligible Property:
  - A. “At the new facility, Braven Environmental LLC will plan to manufacture a proprietary product called Braven PyChem, created through the process of Pyrolysis. Pyrolysis is a way of super heating materials to break them down, in this case used and hard-to-recycle plastics that would otherwise end up in landfills. The chemical production process creates the PyChem in liquid form, which can then be used as an input in the production of new plastics within the petrochemical space. The company is aiming to build, operate, and maintain the new facility which can be scaled up or down depending on plastic supply.”
  - B. “Project Cobra would entail the development of a new estimated 200,000 square foot facility at a 75-acre parcel currently in local discussions. The current project in consideration consists of an approximate \$145 Million investment, spanning 18 months. Braven Environmental LLC have held discussions to bring these prospective plans to representatives of the local community and have received preliminary support through inducement letters from both Bowie County and Texarkana College officials.”
- Per Applicant in Tab 7 Version 1 of their Application for a Taxable Value Limitation on Eligible Property:
  - A. “There are two principal locations outside of Texas which Braven Environmental LLC is currently considering as alternatives. Each location is being highly considered due to advantageous site features for projected business operations as well as alternative incentive programs:[Zebulon, North Carolina and Geismar Louisiana]”
  - B. “Braven Environmental LLC is currently already operating a facility at Zebulon, NC which can process up to 12,000 tons of mixed plastic waste and produces 2.1 million gallons of pyrolysis oil per year. Expansion is feasible at sites with proximity to the Zebulon site, which would provide economies of scale from ongoing relationships with vendors as well as with the state and local community. North Carolina provides key potential for growth, as the state includes over 2,500 plastic and chemical establishments with an industry concentration of 1.5 times the national average in 2021, allowing ease of expansion through availability of customers for pyrolysis oil.”



- C. “Braven Environmental LLC is additionally considering Geismar, LA as an alternative site location for the project based on the principal benefits the area would provide through accessible connectivity with multinational petrochemical institutions as well as lucrative state incentives which would lower the financial burden related to the project.”
- D. “Braven Environmental LLC entered into a Contract of Sale with TexAmericas Center on January 30, 2023 to purchase the tract of the land in which the project is planned to be constructed following affirmation of project feasibility. This contract provides security for the case that Braven Environmental proceeds with the project in the State of Texas by keeping stable the price of the parcel at a fixed price based on the date of the contract, which minimizes any risk of potential price increments that could occur during the decision-making process. The contract of sale does not demonstrate that Braven Environmental LLC is not considering the alternative locations detailed in the prior section, as based on the contract, execution of the transaction is subject to the satisfaction of the following two conditions: Acceptability of Financing and Governmental Incentives...Inspection and Feasibility Studies.”
- Per Applicant in Tab 7 Version 2 of their Application for a Taxable Value Limitation on Eligible Property:
  - A. “Outside of Texas, Braven Environmental LLC is currently considering multiple states as alternatives. Each alternative location is being highly considered due to advantageous site features for projected business operations, alternative incentive programs, and a favorable regulatory environment in contrast to Texas: [Geismar, Louisiana and Arizona]”
  - B. “Louisiana is a hub for the petrochemical industry, with more than 100 properties in the sector across the State<sup>1</sup>. The principal customers of the pyrolysis oil to be produced by Project Cobra are petrochemical firms, therefore ease of access to these entities given the close proximity is a key advantage of locating within Louisiana. On the supply side, Louisiana also is a larger source of close-proximity post-consumer waste due to its relatively higher population and industrial density, which decreases overall feedstock input costs.”
  - C. “Braven has been in discussions with Louisiana Economic Development (LED), and on June 18, 2024, the entity received a Letter of Intent for the proposed operations in Ascension Parish. LED have estimated total potential value of incentives granted by the State of Louisiana as \$21.1 Million (Exhibit 1). The principal incentive which Louisiana provides is the Industrial Tax Exemption Program<sup>2</sup>. The ITEP program provides an 80% exemption in contrast to the 75% pursued in Texas with this application. The program grants the 80% property tax abatement for an initial term of five years, with an option to renew for an additional five-year term. This option could potentially offer a more substantial proportion of cost savings as a percentage of property tax to be incurred from the project, as LED has estimated a potential value of \$16.7 Million through this incentive alone.”
  - D. “As part of the complex evaluation process, Braven Environmental continues to actively engage with multiple prospective sites in the northwest section of Arizona and has not honed on a specific jurisdiction at this time. From an operational and logistics standpoint, these locations offer certain competitive and logistical advantages that other sites fail to match. Braven Environmental remains in active communication and have held in person discussions with the Arizona Commerce Authority since April 2024 to discuss locating the project within the state, and continues to evaluate the assistance the state can provide (Exhibit 2). As part of the Commerce Authority’s review, on June 19, 2024, the entity received an analysis of 10 Year Cost Savings available in Arizona estimated by the Commerce Authority, with a potential range of \$54.1 M to \$93.8M of savings during the 10-year period (Exhibit 3).”
- On September 3, 2024 a negative recommendation was issued to Braven Environmental-Texarkana I, LLC for failure to demonstrate a competitive site selection (Section 403.609(b)(3)).
- Per Attachment D of Negative Recommendation Packet:
  - A. “Although the applicant is able to provide very site-specific information for the project if located in Texas, they are unable to provide sufficient evidence that specific sites in the other states mentioned in the application are legitimately part of a competitive site selection process. The applicant was able to provide an incentive letter from another state, however this was more than

two months after they applied for JETI and more than 30 days after we indicated they had not yet met the competitive site selection process requirement. Given these facts, our office cannot determine that the JETI incentive is a compelling factor in a competitive site selection process. As such, we do not recommend this application for approval.”

- B. “Braven Environmental identified three prospective locations throughout the application process, although only two (Zebulon, North Carolina and Geismar, Louisiana) were outlined in the original application. The state of Arizona was added as an additional prospective location as a response to our office’s request for additional information in July.”
- C. “Zebulon, North Carolina... After multiple requests for additional information for any prospective North Carolina locations, no further information has been provided by the applicant. Our office requires a minimum amount of applicant supplied data (investor presentations, data studies, incentive offers, prospective location sites and costing) for proof of competitive site selection. No evidence was supplied for North Carolina.”
- D. “Geismar, Louisiana LA...Braven has been in discussions with Louisiana Economic Development (LED), and on June 18, 2024, the entity received a Letter of Intent for the proposed operations in Ascension Parish. LED have estimated total potential value of incentives granted by the State of Louisiana as \$21.1 Million. Braven Environmental did not provide any of the additional requested information regarding the Geismar prospective site. Our office does not find that one incentive letter, dated after our office’s request for more information, is sufficient to demonstrate that a Louisiana site is part of a competitive site selection process.”
- E. “Arizona: In the June 20, 2024 response to our office’s request for additional site selection information regarding the North Carolina and Louisiana sites, the applicant also provided an email chain with Jack Bustamante from the Arizona Commerce Authority. The first included email is dated April 29, 2024. Bustamante states, ‘Attached I’ve included some information on the value Arizona has to offer companies like yours as you look to expand across the U.S., as well as highlight some of the successes we’ve had with recent investment in our state and how our workforce development approach is proving beneficial for businesses moving here. I’ve also attached an excel file that contains 5 sites for your company to consider as possible location for your next plant. Each site will have a hyperlink to information about the site.’ The email chain contains discussions regarding 5 prospective sites and a map. Despite repeated requests from our office, the map attachments mentioned in the email chain were not provided; and no additional information regarding the maps or sites were included... Without the additional map or site information referenced in the provided email, or additional clarifying information regarding the provided 10-year analysis, our office does not find adequate evidence to demonstrate that Arizona is part of a competitive site selection process.”
- On September 10, 2024 a reconsideration letter was submitted by the Applicant:
  - A. “Braven Environmental LLC has reviewed the Comptroller’s Recommendation for JETI Application J0003, issued September 3, 2024. Braven Environmental appreciates the Comptroller’s in-depth review of the JETI application; however, given the adverse recommendation Braven would like to provide additional support and corresponding updates to the site selection initiative as the site search remains an ongoing and dynamic process. Braven leadership feels strongly that there are additional aspects of Project Cobra of Application J0003 that had not been in consideration up to this point. As you can imagine, site analysis changes over time based on various factors. Since the final submission of the J0003 application package earlier this year, aspects of the alternative site selection process apart from Texas have been updated. Primarily, sites in Louisiana are lower for consideration currently based on changes in site availability. Site analysis is fluid and evolving.”
  - B. “Project Cobra is intended to be the entity’s second operation with much larger economies of scale which make the significant proposed capital outlay competitive in terms of risk adjusted return. As such, there is an ongoing competitive site selection process whereby new sites are identified, and other existing sites previously considered become less attractive. Please note that the due diligence process for evaluating numerous viable alternative sites, all at the same time, is not insignificant and pose significant logistical challenges in terms of time and resources.”



- C. “Regarding Arizona, please see attached Exhibit 1, to be treated as confidential. This support demonstrates specific sites within the state that are currently being considered as part of meeting project requirements and feasibility for expansion. This information should have been included before and was inadvertently left out. Braven engaged with ADI Chemical Market Resources in late February 2024 to perform a site selection strategy across the country and identify viable locations as alternatives to Texarkana. Please also note the dates on these Exhibits; for example, attached Exhibit 1C is a report and offer letter from the City of Phoenix, which was prepared on March 28, 2024, before the JETI application was submitted on April 1, 2024. Timing of when alternative site offers were issued is one item that had been raised as a question by the JETI research team and is something Braven feels is necessary to highlight. These discussions were initiated well ahead of the date listed on the presentation and may be a key factor that the review team failed to consider in reaching its recommendation.”
- Confidential information was provided with the reconsideration letter showing additional sites in consideration in Arizona. This information is dated before the JETI application submission.

### **Supporting Information**

- a) Section 9 of the Application for a Taxable Value Limitation on Eligible Property
- b) Attachments provided in Tab 2 of the Application
- c) Attachments provided in Tab 7 Version 1 of the Application
- d) Attachments provided in Tab 7 Version 2 of the Application
- e) Attachment D of the Negative Recommendation Packet
- f) Reconsideration Letter by Braven Environmental, LLC

**Disclaimer:** This examination is based on information from the application submitted to the comptroller. It is intended to meet the statutory requirement of Section 403.609 of the Government Code and is not intended for any other purpose.

# **Supporting Information**

## **Section 9 of the Application for a Taxable Value Limitation on Eligible Property**

## 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.

Jeff Neumann

Print Name (Authorized Company Representative (Applicant))

sign  
here



Jeff Neumann (Apr 1, 2024 14:59 EDT)

Signature (Authorized Company Representative (Applicant))

Chief Administrative Officer and Treasurer

Title

04/01/2024

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](#)

## **Supporting Information**

Attachments provided in Tab 2  
of the Application for a Taxable  
Value Limitation on Eligible  
Property

## **Section 4.1 -**

### **Description of the proposed project:**

Braven Environmental LLC is a leading company in the advanced recycling sector with over a decade of experience and is considering the construction of a new facility in Bowie County to convert hard-to-recycle waste plastics into products used primarily in the production of new plastics by the petrochemical industry.

At the new facility, Braven Environmental LLC will plan to manufacture a proprietary product called Braven PyChem, created through the process of Pyrolysis. Pyrolysis is a way of super heating materials to break them down, in this case used and hard-to-recycle plastics that would otherwise end up in landfills. The chemical production process creates the PyChem in liquid form, which can then be used as an input in the production of new plastics within the petrochemical space. The company is aiming to build, operate, and maintain the new facility which can be scaled up or down depending on plastic supply.

Project Cobra would entail the development of a new estimated 200,000 square foot facility at a 75-acre parcel currently in local discussions. The current project in consideration consists of an approximate \$145 Million investment, spanning 18 months. Braven Environmental LLC have held discussions to bring these prospective plans to representatives of the local community and have received preliminary support through inducement letters from both Bowie County and Texarkana College officials. The project aims to bring new economic activity to the Northeast Texas region by creating new jobs consisting of both technical positions to operate the facility as well as management and support staff. Additionally, the overall mission of this project is to continue with development that enhances the viability of the increasingly vital advanced recycling sector.

### **Legal description of real property:**

Address: Parcel 16220050000

J H MITCHELL A-926  
TR 3  
BETWEEN PROP 4TH & 5TH ST  
5898/001 09/02/10  
321.02 ACRES

Address: Parcel 16200060000

H H MITCHELL A-913  
TR 3  
BETWEEN PROP 4TH & 5TH ST  
5898/001 09/02/10  
170 ACRES

# **Supporting Information**

Attachments provided in Tab 7  
Version 1  
of the Application for a Taxable  
Value Limitation on Eligible  
Property



## **Section 9.1 -**

**Explain how the limitation is a compelling factor in competitive site selection process.  
Provide information about potential project sites outside of TX:**

Braven Environmental LLC is pursuing the taxable value limitation through Form AP-243 as the limitation would play a vital aspect in Project Cobra locating in the State of Texas instead of other sites outside of Texas that are concurrently being considered. The limitation would provide the project financial feasibility in Texas by reducing operational costs during the initial 10-year period following construction completion to a level permissible based on projected flow of revenue from the operational activities of the site.

Without the taxable value limitation, the financial viability of Project Cobra to operate in the State of Texas is greatly reduced and thus would instead continue the competitive site selection process with other potential project sites outside of the state.

There are two principal locations outside of Texas which Braven Environmental LLC is currently considering as alternatives. Each location is being highly considered due to advantageous site features for projected business operations as well as alternative incentive programs:

### **1) Zebulon, North Carolina -**

Braven Environmental LLC is currently already operating a facility at Zebulon, NC which can process up to 12,000 tons of mixed plastic waste and produces 2.1 million gallons of pyrolysis oil per year. Expansion is feasible at sites with proximity to the Zebulon site, which would provide economies of scale from ongoing relationships with vendors as well as with the state and local community.

North Carolina provides key potential for growth, as the state includes over 2,500 plastic and chemical establishments with an industry concentration of 1.5 times the national average in 2021, allowing ease of expansion through availability of customers for pyrolysis oil.

Furthermore, Braven Environmental is in the process of reviewing North Carolina's key incentives, particularly the Job Development Investment Grant which would grant a performance-based incentive through direct cash grants based on job creation. Due to the method of the incentive being through direct cash instead of a property tax limitation as part of the JETI program in Texas, North Carolina provides key flexibility in timing regarding potential benefits available as part of the project.

### **2) Geismar, Louisiana**

Braven Environmental LLC is additionally considering Geismar, LA as an alternative site location for the project based on the principal benefits the area would provide through accessible connectivity with multinational petrochemical institutions as well as lucrative state incentives which would lower the financial burden related to the project.

Louisiana is a hub for the petrochemical industry, with more than 100 properties in the sector across the state. The principal customers of the pyrolysis oil to be produced by Project Cobra are petrochemical firms, therefore ease of access to these entities given the close proximity is a key advantage of locating within Louisiana.

Regarding State support, Louisiana provides the Industrial Tax Exemption Program which is advantageous in comparison to the JETI program in Texas. The ITEP program provides an 80% exemption in contrast to the 75% pursued in Texas with this application. The program grants this 80% property tax abatement for an initial term of five years, with an option to renew an additional five year term. This option could potentially offer a more substantial proportion of cost savings as a percentage of property tax to be incurred from the project.

## **Section 9.2 -**

### **Provide details if the applicant has entered into any agreements, contracts, or letters of intent related to this project:**

Braven Environmental LLC entered into a Contract of Sale with TexAmericas Center on January 30, 2023 to purchase the tract of the land in which the project is planned to be constructed following affirmation of project feasibility. This contract provides security for the case that Braven Environmental proceeds with the project in the State of Texas by keeping stable the price of the parcel at a fixed price based on the date of the contract, which minimizes any risk of potential price increments that could occur during the decision-making process.

The contract of sale does not demonstrate that Braven Environmental LLC is not considering the alternative locations detailed in the prior section, as based on the contract, execution of the transaction is subject to the satisfaction of the following two conditions:

- 1) Acceptability of Financing and Governmental Incentives:
  - a. “Within one hundred fifty (150) days after the Effective Date ... Purchaser shall have been able to obtain financing to purchase the described property, and government incentives, in an amount(s) and on terms satisfactory to Purchaser in Purchaser’s sole judgement. If Purchaser has not been able to obtain satisfactory financing and incentives, then and in this event, Purchaser may, on written notice to Seller received prior to one hundred fifty (150) days from the date hereof terminate this agreement and it shall be null and void for all purposes and the Escrow Deposit shall be forthwith returned by the title company to Purchaser.”
- 2) Inspection and Feasibility Studies:
  - a. “Within one hundred-fifty (150) days after the Effective Date ... Purchaser is granted the right to conduct an engineering survey and feasibility study of the Property and Option Property ... and such environmental, endangered species, wetland assessments, subsurface tests, test borings, water surveys, percolation tests, topographical survey, sewage disposal survey and drainage determinations,

and such other testing as Purchaser deems necessary... If it should be determined by Purchaser in Purchaser's sole judgment that the property is not suitable for the intended purposes, or that the results of such tests and/or assessments are not acceptable to Purchaser, or that Purchaser has not obtained the Approvals ... or it is not otherwise feasible as determined by Purchaser for Purchaser to acquire or develop the Property for any reason, then and in this event, Purchaser may, on written notice to Seller received prior to the end of the period, terminate this agreement, and it shall be null and void for all purposes, and the Escrow Deposit shall be forthwith returned by the title company to Purchaser."

On December 1, 2023, Braven Environmental LLC amended the contract with TexAmericas Center through a Second Amendment, which therefore amended the Acceptability of Financing and Governmental Incentives contingency to end on July 31, 2024 and the Inspection and Feasibility Studies Period to end on May 31, 2024.

# **Supporting Information**

Attachments provided in Tab 7  
Version 2  
of the Application for a Taxable  
Value Limitation on Eligible  
Property

## Section 9.1 -

**Explain how the limitation is a compelling factor in competitive site selection process.  
Provide information about potential project sites outside of TX:**

Braven Environmental LLC is pursuing the taxable value limitation through Form AP-243 as the limitation would play a vital aspect in Project Cobra locating in the State of Texas instead of other sites outside of Texas that are concurrently being considered. The limitation would provide the project financial feasibility in Texas by reducing operational costs during the initial 10-year period following construction completion to a viable level based on projected cash flows.

Outside of Texas, Braven Environmental LLC is currently considering multiple states as alternatives. Each alternative location is being highly considered due to advantageous site features for projected business operations, alternative incentive programs, and a favorable regulatory environment in contrast to Texas:

### 1) Geismar, Louisiana

Braven Environmental LLC is considering Geismar, LA in Ascension Parish as an alternative site location for the project based on the principal benefits the area provides through accessible connectivity with multinational petrochemical conglomerates as well as lucrative state incentives.

Louisiana is a hub for the petrochemical industry, with more than 100 properties in the sector across the State<sup>1</sup>. The principal customers of the pyrolysis oil to be produced by Project Cobra are petrochemical firms, therefore ease of access to these entities given the close proximity is a key advantage of locating within Louisiana. On the supply side, Louisiana also is a larger source of close-proximity post-consumer waste due to its relatively higher population and industrial density, which decreases overall feedstock input costs.

Braven has been in discussions with Louisiana Economic Development (LED), and on June 18, 2024, the entity received a Letter of Intent for the proposed operations in Ascension Parish. LED have estimated total potential value of incentives granted by the State of Louisiana as \$21.1 Million (Exhibit 1). The principal incentive which Louisiana provides is the Industrial Tax Exemption Program<sup>2</sup>. The ITEP program provides an 80% exemption in contrast to the 75% pursued in Texas with this application. The program grants the 80% property tax abatement for an initial term of five years, with an option to renew for an additional five-year term. This option could potentially offer a more substantial proportion of cost savings as a percentage of property tax to be incurred from the project, as LED has estimated a potential value of \$16.7 Million through this incentive alone.

While Louisiana does levy inventory tax, the Louisiana Inventory Tax Credit program would effectively refund on a dollar-for-dollar basis any inventory tax initially assessed. Moreover,

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<sup>1</sup> [https://lca.org/aws/LCA/pt/sp/LCA\\_why](https://lca.org/aws/LCA/pt/sp/LCA_why)

<sup>2</sup> <https://www.opportunitylouisiana.gov/incentive/industrial-tax-exemption>

locating the proposed site in Louisiana provides the advantage of a lower overall state sales tax rate of 4.45% versus the higher state sales tax rate of 6.25% in Texas.<sup>3</sup>

## 2) Arizona

Additionally, Braven Environmental LLC is considering the State of Arizona as an alternative location for the project. Arizona provides ease of access through attractive sites with close proximity to major hubs. Specifically, sites in northwest Arizona have close access to major sources of feedstock supply in Phoenix as well as Southern California and Nevada.

As part of the complex evaluation process, Braven Environmental continues to actively engage with multiple prospective sites in the northwest section of Arizona and has not honed on a specific jurisdiction at this time. From an operational and logistics standpoint, these locations offer certain competitive and logistical advantages that other sites fail to match. Braven Environmental remains in active communication and have held in person discussions with the Arizona Commerce Authority since April 2024 to discuss locating the project within the state, and continues to evaluate the assistance the state can provide (Exhibit 2). As part of the Commerce Authority's review, on June 19, 2024, the entity received an analysis of 10 Year Cost Savings available in Arizona estimated by the Commerce Authority, with a potential range of \$54.1 M to \$93.8M of savings during the 10-year period (Exhibit 3).

Notwithstanding potential incentives available, Arizona is further advantageous to Braven Environmental in its regulatory environment through a lower overall state sales tax rate of 5.6% in contrast to the higher rate of 6.25% incurred in Texas.<sup>4</sup> Furthermore, Arizona does not levy inventory tax, such as would be assessed by Bowie County for inventory held during operations.

### Conclusion:

A Louisiana location offers lower projected property taxes under the ITEP program, as detailed in the confidential supplemental information provided. Additionally, Geismar, LA could be more advantageous from a supply chain perspective in some respects given the closer proximity to major potential PyChem customers. If Braven were to build a plant at a site neighboring a major customer or group of customers which have large existing operations in Geismar, this would significantly decrease transport costs of finished product from Braven to end users of PyChem.

On the other hand, Braven is considering the State of Arizona for the proposed investment based on accessibility to major sources of feedstock supply in nearby hubs within southwest portion of the country, as well as the favorable regulatory environment within the state.

Furthermore, locations within Texas charge some of the highest property tax rates in the United States, particularly in contrast to both Louisiana and Arizona. The lower property taxes incurred in the other locations in consideration can provide monumental savings versus locating the project within the State of Texas.

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<sup>3</sup> <https://taxfoundation.org/data/all/state/2024-state-tax-data/>

<sup>4</sup> <https://taxfoundation.org/data/all/state/2024-state-tax-data/>



Once the ITEP program is factored at the Louisiana site, the property tax liability difference on both an annual and a cumulative basis over the 10-year period becomes substantial.

| Year         | Estimated Bowie County, TX Property Tax |                   | Estimated Ascension Parish, LA Property Tax with ITEP |                  | Variance             |
|--------------|---|-------------------|---|------------------|----------------------|
| 2027         | \$                                      | 2,540,190         | \$  | 470,442          | \$ 2,069,747         |
| 2028         | \$                                      | 2,468,297         | \$  | 457,774          | \$ 2,010,523         |
| 2029         | \$                                      | 2,398,562         | \$  | 445,486          | \$ 1,953,076         |
| 2030         | \$                                      | 2,330,919         | \$  | 433,567          | \$ 1,897,352         |
| 2031         | \$                                      | 2,265,305         | \$  | 422,005          | \$ 1,843,300         |
| 2032         | \$                                      | 2,201,660         | \$  | 410,790          | \$ 1,790,869         |
| 2033         | \$                                      | 2,139,923         | \$  | 399,912          | \$ 1,740,012         |
| 2034         | \$                                      | 2,080,039         | \$  | 389,360          | \$ 1,690,680         |
| 2035         | \$                                      | 2,021,952         | \$  | 379,124          | \$ 1,642,828         |
| 2036         | \$                                      | 1,965,607         | \$  | 369,196          | \$ 1,596,411         |
| <b>Total</b> | <b>\$</b>                               | <b>22,412,454</b> | <b>\$</b>   | <b>4,177,657</b> | <b>\$ 18,234,798</b> |

A JETI award would mitigate a portion of school M&O property taxes, which otherwise represent a significant burden and represents a major headwind for securing approval to move forward with a substantial capital investment and job creation project in Texas as proposed with Project Cobra. If not for an agreement being reached under the JETI Program, Project Cobra will not secure approval to move forward at the TexAmericas site.

*Statute Language Discussion:*

The Texas Comptroller of Public Accounts is subjected to Section 403.609 of the Texas Administrative Code regarding the Comptroller's action on any JETI application. Requirements for the Compelling Factor test of a JETI application is specifically pursuant to Section 403.609 (b)(3) and 403.609(c) which is limited to the following verbiage:

*“(3) the agreement is a compelling factor in a competitive site selection determination and that, in the absence of the agreement, the applicant would not make the proposed investment in this state”*

Texas Administrative Code 403.609 (b)(3)

*(c) In making the finding required by Subsection (b)(3), the comptroller shall consider factors related to the selection of the proposed site for the project, including the workforce, the regulatory environment, infrastructure, transportation, market conditions, investment alternatives, and any specific incentive information provided by the applicant related to other potential sites.*

Texas Administrative Code 403.609 (c)

In the absence of a JETI agreement, Braven Environmental LLC will not make the proposed investment in Texas. Additionally, per the prior narrative of a competitive site analysis and additional supporting exhibits, Braven Environmental LLC has provided thorough detail which demonstrate the review of other potential sites outside of Texas for the proposed investment.

# **Supporting Information**

## **Attachment D of the Negative Recommendation Packet**

## Attachment D- Application J0003 Braven Environmental LLC Timeline

Based on the information supplied in the application and supplemental materials Braven Environmental – Texarkana I, LLC, a plastics recycling project, has not satisfied the competitive site selection requirement established in Government Code Sec. 403.609(b)(3).

Although the applicant is able to provide very site-specific information for the project if located in Texas, they are unable to provide sufficient evidence that specific sites in the other states mentioned in the application are legitimately part of a competitive site selection process. The applicant was able to provide an incentive letter from another state, however this was more than two months after they applied for JETI and more than 30 days after we indicated they had not yet met the competitive site selection process requirement. Given these facts, our office cannot determine that the JETI incentive is a compelling factor in a competitive site selection process. As such, we do not recommend this application for approval.

Braven Environmental identified three prospective locations throughout the application process, although only two (Zebulon, North Carolina and Geismar, Louisiana) were outlined in the original application. The state of Arizona was added as an additional prospective location as a response to our office's request for additional information in July.

Our office cites the following issues with the prospective sites provided:

- 1) Zebulon, North Carolina:
  - a. **On April 3, 2024**, our office received the application. Per the initial application information "Braven Environmental LLC is currently operating a facility at Zebulon, NC which can process up to 12,000 tons of mixed plastic waste and produces 2.1 million gallons of pyrolysis oil per year. Expansion is feasible at sites with proximity to the Zebulon site, which would provide economies of scale from ongoing relationships with vendors as well as with the state and local community."
  - b. After multiple requests for additional information for any prospective North Carolina locations, no further information has been provided by the applicant.
  - c. Our office requires a minimum amount of applicant supplied data (investor presentations, data studies, incentive offers, prospective location sites and costing) for proof of competitive site selection. No evidence was supplied for North Carolina.
- 2) Geismar, Louisiana LA:
  - a. Information originally provided in the application stated that "Braven Environmental LLC is additionally considering Geismar, LA as an alternative site location for the project based on the principal benefits the area would provide through accessible connectivity with multinational petrochemical institutions as well as lucrative state incentives which would lower the financial burden related to the project." Additional application information included general information regarding Louisiana's Industrial Tax Exemption Program and broad state benefits; no site or project specific information was provided.

