

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 Formosa Plastics Corporation, Texas
2. Applicant's address 201 Formosa Drive, P.O. Box 700, Point Comfort, Texas 77978
3. Texas Taxpayer I.D. number 12223554648
4. NAICS code 325110
5. Applicant's form of business (*corporation, limited liability corporation, etc*) Corporation
6. Is the applicant current on all tax payments to the State of Texas? ☒ Yes ☐ No
7. Provide parent company information (*if applicable*)

Formosa Plastics Corporation, USA

Parent Company Name

11329683673

Parent Company Tax ID

9 Peach Tree Hill Road, Livingston, NJ 07039

Parent Company Address

8. Authorized Company Representative

Jack

First Name

Wu

Last Name

Vice President

Title

Formosa Plastics Corporation, Texas

Organization

P.O. Box 700

Mailing Address

Point Comfort

City

Texas

State

77978

Zip

(361) 920-8800

Phone Number

jackwu@ftpc.fpcusa.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)*

First Name	Last Name
Title	
Firm Name	
Phone Number	Email Address

SECTION 2: School District Information

1. Authorized School District Representative

Jared	Duncum
First Name	Last Name
Interim Superintendent	
Title	
Palacios ISD	
School District Name	
(361) 972-5491	jaredd@palaciosisd.org
Phone Number	Email Address

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

Sara Hardner	Leon
First Name	Last Name
Principal	
Title	
Sara Leon & Associates, PLLC	
Firm Name	
(512) 637-4244	sleon@saraleonlaw.com
Phone Number	Email Address

SECTION 3: Fee

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

SECTION 4: Project Information

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

1. In Tab 2, provide a detailed description of the proposed project. Include a legal description of the real property on which the proposed project will be located and the address, if known.
2. The county or counties in which the proposed project will be located Jackson 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 Jackson CAD
5. The population of the County *(or Counties)* per the Federal Decennial Census at the time of application 14,988

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 January 2025
2. Projected completion of construction 2026
3. Projected commencement of commercial operations 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 325110
- a. Indicate the NAICS level used (*county, WDA or statewide*) Statewide
- b. Texas Workforce Commission Quarterly Census of Employment and Wages Area. Texas
- | | | | | |
|----|------|------|------|------------|
| Q1 | Year | 2024 | Wage | \$3,747.00 |
| Q2 | Year | 2023 | Wage | \$2,881.00 |
| Q3 | Year | 2023 | Wage | \$2,752.00 |
| Q4 | Year | 2023 | Wage | \$2,853.00 |
- c. Average Annual Wage \$159,029.00
- d. 110% of the Average Annual Wage \$174,931.90



TAB 2

Section 4: Project Information, #1 – Detailed description of proposed project

1-Hexene is an organic compound with the formula C_6H_{12} . It appears as a clear colorless liquid with a petroleum-like odor. It has a flash point -9° and is less dense than water and is insoluble in water with vapors heavier than air. 1-Hexene is used as a comonomer in production of polyethylene, such as high-density polyethylene (HDPE) and linear low-density polyethylene (LLDPE). It is also used in the synthesis of flavors, perfumes, dyes and plastic resins, which is commonly used in everyday products such as film, pipe, tube, sheet, containers and packaging.

The raw material, Ethylene, is mixed with Catalyst into a reactor. It will then travel through a series of distillation columns and finally transfer into a product tank. A simple diagram displays this production process (attached). This unit will produce the market need for domestic and world market export. The Polyethylene produced with the Hexene will also serve a domestic and world market export.

The potential new unit is located in Point Comfort, Texas. The proposed site is vacant and unutilized land that consists of 11.90 acres. This unit will connect to the existing Point Comfort complex and will provide electricity, industrial water, fire protection, waste water treatment, security, etc.

At our location, currently we produce Polyethylene (PE). A part of the feedstock to produce PE is C6 (1-Hexene) and at this time we purchase C6 from outside companies and have it delivered to our site by rail tank cars. This new project will produce our own C6 (1-Hexene), which means we will no longer need to purchase from any outside company. With this additional production, we will also have the capacity to sell the C6 product to the United States and world market.

TAB 6

Section 6: Ineligible Property, #1 Existing Property – High-resolution map that includes specific and detailed description of all existing property (includes buildings and improvements existing as of application completion date), description must provide sufficient detail to distinguish property from future proposed property

The land for the new construction is owned by Formosa Plastics Corp., Texas. The Jackson County Appraisal District has assigned the property number R49995 for the new area to be considered for the Value Limitation Application.