- b. **On May 2, 2024** our office notified the applicant that the information received was insufficient to determine that the JETI incentive is a compelling factor in a competitive site selection process. The company consultant responded that the “company is continuing their competitive site analysis and worked with a supply chain consulting firm which expanded its review to additional areas that are under consideration. We should have additional information back in the next few weeks.”
  - c. **On June 20, 2024** the applicant provided additional competitive factor materials per our office’s request. This included a nonbinding letter of intent from the Louisiana Economic Development Secretary to Braven Environmental “for its proposed business to convert hard-to-recycle plastics into new products primarily used by the petrochemical industry in Ascension Parish (“Project”).”
  - d. Although the letter provided was evidence of a potential Louisiana site selection, the date of the letter (**June 18, 2024**), and the lack of any additional information for a Louisiana site, caused our office to request further information regarding the Geismar prospective site on **July 3, 2024**.
  - e. On **July 19, 2024** Braven Environmental requested an extension on our original July 3rd request to submit the required supplemental material.
  - f. On **August 2, 2024** the only additional information provided regarding their Louisiana site was updated wording in Tab 7:  
 “Braven has been in discussions with Louisiana Economic Development (LED), and on June 18, 2024, the entity received a Letter of Intent for the proposed operations in Ascension Parish. LED have estimated total potential value of incentives granted by the State of Louisiana as \$21.1 Million (Exhibit 1).”
  - g. Braven Environmental did not provide any of the additional requested information regarding the Geismar prospective site. Our office does not find that one incentive letter, dated after our office’s request for more information, is sufficient to demonstrate that a Louisiana site is part of a competitive site selection process.
- 3) Arizona:
- a. In the **June 20, 2024** response to our office’s request for additional site selection information regarding the North Carolina and Louisiana sites, the applicant also provided an email chain with Jack Bustamante from the Arizona Commerce Authority.
  - b. The first included email is dated **April 29, 2024**. Bustamante states, “Attached I’ve included some information on the value Arizona has to offer companies like yours as you look to expand across the U.S., as well as highlight some of the successes we’ve had with recent investment in our state and how our workforce development approach is proving beneficial for businesses moving here. I’ve also attached an excel file that contains 5 sites for your company to consider as possible location for your next plant. Each site will have a hyperlink to information about the site.”
  - c. The email chain contains discussions regarding 5 prospective sites and a map. Despite repeated requests from our office, the map attachments mentioned in

the email chain were not provided; and no additional information regarding the maps or sites were included.

- d. The company did supply a generalized “Cost Savings in Arizona” 10 year analysis. However, no additional information was provided with the document to confirm the author or provide context on its creation.
- e. Additionally, in the revised Tab 7 provided on **August 2, 2024**, the applicant stated that “Braven Environmental continues to actively engage with multiple prospective sites in the northwest section of Arizona and has not honed on a specific jurisdiction at this time.”
- f. Without the additional map or site information referenced in the provided email, or additional clarifying information regarding the provided 10-year analysis, our office does not find adequate evidence to demonstrate that Arizona is part of a competitive site selection process.

All email correspondence with the applicant is available up request. Please also see the attached documents:

Applicants final Tab 7 submitted August 2, 2024

Additional confidential documents supplied by the applicant.

# **Supporting Information**

Reconsideration Letter by  
Braven Environmental, LLC





**Braven  
Environmental**

(914) 920-9800  
info@bravenenvironmental.com

Corporate:

**New York**  
520 White Plains Rd. Suite 500  
Tarrytown, NY 10591

**Pennsylvania**  
215 E. 8<sup>th</sup> Avenue, Suite B  
Homestead, PA 15120

Facilities:

**North Carolina**  
517 N. Industrial Drive  
Zebulon, NC 27597

September 10, 2024

Mr. Will Counihan  
Director, Data Analysis & Transparency  
Texas Comptroller of Public Accounts  
PO Box 13528  
Austin, TX 78711

Dear Mr. Counihan:

Braven Environmental LLC has reviewed the Comptroller's Recommendation for JETI Application J0003, issued September 3, 2024. Braven Environmental appreciates the Comptroller's in-depth review of the JETI application; however, given the adverse recommendation Braven would like to provide additional support and corresponding updates to the site selection initiative as the site search remains an ongoing and dynamic process. Braven leadership feels strongly that there are additional aspects of Project Cobra of Application J0003 that had not been in consideration up to this point.

Braven Environmental operates within a very competitive landscape, especially as a start-up with ambitious growth plans. Braven is on the leading edge of pioneering advanced recycling; however, is still very much in its infancy compared to some competitors. Project Cobra is intended to be the entity's second operation with much larger economies of scale which make the significant proposed capital outlay competitive in terms of risk adjusted return.

As such, there is an ongoing competitive site selection process whereby new sites are identified, and other existing sites previously considered become less attractive. Please note that the due diligence process for evaluating numerous viable alternative sites, all at the same time, is not insignificant and pose significant logistical challenges in terms of time and resources.



As you can imagine, site analysis changes over time based on various factors. Since the final submission of the J0003 application package earlier this year, aspects of the alternative site selection process apart from Texas have been updated. Primarily, sites in Louisiana are lower for consideration currently based on changes in site availability. Site analysis is fluid and evolving.

Regarding Arizona, please see attached Exhibit 1, to be treated as confidential. This support demonstrates specific sites within the state that are currently being considered as part of meeting project requirements and feasibility for expansion. This information should have been included before and was inadvertently left out. Braven engaged with ADI Chemical Market Resources in late February 2024 to perform a site selection strategy across the country and identify viable locations as alternatives to Texarkana.

Please also note the dates on these Exhibits; for example, attached Exhibit 1C is a report and offer letter from the City of Phoenix, which was prepared on March 28, 2024, before the JETI application was submitted on April 1, 2024. Timing of when alternative site offers were issued is one item that had been raised as a question by the JETI research team and is something Braven feels is necessary to highlight. These discussions were initiated well ahead of the date listed on the presentation and may be a key factor that the review team failed to consider in reaching its recommendation.

Furthermore, Braven Environmental has initiated and furthered discussions with the West Virginia Department of Economic Development, and on August 26, 2024, the Department has provided the attached confidential Exhibit 2A Proposal Letter formally demonstrating the proposed assistance by the State of West Virginia. Braven Environmental has also honed in on a specific site in consideration in West Virginia, as demonstrated in the attached confidential Exhibit 2B. Please note that the figures referenced for West Virginia incorporate a two-



phase approach. For purposes of the JETI application, Braven only listed the Phase 1 investment and Job creation figures.

We respectfully request reconsideration of your recommendation given the additional information provided. Successfully obtaining a JETI agreement is a key factor among many to securing financing for the proposed plan.

In conclusion, the facts have evolved in the time span of the Comptroller's review of the filed J0003 JETI application, and we hope that the by providing further background, the Comptroller is able to provide their recommendation before an expansion in Texas by Braven is impossible to consider. We would welcome the opportunity to set up an in-person meeting with the Comptroller's office, the Governor's office, or both involving senior executives at Braven to help articulate why this incentive is not only compelling but necessary for project viability.

Regards,

*Jeff Neumann*

Jeff Neumann (Sep 10, 2024 13:28 EDT)

Jeff Neumann  
Chief Administrative Officer and Treasurer  
**Braven Environmental, LLC**  
520 White Plains Rd. Suite 500  
Tarrytown, NY 10591  
Phone: (917) 658-9330  
[jneumann@bravenenvironmental.com](mailto:jneumann@bravenenvironmental.com)



## **Attachment E – Application**

Texas Comptroller of Public Accounts

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

# 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 ..... Braven Environmental - Texarkana I, LLC
2. Applicant's address ..... 211 E 7th St Ste 620, Austin, TX, 78701
3. Texas Taxpayer I.D. number ..... 32082292874
4. NAICS code ..... 3251
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*)

Braven Environmental LLC

Parent Company Name

32086520247

Parent Company Tax ID

430 Nepperhan Ave, Yonkers, NY, 10701

Parent Company Address

8. Authorized Company Representative

Jeffrey

First Name

Neumann

Last Name

Chief Administrative Officer and Treasurer

Title

Braven Environmental LLC

Organization

430 Nepperhan Avenue

Mailing Address

Yonkers

City

New York

State

10701

Zip

(917) 658-9330

Phone Number

jneumann@bravenenvironmental.com

Email Address

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

First Name

Last Name

Title

Organization

Mailing Address

City

State

Zip

Phone Number

Email Address



SECTION 1: Applicant Information *(continued)*10. Authorized Company Consultant *(if applicable)*

Allea

First Name

Newbold

Last Name

Principal

Title

Ryan, LLC

Firm Name

(813) 830-2564

Phone Number

allea.newbold@ryan.com

Email Address

## SECTION 2: School District Information

## 1. Authorized School District Representative

Keith

First Name

Minter

Last Name

Superintendent

Title

Hooks ISD

School District Name

(903) 547-6077

Phone Number

minterk@hooksisd.net

Email Address

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

Shelly

First Name

Leung

Last Name

Director of Economic Development

Title

Powell Law Group

Firm Name

(512) 744-1419

Phone Number

sleung@plg-law.com

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 ..... Bowie County

3. The minimum required investment, at the time of application ..... \$20,000,000.00

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

5. The population of the County *(or Counties)* per the Federal Decennial Census at the time of application .....

Bowie County - 92,893

SECTION 4: Project Information (continued)

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

M&O (ISD): Hooks ISD, Rate: 0.757500 (100%)  
(Name, tax rate and percent of project)

I&S (ISD): Hooks ISD, Rate: 0.472500  
(Name, tax rate and percent of project)

County: Bowie County, Rate: 0.396934  
(Name, tax rate and percent of project)

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

Hospital District: \_\_\_\_\_  
(Name, tax rate and percent of project)

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

Other (describe): Texarkana College, 0.109639 (100%)  
(Name, tax rate and percent of project)

Other (describe): \_\_\_\_\_  
(Name, tax rate and percent of project)

7. List all state and local incentives.

County: Abatement, 75-25%, 2024 - 2033  
(Incentive type, percentage, start and end year)

City: N/A  
(Incentive type, percentage, start and end year)

Hospital District: N/A  
(Incentive type, percentage, start and end year)

Water District: N/A  
(Incentive type, percentage, start and end year)

Other (describe): College - Abt, 90-50%, 2024 - 2033  
(Incentive type, percentage, start and end year)

Other (describe): \_\_\_\_\_  
(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 ..... December 2024
2. Projected completion of construction ..... December 2026
3. Projected commencement of commercial operations ..... December 2026
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 ..... 10
2. Wage NAICS code ..... 3251
- a. Indicate the NAICS level used (*county, WDA or statewide*) ..... WDA
- b. Texas Workforce Commission Quarterly Census of Employment and Wages Area ..... Northeast Texas Region
- |    |      |      |      |            |
|----|------|------|------|------------|
| Q1 | Year | 2023 | Wage | \$920.00   |
| Q2 | Year | 2023 | Wage | \$775.00   |
| Q3 | Year | 2023 | Wage | \$922.00   |
| Q4 | Year | 2023 | Wage | \$1,232.00 |
- c. Average Annual Wage ..... \$50,037.00
- d. 110% of the Average Annual Wage ..... \$55,040.70

## 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.

Jeff Neumann

Print Name (Authorized Company Representative (Applicant))

sign  
here



Jeff Neumann (Apr 1, 2024 14:59 EDT)

Signature (Authorized Company Representative (Applicant))

Chief Administrative Officer and Treasurer

Title

04/01/2024

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](#)

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 1 – Required Application Fee

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

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

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 2 – Detailed Description of Proposed Project

## **Section 4.1 -**

### **Description of the proposed project:**

Braven Environmental LLC is a leading company in the advanced recycling sector with over a decade of experience and is considering the construction of a new facility in Bowie County to convert hard-to-recycle waste plastics into products used primarily in the production of new plastics by the petrochemical industry.

At the new facility, Braven Environmental LLC will plan to manufacture a proprietary product called Braven PyChem, created through the process of Pyrolysis. Pyrolysis is a way of super heating materials to break them down, in this case used and hard-to-recycle plastics that would otherwise end up in landfills. The chemical production process creates the PyChem in liquid form, which can then be used as an input in the production of new plastics within the petrochemical space. The company is aiming to build, operate, and maintain the new facility which can be scaled up or down depending on plastic supply.

Project Cobra would entail the development of a new estimated 200,000 square foot facility at a 75-acre parcel currently in local discussions. The current project in consideration consists of an approximate \$145 Million investment, spanning 18 months. Braven Environmental LLC have held discussions to bring these prospective plans to representatives of the local community and have received preliminary support through inducement letters from both Bowie County and Texarkana College officials. The project aims to bring new economic activity to the Northeast Texas region by creating new jobs consisting of both technical positions to operate the facility as well as management and support staff. Additionally, the overall mission of this project is to continue with development that enhances the viability of the increasingly vital advanced recycling sector.

### **Legal description of real property:**

Address: Parcel 16220050000

J H MITCHELL A-926  
TR 3  
BETWEEN PROP 4TH & 5TH ST  
5898/001 09/02/10  
321.02 ACRES

Address: Parcel 16200060000

H H MITCHELL A-913  
TR 3  
BETWEEN PROP 4TH & 5TH ST  
5898/001 09/02/10  
170 ACRES



Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 3 – Grants / Public Money

**Section 4.8 -**

**Grants or loans of public money which project is receiving or expects to receive:**

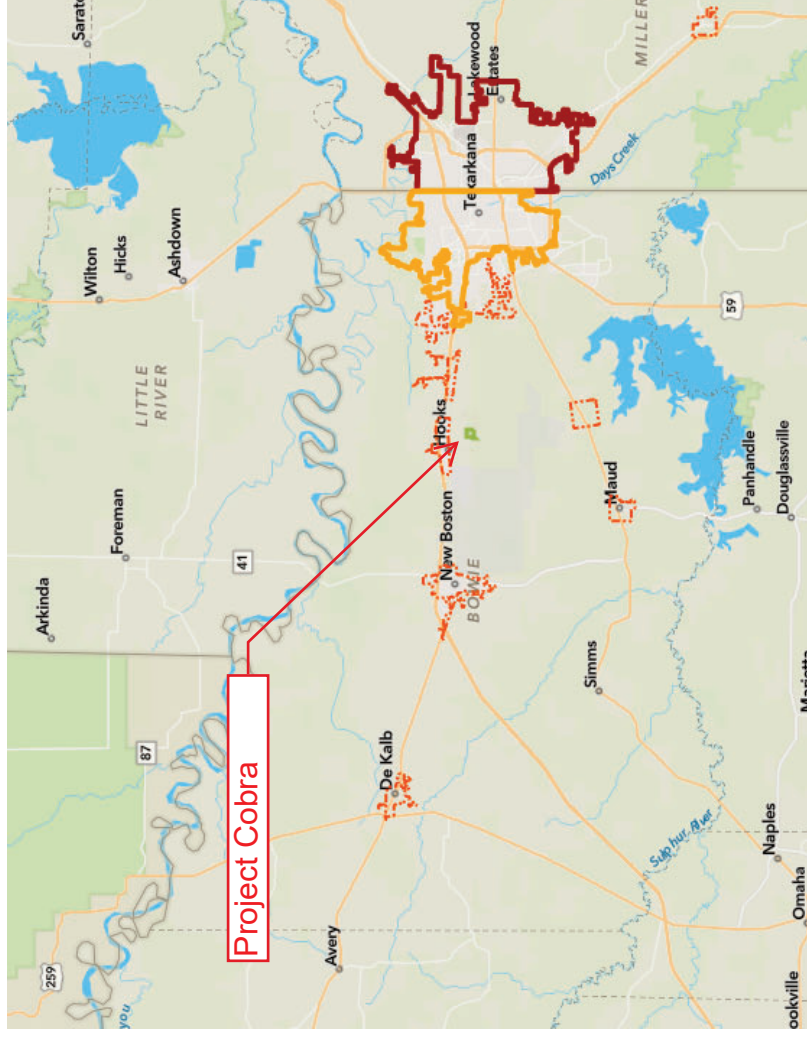
At the time of filing Form AP-243, Braven Environmental LLC is not receiving nor expects to receive any grant or loan of public money.

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 4 – Project Map

Proposed Project Location within Bowie County

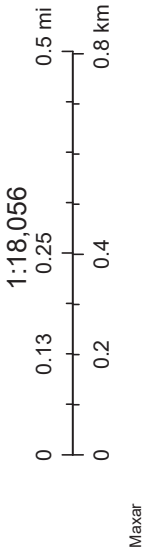


Proposed Project within Opportunity Zone - 48037011300



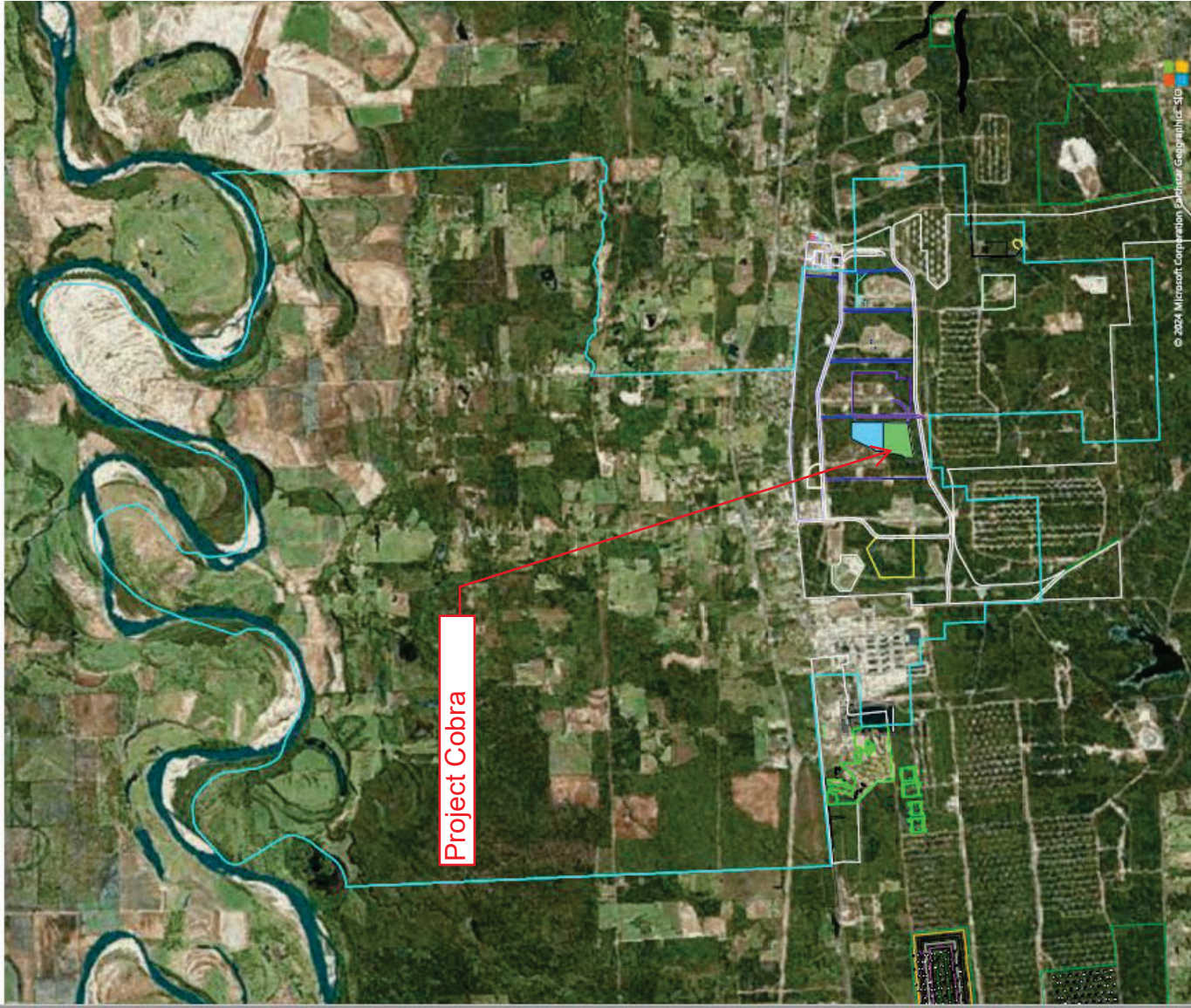
2/6/2024, 3:10:22 PM

-  Texas Opportunity Zones
-  Texas Census Tracts
-  Texas Census Blocks





Proposed Project Location within Hooks ISD



Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 5 – List and Description of Eligible Property

## **Section 5.1 -**

### **Eligible property for which requesting a limitation:**

This application covers all eligible property within the project boundary, as identified in the Project Maps of Tab 4, for the construction and operation of the advance recycling operation for Braven Environmental LLC. The investment in property includes the following:

- Roadways and railways
- Utility infrastructure
- Foundation
- Administration building
- Truck loading and pallet storage
- Feed material handling and storage equipment
- Wastewater treatment facilities
- Storage tanks
- Feed systems
- Reactor trains
- Associated distillation units



Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 6 – Map Comparison of Existing and New Property

**PROPERTY BOUNDARY LINES**  
1" = 200'

**LEGEND:**  
▲ PROPERTY CORNER  
--- PROPERTY LINE  
--- ADJACENT PROPERTY LINE  
--- JONES CREEK  
■ JURISDICTIONAL WETLANDS  
■ ISOLATED WETLAND

**PROJECT COBRA**  
3281096.13 SF  
74.864 AC

**PROJECT COBRA OPTION**  
2760708.60 SF  
63.377 AC

**VICINITY MAP**  
TO NEW BOSTON  
TASZEWELL AVENUE  
PROJECT COBRA  
PROJECT COBRA OPTION  
PROJECT COBRA - OFFSHORE 57.11

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**ITAC:**  
INDUSTRIAL TURNAROUND  
CORPORATION  
1321 N. COVINGTON, SUITE 200  
YONKERS, NY 10791  
WWW.ITAC.COM  
TEL: 914.932.9550

**BRAVEN ENVIRONMENTAL, LLC**  
PROJECT NAME: COBRA  
PROJECT NO.: 007  
COBRA PLASTICS PHYLIXIS PROJECT  
PROPERTY BOUNDARY LINES FOR PROJECT COBRA AND PROJECT COBRA OPTION  
RELEASE TYPE: CONCEPT DWG No. 007-SK-GSA-005 REV: A

| SCALE      | T=200' |
|------------|--------|
| DESIGN/DWN | D/C    |
| CHECKED    | -      |
| APP'D      | -      |
| ENGR       | -      |
| APPR       | -      |

**REVISION**

| No. | DATE    | FOR REVIEW | BY | APP |
|-----|---------|------------|----|-----|
| A   | 3.21.22 | DOE        | BT | OK  |

**ITAC.**  
INDUSTRIAL TURNAROUND  
CORPORATION  
1314 N. FENIX CHURCH ROAD  
CHESLER, VA 22026  
TEL: 703.533.1100  
WWW.ITACIL.COM

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**B BRAVEN ENVIRONMENTAL, LLC** 420 Neperphen Ave.  
Yonkers, NY 10707  
PH: (914) 920-9500

PROJECT No.: 007 PROJECT NAME: COBRA

COBRA PLASTICS PYROLYSIS PROJECT  
PROPERTY BOUNDARY LINES FOR PROJECT COBRA AND PROJECT COBRA OPTION

|               |         |         |                |      |   |
|---------------|---------|---------|----------------|------|---|
| RELEASE TYPE: | CONCEPT | DWG No. | 007-SK-CSA-005 | REV: | A |
|---------------|---------|---------|----------------|------|---|

## **Section 6 -**

### **Ineligible Property:**

Not applicable, the parcel of the proposed Project Cobra currently is an empty plot of land and thus has no existing property which would be ineligible for the limitation which is currently being pursued.

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 7 – Compelling Factor Test

## **Section 9.1 -**

**Explain how the limitation is a compelling factor in competitive site selection process.  
Provide information about potential project sites outside of TX:**

Braven Environmental LLC is pursuing the taxable value limitation through Form AP-243 as the limitation would play a vital aspect in Project Cobra locating in the State of Texas instead of other sites outside of Texas that are concurrently being considered. The limitation would provide the project financial feasibility in Texas by reducing operational costs during the initial 10-year period following construction completion to a level permissible based on projected flow of revenue from the operational activities of the site.

Without the taxable value limitation, the financial viability of Project Cobra to operate in the State of Texas is greatly reduced and thus would instead continue the competitive site selection process with other potential project sites outside of the state.

There are two principal locations outside of Texas which Braven Environmental LLC is currently considering as alternatives. Each location is being highly considered due to advantageous site features for projected business operations as well as alternative incentive programs:

### **1) Zebulon, North Carolina -**

Braven Environmental LLC is currently already operating a facility at Zebulon, NC which can process up to 12,000 tons of mixed plastic waste and produces 2.1 million gallons of pyrolysis oil per year. Expansion is feasible at sites with proximity to the Zebulon site, which would provide economies of scale from ongoing relationships with vendors as well as with the state and local community.

North Carolina provides key potential for growth, as the state includes over 2,500 plastic and chemical establishments with an industry concentration of 1.5 times the national average in 2021, allowing ease of expansion through availability of customers for pyrolysis oil.

Furthermore, Braven Environmental is in the process of reviewing North Carolina's key incentives, particularly the Job Development Investment Grant which would grant a performance-based incentive through direct cash grants based on job creation. Due to the method of the incentive being through direct cash instead of a property tax limitation as part of the JETI program in Texas, North Carolina provides key flexibility in timing regarding potential benefits available as part of the project.

### **2) Geismar, Louisiana**

Braven Environmental LLC is additionally considering Geismar, LA as an alternative site location for the project based on the principal benefits the area would provide through accessible connectivity with multinational petrochemical institutions as well as lucrative state incentives which would lower the financial burden related to the project.

Louisiana is a hub for the petrochemical industry, with more than 100 properties in the sector across the state. The principal customers of the pyrolysis oil to be produced by Project Cobra are petrochemical firms, therefore ease of access to these entities given the close proximity is a key advantage of locating within Louisiana.

Regarding State support, Louisiana provides the Industrial Tax Exemption Program which is advantageous in comparison to the JETI program in Texas. The ITEP program provides an 80% exemption in contrast to the 75% pursued in Texas with this application. The program grants this 80% property tax abatement for an initial term of five years, with an option to renew an additional five year term. This option could potentially offer a more substantial proportion of cost savings as a percentage of property tax to be incurred from the project.

## **Section 9.2 -**

### **Provide details if the applicant has entered into any agreements, contracts, or letters of intent related to this project:**

Braven Environmental LLC entered into a Contract of Sale with TexAmericas Center on January 30, 2023 to purchase the tract of the land in which the project is planned to be constructed following affirmation of project feasibility. This contract provides security for the case that Braven Environmental proceeds with the project in the State of Texas by keeping stable the price of the parcel at a fixed price based on the date of the contract, which minimizes any risk of potential price increments that could occur during the decision-making process.

The contract of sale does not demonstrate that Braven Environmental LLC is not considering the alternative locations detailed in the prior section, as based on the contract, execution of the transaction is subject to the satisfaction of the following two conditions:

- 1) Acceptability of Financing and Governmental Incentives:
  - a. “Within one hundred fifty (150) days after the Effective Date ... Purchaser shall have been able to obtain financing to purchase the described property, and government incentives, in an amount(s) and on terms satisfactory to Purchaser in Purchaser’s sole judgement. If Purchaser has not been able to obtain satisfactory financing and incentives, then and in this event, Purchaser may, on written notice to Seller received prior to one hundred fifty (150) days from the date hereof terminate this agreement and it shall be null and void for all purposes and the Escrow Deposit shall be forthwith returned by the title company to Purchaser.”
- 2) Inspection and Feasibility Studies:
  - a. “Within one hundred-fifty (150) days after the Effective Date ... Purchaser is granted the right to conduct an engineering survey and feasibility study of the Property and Option Property ... and such environmental, endangered species, wetland assessments, subsurface tests, test borings, water surveys, percolation tests, topographical survey, sewage disposal survey and drainage determinations,

and such other testing as Purchaser deems necessary... If it should be determined by Purchaser in Purchaser's sole judgment that the property is not suitable for the intended purposes, or that the results of such tests and/or assessments are not acceptable to Purchaser, or that Purchaser has not obtained the Approvals ... or it is not otherwise feasible as determined by Purchaser for Purchaser to acquire or develop the Property for any reason, then and in this event, Purchaser may, on written notice to Seller received prior to the end of the period, terminate this agreement, and it shall be null and void for all purposes, and the Escrow Deposit shall be forthwith returned by the title company to Purchaser."

On December 1, 2023, Braven Environmental LLC amended the contract with TexAmericas Center through a Second Amendment, which therefore amended the Acceptability of Financing and Governmental Incentives contingency to end on July 31, 2024 and the Inspection and Feasibility Studies Period to end on May 31, 2024.

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 7 – Compelling Factor Test



## Section 9.1 -

**Explain how the limitation is a compelling factor in competitive site selection process.**

**Provide information about potential project sites outside of TX:**

Braven Environmental LLC is pursuing the taxable value limitation through Form AP-243 as the limitation would play a vital aspect in Project Cobra locating in the State of Texas instead of other sites outside of Texas that are concurrently being considered. The limitation would provide the project financial feasibility in Texas by reducing operational costs during the initial 10-year period following construction completion to a viable level based on projected cash flows.

Outside of Texas, Braven Environmental LLC is currently considering multiple states as alternatives. Each alternative location is being highly considered due to advantageous site features for projected business operations, alternative incentive programs, and a favorable regulatory environment in contrast to Texas:

### 1) Geismar, Louisiana

Braven Environmental LLC is considering Geismar, LA in Ascension Parish as an alternative site location for the project based on the principal benefits the area provides through accessible connectivity with multinational petrochemical conglomerates as well as lucrative state incentives.

Louisiana is a hub for the petrochemical industry, with more than 100 properties in the sector across the State<sup>1</sup>. The principal customers of the pyrolysis oil to be produced by Project Cobra are petrochemical firms, therefore ease of access to these entities given the close proximity is a key advantage of locating within Louisiana. On the supply side, Louisiana also is a larger source of close-proximity post-consumer waste due to its relatively higher population and industrial density, which decreases overall feedstock input costs.

Braven has been in discussions with Louisiana Economic Development (LED), and on June 18, 2024, the entity received a Letter of Intent for the proposed operations in Ascension Parish. LED have estimated total potential value of incentives granted by the State of Louisiana as \$21.1 Million (Exhibit 1). The principal incentive which Louisiana provides is the Industrial Tax Exemption Program<sup>2</sup>. The ITEP program provides an 80% exemption in contrast to the 75% pursued in Texas with this application. The program grants the 80% property tax abatement for an initial term of five years, with an option to renew for an additional five-year term. This option could potentially offer a more substantial proportion of cost savings as a percentage of property tax to be incurred from the project, as LED has estimated a potential value of \$16.7 Million through this incentive alone.

While Louisiana does levy inventory tax, the Louisiana Inventory Tax Credit program would effectively refund on a dollar-for-dollar basis any inventory tax initially assessed. Moreover,

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<sup>1</sup> [https://lca.org/aws/LCA/pt/sp/LCA\\_why](https://lca.org/aws/LCA/pt/sp/LCA_why)

<sup>2</sup> <https://www.opportunitylouisiana.gov/incentive/industrial-tax-exemption>

locating the proposed site in Louisiana provides the advantage of a lower overall state sales tax rate of 4.45% versus the higher state sales tax rate of 6.25% in Texas.<sup>3</sup>

## 2) Arizona

Additionally, Braven Environmental LLC is considering the State of Arizona as an alternative location for the project. Arizona provides ease of access through attractive sites with close proximity to major hubs. Specifically, sites in northwest Arizona have close access to major sources of feedstock supply in Phoenix as well as Southern California and Nevada.

As part of the complex evaluation process, Braven Environmental continues to actively engage with multiple prospective sites in the northwest section of Arizona and has not honed on a specific jurisdiction at this time. From an operational and logistics standpoint, these locations offer certain competitive and logistical advantages that other sites fail to match. Braven Environmental remains in active communication and have held in person discussions with the Arizona Commerce Authority since April 2024 to discuss locating the project within the state, and continues to evaluate the assistance the state can provide (Exhibit 2). As part of the Commerce Authority's review, on June 19, 2024, the entity received an analysis of 10 Year Cost Savings available in Arizona estimated by the Commerce Authority, with a potential range of \$54.1 M to \$93.8M of savings during the 10-year period (Exhibit 3).

Notwithstanding potential incentives available, Arizona is further advantageous to Braven Environmental in its regulatory environment through a lower overall state sales tax rate of 5.6% in contrast to the higher rate of 6.25% incurred in Texas.<sup>4</sup> Furthermore, Arizona does not levy inventory tax, such as would be assessed by Bowie County for inventory held during operations.

### Conclusion:

A Louisiana location offers lower projected property taxes under the ITEP program, as detailed in the confidential supplemental information provided. Additionally, Geismar, LA could be more advantageous from a supply chain perspective in some respects given the closer proximity to major potential PyChem customers. If Braven were to build a plant at a site neighboring a major customer or group of customers which have large existing operations in Geismar, this would significantly decrease transport costs of finished product from Braven to end users of PyChem.

On the other hand, Braven is considering the State of Arizona for the proposed investment based on accessibility to major sources of feedstock supply in nearby hubs within southwest portion of the country, as well as the favorable regulatory environment within the state.

Furthermore, locations within Texas charge some of the highest property tax rates in the United States, particularly in contrast to both Louisiana and Arizona. The lower property taxes incurred in the other locations in consideration can provide monumental savings versus locating the project within the State of Texas.

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<sup>3</sup> <https://taxfoundation.org/data/all/state/2024-state-tax-data/>

<sup>4</sup> <https://taxfoundation.org/data/all/state/2024-state-tax-data/>

Once the ITEP program is factored at the Louisiana site, the property tax liability difference on both an annual and a cumulative basis over the 10-year period becomes substantial.

| Year         | Estimated Bowie County, TX Property Tax |                   | Estimated Ascension Parish, LA Property Tax with ITEP |                  | Variance             |
|--------------|---|-------------------|---|------------------|----------------------|
| 2027         | \$                                      | 2,540,190         | \$  | 470,442          | \$ 2,069,747         |
| 2028         | \$                                      | 2,468,297         | \$  | 457,774          | \$ 2,010,523         |
| 2029         | \$                                      | 2,398,562         | \$  | 445,486          | \$ 1,953,076         |
| 2030         | \$                                      | 2,330,919         | \$  | 433,567          | \$ 1,897,352         |
| 2031         | \$                                      | 2,265,305         | \$  | 422,005          | \$ 1,843,300         |
| 2032         | \$                                      | 2,201,660         | \$  | 410,790          | \$ 1,790,869         |
| 2033         | \$                                      | 2,139,923         | \$  | 399,912          | \$ 1,740,012         |
| 2034         | \$                                      | 2,080,039         | \$  | 389,360          | \$ 1,690,680         |
| 2035         | \$                                      | 2,021,952         | \$  | 379,124          | \$ 1,642,828         |
| 2036         | \$                                      | 1,965,607         | \$  | 369,196          | \$ 1,596,411         |
| <b>Total</b> | <b>\$</b>                               | <b>22,412,454</b> | <b>\$</b>   | <b>4,177,657</b> | <b>\$ 18,234,798</b> |

A JETI award would mitigate a portion of school M&O property taxes, which otherwise represent a significant burden and represents a major headwind for securing approval to move forward with a substantial capital investment and job creation project in Texas as proposed with Project Cobra. If not for an agreement being reached under the JETI Program, Project Cobra will not secure approval to move forward at the TexAmericas site.

*Statute Language Discussion:*

The Texas Comptroller of Public Accounts is subjected to Section 403.609 of the Texas Administrative Code regarding the Comptroller's action on any JETI application. Requirements for the Compelling Factor test of a JETI application is specifically pursuant to Section 403.609 (b)(3) and 403.609(c) which is limited to the following verbiage:

*“(3) the agreement is a compelling factor in a competitive site selection determination and that, in the absence of the agreement, the applicant would not make the proposed investment in this state”*

Texas Administrative Code 403.609 (b)(3)

*(c) In making the finding required by Subsection (b)(3), the comptroller shall consider factors related to the selection of the proposed site for the project, including the workforce, the regulatory environment, infrastructure, transportation, market conditions, investment alternatives, and any specific incentive information provided by the applicant related to other potential sites.*

Texas Administrative Code 403.609 (c)

In the absence of a JETI agreement, Braven Environmental LLC will not make the proposed investment in Texas. Additionally, per the prior narrative of a competitive site analysis and additional supporting exhibits, Braven Environmental LLC has provided thorough detail which demonstrate the review of other potential sites outside of Texas for the proposed investment.

Form AP-243: Application for Taxable Value Limitation on Eligible Property

Braven Environmental LLC

Tab 8 – Economic Benefit Statement

# Economic Benefit Statement for Braven Environmental in Bowie County, TX

March 26, 2024

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# An Economic Benefit Statement for Braven Environmental

## Introduction

This report presents the results of an economic impact analysis performed by Impact DataSource, Austin, Texas. The analysis estimates the potential economic benefits to be generated by Braven Environmental in Bowie County, Texas for the project's 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. In total, this analysis covers a 38-year period beginning with 3-years of building construction, a 10-year incentive period, and an additional period of 25 years as required by Tex. Gov't Code § 403.608 (b).

| <u>Years</u> | <u>Period</u>       |
|--------------|---------------------|
| 2024-2026    | Construction        |
| 2027-2036    | Incentive Period    |
| 2037-2061    | Additional 25 Years |

## A Description of the Facility and Its Operations

Braven Environmental (Braven) is a leading technology provider in the advanced recycling sector. Using patented pyrolysis-based technology, Braven converts mixed waste and hard to recycle plastic into Braven PyChem, a feedstock used primarily in the production of new plastics. The new plant will scale this proven technology to deliver input products to customers located in the southeast.

## Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 13 years will be as follows:

| Table 1<br>Timeline for Permanent Employment and Investment |  |                          |   |                          |                             |
|---|--|--------------------------|---|--------------------------|-----------------------------|
| Year  | Number of<br>New Workers to<br>be Hired Each<br>Year |                          | Buildings and<br>Other Real<br>Property<br>Improvements | Machinery &<br>Equipment | Total<br>JETI<br>Investment |
| 2024  | 0  | <i>Construction</i>      | \$0   | \$0                      | \$0                         |
| 2025  | 0  | <i>Construction</i>      | \$1,885,000   | \$42,832,000             | \$44,717,000                |
| 2026  | 50   | <i>Construction</i>      | \$5,270,000   | \$95,164,000             | \$100,434,000               |
| 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                         |
| <u>Total</u>  | <u>50</u>  |                          | <u>\$7,155,000</u>                                      | <u>\$137,996,000</u>     | <u>\$145,151,000</u>        |

## Total Capital Investment and Total Employment

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

| Table 2<br>Total Capital Investment and Employment |               |
|--|---------------|
| Total Capital Investment                           | \$145,151,000 |
| Total Employment                                   | 50            |



## 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 38 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.

| <b>Table 3</b><br><b>Appraised Value of the Facility's Investment</b> |   |                          |  |
|---|---|--------------------------|--|
| Year  | Buildings and<br>Other Real<br>Property<br>Improvements | Machinery &<br>Equipment | Total<br>Appraised<br>Value of<br>Investment |
| 2024  | \$0   | \$0                      | \$0  |
| 2025  | \$0   | \$0                      | \$0  |
| 2026  | \$0   | \$0                      | \$0  |
| 2027  | \$7,155,000   | \$137,996,000            | \$145,151,000                                |
| 2028  | \$7,155,000   | \$133,856,120            | \$141,011,120                                |
| 2029  | \$7,155,000   | \$129,840,436            | \$136,995,436                                |
| 2030  | \$7,155,000   | \$125,945,223            | \$133,100,223                                |
| 2031  | \$7,155,000   | \$122,166,867            | \$129,321,867                                |
| 2032  | \$7,155,000   | \$118,501,861            | \$125,656,861                                |
| 2033  | \$7,155,000   | \$114,946,805            | \$122,101,805                                |
| 2034  | \$7,155,000   | \$111,498,401            | \$118,653,401                                |
| 2035  | \$7,155,000   | \$108,153,449            | \$115,308,449                                |
| 2036  | \$7,155,000   | \$104,908,845            | \$112,063,845                                |
| 2037  | \$7,155,000   | \$101,761,580            | \$108,916,580                                |
| 2038  | \$7,155,000   | \$98,708,732             | \$105,863,732                                |
| 2039  | \$7,155,000   | \$95,747,470             | \$102,902,470                                |
| 2040  | \$7,155,000   | \$92,875,046             | \$100,030,046                                |
| 2041  | \$7,155,000   | \$90,088,795             | \$97,243,795                                 |
| 2042  | \$7,155,000   | \$87,386,131             | \$94,541,131                                 |
| 2043  | \$7,155,000   | \$84,764,547             | \$91,919,547                                 |
| 2044  | \$7,155,000   | \$82,221,611             | \$89,376,611                                 |
| 2045  | \$7,155,000   | \$79,754,962             | \$86,909,962                                 |
| 2046  | \$7,155,000   | \$77,362,314             | \$84,517,314                                 |
| 2047  | \$7,155,000   | \$75,041,444             | \$82,196,444                                 |
| 2048  | \$7,155,000   | \$72,790,201             | \$79,945,201                                 |
| 2049  | \$7,155,000   | \$70,606,495             | \$77,761,495                                 |
| 2050  | \$7,155,000   | \$68,488,300             | \$75,643,300                                 |
| 2051  | \$7,155,000   | \$66,433,651             | \$73,588,651                                 |
| 2052  | \$7,155,000   | \$64,440,641             | \$71,595,641                                 |
| 2053  | \$7,155,000   | \$62,507,422             | \$69,662,422                                 |

*Table 3 continued on the next page*

| Table 3 - Continued<br>Appraised Value of the Facility's Investment |   |                          |  |
|---|---|--------------------------|--|
| Year  | Buildings and<br>Other Real<br>Property<br>Improvements | Machinery &<br>Equipment | Total<br>Appraised<br>Value of<br>Investment |
| 2054  | \$7,155,000   | \$60,632,200             | \$67,787,200                                 |
| 2055  | \$7,155,000   | \$58,813,234             | \$65,968,234                                 |
| 2056  | \$7,155,000   | \$57,048,837             | \$64,203,837                                 |
| 2057  | \$7,155,000   | \$55,337,371             | \$62,492,371                                 |
| 2058  | \$7,155,000   | \$53,677,250             | \$60,832,250                                 |
| 2059  | \$7,155,000   | \$52,066,933             | \$59,221,933                                 |
| 2060  | \$7,155,000   | \$50,504,925             | \$57,659,925                                 |
| 2061  | \$7,155,000   | \$48,989,777             | \$56,144,777                                 |

*Appraised Value Assumptions:*

*Buildings and Other Real Property Improvements Value: Equal to 100% of the building investments and no appreciation or depreciation over time.*

*Machinery & Equipment Value: Reflects the value of machinery and equipment investments depreciated by 3% per year based on the expected date it will hit the tax rolls.*

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

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

| Table 4<br>Taxing Units and Tax Rates (Per \$100 of Taxable Value) at Proposed Site |                   |                 |
|---|-------------------|-----------------|
| City:   | N/A               | 0.000000        |
| County:   | Bowie County      | 0.396934        |
| School:   | Hooks ISD         | 1.230000        |
|   | M&O Rate:         | 0.75750         |
|   | I&S Rate:         | 0.47250         |
| Spec Dist #1  | Texarkana College | 0.109639        |
| <u>Total Rate</u>   |                   | <u>1.736573</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.

| Table 5<br>Ad Valorem Taxes for Each Taxing Unit on the Investment<br>Over the Next 38 Years |                   |            |                     |
|--|-------------------|------------|---------------------|
| City:  | N/A               |            | \$0                 |
| County:  | Bowie County      |            | \$12,965,011        |
| School:  | Hooks ISD         |            | \$32,906,966        |
|  |                   | M&O Taxes: | \$17,473,751        |
|  |                   | I&S Taxes: | \$15,433,215        |
| Spec Dist #1   | Texarkana College |            | \$3,581,126         |
| <u>Total</u>   |                   |            | <u>\$49,453,104</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.

| Table 6<br>Ad Valorem Taxes for School District on Investment: Hooks ISD |  |                 |              |  |                 |              |                                      |
|--|--|-----------------|--------------|--|-----------------|--------------|--------------------------------------|
| Year   | Taxable Value<br>of Eligible<br>Property for<br>M&O Tax* | M&O<br>Tax Rate | M&O<br>Taxes | Taxable<br>Value of<br>Property for<br>I&S Tax** | I&S<br>Tax Rate | I&S<br>Taxes | Total<br>School<br>District<br>Taxes |
| 2024   | \$0  | 0.75750         | \$0          | \$0  | 0.47250         | \$0          | \$0                                  |
| 2025   | \$0  | 0.75750         | \$0          | \$0  | 0.47250         | \$0          | \$0                                  |
| 2026   | \$0  | 0.75750         | \$0          | \$0  | 0.47250         | \$0          | \$0                                  |
| 2027   | \$36,287,750   | 0.75750         | \$274,880    | \$145,151,000                                    | 0.47250         | \$685,838    | \$960,718                            |
| 2028   | \$35,252,780   | 0.75750         | \$267,040    | \$141,011,120                                    | 0.47250         | \$666,278    | \$933,317                            |
| 2029   | \$34,248,859   | 0.75750         | \$259,435    | \$136,995,436                                    | 0.47250         | \$647,303    | \$906,739                            |
| 2030   | \$33,275,056   | 0.75750         | \$252,059    | \$133,100,223                                    | 0.47250         | \$628,899    | \$880,957                            |
| 2031   | \$32,330,467   | 0.75750         | \$244,903    | \$129,321,867                                    | 0.47250         | \$611,046    | \$855,949                            |
| 2032   | \$31,414,215   | 0.75750         | \$237,963    | \$125,656,861                                    | 0.47250         | \$593,729    | \$831,691                            |
| 2033   | \$30,525,451   | 0.75750         | \$231,230    | \$122,101,805                                    | 0.47250         | \$576,931    | \$808,161                            |
| 2034   | \$29,663,350   | 0.75750         | \$224,700    | \$118,653,401                                    | 0.47250         | \$560,637    | \$785,337                            |
| 2035   | \$28,827,112   | 0.75750         | \$218,365    | \$115,308,449                                    | 0.47250         | \$544,832    | \$763,198                            |
| 2036   | \$28,015,961   | 0.75750         | \$212,221    | \$112,063,845                                    | 0.47250         | \$529,502    | \$741,723                            |
| 2037   | \$108,916,580  | 0.75750         | \$825,043    | \$108,916,580                                    | 0.47250         | \$514,631    | \$1,339,674                          |
| 2038   | \$105,863,732  | 0.75750         | \$801,918    | \$105,863,732                                    | 0.47250         | \$500,206    | \$1,302,124                          |
| 2039   | \$102,902,470  | 0.75750         | \$779,486    | \$102,902,470                                    | 0.47250         | \$486,214    | \$1,265,700                          |

Table 6 continued on the next page

**Table 6 - Continued**  
**Ad Valorem Taxes for School District on Investment: Hooks ISD**

| Year         | Taxable Value<br>of Eligible<br>Property for<br>M&O Tax* | M&O<br>Tax Rate | M&O<br>Taxes        | Taxable<br>Value of<br>Property for<br>I&S Tax** | I&S<br>Tax Rate | I&S<br>Taxes        | Total<br>School<br>District<br>Taxes |
|--------------|--|-----------------|---------------------|--|-----------------|---------------------|--------------------------------------|
| 2040         | \$100,030,046  | 0.75750         | \$757,728           | \$100,030,046                                    | 0.47250         | \$472,642           | \$1,230,370                          |
| 2041         | \$97,243,795   | 0.75750         | \$736,622           | \$97,243,795                                     | 0.47250         | \$459,477           | \$1,196,099                          |
| 2042         | \$94,541,131   | 0.75750         | \$716,149           | \$94,541,131                                     | 0.47250         | \$446,707           | \$1,162,856                          |
| 2043         | \$91,919,547   | 0.75750         | \$696,291           | \$91,919,547                                     | 0.47250         | \$434,320           | \$1,130,610                          |
| 2044         | \$89,376,611   | 0.75750         | \$677,028           | \$89,376,611                                     | 0.47250         | \$422,304           | \$1,099,332                          |
| 2045         | \$86,909,962   | 0.75750         | \$658,343           | \$86,909,962                                     | 0.47250         | \$410,650           | \$1,068,993                          |
| 2046         | \$84,517,314   | 0.75750         | \$640,219           | \$84,517,314                                     | 0.47250         | \$399,344           | \$1,039,563                          |
| 2047         | \$82,196,444   | 0.75750         | \$622,638           | \$82,196,444                                     | 0.47250         | \$388,378           | \$1,011,016                          |
| 2048         | \$79,945,201   | 0.75750         | \$605,585           | \$79,945,201                                     | 0.47250         | \$377,741           | \$983,326                            |
| 2049         | \$77,761,495   | 0.75750         | \$589,043           | \$77,761,495                                     | 0.47250         | \$367,423           | \$956,466                            |
| 2050         | \$75,643,300   | 0.75750         | \$572,998           | \$75,643,300                                     | 0.47250         | \$357,415           | \$930,413                            |
| 2051         | \$73,588,651   | 0.75750         | \$557,434           | \$73,588,651                                     | 0.47250         | \$347,706           | \$905,140                            |
| 2052         | \$71,595,641   | 0.75750         | \$542,337           | \$71,595,641                                     | 0.47250         | \$338,289           | \$880,626                            |
| 2053         | \$69,662,422   | 0.75750         | \$527,693           | \$69,662,422                                     | 0.47250         | \$329,155           | \$856,848                            |
| 2054         | \$67,787,200   | 0.75750         | \$513,488           | \$67,787,200                                     | 0.47250         | \$320,295           | \$833,783                            |
| 2055         | \$65,968,234   | 0.75750         | \$499,709           | \$65,968,234                                     | 0.47250         | \$311,700           | \$811,409                            |
| 2056         | \$64,203,837   | 0.75750         | \$486,344           | \$64,203,837                                     | 0.47250         | \$303,363           | \$789,707                            |
| 2057         | \$62,492,371   | 0.75750         | \$473,380           | \$62,492,371                                     | 0.47250         | \$295,276           | \$768,656                            |
| 2058         | \$60,832,250   | 0.75750         | \$460,804           | \$60,832,250                                     | 0.47250         | \$287,432           | \$748,237                            |
| 2059         | \$59,221,933   | 0.75750         | \$448,606           | \$59,221,933                                     | 0.47250         | \$279,824           | \$728,430                            |
| 2060         | \$57,659,925   | 0.75750         | \$436,774           | \$57,659,925                                     | 0.47250         | \$272,443           | \$709,217                            |
| 2061         | \$56,144,777   | 0.75750         | \$425,297           | \$56,144,777                                     | 0.47250         | \$265,284           | \$690,581                            |
| <u>Total</u> |  |                 | <u>\$17,473,751</u> |  |                 | <u>\$15,433,215</u> | <u>\$32,906,966</u>                  |

\* Taxable Value of Eligible Property for M&O Tax is equal to 75% of the appraised or market value of the investment property during the 10-year incentive period 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.

| Table 7<br>Ad Valorem Taxes for Other Taxing Units on Investment |                                 |                        |                                 |   |           |
|--|---------------------------------|------------------------|---------------------------------|---|-----------|
| Year   | Taxable<br>Value of<br>Property | N/A<br><b>0.000000</b> | Bowie County<br><b>0.396934</b> | Texarkana<br>College<br><b>0.109639</b> | Total     |
| 2024   | \$0                             | \$0                    | \$0                             | \$0                                     | \$0       |
| 2025   | \$0                             | \$0                    | \$0                             | \$0                                     | \$0       |
| 2026   | \$0                             | \$0                    | \$0                             | \$0                                     | \$0       |
| 2027   | \$145,151,000                   | \$0                    | \$576,154                       | \$159,142                               | \$735,296 |
| 2028   | \$141,011,120                   | \$0                    | \$559,721                       | \$154,603                               | \$714,324 |
| 2029   | \$136,995,436                   | \$0                    | \$543,781                       | \$150,200                               | \$693,982 |
| 2030   | \$133,100,223                   | \$0                    | \$528,320                       | \$145,930                               | \$674,250 |
| 2031   | \$129,321,867                   | \$0                    | \$513,322                       | \$141,787                               | \$655,110 |
| 2032   | \$125,656,861                   | \$0                    | \$498,775                       | \$137,769                               | \$636,544 |
| 2033   | \$122,101,805                   | \$0                    | \$484,664                       | \$133,871                               | \$618,535 |
| 2034   | \$118,653,401                   | \$0                    | \$470,976                       | \$130,090                               | \$601,066 |
| 2035   | \$115,308,449                   | \$0                    | \$457,698                       | \$126,423                               | \$584,121 |
| 2036   | \$112,063,845                   | \$0                    | \$444,820                       | \$122,866                               | \$567,685 |
| 2037   | \$108,916,580                   | \$0                    | \$432,327                       | \$119,415                               | \$551,742 |
| 2038   | \$105,863,732                   | \$0                    | \$420,209                       | \$116,068                               | \$536,277 |
| 2039   | \$102,902,470                   | \$0                    | \$408,455                       | \$112,821                               | \$521,276 |
| 2040   | \$100,030,046                   | \$0                    | \$397,053                       | \$109,672                               | \$506,725 |
| 2041   | \$97,243,795                    | \$0                    | \$385,994                       | \$106,617                               | \$492,611 |
| 2042   | \$94,541,131                    | \$0                    | \$375,266                       | \$103,654                               | \$478,920 |
| 2043   | \$91,919,547                    | \$0                    | \$364,860                       | \$100,780                               | \$465,640 |
| 2044   | \$89,376,611                    | \$0                    | \$354,766                       | \$97,992                                | \$452,758 |
| 2045   | \$86,909,962                    | \$0                    | \$344,975                       | \$95,287                                | \$440,262 |
| 2046   | \$84,517,314                    | \$0                    | \$335,478                       | \$92,664                                | \$428,142 |
| 2047   | \$82,196,444                    | \$0                    | \$326,266                       | \$90,119                                | \$416,385 |
| 2048   | \$79,945,201                    | \$0                    | \$317,330                       | \$87,651                                | \$404,981 |
| 2049   | \$77,761,495                    | \$0                    | \$308,662                       | \$85,257                                | \$393,919 |
| 2050   | \$75,643,300                    | \$0                    | \$300,254                       | \$82,935                                | \$383,189 |
| 2051   | \$73,588,651                    | \$0                    | \$292,098                       | \$80,682                                | \$372,780 |
| 2052   | \$71,595,641                    | \$0                    | \$284,187                       | \$78,497                                | \$362,684 |
| 2053   | \$69,662,422                    | \$0                    | \$276,514                       | \$76,377                                | \$352,891 |
| 2054   | \$67,787,200                    | \$0                    | \$269,070                       | \$74,321                                | \$343,392 |
| 2055   | \$65,968,234                    | \$0                    | \$261,850                       | \$72,327                                | \$334,177 |
| 2056   | \$64,203,837                    | \$0                    | \$254,847                       | \$70,392                                | \$325,239 |
| 2057   | \$62,492,371                    | \$0                    | \$248,053                       | \$68,516                                | \$316,569 |
| 2058   | \$60,832,250                    | \$0                    | \$241,464                       | \$66,696                                | \$308,160 |