The area is approximately 11.90 acres @ \$4,200.00 per acre or \$49,980.00. Attached is a map indicating the C6 Process Area (approximately 11.90 acres).

The land is completely cleared out and does not have any buildings or improvements located on the land.

TAB 7

Section 9: Limitation as Compelling Factor, #1 – 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

The Applicant is a wholly-owned subsidiary of Formosa Plastics Affiliated Group, Taiwan. As such, the Applicant competes with other members of Formosa Plastics for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, Formosa Plastics has the ability to invest, locate and development new projects, such as the one that is the subject of this application, in numerous locations throughout the world, which includes many potential states located in the USA.

Formosa Plastics owns and operates the Point Comfort Complex where the Project would be sited on unimproved land if the Point Comfort location were chosen as the site for the Project.

Formosa Plastics takes a long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently see new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. Formosa is evaluating other locations for this project such as Taiwan, Louisiana, Oklahoma, West Virginia and other potential sites in the United States. We are unable to provide further information on particular site selections and other locations as we are not ready to review at this moment.

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation

and decision, as well as in obtaining approval for the Project internally within Formosa Plastics and affiliate company.

Property taxes support a significant cost impacting the Project economics. A value limitation on appraised value under the Section 403.621 is a determining factor in the feasibility study and decision to invest capital and construct the potential project in the state of Texas. Property taxes are considerably lower in Louisiana than in Texas and Louisiana also offers a good incentive program. With property taxes higher in Texas compared to other locations, the JETI program in Texas will offer a more significant operating cost savings which will help to make Texas a competitive location for this project.

Economic Benefit Statement for Formosa Plastics Corporation, Texas - C6 Unit in Jackson County, TX

October 4, 2024

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An Economic Benefit Statement for Formosa Plastics Corporation, Texas - C6 Unit

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 Formosa Plastics Corporation, Texas - C6 Unit in Jackson 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 37-year period beginning with 2 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>
2025-2026	Construction
2027-2036	Incentive Period
2037-2061	Additional 25 Years

A Description of the Facility and Its Operations

This project involves the production of hexane. With the use of ethylene as a feedstock along with a catalyst, the result is the production of hexane for use in Formosa's processes. The product will travel through a series of distillation columns and finally transfer into a product tank. The unit will produce the market need for domestic and world market export. The potential new unit is located at the Formosa Plastics Corporation, Texas facility in Point Comfort, Texas; however, the new unit will be located within Jackson County, Texas which falls under Palacios ISD. The proposed site is vacant and unutilized land that consists of 11.90 acres. This unit will connect to the existing Point Comfort complex and provide electricity, industrial water, fire protection, waste water treatment, security, etc.

Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 37 years will be as follows:

Table 1 Timeline for Permanent Employment and Investment					
Year	Number of New Workers to be Hired Each Year		Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2025	0	<i>Construction</i>	\$18,000,000	\$42,000,000	\$60,000,000
2026	2	<i>Construction</i>	\$27,000,000	\$63,000,000	\$90,000,000
2027	8	<i>Incentive Year 1</i>	\$0	\$0	\$0
2028	0	<i>Incentive Year 2</i>	\$0	\$0	\$0
2029	0	<i>Incentive Year 3</i>	\$0	\$0	\$0
2030	0	<i>Incentive Year 4</i>	\$0	\$0	\$0
2031	0	<i>Incentive Year 5</i>	\$0	\$0	\$0
2032	0	<i>Incentive Year 6</i>	\$0	\$0	\$0
2033	0	<i>Incentive Year 7</i>	\$0	\$0	\$0
2034	0	<i>Incentive Year 8</i>	\$0	\$0	\$0
2035	0	<i>Incentive Year 9</i>	\$0	\$0	\$0
2036	0	<i>Incentive Year 10</i>	\$0	\$0	\$0
2037	0		\$0	\$0	\$0
2038	0		\$0	\$0	\$0
2039	0		\$0	\$0	\$0
2040	0		\$0	\$0	\$0
2041	0		\$0	\$0	\$0
2042	0		\$0	\$0	\$0
2043	0		\$0	\$0	\$0
2044	0		\$0	\$0	\$0
2045	0		\$0	\$0	\$0
2046	0		\$0	\$0	\$0
2047	0		\$0	\$0	\$0
2048	0		\$0	\$0	\$0
2049	0		\$0	\$0	\$0
2050	0		\$0	\$0	\$0
2051	0		\$0	\$0	\$0
2052	0		\$0	\$0	\$0
2053	0		\$0	\$0	\$0
2054	0		\$0	\$0	\$0
2055	0		\$0	\$0	\$0