Table 7 continued on the next page

| Table 7 - Continued                                   |                                 |                        |                                 |   |                     |
|---|---------------------------------|------------------------|---------------------------------|---|---------------------|
| Ad Valorem Taxes for Other Taxing Units on Investment |                                 |                        |                                 |   |                     |
| Year  | Taxable<br>Value of<br>Property | N/A<br><b>0.000000</b> | Bowie County<br><b>0.396934</b> | Texarkana<br>College<br><b>0.109639</b> | Total               |
| 2059  | \$59,221,933                    | \$0                    | \$235,072                       | \$64,930                                | \$300,002           |
| 2060  | \$57,659,925                    | \$0                    | \$228,872                       | \$63,218                                | \$292,090           |
| 2061  | \$56,144,777                    | \$0                    | \$222,858                       | \$61,557                                | \$284,414           |
| <u>Total</u>  |                                 | <u>\$0</u>             | <u>\$12,965,011</u>             | <u>\$3,581,126</u>                      | <u>\$16,546,138</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:

| Table 8<br>Economic Impact of Construction at the Firm's Facility |          |                         |           |
|---|----------|-------------------------|-----------|
|   | Direct   | Indirect and<br>Induced | Total     |
| Economic output / increase in<br>gross area product               | \$7.16 M | \$11.49 M               | \$18.64 M |
| Construction employment   | 22       | 24                      | 46        |
| Payroll / increase in state<br>personal income                    | \$2.86 M | \$2.51 M                | \$5.38 M  |

## 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.

| <b>Table 9</b><br><b>Total Economic Impact During the Facility's Operations</b><br><b>in the State of Texas</b> |                    |   |                   |
|---|--------------------|---|-------------------|
|   |                    | Annually at<br>Full Operations<br>in 2027 | 38-Year<br>Total  |
| Economic output / increase in gross state product:  |                    |   |                   |
|   | Direct             | \$46.00 M                                 | \$2.32 B          |
|   | Indirect & Induced | \$74.14 M                                 | \$3.74 B          |
|   | <u>Total</u>       | <u>\$120.14 M</u>                         | <u>\$6.07 B</u>   |
| Employment:   |                    |   |                   |
|   | Direct             | 50  | 50                |
|   | Indirect & Induced | 282                                       | 282               |
|   | <u>Total</u>       | <u>332</u>                                | <u>332</u>        |
| Payroll / increase in state personal income:  |                    |   |                   |
|   | Direct             | \$2.84 M                                  | \$144.73 M        |
|   | Indirect & Induced | \$7.03 M                                  | \$358.29 M        |
|   | <u>Total</u>       | <u>\$9.87 M</u>                           | <u>\$503.02 M</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 Bowie 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:

| Table 10<br>Local Economic Impact of Construction at the Firm's Facility |          |                         |           |
|--|----------|-------------------------|-----------|
|  | Direct   | Indirect and<br>Induced | Total     |
| Economic output / increase in<br>gross area product                      | \$7.16 M | \$3.75 M                | \$10.90 M |
| Construction employment  | 22       | 8                       | 30        |
| Payroll / increase in county<br>personal income                          | \$2.86 M | \$0.79 M                | \$3.65 M  |

## 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 Bowie County economy.

| <b>Table 11</b><br><b>Total Economic Impact During the Facility's Operations</b><br><b>in Bowie County</b> |                    |   |                   |
|--|--------------------|---|-------------------|
|  |                    | Annually at<br>Full Operations<br>in 2027 | 38-Year<br>Total  |
| Economic output / increase in gross area product:  |                    |   |                   |
|  | Direct             | \$46.00 M                                 | \$2.32 B          |
|  | Indirect & Induced | \$30.51 M                                 | \$1.54 B          |
|  | <u>Total</u>       | <u>\$76.51 M</u>                          | <u>\$3.86 B</u>   |
| Employment   |                    |   |                   |
|  | Direct             | 50  | 50                |
|  | Indirect & Induced | 108                                       | 108               |
|  | <u>Total</u>       | <u>158</u>                                | <u>158</u>        |
| Payroll/Personal Income  |                    |   |                   |
|  | Direct             | \$2.84 M                                  | \$144.73 M        |
|  | Indirect & Induced | \$2.92 M                                  | \$148.71 M        |
|  | <u>Total</u>       | <u>\$5.76 M</u>                           | <u>\$293.45 M</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 local jurisdictions will receive the following tax revenues:

| Table 12<br>Tax Revenues for the State and Local Taxing Units During Operations |                           |   |                             |                           |
|---|---------------------------|---|-----------------------------|---------------------------|
|   | Sales Tax<br>Collections  | Franchise<br>Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Total Tax<br>Revenues     |
| State of Texas  | \$990,077                 | \$13,980                                  | \$104,401                   | \$1,108,458               |
| City of Hooks*  | \$166,333                 | \$0                                       | \$0                         | \$166,333                 |
| Bowie County  | \$55,444                  | \$0                                       | \$0                         | \$55,444                  |
| <b>Total</b>  | <b><u>\$1,156,410</u></b> | <b><u>\$13,980</u></b>                    | <b><u>\$104,401</u></b>     | <b><u>\$1,274,791</u></b> |

\* City of Hooks and other cities within Bowie County

The state and local tax revenues from the facility's operations over the 38-year period is shown below.

| Table 13<br>Tax Revenues for the State and Local Taxing Units During Operations |                            |                           |                              |                             |                            |                             |
|---|----------------------------|---------------------------|------------------------------|-----------------------------|----------------------------|-----------------------------|
|   | Sales Tax<br>Collections   | Hotel<br>Taxes            | Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Property<br>Taxes**        | Total Tax<br>Revenues       |
| State of Texas  | \$23,508,769               | \$1,301,047               | \$9,632,282                  | \$23,923,663                | \$0                        | \$58,365,761                |
| City of Hooks*  | \$3,949,473                | \$1,517,888               | \$0                          | \$0                         | \$0                        | \$5,467,361                 |
| Bowie County  | \$1,316,491                | \$0                       | \$0                          | \$0                         | \$13,522,327               | \$14,838,818                |
| Hooks ISD   | \$0                        | \$0                       | \$0                          | \$0                         | \$34,633,949               | \$34,633,949                |
| Texarkana College   | \$0                        | \$0                       | \$0                          | \$0                         | \$3,735,065                | \$3,735,065                 |
| <b>Total</b>  | <b><u>\$28,774,733</u></b> | <b><u>\$2,818,934</u></b> | <b><u>\$9,632,282</u></b>    | <b><u>\$23,923,663</u></b>  | <b><u>\$51,891,341</u></b> | <b><u>\$117,040,954</u></b> |

\* City of Hooks and other cities within Bowie County

\*\* 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 shown below based on the impact by industry.

| Table 14<br>Development of Industries in the State       |                     |                     |
|--|---------------------|---------------------|
|  | New<br>Spending     | Percent<br>of Total |
| Agriculture, forestry, fishing and hunting               | \$427,853           | 0.6%                |
| Mining, quarrying, and oil and gas extraction            | \$5,879,530         | 7.9%                |
| Utilities  | \$2,778,745         | 3.7%                |
| Construction   | \$685,485           | 0.9%                |
| Durable goods manufacturing                              | \$1,200,749         | 1.6%                |
| Nondurable goods manufacturing                           | \$31,385,095        | 42.3%               |
| Wholesale trade  | \$4,835,200         | 6.5%                |
| Retail trade   | \$2,507,311         | 3.4%                |
| Transportation and warehousing                           | \$2,994,972         | 4.0%                |
| Information  | \$1,389,372         | 1.9%                |
| Finance and insurance                                    | \$3,432,026         | 4.6%                |
| Real estate and rental and leasing                       | \$4,996,220         | 6.7%                |
| Professional, scientific, and technical services         | \$2,084,059         | 2.8%                |
| Management of companies and enterprises                  | \$1,039,729         | 1.4%                |
| Administrative & support & waste mgmt & remediation svcs | \$1,536,591         | 2.1%                |
| Educational services                                     | \$469,258           | 0.6%                |
| Health care and social assistance                        | \$3,183,595         | 4.3%                |
| Arts, entertainment, and recreation                      | \$266,833           | 0.4%                |
| Accommodation  | \$248,431           | 0.3%                |
| Food services and drinking places                        | \$1,099,536         | 1.5%                |
| Other services   | \$1,697,611         | 2.3%                |
| <u>Total</u>   | <u>\$74,138,200</u> | <u>100.0%</u>       |

The industries most affected by the project will include:

1. Nondurable goods manufacturing
2. Mining, quarrying, and oil and gas extraction
3. Real estate and rental and leasing
4. Wholesale trade
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:

| Table 15<br>Construction Costs |                    |
|--------------------------------|--------------------|
| Year                           | Construction Costs |
| 2024                           | \$0                |
| 2025                           | \$1,885,000        |
| 2026                           | \$5,270,000        |
| <u>Total</u>                   | <u>\$7,155,000</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.

| Table 16<br>Economic Output/Increase in Gross State Product<br>During Construction |                            |                             |                     |
|--|----------------------------|-----------------------------|---------------------|
| Year   | Direct Construction Output | Indirect and Induced Output | Total Output        |
| 2024   | \$0                        | \$0                         | \$0                 |
| 2025   | \$1,885,000                | \$3,025,802                 | \$4,910,802         |
| 2026   | \$5,270,000                | \$8,459,404                 | \$13,729,404        |
| <u>Total</u>   | <u>\$7,155,000</u>         | <u>\$11,485,206</u>         | <u>\$18,640,206</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.

| <b>Table 17</b><br><b>Number of Construction Workers for a Hypothetical \$1 Million Construction Project</b> |             |
|--|-------------|
| 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.

| <b>Table 18</b><br><b>Construction Workers Employed During Construction</b> |                    |   |
|---|--------------------|---|
| Year  | Construction Costs | Number of Construction Jobs Supported Each Year |
| 2024  | \$0                | 0   |
| 2025  | \$1,885,000        | 12  |
| 2026  | \$5,270,000        | 32  |
| <u>Total</u>  | <u>\$7,155,000</u> |   |
| <u>Average construction jobs per year</u>                                   |                    | <u>22</u>                                       |

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

| <b>Table 19</b><br><b>Direct, Indirect and Induced Employment</b><br><b>During Construction</b> |                                      |                                       |                     |
|---|--------------------------------------|---------------------------------------|---------------------|
| Year  | Direct<br>Construction<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2024  | 0                                    | 0                                     | 0                   |
| 2025  | 12                                   | 13                                    | 24                  |
| 2026  | 32                                   | 36                                    | 68                  |
| <u>Annual Avg.</u>  | <u>22</u>                            | <u>24</u>                             | <u>46</u>           |

## Construction Payroll

Construction workers will have the following payrolls:

| <b>Table 20</b><br><b>Direct Construction Payroll</b> |                       |                                  |
|---|-----------------------|----------------------------------|
| Year  | Construction<br>Costs | Total<br>Construction<br>Payroll |
| 2024  | \$0                   | \$0                              |
| 2025  | \$1,885,000           | \$754,000                        |
| 2026  | \$5,270,000           | \$2,108,000                      |
| <u>Total</u>  | <u>\$7,155,000</u>    | <u>\$2,862,000</u>               |



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

| Table 21   |                                   |                                    |                    |
|--|-----------------------------------|------------------------------------|--------------------|
| Direct, Indirect and Induced Payroll During Construction |                                   |                                    |                    |
| Year   | Direct<br>Construction<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll   |
| 2024   | \$0                               | \$0                                | \$0                |
| 2025   | \$754,000                         | \$662,238                          | \$1,416,238        |
| 2026   | \$2,108,000                       | \$1,851,456                        | \$3,959,456        |
| Total  | <u>\$2,862,000</u>                | <u>\$2,513,695</u>                 | <u>\$5,375,695</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.

| Table 22<br>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:

| Table 23<br>Estimated Taxable Sales |   |   |   |  |                        |
|-------------------------------------|---|---|---|--|------------------------|
| Year                                | Estimated<br>Taxable<br>Machinery<br>and<br>Equipment | Estimated<br>Total<br>Construction<br>Materials | Estimated<br>Taxable<br>Construction<br>Materials | Estimated<br>Taxable<br>Worker<br>Spending | Total Taxable<br>Sales |
| 2024                                | \$0   | \$0   | \$0   | \$0  | \$0                    |
| 2025                                | \$4,283,200   | \$1,131,000                                     | \$169,650   | \$368,222                                  | \$4,821,072            |
| 2026                                | \$9,516,400   | \$3,162,000                                     | \$474,300   | \$1,029,459                                | \$11,020,159           |
| <u>Total</u>                        | <u>\$13,799,600</u>                                   | <u>\$4,293,000</u>                              | <u>\$643,950</u>                                  | <u>\$1,397,681</u>                         | <u>\$15,841,231</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:

| <b>Table 24</b><br><b>Estimated Sales Tax Collections During Construction</b> |  |                                 |                                  |                                   |
|---|--|---------------------------------|----------------------------------|-----------------------------------|
| Year  | On Taxable<br>Machinery &<br>Equipment | On<br>Construction<br>Materials | On Taxable<br>Worker<br>Spending | Total Sales<br>Tax<br>Collections |
| 2024  | \$0                                    | \$0                             | \$0                              | \$0                               |
| 2025  | \$267,700                              | \$10,603                        | \$23,014                         | \$301,317                         |
| 2026  | \$594,775                              | \$29,644                        | \$64,341                         | \$688,760                         |
| <u>Total</u>  | <u>\$862,475</u>                       | <u>\$40,247</u>                 | <u>\$87,355</u>                  | <u>\$990,077</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:

| <b>Table 25</b><br><b>Estimated Taxable Margins During Construction</b><br><b>Subject to Texas' Franchise Tax</b> |  |   |                             |
|---|--|---|-----------------------------|
| Year  | On<br>Direct<br>Revenues<br>During<br>Construction | On<br>Indirect and<br>Induced<br>Revenues | Total<br>Taxable<br>Margins |
| 2024  | \$0  | \$0                                       | \$0                         |
| 2025  | \$188,500  | \$302,580                                 | \$491,080                   |
| 2026  | \$527,000  | \$845,940                                 | \$1,372,940                 |
| <u>Total</u>  | <u>\$715,500</u>                                   | <u>\$1,148,521</u>                        | <u>\$1,864,021</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.

| Table 26<br>Estimated Franchise Tax<br>Collections During Construction |                          |                                 |
|--|--------------------------|---------------------------------|
| Year   | Total Taxable<br>Margins | Franchise<br>Tax<br>Collections |
| 2024   | \$0                      | \$0                             |
| 2025   | \$491,080                | \$3,683                         |
| 2026   | \$1,372,940              | \$10,297                        |
| <u>Total</u>   | <u>\$1,864,021</u>       | <u>\$13,980</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:

| Table 27<br>Other Revenues for the State from Each Worker<br>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:

| <b>Table 28</b><br><b>Other Revenues for the State from Workers During Construction</b> |                |                                   |                             |                          |                      |                              |
|---|----------------|-----------------------------------|-----------------------------|--------------------------|----------------------|------------------------------|
| Year  | Gasoline Taxes | Motor Vehicle Sales and Use Taxes | Cigarette and Tobacco Taxes | Alcoholic Beverage Taxes | Net Lottery Proceeds | Total Other Taxes & Revenues |
| 2024  | \$0            | \$0                               | \$0                         | \$0                      | \$0                  | \$0                          |
| 2025  | \$941          | \$10,982                          | \$2,761                     | \$4,644                  | \$7,581              | \$26,910                     |
| 2026  | \$2,711        | \$31,625                          | \$7,952                     | \$13,373                 | \$21,831             | \$77,491                     |
| <u>Total</u>  | <u>\$3,652</u> | <u>\$42,608</u>                   | <u>\$10,713</u>             | <u>\$18,017</u>          | <u>\$29,412</u>      | <u>\$104,401</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:

| <b>Table 29</b><br><b>General Fund Revenues for the State During Construction</b> |                       |                           |                          |                    |
|---|-----------------------|---------------------------|--------------------------|--------------------|
| Year  | Sales Tax Collections | Franchise Tax Collections | Other Taxes and Revenues | Total Revenues     |
| 2024  | \$0                   | \$0                       | \$0                      | \$0                |
| 2025  | \$301,317             | \$3,683                   | \$26,910                 | \$331,910          |
| 2026  | \$688,760             | \$10,297                  | \$77,491                 | \$776,548          |
| <u>Total</u>  | <u>\$990,077</u>      | <u>\$13,980</u>           | <u>\$104,401</u>         | <u>\$1,108,458</u> |

## State of Texas Economic Impacts During the Facility's Operations

The facility's estimated annual revenues during the first 38 years are shown below:

| Table 30<br>Facility's Estimated Annual Operating Revenues |         |                             |
|--|---------|-----------------------------|
|  |         | Total Operating<br>Revenues |
| 2024   | Year 1  | \$0                         |
| 2025   | Year 2  | \$0                         |
| 2026   | Year 3  | \$23,000,000                |
| 2027   | Year 4  | \$46,000,000                |
| 2028   | Year 5  | \$46,920,000                |
| 2029   | Year 6  | \$47,858,400                |
| 2030   | Year 7  | \$48,815,568                |
| 2031   | Year 8  | \$49,791,879                |
| 2032   | Year 9  | \$50,787,717                |
| 2033   | Year 10 | \$51,803,471                |
| 2034   | Year 11 | \$52,839,541                |
| 2035   | Year 12 | \$53,896,332                |
| 2036   | Year 13 | \$54,974,258                |
| 2037   | Year 14 | \$56,073,743                |
| 2038   | Year 15 | \$57,195,218                |
| 2039   | Year 16 | \$58,339,123                |
| 2040   | Year 17 | \$59,505,905                |
| 2041   | Year 18 | \$60,696,023                |
| 2042   | Year 19 | \$61,909,944                |
| 2043   | Year 20 | \$63,148,142                |
| 2044   | Year 21 | \$64,411,105                |
| 2045   | Year 22 | \$65,699,327                |
| 2046   | Year 23 | \$67,013,314                |
| 2047   | Year 24 | \$68,353,580                |
| 2048   | Year 25 | \$69,720,652                |
| 2049   | Year 26 | \$71,115,065                |
| 2050   | Year 27 | \$72,537,366                |
| 2051   | Year 28 | \$73,988,113                |
| 2052   | Year 29 | \$75,467,876                |
| 2053   | Year 30 | \$76,977,233                |
| 2054   | Year 31 | \$78,516,778                |
| 2055   | Year 32 | \$80,087,113                |
| 2056   | Year 33 | \$81,688,856                |
| 2057   | Year 34 | \$83,322,633                |

*Table 30 continued on the next page*

| Table 30 - Continued<br>Facility's Estimated Annual Operating Revenues |         |                          |
|--|---------|--------------------------|
|  |         | Total Operating Revenues |
| 2058   | Year 35 | \$84,989,086             |
| 2059   | Year 36 | \$86,688,867             |
| 2060   | Year 37 | \$88,422,645             |
| 2061   | Year 38 | \$90,191,097             |
| <u>Total</u>   |         | <u>\$2,322,745,971</u>   |

### Economic Output During Operations

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

| Table 31<br>Output During Operations |                          |                             |               |
|--------------------------------------|--------------------------|-----------------------------|---------------|
| Year                                 | Direct Operations Output | Indirect and Induced Output | Total Output  |
| 2024                                 | \$0                      | \$0                         | \$0           |
| 2025                                 | \$0                      | \$0                         | \$0           |
| 2026                                 | \$23,000,000             | \$37,069,100                | \$60,069,100  |
| 2027                                 | \$46,000,000             | \$74,138,200                | \$120,138,200 |
| 2028                                 | \$46,920,000             | \$75,620,964                | \$122,540,964 |
| 2029                                 | \$47,858,400             | \$77,133,383                | \$124,991,783 |
| 2030                                 | \$48,815,568             | \$78,676,051                | \$127,491,619 |
| 2031                                 | \$49,791,879             | \$80,249,572                | \$130,041,451 |
| 2032                                 | \$50,787,717             | \$81,854,563                | \$132,642,280 |
| 2033                                 | \$51,803,471             | \$83,491,655                | \$135,295,126 |
| 2034                                 | \$52,839,541             | \$85,161,488                | \$138,001,028 |
| 2035                                 | \$53,896,332             | \$86,864,718                | \$140,761,049 |
| 2036                                 | \$54,974,258             | \$88,602,012                | \$143,576,270 |
| 2037                                 | \$56,073,743             | \$90,374,052                | \$146,447,795 |
| 2038                                 | \$57,195,218             | \$92,181,533                | \$149,376,751 |
| 2039                                 | \$58,339,123             | \$94,025,164                | \$152,364,286 |
| 2040                                 | \$59,505,905             | \$95,905,667                | \$155,411,572 |
| 2041                                 | \$60,696,023             | \$97,823,780                | \$158,519,804 |
| 2042                                 | \$61,909,944             | \$99,780,256                | \$161,690,200 |

Table 31 continued on the next page

| Table 31 - Continued<br>Output During Operations |                                |                                   |                 |
|--|--------------------------------|-----------------------------------|-----------------|
| Year   | Direct<br>Operations<br>Output | Indirect and<br>Induced<br>Output | Total<br>Output |
| 2043   | \$63,148,142                   | \$101,775,861                     | \$164,924,004   |
| 2044   | \$64,411,105                   | \$103,811,378                     | \$168,222,484   |
| 2045   | \$65,699,327                   | \$105,887,606                     | \$171,586,933   |
| 2046   | \$67,013,314                   | \$108,005,358                     | \$175,018,672   |
| 2047   | \$68,353,580                   | \$110,165,465                     | \$178,519,045   |
| 2048   | \$69,720,652                   | \$112,368,775                     | \$182,089,426   |
| 2049   | \$71,115,065                   | \$114,616,150                     | \$185,731,215   |
| 2050   | \$72,537,366                   | \$116,908,473                     | \$189,445,839   |
| 2051   | \$73,988,113                   | \$119,246,642                     | \$193,234,756   |
| 2052   | \$75,467,876                   | \$121,631,575                     | \$197,099,451   |
| 2053   | \$76,977,233                   | \$124,064,207                     | \$201,041,440   |
| 2054   | \$78,516,778                   | \$126,545,491                     | \$205,062,269   |
| 2055   | \$80,087,113                   | \$129,076,401                     | \$209,163,514   |
| 2056   | \$81,688,856                   | \$131,657,929                     | \$213,346,785   |
| 2057   | \$83,322,633                   | \$134,291,087                     | \$217,613,720   |
| 2058   | \$84,989,086                   | \$136,976,909                     | \$221,965,995   |
| 2059   | \$86,688,867                   | \$139,716,447                     | \$226,405,315   |
| 2060   | \$88,422,645                   | \$142,510,776                     | \$230,933,421   |
| 2061   | \$90,191,097                   | \$145,360,992                     | \$235,552,089   |
| <u>Total</u>                                     | <u>\$2.32 B</u>                | <u>\$3.74 B</u>                   | <u>\$6.07 B</u> |



## Employment during Operations

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

| Table 32<br>Number of Jobs to be Created |  |                                     |
|--|--|-------------------------------------|
| Year                                     | Number of<br>New Jobs<br>to be Created | Cumulative<br>Number of<br>New Jobs |
| 2024                                     | 0                                      | 0                                   |
| 2025                                     | 0                                      | 0                                   |
| 2026                                     | 50                                     | 50                                  |
| 2027                                     | 0                                      | 50                                  |
| 2028                                     | 0                                      | 50                                  |
| 2029                                     | 0                                      | 50                                  |
| 2030                                     | 0                                      | 50                                  |
| 2031                                     | 0                                      | 50                                  |
| 2032                                     | 0                                      | 50                                  |
| 2033                                     | 0                                      | 50                                  |
| 2034                                     | 0                                      | 50                                  |
| 2035                                     | 0                                      | 50                                  |
| 2036                                     | 0                                      | 50                                  |
| 2037                                     | 0                                      | 50                                  |
| 2038                                     | 0                                      | 50                                  |
| <u>Total</u>                             | <u>50</u>                              |                                     |

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

| Table 33<br>Direct, Indirect & Induced Employment During Operations |                                    |                                       |                     |
|---|------------------------------------|---------------------------------------|---------------------|
| Year  | Direct<br>Operations<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2024  | 0                                  | 0                                     | 0                   |
| 2025  | 0                                  | 0                                     | 0                   |
| 2026  | 50                                 | 282                                   | 332                 |
| 2027  | 50                                 | 282                                   | 332                 |

*Table 33 continued on the next page*

| Table 33 - Continued                                    |                                    |                                       |                     |
|---|------------------------------------|---------------------------------------|---------------------|
| Direct, Indirect & Induced Employment During Operations |                                    |                                       |                     |
| Year  | Direct<br>Operations<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2028  | 50                                 | 282                                   | 332                 |
| 2029  | 50                                 | 282                                   | 332                 |
| 2030  | 50                                 | 282                                   | 332                 |
| 2031  | 50                                 | 282                                   | 332                 |
| 2032  | 50                                 | 282                                   | 332                 |
| 2033  | 50                                 | 282                                   | 332                 |
| 2034  | 50                                 | 282                                   | 332                 |
| 2035  | 50                                 | 282                                   | 332                 |
| 2036  | 50                                 | 282                                   | 332                 |
| 2037  | 50                                 | 282                                   | 332                 |
| 2038  | 50                                 | 282                                   | 332                 |
| 2039  | 50                                 | 282                                   | 332                 |
| 2040  | 50                                 | 282                                   | 332                 |
| 2041  | 50                                 | 282                                   | 332                 |
| 2042  | 50                                 | 282                                   | 332                 |
| 2043  | 50                                 | 282                                   | 332                 |
| 2044  | 50                                 | 282                                   | 332                 |
| 2045  | 50                                 | 282                                   | 332                 |
| 2046  | 50                                 | 282                                   | 332                 |
| 2047  | 50                                 | 282                                   | 332                 |
| 2048  | 50                                 | 282                                   | 332                 |
| 2049  | 50                                 | 282                                   | 332                 |
| 2050  | 50                                 | 282                                   | 332                 |
| 2051  | 50                                 | 282                                   | 332                 |
| 2052  | 50                                 | 282                                   | 332                 |
| 2053  | 50                                 | 282                                   | 332                 |
| 2054  | 50                                 | 282                                   | 332                 |
| 2055  | 50                                 | 282                                   | 332                 |
| 2056  | 50                                 | 282                                   | 332                 |
| 2057  | 50                                 | 282                                   | 332                 |
| 2058  | 50                                 | 282                                   | 332                 |
| 2059  | 50                                 | 282                                   | 332                 |
| 2060  | 50                                 | 282                                   | 332                 |
| 2061  | 50                                 | 282                                   | 332                 |

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

| Table 34<br>Estimated Annual Payroll |      |                               |                   |
|--------------------------------------|------|-------------------------------|-------------------|
| Percent of annual increase           |      |                               | 2.0%              |
|                                      | Year | Average<br>Annual<br>Salaries | Annual<br>Payroll |
| Year 1                               | 2024 | \$53,511                      | \$0               |
| Year 2                               | 2025 | \$54,581                      | \$0               |
| Year 3                               | 2026 | \$55,672                      | \$2,783,621       |
| Year 4                               | 2027 | \$56,786                      | \$2,839,294       |
| Year 5                               | 2028 | \$57,922                      | \$2,896,080       |
| Year 6                               | 2029 | \$59,080                      | \$2,954,001       |
| Year 7                               | 2030 | \$60,262                      | \$3,013,081       |
| Year 8                               | 2031 | \$61,467                      | \$3,073,343       |
| Year 9                               | 2032 | \$62,696                      | \$3,134,810       |
| Year 10                              | 2033 | \$63,950                      | \$3,197,506       |
| Year 11                              | 2034 | \$65,229                      | \$3,261,456       |
| Year 12                              | 2035 | \$66,534                      | \$3,326,685       |
| Year 13                              | 2036 | \$67,864                      | \$3,393,219       |
| Year 14                              | 2037 | \$69,222                      | \$3,461,083       |
| Year 15                              | 2038 | \$70,606                      | \$3,530,305       |
| Year 16                              | 2039 | \$72,018                      | \$3,600,911       |
| Year 17                              | 2040 | \$73,459                      | \$3,672,929       |
| Year 18                              | 2041 | \$74,928                      | \$3,746,388       |
| Year 19                              | 2042 | \$76,426                      | \$3,821,316       |
| Year 20                              | 2043 | \$77,955                      | \$3,897,742       |
| Year 21                              | 2044 | \$79,514                      | \$3,975,697       |
| Year 22                              | 2045 | \$81,104                      | \$4,055,211       |
| Year 23                              | 2046 | \$82,726                      | \$4,136,315       |
| Year 24                              | 2047 | \$84,381                      | \$4,219,041       |
| Year 25                              | 2048 | \$86,068                      | \$4,303,422       |
| Year 26                              | 2049 | \$87,790                      | \$4,389,491       |
| Year 27                              | 2050 | \$89,546                      | \$4,477,280       |
| Year 28                              | 2051 | \$91,337                      | \$4,566,826       |
| Year 29                              | 2052 | \$93,163                      | \$4,658,162       |
| Year 30                              | 2053 | \$95,027                      | \$4,751,326       |
| Year 31                              | 2054 | \$96,927                      | \$4,846,352       |
| Year 32                              | 2055 | \$98,866                      | \$4,943,279       |
| Year 33                              | 2056 | \$100,843                     | \$5,042,145       |

Table 34 continued on the next page

| Table 34 - Continued<br>Estimated Annual Payroll |      |                               |                   |
|--|------|-------------------------------|-------------------|
|  | Year | Average<br>Annual<br>Salaries | Annual<br>Payroll |
| Year 34  | 2057 | \$102,860                     | \$5,142,988       |
| Year 35  | 2058 | \$104,917                     | \$5,245,848       |
| Year 36  | 2059 | \$107,015                     | \$5,350,764       |
| Year 37  | 2060 | \$109,156                     | \$5,457,780       |
| Year 38  | 2061 | \$111,339                     | \$5,566,935       |

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

| Table 35<br>Direct, Indirect and Induced Payroll During Operations |                                 |                                    |                  |
|--|---------------------------------|------------------------------------|------------------|
| Year   | Direct<br>Operations<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll |
| 2024   | \$0                             | \$0                                | \$0              |
| 2025   | \$0                             | \$0                                | \$0              |
| 2026   | \$2,783,621                     | \$6,890,855                        | \$9,674,476      |
| 2027   | \$2,839,294                     | \$7,028,672                        | \$9,867,966      |
| 2028   | \$2,896,080                     | \$7,169,245                        | \$10,065,325     |
| 2029   | \$2,954,001                     | \$7,312,630                        | \$10,266,632     |
| 2030   | \$3,013,081                     | \$7,458,883                        | \$10,471,964     |
| 2031   | \$3,073,343                     | \$7,608,061                        | \$10,681,403     |
| 2032   | \$3,134,810                     | \$7,760,222                        | \$10,895,032     |
| 2033   | \$3,197,506                     | \$7,915,426                        | \$11,112,932     |
| 2034   | \$3,261,456                     | \$8,073,735                        | \$11,335,191     |
| 2035   | \$3,326,685                     | \$8,235,209                        | \$11,561,895     |
| 2036   | \$3,393,219                     | \$8,399,914                        | \$11,793,133     |
| 2037   | \$3,461,083                     | \$8,567,912                        | \$12,028,995     |
| 2038   | \$3,530,305                     | \$8,739,270                        | \$12,269,575     |
| 2039   | \$3,600,911                     | \$8,914,055                        | \$12,514,967     |
| 2040   | \$3,672,929                     | \$9,092,337                        | \$12,765,266     |
| 2041   | \$3,746,388                     | \$9,274,183                        | \$13,020,571     |
| 2042   | \$3,821,316                     | \$9,459,667                        | \$13,280,983     |
| 2043   | \$3,897,742                     | \$9,648,860                        | \$13,546,602     |
| 2044   | \$3,975,697                     | \$9,841,838                        | \$13,817,534     |
| 2045   | \$4,055,211                     | \$10,038,674                       | \$14,093,885     |

Table 35 continued on the next page

| Table 35 - Continued                                   |                                 |                                    |                      |
|--|---------------------------------|------------------------------------|----------------------|
| Direct, Indirect and Induced Payroll During Operations |                                 |                                    |                      |
| Year   | Direct<br>Operations<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll     |
| 2046   | \$4,136,315                     | \$10,239,448                       | \$14,375,763         |
| 2047   | \$4,219,041                     | \$10,444,237                       | \$14,663,278         |
| 2048   | \$4,303,422                     | \$10,653,121                       | \$14,956,544         |
| 2049   | \$4,389,491                     | \$10,866,184                       | \$15,255,674         |
| 2050   | \$4,477,280                     | \$11,083,508                       | \$15,560,788         |
| 2051   | \$4,566,826                     | \$11,305,178                       | \$15,872,004         |
| 2052   | \$4,658,162                     | \$11,531,281                       | \$16,189,444         |
| 2053   | \$4,751,326                     | \$11,761,907                       | \$16,513,233         |
| 2054   | \$4,846,352                     | \$11,997,145                       | \$16,843,497         |
| 2055   | \$4,943,279                     | \$12,237,088                       | \$17,180,367         |
| 2056   | \$5,042,145                     | \$12,481,830                       | \$17,523,975         |
| 2057   | \$5,142,988                     | \$12,731,466                       | \$17,874,454         |
| 2058   | \$5,245,848                     | \$12,986,096                       | \$18,231,943         |
| 2059   | \$5,350,764                     | \$13,245,818                       | \$18,596,582         |
| 2060   | \$5,457,780                     | \$13,510,734                       | \$18,968,514         |
| 2061   | \$5,566,935                     | \$13,780,949                       | \$19,347,884         |
| <u>Total</u>   | <u>\$144,732,634</u>            | <u>\$358,285,635</u>               | <u>\$503,018,269</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.

| Table 36<br>Taxable Spending by Direct and Indirect Workers |                 |                           |
|---|-----------------|---------------------------|
| Year  | Worker Salaries | Workers' Taxable Spending |
| 2024  | \$0             | \$0                       |
| 2025  | \$0             | \$0                       |
| 2026  | \$9,674,476     | \$2,515,364               |
| 2027  | \$9,867,966     | \$2,565,671               |
| 2028  | \$10,065,325    | \$2,616,985               |
| 2029  | \$10,266,632    | \$2,669,324               |
| 2030  | \$10,471,964    | \$2,722,711               |
| 2031  | \$10,681,403    | \$2,777,165               |
| 2032  | \$10,895,032    | \$2,832,708               |
| 2033  | \$11,112,932    | \$2,889,362               |
| 2034  | \$11,335,191    | \$2,947,150               |
| 2035  | \$11,561,895    | \$3,006,093               |
| 2036  | \$11,793,133    | \$3,066,214               |
| 2037  | \$12,028,995    | \$3,127,539               |
| 2038  | \$12,269,575    | \$3,190,090               |
| 2039  | \$12,514,967    | \$3,253,891               |
| 2040  | \$12,765,266    | \$3,318,969               |
| 2041  | \$13,020,571    | \$3,385,349               |
| 2042  | \$13,280,983    | \$3,453,055               |
| 2043  | \$13,546,602    | \$3,522,117               |
| 2044  | \$13,817,534    | \$3,592,559               |
| 2045  | \$14,093,885    | \$3,664,410               |
| 2046  | \$14,375,763    | \$3,737,698               |
| 2047  | \$14,663,278    | \$3,812,452               |
| 2048  | \$14,956,544    | \$3,888,701               |
| 2049  | \$15,255,674    | \$3,966,475               |
| 2050  | \$15,560,788    | \$4,045,805               |
| 2051  | \$15,872,004    | \$4,126,721               |
| 2052  | \$16,189,444    | \$4,209,255               |
| 2053  | \$16,513,233    | \$4,293,440               |

Table 36 continued on the next page

| Table 36 - Continued<br>Taxable Spending by Direct and Indirect Workers |                      |                                 |
|---|----------------------|---------------------------------|
| Year  | Worker Salaries      | Workers'<br>Taxable<br>Spending |
| 2054  | \$16,843,497         | \$4,379,309                     |
| 2055  | \$17,180,367         | \$4,466,895                     |
| 2056  | \$17,523,975         | \$4,556,233                     |
| 2057  | \$17,874,454         | \$4,647,358                     |
| 2058  | \$18,231,943         | \$4,740,305                     |
| 2059  | \$18,596,582         | \$4,835,111                     |
| 2060  | \$18,968,514         | \$4,931,814                     |
| 2061  | \$19,347,884         | \$5,030,450                     |
| <u>Total</u>  | <u>\$503,018,269</u> | <u>\$130,784,750</u>            |

### The Facility's Taxable Sales

The facility does not expect to have any sales subject to Texas sales tax.

## Taxable Spending by the Facility and Indirect and Induced Companies

The facility's estimated taxable spending is shown below along with 5% 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:

| <b>Table 37</b><br><b>Taxable Spending by the Facility and Indirect Companies</b> |  |   |  |
|---|--|---|--|
| Year  | The Facility's<br>Estimated<br>Taxable<br>Spending | Estimated<br>Taxable<br>Spending by<br>Indirect and<br>Induced<br>Companies | Total<br>Facility and<br>Companies'<br>Taxable<br>Spending |
| 2024  | \$0  | \$0   | \$0  |
| 2025  | \$0  | \$0   | \$0  |
| 2026  | \$575,000  | \$1,853,455   | \$2,428,455  |
| 2027  | \$1,150,000  | \$3,706,910   | \$4,856,910  |
| 2028  | \$1,173,000  | \$3,781,048   | \$4,954,048  |
| 2029  | \$1,196,460  | \$3,856,669   | \$5,053,129  |
| 2030  | \$1,220,389  | \$3,933,803   | \$5,154,192  |
| 2031  | \$1,244,797  | \$4,012,479   | \$5,257,276  |
| 2032  | \$1,269,693  | \$4,092,728   | \$5,362,421  |
| 2033  | \$1,295,087  | \$4,174,583   | \$5,469,670  |
| 2034  | \$1,320,989  | \$4,258,074   | \$5,579,063  |
| 2035  | \$1,347,408  | \$4,343,236   | \$5,690,644  |
| 2036  | \$1,374,356  | \$4,430,101   | \$5,804,457  |
| 2037  | \$1,401,844  | \$4,518,703   | \$5,920,546  |
| 2038  | \$1,429,880  | \$4,609,077   | \$6,038,957  |
| 2039  | \$1,458,478  | \$4,701,258   | \$6,159,736  |
| 2040  | \$1,487,648  | \$4,795,283   | \$6,282,931  |
| 2041  | \$1,517,401  | \$4,891,189   | \$6,408,590  |
| 2042  | \$1,547,749  | \$4,989,013   | \$6,536,761  |
| 2043  | \$1,578,704  | \$5,088,793   | \$6,667,497  |
| 2044  | \$1,610,278  | \$5,190,569   | \$6,800,847  |
| 2045  | \$1,642,483  | \$5,294,380   | \$6,936,863  |
| 2046  | \$1,675,333  | \$5,400,268   | \$7,075,601  |
| 2047  | \$1,708,840  | \$5,508,273   | \$7,217,113  |
| 2048  | \$1,743,016  | \$5,618,439   | \$7,361,455  |
| 2049  | \$1,777,877  | \$5,730,808   | \$7,508,684  |
| 2050  | \$1,813,434  | \$5,845,424   | \$7,658,858  |
| 2051  | \$1,849,703  | \$5,962,332   | \$7,812,035  |

Table 37 continued on the next page



| Table 37 - Continued<br>Taxable Spending by the Facility and Indirect Companies |  |   |  |
|---|--|---|--|
| Year  | The Facility's<br>Estimated<br>Taxable<br>Spending | Estimated<br>Taxable<br>Spending by<br>Indirect and<br>Induced<br>Companies | Total<br>Facility and<br>Companies'<br>Taxable<br>Spending |
| 2052  | \$1,886,697  | \$6,081,579   | \$7,968,276  |
| 2053  | \$1,924,431  | \$6,203,210   | \$8,127,641  |
| 2054  | \$1,962,919  | \$6,327,275   | \$8,290,194  |
| 2055  | \$2,002,178  | \$6,453,820   | \$8,455,998  |
| 2056  | \$2,042,221  | \$6,582,896   | \$8,625,118  |
| 2057  | \$2,083,066  | \$6,714,554   | \$8,797,620  |
| 2058  | \$2,124,727  | \$6,848,845   | \$8,973,573  |
| 2059  | \$2,167,222  | \$6,985,822   | \$9,153,044  |
| 2060  | \$2,210,566  | \$7,125,539   | \$9,336,105  |
| 2061  | \$2,254,777  | \$7,268,050   | \$9,522,827  |
| <u>Total</u>  | <u>\$58,068,649</u>                                | <u>\$187,178,484</u>  | <u>\$245,247,133</u>                                       |

### 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:

| Table 38<br>Spending by a Typical Out-of-State Visitor             |       |
|--|-------|
| Estimated number of out of town visitors                           | 50    |
| Annual increase in the number of out of town visitors after year 1 | 2%    |
| Estimated average number of days spent visiting the facility       | 1     |
| Average daily spending in the community subject to sales tax       | \$25  |
| Estimated number of nights in a local motel                        | 50    |
| Average nightly room rate at a local motel                         | \$100 |
| 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.

| Table 39<br>Spending by Out-of-Town Visitors |   |  |
|--|---|--|
| Year   | Taxable<br>Spending in the<br>Community | Spending on<br>Lodging in the<br>Community |
| 2024   | \$1,250                                 | \$250,000                                  |
| 2025   | \$1,301                                 | \$260,100                                  |
| 2026   | \$1,353                                 | \$270,608                                  |
| 2027   | \$1,408                                 | \$281,541                                  |
| 2028   | \$1,465                                 | \$292,915                                  |
| 2029   | \$1,524                                 | \$304,749                                  |
| 2030   | \$1,585                                 | \$317,060                                  |
| 2031   | \$1,649                                 | \$329,870                                  |
| 2032   | \$1,716                                 | \$343,196                                  |
| 2033   | \$1,785                                 | \$357,062                                  |
| 2034   | \$1,857                                 | \$371,487                                  |
| 2035   | \$1,932                                 | \$386,495                                  |
| 2036   | \$2,011                                 | \$402,109                                  |
| 2037   | \$2,092                                 | \$418,355                                  |
| 2038   | \$2,176                                 | \$435,256                                  |
| 2039   | \$2,264                                 | \$452,840                                  |
| 2040   | \$2,356                                 | \$471,135                                  |
| 2041   | \$2,451                                 | \$490,169                                  |
| 2042   | \$2,550                                 | \$509,972                                  |
| 2043   | \$2,653                                 | \$530,575                                  |
| 2044   | \$2,760                                 | \$552,010                                  |
| 2045   | \$2,872                                 | \$574,311                                  |
| 2046   | \$2,988                                 | \$597,513                                  |
| 2047   | \$3,108                                 | \$621,653                                  |
| 2048   | \$3,234                                 | \$646,768                                  |
| 2049   | \$3,364                                 | \$672,897                                  |
| 2050   | \$3,500                                 | \$700,082                                  |
| 2051   | \$3,642                                 | \$728,365                                  |
| 2052   | \$3,789                                 | \$757,791                                  |
| 2053   | \$3,942                                 | \$788,406                                  |
| 2054   | \$4,101                                 | \$820,258                                  |
| 2055   | \$4,267                                 | \$853,396                                  |
| 2056   | \$4,439                                 | \$887,873                                  |
| 2057   | \$4,619                                 | \$923,743                                  |

Table 39 continued on the next page

| Table 39 - Continued<br>Spending by Out-of-Town Visitors |   |  |
|--|---|--|
| Year   | Taxable<br>Spending in the<br>Community | Spending on<br>Lodging in the<br>Community |
| 2058   | \$4,805                                 | \$961,063                                  |
| 2059   | \$4,999                                 | \$999,890                                  |
| 2060   | \$5,201                                 | \$1,040,285                                |
| 2061   | \$5,412                                 | \$1,082,313                                |
| <u>Total</u>   | <u>\$108,421</u>                        | <u>\$21,684,110</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:

| Table 40<br>Estimated Total Taxable Sales |                                 |                                 |   |  |                        |
|---|---------------------------------|---------------------------------|---|--|------------------------|
| Year                                      | Workers'<br>Taxable<br>Spending | The Facility's<br>Taxable Sales | The Facility and<br>Indirect<br>Companies'<br>Taxable<br>Spending | Taxable<br>Spending by<br>Visitors in The<br>Community | Total Taxable<br>Sales |
| 2024                                      | \$0                             | \$0                             | \$0   | \$1,250  | \$1,250                |
| 2025                                      | \$0                             | \$0                             | \$0   | \$1,301  | \$1,301                |
| 2026                                      | \$2,515,364                     | \$0                             | \$2,428,455   | \$1,353  | \$4,945,172            |
| 2027                                      | \$2,565,671                     | \$0                             | \$4,856,910   | \$1,408  | \$7,423,989            |
| 2028                                      | \$2,616,985                     | \$0                             | \$4,954,048   | \$1,465  | \$7,572,497            |
| 2029                                      | \$2,669,324                     | \$0                             | \$5,053,129   | \$1,524  | \$7,723,977            |
| 2030                                      | \$2,722,711                     | \$0                             | \$5,154,192   | \$1,585  | \$7,878,488            |
| 2031                                      | \$2,777,165                     | \$0                             | \$5,257,276   | \$1,649  | \$8,036,090            |
| 2032                                      | \$2,832,708                     | \$0                             | \$5,362,421   | \$1,716  | \$8,196,845            |
| 2033                                      | \$2,889,362                     | \$0                             | \$5,469,670   | \$1,785  | \$8,360,817            |
| 2034                                      | \$2,947,150                     | \$0                             | \$5,579,063   | \$1,857  | \$8,528,070            |
| 2035                                      | \$3,006,093                     | \$0                             | \$5,690,644   | \$1,932  | \$8,698,669            |
| 2036                                      | \$3,066,214                     | \$0                             | \$5,804,457   | \$2,011  | \$8,872,682            |
| 2037                                      | \$3,127,539                     | \$0                             | \$5,920,546   | \$2,092  | \$9,050,177            |
| 2038                                      | \$3,190,090                     | \$0                             | \$6,038,957   | \$2,176  | \$9,231,223            |

Table 40 continued on the next page

**Table 40 - Continued**  
**Estimated Total Taxable Sales**

| Year         | Workers'                    | The Facility and                |   | Taxable                                     | Total Taxable               |
|--------------|-----------------------------|---------------------------------|---|---|-----------------------------|
|              | Taxable<br>Spending         | The Facility's<br>Taxable Sales | Indirect<br>Companies'<br>Taxable<br>Spending | Spending by<br>Visitors in The<br>Community |                             |
| 2039         | \$3,253,891                 | \$0                             | \$6,159,736                                   | \$2,264                                     | \$9,415,892                 |
| 2040         | \$3,318,969                 | \$0                             | \$6,282,931                                   | \$2,356                                     | \$9,604,256                 |
| 2041         | \$3,385,349                 | \$0                             | \$6,408,590                                   | \$2,451                                     | \$9,796,389                 |
| 2042         | \$3,453,055                 | \$0                             | \$6,536,761                                   | \$2,550                                     | \$9,992,367                 |
| 2043         | \$3,522,117                 | \$0                             | \$6,667,497                                   | \$2,653                                     | \$10,192,266                |
| 2044         | \$3,592,559                 | \$0                             | \$6,800,847                                   | \$2,760                                     | \$10,396,166                |
| 2045         | \$3,664,410                 | \$0                             | \$6,936,863                                   | \$2,872                                     | \$10,604,145                |
| 2046         | \$3,737,698                 | \$0                             | \$7,075,601                                   | \$2,988                                     | \$10,816,287                |
| 2047         | \$3,812,452                 | \$0                             | \$7,217,113                                   | \$3,108                                     | \$11,032,673                |
| 2048         | \$3,888,701                 | \$0                             | \$7,361,455                                   | \$3,234                                     | \$11,253,390                |
| 2049         | \$3,966,475                 | \$0                             | \$7,508,684                                   | \$3,364                                     | \$11,478,524                |
| 2050         | \$4,045,805                 | \$0                             | \$7,658,858                                   | \$3,500                                     | \$11,708,163                |
| 2051         | \$4,126,721                 | \$0                             | \$7,812,035                                   | \$3,642                                     | \$11,942,398                |
| 2052         | \$4,209,255                 | \$0                             | \$7,968,276                                   | \$3,789                                     | \$12,181,320                |
| 2053         | \$4,293,440                 | \$0                             | \$8,127,641                                   | \$3,942                                     | \$12,425,024                |
| 2054         | \$4,379,309                 | \$0                             | \$8,290,194                                   | \$4,101                                     | \$12,673,605                |
| 2055         | \$4,466,895                 | \$0                             | \$8,455,998                                   | \$4,267                                     | \$12,927,160                |
| 2056         | \$4,556,233                 | \$0                             | \$8,625,118                                   | \$4,439                                     | \$13,185,791                |
| 2057         | \$4,647,358                 | \$0                             | \$8,797,620                                   | \$4,619                                     | \$13,449,597                |
| 2058         | \$4,740,305                 | \$0                             | \$8,973,573                                   | \$4,805                                     | \$13,718,683                |
| 2059         | \$4,835,111                 | \$0                             | \$9,153,044                                   | \$4,999                                     | \$13,993,155                |
| 2060         | \$4,931,814                 | \$0                             | \$9,336,105                                   | \$5,201                                     | \$14,273,120                |
| 2061         | \$5,030,450                 | \$0                             | \$9,522,827                                   | \$5,412                                     | \$14,558,688                |
| <b>Total</b> | <b><u>\$130,784,750</u></b> | <b><u>\$0</u></b>               | <b><u>\$245,247,133</u></b>                   | <b><u>\$108,421</u></b>                     | <b><u>\$376,140,304</u></b> |

## 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:

| Table 41<br>Estimated Sales Tax Collections During Operations |                            |                                       |                                      |   |                                   |
|---|----------------------------|---------------------------------------|--------------------------------------|---|-----------------------------------|
| Year  | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On Taxable<br>Companies'<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2024  | \$0                        | \$0                                   | \$0                                  | \$78  | \$78                              |
| 2025  | \$0                        | \$0                                   | \$0                                  | \$81  | \$81                              |
| 2026  | \$157,210                  | \$0                                   | \$151,778                            | \$85  | \$309,073                         |
| 2027  | \$160,354                  | \$0                                   | \$303,557                            | \$88  | \$463,999                         |
| 2028  | \$163,562                  | \$0                                   | \$309,628                            | \$92  | \$473,281                         |
| 2029  | \$166,833                  | \$0                                   | \$315,821                            | \$95  | \$482,749                         |
| 2030  | \$170,169                  | \$0                                   | \$322,137                            | \$99  | \$492,405                         |
| 2031  | \$173,573                  | \$0                                   | \$328,580                            | \$103   | \$502,256                         |
| 2032  | \$177,044                  | \$0                                   | \$335,151                            | \$107   | \$512,303                         |
| 2033  | \$180,585                  | \$0                                   | \$341,854                            | \$112   | \$522,551                         |
| 2034  | \$184,197                  | \$0                                   | \$348,691                            | \$116   | \$533,004                         |
| 2035  | \$187,881                  | \$0                                   | \$355,665                            | \$121   | \$543,667                         |
| 2036  | \$191,638                  | \$0                                   | \$362,779                            | \$126   | \$554,543                         |
| 2037  | \$195,471                  | \$0                                   | \$370,034                            | \$131   | \$565,636                         |
| 2038  | \$199,381                  | \$0                                   | \$377,435                            | \$136   | \$576,951                         |
| 2039  | \$203,368                  | \$0                                   | \$384,984                            | \$142   | \$588,493                         |
| 2040  | \$207,436                  | \$0                                   | \$392,683                            | \$147   | \$600,266                         |
| 2041  | \$211,584                  | \$0                                   | \$400,537                            | \$153   | \$612,274                         |
| 2042  | \$215,816                  | \$0                                   | \$408,548                            | \$159   | \$624,523                         |
| 2043  | \$220,132                  | \$0                                   | \$416,719                            | \$166   | \$637,017                         |
| 2044  | \$224,535                  | \$0                                   | \$425,053                            | \$173   | \$649,760                         |
| 2045  | \$229,026                  | \$0                                   | \$433,554                            | \$179   | \$662,759                         |
| 2046  | \$233,606                  | \$0                                   | \$442,225                            | \$187   | \$676,018                         |
| 2047  | \$238,278                  | \$0                                   | \$451,070                            | \$194   | \$689,542                         |
| 2048  | \$243,044                  | \$0                                   | \$460,091                            | \$202   | \$703,337                         |
| 2049  | \$247,905                  | \$0                                   | \$469,293                            | \$210   | \$717,408                         |
| 2050  | \$252,863                  | \$0                                   | \$478,679                            | \$219   | \$731,760                         |
| 2051  | \$257,920                  | \$0                                   | \$488,252                            | \$228   | \$746,400                         |
| 2052  | \$263,078                  | \$0                                   | \$498,017                            | \$237   | \$761,332                         |
| 2053  | \$268,340                  | \$0                                   | \$507,978                            | \$246   | \$776,564                         |
| 2054  | \$273,707                  | \$0                                   | \$518,137                            | \$256   | \$792,100                         |

Table 41 continued on the next page

| Table 41 - Continued<br>Estimated Sales Tax Collections During Operations |                            |                                       |                                      |   |                                   |
|---|----------------------------|---------------------------------------|--------------------------------------|---|-----------------------------------|
| Year  | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On Taxable<br>Companies'<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2055  | \$279,181                  | \$0                                   | \$528,500                            | \$267   | \$807,948                         |
| 2056  | \$284,765                  | \$0                                   | \$539,070                            | \$277   | \$824,112                         |
| 2057  | \$290,460                  | \$0                                   | \$549,851                            | \$289   | \$840,600                         |
| 2058  | \$296,269                  | \$0                                   | \$560,848                            | \$300   | \$857,418                         |
| 2059  | \$302,194                  | \$0                                   | \$572,065                            | \$312   | \$874,572                         |
| 2060  | \$308,238                  | \$0                                   | \$583,507                            | \$325   | \$892,070                         |
| 2061  | \$314,403                  | \$0                                   | \$595,177                            | \$338   | \$909,918                         |
| <u>Total</u>  | <u>\$8,174,047</u>         | <u>\$0</u>                            | <u>\$15,327,946</u>                  | <u>\$6,776</u>  | <u>\$23,508,769</u>               |

### Hotel Occupancy Tax Collections

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

| Table 42<br>Estimated Hotel Occupancy Tax Collections<br>from Visitors |                        |   |
|--|------------------------|---|
| Year   | Spending on<br>Lodging | Total Hotel<br>Occupancy Tax<br>Collections |
| 2024   | \$250,000              | \$15,000                                    |
| 2025   | \$260,100              | \$15,606                                    |
| 2026   | \$270,608              | \$16,236                                    |
| 2027   | \$281,541              | \$16,892                                    |
| 2028   | \$292,915              | \$17,575                                    |
| 2029   | \$304,749              | \$18,285                                    |
| 2030   | \$317,060              | \$19,024                                    |
| 2031   | \$329,870              | \$19,792                                    |
| 2032   | \$343,196              | \$20,592                                    |
| 2033   | \$357,062              | \$21,424                                    |
| 2034   | \$371,487              | \$22,289                                    |
| 2035   | \$386,495              | \$23,190                                    |

Table 42 continued on the next page

**Table 42 - Continued**  
**Estimated Hotel Occupancy Tax Collections**  
**from Visitors**

| Year         | Spending on<br>Lodging | Total Hotel<br>Occupancy Tax<br>Collections |
|--------------|------------------------|---|
| 2036         | \$402,109              | \$24,127                                    |
| 2037         | \$418,355              | \$25,101                                    |
| 2038         | \$435,256              | \$26,115                                    |
| 2039         | \$452,840              | \$27,170                                    |
| 2040         | \$471,135              | \$28,268                                    |
| 2041         | \$490,169              | \$29,410                                    |
| 2042         | \$509,972              | \$30,598                                    |
| 2043         | \$530,575              | \$31,834                                    |
| 2044         | \$552,010              | \$33,121                                    |
| 2045         | \$574,311              | \$34,459                                    |
| 2046         | \$597,513              | \$35,851                                    |
| 2047         | \$621,653              | \$37,299                                    |
| 2048         | \$646,768              | \$38,806                                    |
| 2049         | \$672,897              | \$40,374                                    |
| 2050         | \$700,082              | \$42,005                                    |
| 2051         | \$728,365              | \$43,702                                    |
| 2052         | \$757,791              | \$45,467                                    |
| 2053         | \$788,406              | \$47,304                                    |
| 2054         | \$820,258              | \$49,215                                    |
| 2055         | \$853,396              | \$51,204                                    |
| 2056         | \$887,873              | \$53,272                                    |
| 2057         | \$923,743              | \$55,425                                    |
| 2058         | \$961,063              | \$57,664                                    |
| 2059         | \$999,890              | \$59,993                                    |
| 2060         | \$1,040,285            | \$62,417                                    |
| 2061         | \$1,082,313            | \$64,939                                    |
| <u>Total</u> | <u>\$21,684,110</u>    | <u>\$1,301,047</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.

| <b>Table 43</b><br><b>Revenues of the Company Subject to Franchise Taxes &amp;</b><br><b>Taxable Margins of Indirect and Induced Companies</b><br><b>During Operations</b> |                              |   |   |
|--|------------------------------|---|---|
| Year   | Direct<br>Taxable<br>Margins | Indirect and<br>Induced<br>Taxable<br>Margins | Total<br>Revenues<br>Subject to<br>Franchise<br>Taxes |
| 2024   | \$0                          | \$0   | \$0   |
| 2025   | \$0                          | \$0   | \$0   |
| 2026   | \$3,450,000                  | \$9,267,275                                   | \$12,717,275  |
| 2027   | \$6,900,000                  | \$18,534,550                                  | \$25,434,550  |
| 2028   | \$7,038,000                  | \$18,905,241                                  | \$25,943,241  |
| 2029   | \$7,178,760                  | \$19,283,346                                  | \$26,462,106  |
| 2030   | \$7,322,335                  | \$19,669,013                                  | \$26,991,348  |
| 2031   | \$7,468,782                  | \$20,062,393                                  | \$27,531,175  |
| 2032   | \$7,618,158                  | \$20,463,641                                  | \$28,081,798  |
| 2033   | \$7,770,521                  | \$20,872,914                                  | \$28,643,434  |
| 2034   | \$7,925,931                  | \$21,290,372                                  | \$29,216,303  |
| 2035   | \$8,084,450                  | \$21,716,179                                  | \$29,800,629  |
| 2036   | \$8,246,139                  | \$22,150,503                                  | \$30,396,642  |
| 2037   | \$8,411,061                  | \$22,593,513                                  | \$31,004,575  |
| 2038   | \$8,579,283                  | \$23,045,383                                  | \$31,624,666  |
| 2039   | \$8,750,868                  | \$23,506,291                                  | \$32,257,159  |

*Table 43 continued on the next page*



| <b>Table 43 - Continued</b><br><b>Revenues of the Company Subject to Franchise Taxes &amp;</b><br><b>Taxable Margins of Indirect and Induced Companies</b><br><b>During Operations</b> |                              |   |   |
|--|------------------------------|---|---|
| Year   | Direct<br>Taxable<br>Margins | Indirect and<br>Induced<br>Taxable<br>Margins | Total<br>Revenues<br>Subject to<br>Franchise<br>Taxes |
| 2040   | \$8,925,886                  | \$23,976,417                                  | \$32,902,303  |
| 2041   | \$9,104,403                  | \$24,455,945                                  | \$33,560,349  |
| 2042   | \$9,286,492                  | \$24,945,064                                  | \$34,231,556  |
| 2043   | \$9,472,221                  | \$25,443,965                                  | \$34,916,187  |
| 2044   | \$9,661,666                  | \$25,952,845                                  | \$35,614,510  |
| 2045   | \$9,854,899                  | \$26,471,901                                  | \$36,326,801  |
| 2046   | \$10,051,997                 | \$27,001,340                                  | \$37,053,337  |
| 2047   | \$10,253,037                 | \$27,541,366                                  | \$37,794,403  |
| 2048   | \$10,458,098                 | \$28,092,194                                  | \$38,550,291  |
| 2049   | \$10,667,260                 | \$28,654,038                                  | \$39,321,297  |
| 2050   | \$10,880,605                 | \$29,227,118                                  | \$40,107,723  |
| 2051   | \$11,098,217                 | \$29,811,661                                  | \$40,909,878  |
| 2052   | \$11,320,181                 | \$30,407,894                                  | \$41,728,075  |
| 2053   | \$11,546,585                 | \$31,016,052                                  | \$42,562,637  |
| 2054   | \$11,777,517                 | \$31,636,373                                  | \$43,413,889  |
| 2055   | \$12,013,067                 | \$32,269,100                                  | \$44,282,167  |
| 2056   | \$12,253,328                 | \$32,914,482                                  | \$45,167,811  |
| 2057   | \$12,498,395                 | \$33,572,772                                  | \$46,071,167  |
| 2058   | \$12,748,363                 | \$34,244,227                                  | \$46,992,590  |
| 2059   | \$13,003,330                 | \$34,929,112                                  | \$47,932,442  |
| 2060   | \$13,263,397                 | \$35,627,694                                  | \$48,891,091  |
| 2061   | \$13,528,665                 | \$36,340,248                                  | \$49,868,913  |
| <b>Total</b>   | <b><u>\$348,411,896</u></b>  | <b><u>\$935,892,420</u></b>                   | <b><u>\$1,284,304,316</u></b>                         |

*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.

| <b>Table 44</b><br><b>Estimated Franchise Tax Collections from</b><br><b>the Facility and Indirect and Induced Businesses</b><br><b>During Operations</b> |              |                        |           |
|---|--------------|------------------------|-----------|
|   | The Facility | Indirect<br>Businesses | Total     |
| 2024  | \$0          | \$0                    | \$0       |
| 2025  | \$0          | \$0                    | \$0       |
| 2026  | \$25,875     | \$69,505               | \$95,380  |
| 2027  | \$51,750     | \$139,009              | \$190,759 |
| 2028  | \$52,785     | \$141,789              | \$194,574 |
| 2029  | \$53,841     | \$144,625              | \$198,466 |
| 2030  | \$54,918     | \$147,518              | \$202,435 |
| 2031  | \$56,016     | \$150,468              | \$206,484 |
| 2032  | \$57,136     | \$153,477              | \$210,613 |
| 2033  | \$58,279     | \$156,547              | \$214,826 |
| 2034  | \$59,444     | \$159,678              | \$219,122 |
| 2035  | \$60,633     | \$162,871              | \$223,505 |
| 2036  | \$61,846     | \$166,129              | \$227,975 |
| 2037  | \$63,083     | \$169,451              | \$232,534 |
| 2038  | \$64,345     | \$172,840              | \$237,185 |
| 2039  | \$65,632     | \$176,297              | \$241,929 |
| 2040  | \$66,944     | \$179,823              | \$246,767 |
| 2041  | \$68,283     | \$183,420              | \$251,703 |
| 2042  | \$69,649     | \$187,088              | \$256,737 |
| 2043  | \$71,042     | \$190,830              | \$261,871 |
| 2044  | \$72,462     | \$194,646              | \$267,109 |
| 2045  | \$73,912     | \$198,539              | \$272,451 |
| 2046  | \$75,390     | \$202,510              | \$277,900 |
| 2047  | \$76,898     | \$206,560              | \$283,458 |
| 2048  | \$78,436     | \$210,691              | \$289,127 |
| 2049  | \$80,004     | \$214,905              | \$294,910 |
| 2050  | \$81,605     | \$219,203              | \$300,808 |
| 2051  | \$83,237     | \$223,587              | \$306,824 |
| 2052  | \$84,901     | \$228,059              | \$312,961 |
| 2053  | \$86,599     | \$232,620              | \$319,220 |
| 2054  | \$88,331     | \$237,273              | \$325,604 |

*Table 44 continued on the next page*

| <b>Table 44 - Continued</b><br><b>Estimated Franchise Tax Collections from</b><br><b>the Facility and Indirect and Induced Businesses</b><br><b>During Operations</b> |                    |                        |                    |
|---|--------------------|------------------------|--------------------|
|   | The Facility       | Indirect<br>Businesses | Total              |
| 2055  | \$90,098           | \$242,018              | \$332,116          |
| 2056  | \$91,900           | \$246,859              | \$338,759          |
| 2057  | \$93,738           | \$251,796              | \$345,534          |
| 2058  | \$95,613           | \$256,832              | \$352,444          |
| 2059  | \$97,525           | \$261,968              | \$359,493          |
| 2060  | \$99,475           | \$267,208              | \$366,683          |
| 2061  | \$101,465          | \$272,552              | \$374,017          |
| <u>Total</u>  | <u>\$2,613,089</u> | <u>\$7,019,193</u>     | <u>\$9,632,282</u> |

### 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:

| <b>Table 45</b><br><b>Other Revenues for the State from Each Worker</b><br><b>During Operations</b> |                |
|---|----------------|
| 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:

| <b>Table 46</b><br><b>Other Revenues for the State from Workers During Operations</b> |                   |   |                                |                                |                         |                                      |
|---|-------------------|---|--------------------------------|--------------------------------|-------------------------|--------------------------------------|
| Year  | Gasoline<br>Taxes | Motor Vehicle<br>Sales and<br>Use Taxes | Cigarette and<br>Tobacco Taxes | Alcoholic<br>Beverage<br>Taxes | Net Lottery<br>Proceeds | Total<br>Other Taxes<br>and Revenues |
| 2024  | \$0               | \$0                                     | \$0                            | \$0                            | \$0                     | \$0                                  |
| 2025  | \$0               | \$0                                     | \$0                            | \$0                            | \$0                     | \$0                                  |
| 2026  | \$13,226          | \$154,302                               | \$38,796                       | \$65,248                       | \$106,513               | \$378,085                            |
| 2027  | \$13,623          | \$158,931                               | \$39,960                       | \$67,205                       | \$109,708               | \$389,427                            |
| 2028  | \$14,031          | \$163,699                               | \$41,159                       | \$69,221                       | \$112,999               | \$401,110                            |
| 2029  | \$14,452          | \$168,610                               | \$42,393                       | \$71,298                       | \$116,389               | \$413,143                            |
| 2030  | \$14,886          | \$173,669                               | \$43,665                       | \$73,437                       | \$119,881               | \$425,538                            |
| 2031  | \$15,332          | \$178,879                               | \$44,975                       | \$75,640                       | \$123,477               | \$438,304                            |
| 2032  | \$15,792          | \$184,245                               | \$46,324                       | \$77,909                       | \$127,182               | \$451,453                            |
| 2033  | \$16,266          | \$189,772                               | \$47,714                       | \$80,247                       | \$130,997               | \$464,996                            |
| 2034  | \$16,754          | \$195,465                               | \$49,146                       | \$82,654                       | \$134,927               | \$478,946                            |
| 2035  | \$17,257          | \$201,329                               | \$50,620                       | \$85,134                       | \$138,975               | \$493,315                            |
| 2036  | \$17,775          | \$207,369                               | \$52,139                       | \$87,688                       | \$143,144               | \$508,114                            |
| 2037  | \$18,308          | \$213,590                               | \$53,703                       | \$90,318                       | \$147,438               | \$523,358                            |
| 2038  | \$18,857          | \$219,998                               | \$55,314                       | \$93,028                       | \$151,862               | \$539,058                            |
| 2039  | \$19,423          | \$226,598                               | \$56,973                       | \$95,819                       | \$156,417               | \$555,230                            |
| 2040  | \$20,005          | \$233,396                               | \$58,682                       | \$98,693                       | \$161,110               | \$571,887                            |
| 2041  | \$20,606          | \$240,398                               | \$60,443                       | \$101,654                      | \$165,943               | \$589,044                            |
| 2042  | \$21,224          | \$247,610                               | \$62,256                       | \$104,704                      | \$170,922               | \$606,715                            |
| 2043  | \$21,860          | \$255,038                               | \$64,124                       | \$107,845                      | \$176,049               | \$624,916                            |
| 2044  | \$22,516          | \$262,689                               | \$66,048                       | \$111,080                      | \$181,331               | \$643,664                            |
| 2045  | \$23,192          | \$270,570                               | \$68,029                       | \$114,412                      | \$186,771               | \$662,974                            |
| 2046  | \$23,887          | \$278,687                               | \$70,070                       | \$117,845                      | \$192,374               | \$682,863                            |
| 2047  | \$24,604          | \$287,048                               | \$72,172                       | \$121,380                      | \$198,145               | \$703,349                            |
| 2048  | \$25,342          | \$295,659                               | \$74,337                       | \$125,022                      | \$204,089               | \$724,449                            |
| 2049  | \$26,102          | \$304,529                               | \$76,567                       | \$128,772                      | \$210,212               | \$746,183                            |
| 2050  | \$26,886          | \$313,665                               | \$78,864                       | \$132,635                      | \$216,518               | \$768,568                            |
| 2051  | \$27,692          | \$323,075                               | \$81,230                       | \$136,614                      | \$223,014               | \$791,625                            |
| 2052  | \$28,523          | \$332,767                               | \$83,667                       | \$140,713                      | \$229,704               | \$815,374                            |
| 2053  | \$29,379          | \$342,750                               | \$86,177                       | \$144,934                      | \$236,595               | \$839,835                            |
| 2054  | \$30,260          | \$353,032                               | \$88,762                       | \$149,282                      | \$243,693               | \$865,030                            |
| 2055  | \$31,168          | \$363,623                               | \$91,425                       | \$153,761                      | \$251,004               | \$890,981                            |
| 2056  | \$32,103          | \$374,532                               | \$94,168                       | \$158,374                      | \$258,534               | \$917,711                            |
| 2057  | \$33,066          | \$385,768                               | \$96,993                       | \$163,125                      | \$266,290               | \$945,242                            |
| 2058  | \$34,058          | \$397,341                               | \$99,903                       | \$168,019                      | \$274,279               | \$973,599                            |
| 2059  | \$35,080          | \$409,261                               | \$102,900                      | \$173,059                      | \$282,507               | \$1,002,807                          |
| 2060  | \$36,132          | \$421,539                               | \$105,987                      | \$178,251                      | \$290,982               | \$1,032,891                          |
| 2061  | \$37,216          | \$434,185                               | \$109,167                      | \$183,598                      | \$299,712               | \$1,063,878                          |
| <b>Total</b>  | <b>\$836,882</b>  | <b>\$9,763,622</b>                      | <b>\$2,454,853</b>             | <b>\$4,128,617</b>             | <b>\$6,739,689</b>      | <b>\$23,923,663</b>                  |

## 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.

| Table 47<br>General Fund Revenues for the State During Operations |                          |                             |                              |                             |                         |
|---|--------------------------|-----------------------------|------------------------------|-----------------------------|-------------------------|
| Year  | Sales Tax<br>Collections | Hotel<br>Occupancy<br>Taxes | Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Total State<br>Revenues |
| 2024  | \$78                     | \$15,000                    | \$0                          | \$0                         | \$15,078                |
| 2025  | \$81                     | \$15,606                    | \$0                          | \$0                         | \$15,687                |
| 2026  | \$309,073                | \$16,236                    | \$95,380                     | \$378,085                   | \$798,774               |
| 2027  | \$463,999                | \$16,892                    | \$190,759                    | \$389,427                   | \$1,061,078             |
| 2028  | \$473,281                | \$17,575                    | \$194,574                    | \$401,110                   | \$1,086,540             |
| 2029  | \$482,749                | \$18,285                    | \$198,466                    | \$413,143                   | \$1,112,643             |
| 2030  | \$492,405                | \$19,024                    | \$202,435                    | \$425,538                   | \$1,139,402             |
| 2031  | \$502,256                | \$19,792                    | \$206,484                    | \$438,304                   | \$1,166,835             |
| 2032  | \$512,303                | \$20,592                    | \$210,613                    | \$451,453                   | \$1,194,961             |
| 2033  | \$522,551                | \$21,424                    | \$214,826                    | \$464,996                   | \$1,223,797             |
| 2034  | \$533,004                | \$22,289                    | \$219,122                    | \$478,946                   | \$1,253,362             |
| 2035  | \$543,667                | \$23,190                    | \$223,505                    | \$493,315                   | \$1,283,676             |
| 2036  | \$554,543                | \$24,127                    | \$227,975                    | \$508,114                   | \$1,314,758             |
| 2037  | \$565,636                | \$25,101                    | \$232,534                    | \$523,358                   | \$1,346,629             |
| 2038  | \$576,951                | \$26,115                    | \$237,185                    | \$539,058                   | \$1,379,310             |
| 2039  | \$588,493                | \$27,170                    | \$241,929                    | \$555,230                   | \$1,412,822             |
| 2040  | \$600,266                | \$28,268                    | \$246,767                    | \$571,887                   | \$1,447,188             |
| 2041  | \$612,274                | \$29,410                    | \$251,703                    | \$589,044                   | \$1,482,431             |
| 2042  | \$624,523                | \$30,598                    | \$256,737                    | \$606,715                   | \$1,518,573             |
| 2043  | \$637,017                | \$31,834                    | \$261,871                    | \$624,916                   | \$1,555,639             |
| 2044  | \$649,760                | \$33,121                    | \$267,109                    | \$643,664                   | \$1,593,654             |
| 2045  | \$662,759                | \$34,459                    | \$272,451                    | \$662,974                   | \$1,632,642             |
| 2046  | \$676,018                | \$35,851                    | \$277,900                    | \$682,863                   | \$1,672,632             |
| 2047  | \$689,542                | \$37,299                    | \$283,458                    | \$703,349                   | \$1,713,648             |
| 2048  | \$703,337                | \$38,806                    | \$289,127                    | \$724,449                   | \$1,755,719             |
| 2049  | \$717,408                | \$40,374                    | \$294,910                    | \$746,183                   | \$1,798,874             |
| 2050  | \$731,760                | \$42,005                    | \$300,808                    | \$768,568                   | \$1,843,141             |
| 2051  | \$746,400                | \$43,702                    | \$306,824                    | \$791,625                   | \$1,888,551             |
| 2052  | \$761,332                | \$45,467                    | \$312,961                    | \$815,374                   | \$1,935,135             |
| 2053  | \$776,564                | \$47,304                    | \$319,220                    | \$839,835                   | \$1,982,923             |
| 2054  | \$792,100                | \$49,215                    | \$325,604                    | \$865,030                   | \$2,031,950             |
| 2055  | \$807,948                | \$51,204                    | \$332,116                    | \$890,981                   | \$2,082,249             |
| 2056  | \$824,112                | \$53,272                    | \$338,759                    | \$917,711                   | \$2,133,854             |

Table 47 continued on the next page

| Table 47 - Continued                                  |                       |                          |                           |                          |                      |
|---|-----------------------|--------------------------|---------------------------|--------------------------|----------------------|
| General Fund Revenues for the State During Operations |                       |                          |                           |                          |                      |
| Year  | Sales Tax Collections | Hotel<br>Occupancy Taxes | Franchise Tax Collections | Other Taxes and Revenues | Total State Revenues |
| 2057  | \$840,600             | \$55,425                 | \$345,534                 | \$945,242                | \$2,186,800          |
| 2058  | \$857,418             | \$57,664                 | \$352,444                 | \$973,599                | \$2,241,125          |
| 2059  | \$874,572             | \$59,993                 | \$359,493                 | \$1,002,807              | \$2,296,866          |
| 2060  | \$892,070             | \$62,417                 | \$366,683                 | \$1,032,891              | \$2,354,062          |
| 2061  | \$909,918             | \$64,939                 | \$374,017                 | \$1,063,878              | \$2,412,752          |
| <u>Total</u>  | <u>\$23,508,769</u>   | <u>\$1,301,047</u>       | <u>\$9,632,282</u>        | <u>\$23,923,663</u>      | <u>\$58,365,761</u>  |

# 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 Bowie 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 Bowie 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.

| Table 48<br>Economic Output/Increase in Gross Area Product<br>in Bowie County During Construction |                                  |                                   |                     |
|---|----------------------------------|-----------------------------------|---------------------|
| Year  | Direct<br>Construction<br>Output | Indirect and<br>Induced<br>Output | Total<br>Output     |
| 2024  | \$0                              | \$0                               | \$0                 |
| 2025  | \$1,885,000                      | \$987,363                         | \$2,872,363         |
| 2026  | \$5,270,000                      | \$2,760,426                       | \$8,030,426         |
| <u>Total</u>  | <u>\$7,155,000</u>               | <u>\$3,747,789</u>                | <u>\$10,902,789</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 Bowie County each year:

| Table 49<br>Direct, Indirect and Induced Employment<br>in Bowie County During Construction |                                      |                                       |                     |
|--|--------------------------------------|---------------------------------------|---------------------|
| Year   | Direct<br>Construction<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2024   | 0                                    | 0                                     | 0                   |
| 2025   | 12                                   | 4                                     | 16                  |
| 2026   | 32                                   | 11                                    | 44                  |
| <u>Annual Avg.</u>   | <u>22</u>                            | <u>8</u>                              | <u>30</u>           |

## Construction Payroll

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

| Table 50<br>Direct, Indirect and Induced Payroll<br>in Bowie County During Construction |                                   |                                    |                    |
|---|-----------------------------------|------------------------------------|--------------------|
| Year  | Direct<br>Construction<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll   |
| 2024  | \$0                               | \$0                                | \$0                |
| 2025  | \$754,000                         | \$207,124                          | \$961,124          |
| 2026  | \$2,108,000                       | \$579,068                          | \$2,687,068        |
| <u>Total</u>  | <u>\$2,862,000</u>                | <u>\$786,191</u>                   | <u>\$3,648,191</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 Bowie 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 Bowie County and likely within the City of Hooks or other cities within the county. If 70% of the statewide taxable sales during construction occur locally, the facility's construction project will result in the following taxable sales:

| Table 51<br>Local Estimated Taxable Sales |   |   |  |                        |
|---|---|---|--|------------------------|
| Year                                      | Estimated<br>Taxable<br>Machinery<br>and<br>Equipment | Estimated<br>Taxable<br>Construction<br>Materials | Estimated<br>Taxable<br>Worker<br>Spending | Total Taxable<br>Sales |
| 2024                                      | \$0   | \$0   | \$0  | \$0                    |
| 2025                                      | \$2,998,240   | \$118,755   | \$257,755                                  | \$3,374,750            |
| 2026                                      | \$6,661,480   | \$332,010   | \$720,621                                  | \$7,714,111            |
| <u>Total</u>                              | <u>\$9,659,720</u>                                    | <u>\$450,765</u>                                  | <u>\$978,376</u>                           | <u>\$11,088,861</u>    |

### Sales Tax Collections

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

| Table 52<br>Estimated Sales Tax Collections During Construction |  |                                 |                                  |                                   |
|---|--|---------------------------------|----------------------------------|-----------------------------------|
| Year  | On Taxable<br>Machinery &<br>Equipment | On<br>Construction<br>Materials | On Taxable<br>Worker<br>Spending | Total Sales<br>Tax<br>Collections |
| 2024  | \$0                                    | \$0                             | \$0                              | \$0                               |
| 2025  | \$59,965                               | \$2,375                         | \$5,155                          | \$67,495                          |
| 2026  | \$133,230                              | \$6,640                         | \$14,412                         | \$154,282                         |
| <u>Total</u>  | <u>\$193,194</u>                       | <u>\$9,015</u>                  | <u>\$19,568</u>                  | <u>\$221,777</u>                  |

Summary of Local Taxes During Construction

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

| Table 53<br>Tax Revenues for the City During Construction |                                  |                                    |                   |
|---|----------------------------------|------------------------------------|-------------------|
| Year  | City<br>Sales Tax<br>Collections | County<br>Sales Tax<br>Collections | Total<br>Revenues |
| 2024  | \$0                              | \$0                                | \$0               |
| 2025  | \$50,621                         | \$16,874                           | \$67,495          |
| 2026  | \$115,712                        | \$38,571                           | \$154,282         |
| Total   | \$166,333                        | \$55,444                           | \$221,777         |

## Local Economic Impacts During the Facility's Operations

### Economic Output During Operations

The facility's estimated annual revenues during the first 38 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 Bowie County when applying the local economic impact multiplier.

| <b>Table 54</b><br><b>Direct, Indirect &amp; Induced Output</b><br><b>in Bowie County During Operations</b> |                                |                                   |                 |
|---|--------------------------------|-----------------------------------|-----------------|
| Year  | Direct<br>Operations<br>Output | Indirect and<br>Induced<br>Output | Total<br>Output |
| 2024  | \$0                            | \$0                               | \$0             |
| 2025  | \$0                            | \$0                               | \$0             |
| 2026  | \$23,000,000                   | \$15,253,600                      | \$38,253,600    |
| 2027  | \$46,000,000                   | \$30,507,200                      | \$76,507,200    |
| 2028  | \$46,920,000                   | \$31,117,344                      | \$78,037,344    |
| 2029  | \$47,858,400                   | \$31,739,691                      | \$79,598,091    |
| 2030  | \$48,815,568                   | \$32,374,485                      | \$81,190,053    |
| 2031  | \$49,791,879                   | \$33,021,974                      | \$82,813,854    |
| 2032  | \$50,787,717                   | \$33,682,414                      | \$84,470,131    |
| 2033  | \$51,803,471                   | \$34,356,062                      | \$86,159,533    |
| 2034  | \$52,839,541                   | \$35,043,183                      | \$87,882,724    |
| 2035  | \$53,896,332                   | \$35,744,047                      | \$89,640,379    |
| 2036  | \$54,974,258                   | \$36,458,928                      | \$91,433,186    |
| 2037  | \$56,073,743                   | \$37,188,107                      | \$93,261,850    |
| 2038  | \$57,195,218                   | \$37,931,869                      | \$95,127,087    |
| 2039  | \$58,339,123                   | \$38,690,506                      | \$97,029,629    |
| 2040  | \$59,505,905                   | \$39,464,316                      | \$98,970,221    |
| 2041  | \$60,696,023                   | \$40,253,603                      | \$100,949,626   |
| 2042  | \$61,909,944                   | \$41,058,675                      | \$102,968,618   |
| 2043  | \$63,148,142                   | \$41,879,848                      | \$105,027,990   |
| 2044  | \$64,411,105                   | \$42,717,445                      | \$107,128,550   |
| 2045  | \$65,699,327                   | \$43,571,794                      | \$109,271,121   |
| 2046  | \$67,013,314                   | \$44,443,230                      | \$111,456,544   |
| 2047  | \$68,353,580                   | \$45,332,094                      | \$113,685,675   |
| 2048  | \$69,720,652                   | \$46,238,736                      | \$115,959,388   |
| 2049  | \$71,115,065                   | \$47,163,511                      | \$118,278,576   |

*Table 54 continued on the next page*

**Table 54 - Continued**  
**Direct, Indirect & Induced Output**  
**in Bowie County During Operations**

| Year         | Direct<br>Operations<br>Output | Indirect and<br>Induced<br>Output | Total<br>Output |
|--------------|--------------------------------|-----------------------------------|-----------------|
| 2050         | \$72,537,366                   | \$48,106,781                      | \$120,644,147   |
| 2051         | \$73,988,113                   | \$49,068,917                      | \$123,057,030   |
| 2052         | \$75,467,876                   | \$50,050,295                      | \$125,518,171   |
| 2053         | \$76,977,233                   | \$51,051,301                      | \$128,028,534   |
| 2054         | \$78,516,778                   | \$52,072,327                      | \$130,589,105   |
| 2055         | \$80,087,113                   | \$53,113,774                      | \$133,200,887   |
| 2056         | \$81,688,856                   | \$54,176,049                      | \$135,864,905   |
| 2057         | \$83,322,633                   | \$55,259,570                      | \$138,582,203   |
| 2058         | \$84,989,086                   | \$56,364,762                      | \$141,353,847   |
| 2059         | \$86,688,867                   | \$57,492,057                      | \$144,180,924   |
| 2060         | \$88,422,645                   | \$58,641,898                      | \$147,064,542   |
| 2061         | \$90,191,097                   | \$59,814,736                      | \$150,005,833   |
| <u>Total</u> | <u>\$2.32 B</u>                | <u>\$1.54 B</u>                   | <u>\$3.86 B</u> |

## 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:

| <b>Table 55</b><br><b>Direct, Indirect &amp; Induced Employment</b><br><b>in Bowie County During Operations</b> |                                    |                                       |                     |
|---|------------------------------------|---------------------------------------|---------------------|
| Year  | Direct<br>Operations<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2024  | 0                                  | 0                                     | 0                   |
| 2025  | 0                                  | 0                                     | 0                   |
| 2026  | 50                                 | 108                                   | 158                 |
| 2027  | 50                                 | 108                                   | 158                 |
| 2028  | 50                                 | 108                                   | 158                 |
| 2029  | 50                                 | 108                                   | 158                 |
| 2030  | 50                                 | 108                                   | 158                 |
| 2031  | 50                                 | 108                                   | 158                 |
| 2032  | 50                                 | 108                                   | 158                 |
| 2033  | 50                                 | 108                                   | 158                 |
| 2034  | 50                                 | 108                                   | 158                 |
| 2035  | 50                                 | 108                                   | 158                 |
| 2036  | 50                                 | 108                                   | 158                 |
| 2037  | 50                                 | 108                                   | 158                 |
| 2038  | 50                                 | 108                                   | 158                 |
| 2039  | 50                                 | 108                                   | 158                 |
| 2040  | 50                                 | 108                                   | 158                 |
| 2041  | 50                                 | 108                                   | 158                 |
| 2042  | 50                                 | 108                                   | 158                 |
| 2043  | 50                                 | 108                                   | 158                 |
| 2044  | 50                                 | 108                                   | 158                 |
| 2045  | 50                                 | 108                                   | 158                 |
| 2046  | 50                                 | 108                                   | 158                 |
| 2047  | 50                                 | 108                                   | 158                 |
| 2048  | 50                                 | 108                                   | 158                 |
| 2049  | 50                                 | 108                                   | 158                 |
| 2050  | 50                                 | 108                                   | 158                 |
| 2051  | 50                                 | 108                                   | 158                 |
| 2052  | 50                                 | 108                                   | 158                 |
| 2053  | 50                                 | 108                                   | 158                 |
| 2054  | 50                                 | 108                                   | 158                 |

*Table 55 continued on the next page*

| <b>Table 55 - Continued</b><br><b>Direct, Indirect &amp; Induced Employment</b><br><b>in Bowie County During Operations</b> |                                    |                                       |                     |
|---|------------------------------------|---------------------------------------|---------------------|
| Year  | Direct<br>Operations<br>Employment | Indirect and<br>Induced<br>Employment | Total<br>Employment |
| 2055  | 50                                 | 108                                   | 158                 |
| 2056  | 50                                 | 108                                   | 158                 |
| 2057  | 50                                 | 108                                   | 158                 |
| 2058  | 50                                 | 108                                   | 158                 |
| 2059  | 50                                 | 108                                   | 158                 |
| 2060  | 50                                 | 108                                   | 158                 |
| 2061  | 50                                 | 108                                   | 158                 |

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

| <b>Table 56</b><br><b>Direct, Indirect and Induced Payroll</b><br><b>in Bowie County During Operations</b> |                                 |                                    |                  |
|--|---------------------------------|------------------------------------|------------------|
| Year   | Direct<br>Operations<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll |
| 2024   | \$0                             | \$0                                | \$0              |
| 2025   | \$0                             | \$0                                | \$0              |
| 2026   | \$2,783,621                     | \$2,860,171                        | \$5,643,792      |
| 2027   | \$2,839,294                     | \$2,917,374                        | \$5,756,668      |
| 2028   | \$2,896,080                     | \$2,975,722                        | \$5,871,802      |
| 2029   | \$2,954,001                     | \$3,035,236                        | \$5,989,238      |
| 2030   | \$3,013,081                     | \$3,095,941                        | \$6,109,022      |
| 2031   | \$3,073,343                     | \$3,157,860                        | \$6,231,203      |
| 2032   | \$3,134,810                     | \$3,221,017                        | \$6,355,827      |
| 2033   | \$3,197,506                     | \$3,285,437                        | \$6,482,943      |
| 2034   | \$3,261,456                     | \$3,351,146                        | \$6,612,602      |
| 2035   | \$3,326,685                     | \$3,418,169                        | \$6,744,854      |
| 2036   | \$3,393,219                     | \$3,486,532                        | \$6,879,751      |
| 2037   | \$3,461,083                     | \$3,556,263                        | \$7,017,346      |
| 2038   | \$3,530,305                     | \$3,627,388                        | \$7,157,693      |
| 2039   | \$3,600,911                     | \$3,699,936                        | \$7,300,847      |

*Table 56 continued on the next page*

**Table 56 - Continued**  
**Direct, Indirect and Induced Payroll**  
**in Bowie County During Operations**

| Year         | Direct<br>Operations<br>Payroll | Indirect and<br>Induced<br>Payroll | Total<br>Payroll     |
|--------------|---------------------------------|------------------------------------|----------------------|
| 2040         | \$3,672,929                     | \$3,773,935                        | \$7,446,864          |
| 2041         | \$3,746,388                     | \$3,849,414                        | \$7,595,802          |
| 2042         | \$3,821,316                     | \$3,926,402                        | \$7,747,718          |
| 2043         | \$3,897,742                     | \$4,004,930                        | \$7,902,672          |
| 2044         | \$3,975,697                     | \$4,085,028                        | \$8,060,725          |
| 2045         | \$4,055,211                     | \$4,166,729                        | \$8,221,940          |
| 2046         | \$4,136,315                     | \$4,250,064                        | \$8,386,379          |
| 2047         | \$4,219,041                     | \$4,335,065                        | \$8,554,106          |
| 2048         | \$4,303,422                     | \$4,421,766                        | \$8,725,188          |
| 2049         | \$4,389,491                     | \$4,510,202                        | \$8,899,692          |
| 2050         | \$4,477,280                     | \$4,600,406                        | \$9,077,686          |
| 2051         | \$4,566,826                     | \$4,692,414                        | \$9,259,240          |
| 2052         | \$4,658,162                     | \$4,786,262                        | \$9,444,424          |
| 2053         | \$4,751,326                     | \$4,881,987                        | \$9,633,313          |
| 2054         | \$4,846,352                     | \$4,979,627                        | \$9,825,979          |
| 2055         | \$4,943,279                     | \$5,079,219                        | \$10,022,499         |
| 2056         | \$5,042,145                     | \$5,180,804                        | \$10,222,949         |
| 2057         | \$5,142,988                     | \$5,284,420                        | \$10,427,408         |
| 2058         | \$5,245,848                     | \$5,390,108                        | \$10,635,956         |
| 2059         | \$5,350,764                     | \$5,497,911                        | \$10,848,675         |
| 2060         | \$5,457,780                     | \$5,607,869                        | \$11,065,649         |
| 2061         | \$5,566,935                     | \$5,720,026                        | \$11,286,961         |
| <u>Total</u> | <u>\$144,732,634</u>            | <u>\$148,712,781</u>               | <u>\$293,445,415</u> |



## 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 Bowie County and likely within the City of Hooks or other cities within the county. If 70% 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:

| Table 57<br>Local Estimated Total Taxable Sales or Spending |                           |                              |   |   |                     |
|---|---------------------------|------------------------------|---|---|---------------------|
| Year  | Workers' Taxable Spending | The Facility's Taxable Sales | The Facility and Indirect Companies' Taxable Spending | Taxable Spending by Visitors in The Community | Total Taxable Sales |
| 2024  | \$0                       | \$0                          | \$0   | \$875   | \$875               |
| 2025  | \$0                       | \$0                          | \$0   | \$910   | \$910               |
| 2026  | \$1,760,755               | \$0                          | \$1,699,919   | \$947   | \$3,461,620         |
| 2027  | \$1,795,970               | \$0                          | \$3,399,837   | \$985   | \$5,196,792         |
| 2028  | \$1,831,889               | \$0                          | \$3,467,834   | \$1,025                                       | \$5,300,748         |
| 2029  | \$1,868,527               | \$0                          | \$3,537,190   | \$1,067                                       | \$5,406,784         |
| 2030  | \$1,905,897               | \$0                          | \$3,607,934   | \$1,110                                       | \$5,514,941         |
| 2031  | \$1,944,015               | \$0                          | \$3,680,093   | \$1,155                                       | \$5,625,263         |
| 2032  | \$1,982,896               | \$0                          | \$3,753,695   | \$1,201                                       | \$5,737,792         |
| 2033  | \$2,022,554               | \$0                          | \$3,828,769   | \$1,250                                       | \$5,852,572         |
| 2034  | \$2,063,005               | \$0                          | \$3,905,344   | \$1,300                                       | \$5,969,649         |
| 2035  | \$2,104,265               | \$0                          | \$3,983,451   | \$1,353                                       | \$6,089,068         |
| 2036  | \$2,146,350               | \$0                          | \$4,063,120   | \$1,407                                       | \$6,210,877         |
| 2037  | \$2,189,277               | \$0                          | \$4,144,382   | \$1,464                                       | \$6,335,124         |
| 2038  | \$2,233,063               | \$0                          | \$4,227,270   | \$1,523                                       | \$6,461,856         |
| 2039  | \$2,277,724               | \$0                          | \$4,311,815   | \$1,585                                       | \$6,591,124         |
| 2040  | \$2,323,278               | \$0                          | \$4,398,052   | \$1,649                                       | \$6,722,979         |
| 2041  | \$2,369,744               | \$0                          | \$4,486,013   | \$1,716                                       | \$6,857,472         |
| 2042  | \$2,417,139               | \$0                          | \$4,575,733   | \$1,785                                       | \$6,994,657         |
| 2043  | \$2,465,482               | \$0                          | \$4,667,248   | \$1,857                                       | \$7,134,586         |
| 2044  | \$2,514,791               | \$0                          | \$4,760,593   | \$1,932                                       | \$7,277,316         |
| 2045  | \$2,565,087               | \$0                          | \$4,855,804   | \$2,010                                       | \$7,422,902         |
| 2046  | \$2,616,389               | \$0                          | \$4,952,921   | \$2,091                                       | \$7,571,401         |
| 2047  | \$2,668,717               | \$0                          | \$5,051,979   | \$2,176                                       | \$7,722,871         |
| 2048  | \$2,722,091               | \$0                          | \$5,153,019   | \$2,264                                       | \$7,877,373         |
| 2049  | \$2,776,533               | \$0                          | \$5,256,079   | \$2,355                                       | \$8,034,967         |

Table 57 continued on the next page

**Table 57 - Continued**  
**Local Estimated Total Taxable Sales or Spending**

| Year         | Workers'            | The Facility and                |   | Taxable                                     | Total Taxable        |
|--------------|---------------------|---------------------------------|---|---|----------------------|
|              | Taxable<br>Spending | The Facility's<br>Taxable Sales | Indirect<br>Companies'<br>Taxable<br>Spending | Spending by<br>Visitors in The<br>Community |                      |
| 2050         | \$2,832,063         | \$0                             | \$5,361,200                                   | \$2,450                                     | \$8,195,714          |
| 2051         | \$2,888,705         | \$0                             | \$5,468,424                                   | \$2,549                                     | \$8,359,678          |
| 2052         | \$2,946,479         | \$0                             | \$5,577,793                                   | \$2,652                                     | \$8,526,924          |
| 2053         | \$3,005,408         | \$0                             | \$5,689,349                                   | \$2,759                                     | \$8,697,517          |
| 2054         | \$3,065,517         | \$0                             | \$5,803,136                                   | \$2,871                                     | \$8,871,523          |
| 2055         | \$3,126,827         | \$0                             | \$5,919,199                                   | \$2,987                                     | \$9,049,012          |
| 2056         | \$3,189,363         | \$0                             | \$6,037,582                                   | \$3,108                                     | \$9,230,053          |
| 2057         | \$3,253,151         | \$0                             | \$6,158,334                                   | \$3,233                                     | \$9,414,718          |
| 2058         | \$3,318,214         | \$0                             | \$6,281,501                                   | \$3,364                                     | \$9,603,078          |
| 2059         | \$3,384,578         | \$0                             | \$6,407,131                                   | \$3,500                                     | \$9,795,208          |
| 2060         | \$3,452,269         | \$0                             | \$6,535,273                                   | \$3,641                                     | \$9,991,184          |
| 2061         | \$3,521,315         | \$0                             | \$6,665,979                                   | \$3,788                                     | \$10,191,082         |
| <u>Total</u> | <u>\$91,549,325</u> | <u>\$0</u>                      | <u>\$171,672,993</u>                          | <u>\$75,894</u>                             | <u>\$263,298,213</u> |

## Sales Tax Collections

With a combined 2.00% local sales tax rate, Bowie County and the City of Hooks or other cities within Bowie County will collect sales tax on the spending of workers, companies and visitors:

| <b>Table 58</b><br><b>Estimated Sales Tax Collections During Operations</b> |                            |                                       |  |   |                                   |
|---|----------------------------|---------------------------------------|--|---|-----------------------------------|
| Year  | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On Taxable<br>Spending by<br>the Facility &<br>& Indirect<br>Companies | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2024  | \$0                        | \$0                                   | \$0  | \$18  | \$18                              |
| 2025  | \$0                        | \$0                                   | \$0  | \$18  | \$18                              |
| 2026  | \$35,215                   | \$0                                   | \$33,998   | \$19  | \$69,232                          |
| 2027  | \$35,919                   | \$0                                   | \$67,997   | \$20  | \$103,936                         |
| 2028  | \$36,638                   | \$0                                   | \$69,357   | \$21  | \$106,015                         |
| 2029  | \$37,371                   | \$0                                   | \$70,744   | \$21  | \$108,136                         |
| 2030  | \$38,118                   | \$0                                   | \$72,159   | \$22  | \$110,299                         |
| 2031  | \$38,880                   | \$0                                   | \$73,602   | \$23  | \$112,505                         |
| 2032  | \$39,658                   | \$0                                   | \$75,074   | \$24  | \$114,756                         |
| 2033  | \$40,451                   | \$0                                   | \$76,575   | \$25  | \$117,051                         |
| 2034  | \$41,260                   | \$0                                   | \$78,107   | \$26  | \$119,393                         |
| 2035  | \$42,085                   | \$0                                   | \$79,669   | \$27  | \$121,781                         |
| 2036  | \$42,927                   | \$0                                   | \$81,262   | \$28  | \$124,218                         |
| 2037  | \$43,786                   | \$0                                   | \$82,888   | \$29  | \$126,702                         |
| 2038  | \$44,661                   | \$0                                   | \$84,545   | \$30  | \$129,237                         |
| 2039  | \$45,554                   | \$0                                   | \$86,236   | \$32  | \$131,822                         |
| 2040  | \$46,466                   | \$0                                   | \$87,961   | \$33  | \$134,460                         |
| 2041  | \$47,395                   | \$0                                   | \$89,720   | \$34  | \$137,149                         |
| 2042  | \$48,343                   | \$0                                   | \$91,515   | \$36  | \$139,893                         |
| 2043  | \$49,310                   | \$0                                   | \$93,345   | \$37  | \$142,692                         |
| 2044  | \$50,296                   | \$0                                   | \$95,212   | \$39  | \$145,546                         |
| 2045  | \$51,302                   | \$0                                   | \$97,116   | \$40  | \$148,458                         |
| 2046  | \$52,328                   | \$0                                   | \$99,058   | \$42  | \$151,428                         |
| 2047  | \$53,374                   | \$0                                   | \$101,040  | \$44  | \$154,457                         |
| 2048  | \$54,442                   | \$0                                   | \$103,060  | \$45  | \$157,547                         |
| 2049  | \$55,531                   | \$0                                   | \$105,122  | \$47  | \$160,699                         |
| 2050  | \$56,641                   | \$0                                   | \$107,224  | \$49  | \$163,914                         |
| 2051  | \$57,774                   | \$0                                   | \$109,368  | \$51  | \$167,194                         |
| 2052  | \$58,930                   | \$0                                   | \$111,556  | \$53  | \$170,538                         |
| 2053  | \$60,108                   | \$0                                   | \$113,787  | \$55  | \$173,950                         |

*Table 58 continued on the next page*

**Table 58 - Continued**  
**Estimated Sales Tax Collections During Operations**

| Year         | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On Taxable<br>Spending by<br>the Facility &<br>& Indirect<br>Companies | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
|--------------|----------------------------|---------------------------------------|--|---|-----------------------------------|
| 2054         | \$61,310                   | \$0                                   | \$116,063  | \$57  | \$177,430                         |
| 2055         | \$62,537                   | \$0                                   | \$118,384  | \$60  | \$180,980                         |
| 2056         | \$63,787                   | \$0                                   | \$120,752  | \$62  | \$184,601                         |
| 2057         | \$65,063                   | \$0                                   | \$123,167  | \$65  | \$188,294                         |
| 2058         | \$66,364                   | \$0                                   | \$125,630  | \$67  | \$192,062                         |
| 2059         | \$67,692                   | \$0                                   | \$128,143  | \$70  | \$195,904                         |
| 2060         | \$69,045                   | \$0                                   | \$130,705  | \$73  | \$199,824                         |
| 2061         | \$70,426                   | \$0                                   | \$133,320  | \$76  | \$203,822                         |
| <u>Total</u> | <u>\$1,830,986</u>         | <u>\$0</u>                            | <u>\$3,433,460</u>   | <u>\$1,518</u>  | <u>\$5,265,964</u>                |

## Hotel Occupancy Tax Collections

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

| <b>Table 59</b><br><b>Estimated Hotel Occupancy Tax Collections</b><br><b>from Visitors</b> |                     |                                      |
|---|---------------------|--------------------------------------|
| Year  | Spending on Lodging | City Hotel Occupancy Tax Collections |
| 2024  | \$250,000           | \$17,500                             |
| 2025  | \$260,100           | \$18,207                             |
| 2026  | \$270,608           | \$18,943                             |
| 2027  | \$281,541           | \$19,708                             |
| 2028  | \$292,915           | \$20,504                             |
| 2029  | \$304,749           | \$21,332                             |
| 2030  | \$317,060           | \$22,194                             |
| 2031  | \$329,870           | \$23,091                             |
| 2032  | \$343,196           | \$24,024                             |
| 2033  | \$357,062           | \$24,994                             |
| 2034  | \$371,487           | \$26,004                             |
| 2035  | \$386,495           | \$27,055                             |
| 2036  | \$402,109           | \$28,148                             |
| 2037  | \$418,355           | \$29,285                             |
| 2038  | \$435,256           | \$30,468                             |
| 2039  | \$452,840           | \$31,699                             |
| 2040  | \$471,135           | \$32,979                             |
| 2041  | \$490,169           | \$34,312                             |
| 2042  | \$509,972           | \$35,698                             |
| 2043  | \$530,575           | \$37,140                             |
| 2044  | \$552,010           | \$38,641                             |
| 2045  | \$574,311           | \$40,202                             |
| 2046  | \$597,513           | \$41,826                             |
| 2047  | \$621,653           | \$43,516                             |
| 2048  | \$646,768           | \$45,274                             |
| 2049  | \$672,897           | \$47,103                             |
| 2050  | \$700,082           | \$49,006                             |
| 2051  | \$728,365           | \$50,986                             |
| 2052  | \$757,791           | \$53,045                             |
| 2053  | \$788,406           | \$55,188                             |
| 2054  | \$820,258           | \$57,418                             |

Table 59 continued on the next page

**Table 59 - Continued**  
**Estimated Hotel Occupancy Tax Collections**  
**from Visitors**

| Year         | City Hotel<br>Spending on<br>Lodging | Occupancy Tax<br>Collections |
|--------------|--------------------------------------|------------------------------|
| 2055         | \$853,396                            | \$59,738                     |
| 2056         | \$887,873                            | \$62,151                     |
| 2057         | \$923,743                            | \$64,662                     |
| 2058         | \$961,063                            | \$67,274                     |
| 2059         | \$999,890                            | \$69,992                     |
| 2060         | \$1,040,285                          | \$72,820                     |
| 2061         | \$1,082,313                          | \$75,762                     |
| <u>Total</u> | <u>\$21,684,110</u>                  | <u>\$1,517,888</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:

| Table 60<br>Ad Valorem Tax Collections for Local Taxing Units on Investment |     |              |             |                   |             |
|---|-----|--------------|-------------|-------------------|-------------|
| Year  | N/A | Bowie County | Hooks ISD   | Texarkana College | Total       |
| 2024  | \$0 | \$0          | \$0         | \$0               | \$0         |
| 2025  | \$0 | \$0          | \$0         | \$0               | \$0         |
| 2026  | \$0 | \$0          | \$0         | \$0               | \$0         |
| 2027  | \$0 | \$576,154    | \$960,718   | \$159,142         | \$1,696,014 |
| 2028  | \$0 | \$559,721    | \$933,317   | \$154,603         | \$1,647,642 |
| 2029  | \$0 | \$543,781    | \$906,739   | \$150,200         | \$1,600,720 |
| 2030  | \$0 | \$528,320    | \$880,957   | \$145,930         | \$1,555,207 |
| 2031  | \$0 | \$513,322    | \$855,949   | \$141,787         | \$1,511,059 |
| 2032  | \$0 | \$498,775    | \$831,691   | \$137,769         | \$1,468,235 |
| 2033  | \$0 | \$484,664    | \$808,161   | \$133,871         | \$1,426,696 |
| 2034  | \$0 | \$470,976    | \$785,337   | \$130,090         | \$1,386,403 |
| 2035  | \$0 | \$457,698    | \$763,198   | \$126,423         | \$1,347,319 |
| 2036  | \$0 | \$444,820    | \$741,723   | \$122,866         | \$1,309,408 |
| 2037  | \$0 | \$432,327    | \$1,339,674 | \$119,415         | \$1,891,416 |
| 2038  | \$0 | \$420,209    | \$1,302,124 | \$116,068         | \$1,838,401 |
| 2039  | \$0 | \$408,455    | \$1,265,700 | \$112,821         | \$1,786,977 |
| 2040  | \$0 | \$397,053    | \$1,230,370 | \$109,672         | \$1,737,095 |
| 2041  | \$0 | \$385,994    | \$1,196,099 | \$106,617         | \$1,688,709 |
| 2042  | \$0 | \$375,266    | \$1,162,856 | \$103,654         | \$1,641,776 |
| 2043  | \$0 | \$364,860    | \$1,130,610 | \$100,780         | \$1,596,250 |
| 2044  | \$0 | \$354,766    | \$1,099,332 | \$97,992          | \$1,552,090 |
| 2045  | \$0 | \$344,975    | \$1,068,993 | \$95,287          | \$1,509,255 |
| 2046  | \$0 | \$335,478    | \$1,039,563 | \$92,664          | \$1,467,705 |
| 2047  | \$0 | \$326,266    | \$1,011,016 | \$90,119          | \$1,427,401 |
| 2048  | \$0 | \$317,330    | \$983,326   | \$87,651          | \$1,388,307 |
| 2049  | \$0 | \$308,662    | \$956,466   | \$85,257          | \$1,350,385 |
| 2050  | \$0 | \$300,254    | \$930,413   | \$82,935          | \$1,313,601 |
| 2051  | \$0 | \$292,098    | \$905,140   | \$80,682          | \$1,277,921 |
| 2052  | \$0 | \$284,187    | \$880,626   | \$78,497          | \$1,243,311 |
| 2053  | \$0 | \$276,514    | \$856,848   | \$76,377          | \$1,209,739 |
| 2054  | \$0 | \$269,070    | \$833,783   | \$74,321          | \$1,177,174 |

Table 60 continued on the next page

**Table 60 - Continued**  
**Ad Valorem Tax Collections for Local Taxing Units on Investment**

| Year         | N/A        | Bowie County        | Hooks ISD           | Texarkana College  | Total               |
|--------------|------------|---------------------|---------------------|--------------------|---------------------|
| 2055         | \$0        | \$261,850           | \$811,409           | \$72,327           | \$1,145,587         |
| 2056         | \$0        | \$254,847           | \$789,707           | \$70,392           | \$1,114,946         |
| 2057         | \$0        | \$248,053           | \$768,656           | \$68,516           | \$1,085,226         |
| 2058         | \$0        | \$241,464           | \$748,237           | \$66,696           | \$1,056,396         |
| 2059         | \$0        | \$235,072           | \$728,430           | \$64,930           | \$1,028,432         |
| 2060         | \$0        | \$228,872           | \$709,217           | \$63,218           | \$1,001,307         |
| 2061         | \$0        | \$222,858           | \$690,581           | \$61,557           | \$974,995           |
| <u>Total</u> | <u>\$0</u> | <u>\$12,965,011</u> | <u>\$32,906,966</u> | <u>\$3,581,126</u> | <u>\$49,453,104</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.

| Table 61<br>Appraised Value of the Facility's Land & Inventories |             |             |   |
|--|-------------|-------------|---|
| Year   | Land        | Inventories | Total<br>Appraised<br>Value of<br>Land &<br>Inventories |
| 2024   | \$1,125,000 | \$0         | \$1,125,000   |
| 2025   | \$1,125,000 | \$0         | \$1,125,000   |
| 2026   | \$1,125,000 | \$529,167   | \$1,654,167   |
| 2027   | \$1,125,000 | \$1,058,333 | \$2,183,333   |
| 2028   | \$1,125,000 | \$2,000,000 | \$3,125,000   |
| 2029   | \$1,125,000 | \$2,040,000 | \$3,165,000   |
| 2030   | \$1,125,000 | \$2,080,800 | \$3,205,800   |
| 2031   | \$1,125,000 | \$2,122,416 | \$3,247,416   |
| 2032   | \$1,125,000 | \$2,164,864 | \$3,289,864   |
| 2033   | \$1,125,000 | \$2,208,162 | \$3,333,162   |
| 2034   | \$1,125,000 | \$2,252,325 | \$3,377,325   |
| 2035   | \$1,125,000 | \$2,297,371 | \$3,422,371   |
| 2036   | \$1,125,000 | \$2,343,319 | \$3,468,319   |
| 2037   | \$1,125,000 | \$2,390,185 | \$3,515,185   |
| 2038   | \$1,125,000 | \$2,437,989 | \$3,562,989   |
| 2039   | \$1,125,000 | \$2,486,749 | \$3,611,749   |
| 2040   | \$1,125,000 | \$2,536,484 | \$3,661,484   |
| 2041   | \$1,125,000 | \$2,587,213 | \$3,712,213   |
| 2042   | \$1,125,000 | \$2,638,958 | \$3,763,958   |
| 2043   | \$1,125,000 | \$2,691,737 | \$3,816,737   |
| 2044   | \$1,125,000 | \$2,745,571 | \$3,870,571   |
| 2045   | \$1,125,000 | \$2,800,483 | \$3,925,483   |
| 2046   | \$1,125,000 | \$2,856,492 | \$3,981,492   |
| 2047   | \$1,125,000 | \$2,913,622 | \$4,038,622   |
| 2048   | \$1,125,000 | \$2,971,895 | \$4,096,895   |
| 2049   | \$1,125,000 | \$3,031,333 | \$4,156,333   |
| 2050   | \$1,125,000 | \$3,091,959 | \$4,216,959   |
| 2051   | \$1,125,000 | \$3,153,799 | \$4,278,799   |
| 2052   | \$1,125,000 | \$3,216,874 | \$4,341,874   |

Table 61 continued on the next page

| Table 61 - Continued<br>Appraised Value of the Facility's Land & Inventories |             |             |   |
|--|-------------|-------------|---|
| Year   | Land        | Inventories | Total<br>Appraised<br>Value of<br>Land &<br>Inventories |
| 2053   | \$1,125,000 | \$3,281,212 | \$4,406,212   |
| 2054   | \$1,125,000 | \$3,346,836 | \$4,471,836   |
| 2055   | \$1,125,000 | \$3,413,773 | \$4,538,773   |
| 2056   | \$1,125,000 | \$3,482,048 | \$4,607,048   |
| 2057   | \$1,125,000 | \$3,551,689 | \$4,676,689   |
| 2058   | \$1,125,000 | \$3,622,723 | \$4,747,723   |
| 2059   | \$1,125,000 | \$3,695,178 | \$4,820,178   |
| 2060   | \$1,125,000 | \$3,769,081 | \$4,894,081   |
| 2061   | \$1,125,000 | \$3,844,463 | \$4,969,463   |

*Appraised Value Assumptions:*

*Land Value: No increase over time.*

*Inventories: Company's projections.*

| Table 62<br>Ad Valorem Taxes for Other Taxing Units on Land & Inventories |   |                        |                                 |                              |   |                          |
|---|---|------------------------|---------------------------------|------------------------------|---|--------------------------|
| Year  | Taxable<br>Value of<br>Land & Inventories | N/A<br><b>0.000000</b> | Bowie County<br><b>0.396934</b> | Hooks ISD<br><b>1.230000</b> | Texarkana<br>College<br><b>0.109639</b> | Total<br><b>1.736573</b> |
| 2024  | \$1,125,000                               | \$0                    | \$4,466                         | \$13,838                     | \$1,233                                 | \$19,536                 |
| 2025  | \$1,125,000                               | \$0                    | \$4,466                         | \$13,838                     | \$1,233                                 | \$19,536                 |
| 2026  | \$1,654,167                               | \$0                    | \$6,566                         | \$20,346                     | \$1,814                                 | \$28,726                 |
| 2027  | \$2,183,333                               | \$0                    | \$8,666                         | \$26,855                     | \$2,394                                 | \$37,915                 |
| 2028  | \$3,125,000                               | \$0                    | \$12,404                        | \$38,438                     | \$3,426                                 | \$54,268                 |
| 2029  | \$3,165,000                               | \$0                    | \$12,563                        | \$38,930                     | \$3,470                                 | \$54,963                 |
| 2030  | \$3,205,800                               | \$0                    | \$12,725                        | \$39,431                     | \$3,515                                 | \$55,671                 |
| 2031  | \$3,247,416                               | \$0                    | \$12,890                        | \$39,943                     | \$3,560                                 | \$56,394                 |
| 2032  | \$3,289,864                               | \$0                    | \$13,059                        | \$40,465                     | \$3,607                                 | \$57,131                 |
| 2033  | \$3,333,162                               | \$0                    | \$13,230                        | \$40,998                     | \$3,654                                 | \$57,883                 |
| 2034  | \$3,377,325                               | \$0                    | \$13,406                        | \$41,541                     | \$3,703                                 | \$58,650                 |
| 2035  | \$3,422,371                               | \$0                    | \$13,585                        | \$42,095                     | \$3,752                                 | \$59,432                 |

*Table 62 continued on the next page*

**Table 62 - Continued**  
**Ad Valorem Taxes for Other Taxing Units on Land & Inventories**

| Year         | Taxable<br>Value of<br>Land & Inventories | N/A<br><b>0.000000</b> | Bowie County<br><b>0.396934</b> | Hooks ISD<br><b>1.230000</b> | Texarkana<br>College<br><b>0.109639</b> | Total<br><b>1.736573</b> |
|--------------|---|------------------------|---------------------------------|------------------------------|---|--------------------------|
| 2036         | \$3,468,319                               | \$0                    | \$13,767                        | \$42,660                     | \$3,803                                 | \$60,230                 |
| 2037         | \$3,515,185                               | \$0                    | \$13,953                        | \$43,237                     | \$3,854                                 | \$61,044                 |
| 2038         | \$3,562,989                               | \$0                    | \$14,143                        | \$43,825                     | \$3,906                                 | \$61,874                 |
| 2039         | \$3,611,749                               | \$0                    | \$14,336                        | \$44,425                     | \$3,960                                 | \$62,721                 |
| 2040         | \$3,661,484                               | \$0                    | \$14,534                        | \$45,036                     | \$4,014                                 | \$63,584                 |
| 2041         | \$3,712,213                               | \$0                    | \$14,735                        | \$45,660                     | \$4,070                                 | \$64,465                 |
| 2042         | \$3,763,958                               | \$0                    | \$14,940                        | \$46,297                     | \$4,127                                 | \$65,364                 |
| 2043         | \$3,816,737                               | \$0                    | \$15,150                        | \$46,946                     | \$4,185                                 | \$66,280                 |
| 2044         | \$3,870,571                               | \$0                    | \$15,364                        | \$47,608                     | \$4,244                                 | \$67,215                 |
| 2045         | \$3,925,483                               | \$0                    | \$15,582                        | \$48,283                     | \$4,304                                 | \$68,169                 |
| 2046         | \$3,981,492                               | \$0                    | \$15,804                        | \$48,972                     | \$4,365                                 | \$69,142                 |
| 2047         | \$4,038,622                               | \$0                    | \$16,031                        | \$49,675                     | \$4,428                                 | \$70,134                 |
| 2048         | \$4,096,895                               | \$0                    | \$16,262                        | \$50,392                     | \$4,492                                 | \$71,146                 |
| 2049         | \$4,156,333                               | \$0                    | \$16,498                        | \$51,123                     | \$4,557                                 | \$72,178                 |
| 2050         | \$4,216,959                               | \$0                    | \$16,739                        | \$51,869                     | \$4,623                                 | \$73,231                 |
| 2051         | \$4,278,799                               | \$0                    | \$16,984                        | \$52,629                     | \$4,691                                 | \$74,304                 |
| 2052         | \$4,341,874                               | \$0                    | \$17,234                        | \$53,405                     | \$4,760                                 | \$75,400                 |
| 2053         | \$4,406,212                               | \$0                    | \$17,490                        | \$54,196                     | \$4,831                                 | \$76,517                 |
| 2054         | \$4,471,836                               | \$0                    | \$17,750                        | \$55,004                     | \$4,903                                 | \$77,657                 |
| 2055         | \$4,538,773                               | \$0                    | \$18,016                        | \$55,827                     | \$4,976                                 | \$78,819                 |
| 2056         | \$4,607,048                               | \$0                    | \$18,287                        | \$56,667                     | \$5,051                                 | \$80,005                 |
| 2057         | \$4,676,689                               | \$0                    | \$18,563                        | \$57,523                     | \$5,127                                 | \$81,214                 |
| 2058         | \$4,747,723                               | \$0                    | \$18,845                        | \$58,397                     | \$5,205                                 | \$82,448                 |
| 2059         | \$4,820,178                               | \$0                    | \$19,133                        | \$59,288                     | \$5,285                                 | \$83,706                 |
| 2060         | \$4,894,081                               | \$0                    | \$19,426                        | \$60,197                     | \$5,366                                 | \$84,989                 |
| 2061         | \$4,969,463                               | \$0                    | \$19,725                        | \$61,124                     | \$5,448                                 | \$86,298                 |
| <u>Total</u> |   | <u>\$0</u>             | <u>\$557,316</u>                | <u>\$1,726,983</u>           | <u>\$153,939</u>                        | <u>\$2,438,237</u>       |

## 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.

| Table 63<br>Tax Revenues for Local Taxing Units During Operations by Year |                                  |                                    |                                  |   |  |                         |
|---|----------------------------------|------------------------------------|----------------------------------|---|--|-------------------------|
| Year  | City<br>Sales Tax<br>Collections | County<br>Sales Tax<br>Collections | City Hotel<br>Occupancy<br>Taxes | Property<br>Taxes<br>JETI<br>Investment | Property<br>Taxes<br>Land &<br>Inventories | Total Local<br>Revenues |
| 2024  | \$13                             | \$4                                | \$17,500                         | \$0                                     | \$19,536                                   | \$37,054                |
| 2025  | \$14                             | \$5                                | \$18,207                         | \$0                                     | \$19,536                                   | \$37,762                |
| 2026  | \$51,924                         | \$17,308                           | \$18,943                         | \$0                                     | \$28,726                                   | \$116,901               |
| 2027  | \$77,952                         | \$25,984                           | \$19,708                         | \$1,696,014                             | \$37,915                                   | \$1,857,573             |
| 2028  | \$79,511                         | \$26,504                           | \$20,504                         | \$1,647,642                             | \$54,268                                   | \$1,828,429             |
| 2029  | \$81,102                         | \$27,034                           | \$21,332                         | \$1,600,720                             | \$54,963                                   | \$1,785,151             |
| 2030  | \$82,724                         | \$27,575                           | \$22,194                         | \$1,555,207                             | \$55,671                                   | \$1,743,371             |
| 2031  | \$84,379                         | \$28,126                           | \$23,091                         | \$1,511,059                             | \$56,394                                   | \$1,703,049             |
| 2032  | \$86,067                         | \$28,689                           | \$24,024                         | \$1,468,235                             | \$57,131                                   | \$1,664,146             |
| 2033  | \$87,789                         | \$29,263                           | \$24,994                         | \$1,426,696                             | \$57,883                                   | \$1,626,625             |
| 2034  | \$89,545                         | \$29,848                           | \$26,004                         | \$1,386,403                             | \$58,650                                   | \$1,590,450             |
| 2035  | \$91,336                         | \$30,445                           | \$27,055                         | \$1,347,319                             | \$59,432                                   | \$1,555,587             |
| 2036  | \$93,163                         | \$31,054                           | \$28,148                         | \$1,309,408                             | \$60,230                                   | \$1,522,003             |
| 2037  | \$95,027                         | \$31,676                           | \$29,285                         | \$1,891,416                             | \$61,044                                   | \$2,108,447             |
| 2038  | \$96,928                         | \$32,309                           | \$30,468                         | \$1,838,401                             | \$61,874                                   | \$2,059,980             |
| 2039  | \$98,867                         | \$32,956                           | \$31,699                         | \$1,786,977                             | \$62,721                                   | \$2,013,218             |
| 2040  | \$100,845                        | \$33,615                           | \$32,979                         | \$1,737,095                             | \$63,584                                   | \$1,968,118             |
| 2041  | \$102,862                        | \$34,287                           | \$34,312                         | \$1,688,709                             | \$64,465                                   | \$1,924,636             |
| 2042  | \$104,920                        | \$34,973                           | \$35,698                         | \$1,641,776                             | \$65,364                                   | \$1,882,731             |
| 2043  | \$107,019                        | \$35,673                           | \$37,140                         | \$1,596,250                             | \$66,280                                   | \$1,842,362             |
| 2044  | \$109,160                        | \$36,387                           | \$38,641                         | \$1,552,090                             | \$67,215                                   | \$1,803,492             |
| 2045  | \$111,344                        | \$37,115                           | \$40,202                         | \$1,509,255                             | \$68,169                                   | \$1,766,084             |
| 2046  | \$113,571                        | \$37,857                           | \$41,826                         | \$1,467,705                             | \$69,142                                   | \$1,730,100             |
| 2047  | \$115,843                        | \$38,614                           | \$43,516                         | \$1,427,401                             | \$70,134                                   | \$1,695,508             |
| 2048  | \$118,161                        | \$39,387                           | \$45,274                         | \$1,388,307                             | \$71,146                                   | \$1,662,274             |
| 2049  | \$120,525                        | \$40,175                           | \$47,103                         | \$1,350,385                             | \$72,178                                   | \$1,630,365             |
| 2050  | \$122,936                        | \$40,979                           | \$49,006                         | \$1,313,601                             | \$73,231                                   | \$1,599,752             |
| 2051  | \$125,395                        | \$41,798                           | \$50,986                         | \$1,277,921                             | \$74,304                                   | \$1,570,404             |
| 2052  | \$127,904                        | \$42,635                           | \$53,045                         | \$1,243,311                             | \$75,400                                   | \$1,542,294             |
| 2053  | \$130,463                        | \$43,488                           | \$55,188                         | \$1,209,739                             | \$76,517                                   | \$1,515,395             |
| 2054  | \$133,073                        | \$44,358                           | \$57,418                         | \$1,177,174                             | \$77,657                                   | \$1,489,679             |
| 2055  | \$135,735                        | \$45,245                           | \$59,738                         | \$1,145,587                             | \$78,819                                   | \$1,465,124             |
| 2056  | \$138,451                        | \$46,150                           | \$62,151                         | \$1,114,946                             | \$80,005                                   | \$1,441,703             |
| 2057  | \$141,221                        | \$47,074                           | \$64,662                         | \$1,085,226                             | \$81,214                                   | \$1,419,396             |
| 2058  | \$144,046                        | \$48,015                           | \$67,274                         | \$1,056,396                             | \$82,448                                   | \$1,398,180             |

Table 63 continued on the next page

**Table 63 - Continued**  
**Tax Revenues for Local Taxing Units During Operations by Year**

| Year         | City<br>Sales Tax<br>Collections | County<br>Sales Tax<br>Collections | City Hotel<br>Occupancy<br>Taxes | Property<br>Taxes<br>JETI<br>Investment | Property<br>Taxes<br>Land &<br>Inventories | Total Local<br>Revenues |
|--------------|----------------------------------|------------------------------------|----------------------------------|---|--|-------------------------|
| 2059         | \$146,928                        | \$48,976                           | \$69,992                         | \$1,028,432                             | \$83,706                                   | \$1,378,034             |
| 2060         | \$149,868                        | \$49,956                           | \$72,820                         | \$1,001,307                             | \$84,989                                   | \$1,358,940             |
| 2061         | \$152,866                        | \$50,955                           | \$75,762                         | \$974,995                               | \$86,298                                   | \$1,340,877             |
| <u>Total</u> | <u>\$3,949,473</u>               | <u>\$1,316,491</u>                 | <u>\$1,517,888</u>               | <u>\$49,453,104</u>                     | <u>\$2,438,237</u>                         | <u>\$58,675,193</u>     |

**Table 64**  
**Tax Revenues for Local Taxing Units During Operations by Taxing Unit**

| Year              | Sales Tax<br>Collections | Hotel<br>Occupancy<br>Taxes | Property<br>Taxes<br>JETI<br>Investment | Property<br>Taxes<br>Land &<br>Inventories | Total Local<br>Revenues |
|-------------------|--------------------------|-----------------------------|---|--|-------------------------|
| City of Hooks*    | \$3,949,473              | \$1,517,888                 | \$0                                     | \$0  | \$5,467,361             |
| Bowie County      | \$1,316,491              | \$0                         | \$12,965,011                            | \$557,316                                  | \$14,838,818            |
| Hooks ISD         | \$0                      | \$0                         | \$32,906,966                            | \$1,726,983                                | \$34,633,949            |
| Texarkana College | \$0                      | \$0                         | \$3,581,126                             | \$153,939                                  | \$3,735,065             |
| <u>Total</u>      | <u>\$5,265,964</u>       | <u>\$1,517,888</u>          | <u>\$49,453,104</u>                     | <u>\$2,438,237</u>                         | <u>\$58,675,193</u>     |

\* City of Hooks and other cities within Bowie County

## 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:

| <b>Table 65</b>   |                                |                              |
|---|--------------------------------|------------------------------|
| <b>State of Texas RIMS II Multipliers Used in this Analysis</b> |                                |                              |
| <b>Type II (Direct + Indirect + Induced) Multipliers</b>        |                                |                              |
|   | <b>During<br/>Construction</b> | <b>During<br/>Operations</b> |
| Output multiplier   | 2.6052                         | 2.6117                       |
| Employment multiplier   | 2.1010                         | 6.6489                       |
| Earnings multiplier   | 1.8783                         | 3.4755                       |

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

| <b>Table 66</b>   |                                |                              |
|---|--------------------------------|------------------------------|
| <b>Bowie County RIMS II Multipliers Used in this Analysis</b> |                                |                              |
| <b>Type II (Direct + Indirect + Induced) Multipliers</b>      |                                |                              |
|   | <b>During<br/>Construction</b> | <b>During<br/>Operations</b> |
| Output multiplier   | 1.5238                         | 1.6632                       |
| Employment multiplier   | 1.3479                         | 3.1561                       |
| Earnings multiplier   | 1.2747                         | 2.0275                       |

## 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<br>Collections<br>in 2023 | Number of<br>Households<br>in the State<br>(2022 ACS) | Amount of<br>Annual<br>Collections<br>Per Worker<br>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 38 years 3.00%

**Local tax rates used in this analysis:**

Local Sales Tax Rates

|  |              |
|--|--------------|
| City of Hooks and other cities in Bowie County | 1.50%        |
| Bowie County                                   | 0.50%        |
| <u>Total Local Sales Tax Rate</u>              | <u>2.00%</u> |

Local Hotel Occupancy Tax Rates

|  |       |
|--|-------|
| City of Hooks and other cities in Bowie County | 7.00% |
|--|-------|

Local Property Tax Rates

|                                |           |          |
|--------------------------------|-----------|----------|
| City: N/A                      |           | 0.000000 |
| County: Bowie County           |           | 0.396934 |
| School: Hooks ISD              |           | 1.230000 |
|                                | M&O Rate: | 0.757500 |
|                                | I&S Rate: | 0.472500 |
| Spec Dist #1 Texarkana College |           | 0.109639 |
| Total Rate                     |           | 1.736573 |

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Braven Environmental LLC

Tab 8 – Economic Benefit Schedules

Schedule A: Total Eligible Investment for Economic Impact

Date  
Applicant Name Braven Environmental  
ISD Name Hooks ISD

| ELIGIBLE INVESTMENT AMOUNTS  |      |  |  |  |  |
|--|------|--|--|--|--|
| (Estimated Investment in each year. Do not put cumulative totals.)               |      |  |  |  |  |
|  |      |  | Column A   | Column B   | Column C                                 |
|  | Year | Tax Year<br>(Fill in actual<br>tax year below)<br>YYYY | New Eligible investment made during this year<br>for tangible personal property as defined in<br>Section (403.602(9)(B)) placed into service after<br>the date the agreement was entered into. | New eligible investment as defined in Section<br>403.602(13) made during this year and after the<br>date the agreement was entered into. | Total Investment<br>(for this year only) |
| Complete Tax years of Construction Period<br>(Add additional years if necessary) | 1    | 2024   | \$0  | \$0  | \$0                                      |
|  | 2    | 2025   | \$42,832,000   | \$1,885,000  | \$44,717,000                             |
|  | 3    | 2026   | \$95,164,000   | \$5,270,000  | \$100,434,000                            |
| Total Eligible Investment  |      |  |  |  | \$145,151,000                            |

For All Columns: List amount invested each year, not cumulative totals. Also you may only alter the green-shaded cells.

- Column A: This represents the total dollar amount of planned investment in tangible personal property. Only tangible personal property that is specifically described in the application can become eligible property.
- Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
- Column C: Do not alter any formulas in column C. This Column adds up the values listed in Columns A and B.
- Total Eligible Invesment: The summation of all totals.

## Schedule B: Estimated Market And Taxable Value

|                                 |                          |
|---------------------------------|--------------------------|
| Date                            |                          |
| Applicant Name                  | Braven Environmental LLC |
| ISD Name                        | Hooks ISD                |
| Located in an opportunity zone? | Yes                      |

Per 403.605 the limitation is either 50% of market value or if on opportunity zone it is 25% of market value.

|   | Year of Project | Year of Incentive | School Year (YYYY-YYYY) | Tax Year (YYYY) | Estimated Taxable Value        |  |  |  |
|---|-----------------|-------------------|-------------------------|-----------------|--------------------------------|--|--|--|
|   |                 |                   |                         |                 | Estimated Market Value of Land | Estimated Taxable Value of Real Property | Final taxable value for I&S after all reductions (land plus real property) | Final taxable value for M&O after all reductions (land plus real property) |
| Construction Period<br><i>Insert as many rows as necessary</i>  | 1               |                   | 2024-2025               | 2024            | \$1,125,000                    | \$0                                      | \$1,125,000  | \$1,125,000  |
|   | 2               |                   | 2025-2026               | 2025            | \$1,125,000                    | \$0                                      | \$1,125,000  | \$1,125,000  |
|   | 3               |                   | 2026-2027               | 2026            | \$1,125,000                    | \$0                                      | \$1,125,000  | \$1,125,000  |
| Incentive Period<br>(Incentive period will need to equal no more than 10 consecutive years. Section 403.613(a)).  | 4               | 1                 | 2027-2028               | 2027            | \$1,125,000                    | \$145,151,000                            | \$146,276,000  | \$37,412,750   |
|   | 5               | 2                 | 2028-2029               | 2028            | \$1,125,000                    | \$141,011,120                            | \$142,136,120  | \$36,377,780   |
|   | 6               | 3                 | 2029-2030               | 2029            | \$1,125,000                    | \$136,995,436                            | \$138,120,436  | \$35,373,859   |
|   | 7               | 4                 | 2030-2031               | 2030            | \$1,125,000                    | \$133,100,223                            | \$134,225,223  | \$34,400,056   |
|   | 8               | 5                 | 2031-2032               | 2031            | \$1,125,000                    | \$129,321,867                            | \$130,446,867  | \$33,455,467   |
|   | 9               | 6                 | 2032-2033               | 2032            | \$1,125,000                    | \$125,656,861                            | \$126,781,861  | \$32,539,215   |
|   | 10              | 7                 | 2033-2034               | 2033            | \$1,125,000                    | \$122,101,805                            | \$123,226,805  | \$31,650,451   |
|   | 11              | 8                 | 2034-2035               | 2034            | \$1,125,000                    | \$118,653,401                            | \$119,778,401  | \$30,788,350   |
|   | 12              | 9                 | 2035-2036               | 2035            | \$1,125,000                    | \$115,308,449                            | \$116,433,449  | \$29,952,112   |
|   | 13              | 10                | 2036-2037               | 2036            | \$1,125,000                    | \$112,063,845                            | \$113,188,845  | \$29,140,961   |
| Additional years for a 20 year economic impact as required by 403.609(b)(2)<br>Must total at least 20 years with construction, Incentive, and additional years<br><i>Insert as many rows as necessary</i> | 14              |                   | 2037-2038               | 2037            | \$1,125,000                    | \$108,916,580                            | \$110,041,580  | \$110,041,580  |
|   | 15              |                   | 2038-2039               | 2038            | \$1,125,000                    | \$105,863,732                            | \$106,988,732  | \$106,988,732  |
|   | 16              |                   | 2039-2040               | 2039            | \$1,125,000                    | \$102,902,470                            | \$104,027,470  | \$104,027,470  |
|   | 17              |                   | 2040-2041               | 2040            | \$1,125,000                    | \$100,030,046                            | \$101,155,046  | \$101,155,046  |
|   | 18              |                   | 2041-2042               | 2041            | \$1,125,000                    | \$97,243,795                             | \$98,368,795   | \$98,368,795   |
|   | 19              |                   | 2042-2043               | 2042            | \$1,125,000                    | \$94,541,131                             | \$95,666,131   | \$95,666,131   |
|   | 20              |                   | 2043-2044               | 2043            | \$1,125,000                    | \$91,919,547                             | \$93,044,547   | \$93,044,547   |
|   | 21              |                   | 2044-2045               | 2044            | \$1,125,000                    | \$89,376,611                             | \$90,501,611   | \$90,501,611   |
|   | 22              |                   | 2045-2046               | 2045            | \$1,125,000                    | \$86,909,962                             | \$88,034,962   | \$88,034,962   |
|   | 23              |                   | 2046-2047               | 2046            | \$1,125,000                    | \$84,517,314                             | \$85,642,314   | \$85,642,314   |
|   | 24              |                   | 2047-2048               | 2047            | \$1,125,000                    | \$82,196,444                             | \$83,321,444   | \$83,321,444   |
|   | 25              |                   | 2048-2049               | 2048            | \$1,125,000                    | \$79,945,201                             | \$81,070,201   | \$81,070,201   |
|   | 26              |                   | 2049-2050               | 2049            | \$1,125,000                    | \$77,761,495                             | \$78,886,495   | \$78,886,495   |
|   | 27              |                   | 2050-2051               | 2050            | \$1,125,000                    | \$75,643,300                             | \$76,768,300   | \$76,768,300   |
|   | 28              |                   | 2051-2052               | 2051            | \$1,125,000                    | \$73,588,651                             | \$74,713,651   | \$74,713,651   |
|   | 29              |                   | 2052-2053               | 2052            | \$1,125,000                    | \$71,595,641                             | \$72,720,641   | \$72,720,641   |
|   | 30              |                   | 2053-2054               | 2053            | \$1,125,000                    | \$69,662,422                             | \$70,787,422   | \$70,787,422   |
|   | 31              |                   | 2054-2055               | 2054            | \$1,125,000                    | \$67,787,200                             | \$68,912,200   | \$68,912,200   |
|   | 32              |                   | 2055-2056               | 2055            | \$1,125,000                    | \$65,968,234                             | \$67,093,234   | \$67,093,234   |
|   | 33              |                   | 2056-2057               | 2056            | \$1,125,000                    | \$64,203,837                             | \$65,328,837   | \$65,328,837   |
|   | 34              |                   | 2057-2058               | 2057            | \$1,125,000                    | \$62,492,371                             | \$63,617,371   | \$63,617,371   |
|   | 35              |                   | 2058-2059               | 2058            | \$1,125,000                    | \$60,832,250                             | \$61,957,250   | \$61,957,250   |
|   | 36              |                   | 2059-2060               | 2059            | \$1,125,000                    | \$59,221,933                             | \$60,346,933   | \$60,346,933   |
|   | 37              |                   | 2060-2061               | 2060            | \$1,125,000                    | \$57,659,925                             | \$58,784,925   | \$58,784,925   |
|   | 38              |                   | 2061-2062               | 2061            | \$1,125,000                    | \$56,144,777                             | \$57,269,777   | \$57,269,777   |

## Notes:

Market value in future years is a good faith estimate of future taxable value for the purposes of property taxation.  
Only include market value for eligible investment on this schedule.

Cells for the Years in the Constuction Period under column "Estimated Taxable Real Property Value" will be zero (403.605(b)).  
Question in Cell B5 will need to be answered for the formulas to compute limitation.  
Only highlighted cells should be filled out.  
Construction Period: Will need to insert rows as necessary or delete if less than 3.  
Incentive Period: Cannot exceed 10 years and must be consecutive.  
Row Year of Incentive: Year 1 must coincide with the 1st year of the incentive period. This must match the information provided in the application.  
Row Year of Project: Will need to at least 20 years.  
Column Additional years: Will need to adjust this section to accommodate the 20 years required.

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Braven Environmental LLC

Tab 9 – Sworn Affidavit

**AFFIDAVIT OF JEFFREY NEUMANN**

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


"My name is Jeffrey Neumann. 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 Chief Administrative Officer and Treasurer of the Braven Environmental LLC and am authorized to make this affidavit on behalf of Braven Environmental LLC. Braven Environmental 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 Braven Environmental LLC has thoroughly reviewed the ineligibility criteria outlined in Section 403.606 and Braven Environmental 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.

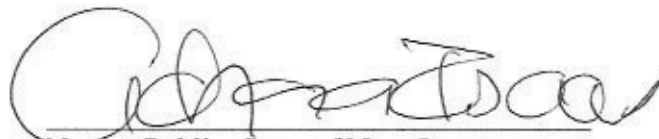
We understand the importance of accuracy and completeness in providing this information and acknowledge that any false statement or misrepresentation may result in legal consequences including rejection of an application or rescission of an agreement entered under the Act."

WITNESS MY HAND on this the 26<sup>th</sup> day of March 2024.

  
\_\_\_\_\_  
Jeffrey Neumann

SUBSCRIBED AND SWORN TO BEFORE ME on March 28 2024 to certify which witness my hand and official seal.

**ADRIANA ISAACS**  
Commission # 2444761  
Notary Public, State of New Jersey  
My Commission Expires  
April 11, 2029

  
\_\_\_\_\_  
Notary Public, State of New Jersey  
My commission expires April 11, 2029