Table 1 continued on the next page

Table 1 - Continued Timeline for Permanent Employment and Investment				
Year	Number of New Workers to be Hired Each Year	Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2056	0	\$0	\$0	\$0
2057	0	\$0	\$0	\$0
2058	0	\$0	\$0	\$0
2059	0	\$0	\$0	\$0
2060	0	\$0	\$0	\$0
2061	0	\$0	\$0	\$0
<u>Total</u>	<u>10</u>	<u>\$45,000,000</u>	<u>\$105,000,000</u>	<u>\$150,000,000</u>

Total Capital Investment and Total Employment

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

Table 2 Total Capital Investment and Employment	
Total Capital Investment	\$150,000,000
Total Employment	10

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 37 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.

Table 3 Appraised Value of the Facility's Investment	
Year	Total Appraised Value of Investment
2025	\$0
2026	\$0
2027	\$120,000,000
2028	\$114,000,000
2029	\$108,300,000
2030	\$102,885,000
2031	\$97,740,750
2032	\$92,853,713
2033	\$88,211,027
2034	\$83,800,476
2035	\$79,610,452
2036	\$75,629,929
2037	\$71,848,433
2038	\$68,256,011
2039	\$64,843,210
2040	\$61,601,050
2041	\$58,520,998
2042	\$55,594,948
2043	\$52,815,201
2044	\$50,174,441
2045	\$47,665,719
2046	\$45,282,433
2047	\$43,018,311
2048	\$40,867,395
2049	\$38,824,025
2050	\$36,882,824
2051	\$35,038,683
2052	\$33,286,749
2053	\$31,622,412
2054	\$30,041,291

Table 3 continued on the next page

Table 3 - Continued Appraised Value of the Facility's Investment	
Year	Total Appraised Value of Investment
2055	\$28,539,226
2056	\$27,112,265
2057	\$25,756,652
2058	\$24,468,819
2059	\$23,245,378
2060	\$22,083,109
2061	\$20,978,954

Appraised Value Assumptions:

Applies 5% annual depreciation to total investment value over time based on company's projections.

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

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

Table 4 Taxing Units and Tax Rates (Per \$100 of Taxable Value) at Proposed Site		
City:	N/A	0.000000
County:	Jackson County	0.388700
School:	Palacios ISD	0.989510
	<i>M&O Rate:</i>	<i>0.70780</i>
	<i>I&S Rate:</i>	<i>0.28171</i>
Spec Dist #1:	Flood District	0.048700
Spec Dist #2:	ESD 2	0.029300
Spec Dist #3:	Hospital District	0.201200
Spec Dist #4:	Texana Groundwater Conservation District	0.007400
<u>Total Rate</u>		<u>1.664810</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 Ad Valorem Taxes for Each Taxing Unit on the Investment Over the Next 37 Years			
City:	N/A		\$0
County:	Jackson County		\$7,779,441
School:	Palacios ISD		\$16,395,884
		M&O Taxes:	\$10,757,740
		I&S Taxes:	\$5,638,144
Spec Dist #1:	Flood District		\$974,682
Spec Dist #2:	ESD 2		\$586,410
Spec Dist #3:	Hospital District		\$4,026,817
Spec Dist #4:	Texana Groundwater Conservation District		\$148,104
<u>Total</u>			<u>\$29,911,337</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 Ad Valorem Taxes for School District on Investment: Palacios ISD							
Year	Taxable Value of Eligible Property for M&O Tax*	M&O Tax Rate	M&O Taxes	Taxable Value of Property for I&S Tax**	I&S Tax Rate	I&S Taxes	Total School District Taxes
2025	\$0	0.70780	\$0	\$0	0.28171	\$0	\$0
2026	\$0	0.70780	\$0	\$0	0.28171	\$0	\$0
2027	\$60,000,000	0.70780	\$424,680	\$120,000,000	0.28171	\$338,052	\$762,732
2028	\$57,000,000	0.70780	\$403,446	\$114,000,000	0.28171	\$321,149	\$724,595
2029	\$54,150,000	0.70780	\$383,274	\$108,300,000	0.28171	\$305,092	\$688,366
2030	\$51,442,500	0.70780	\$364,110	\$102,885,000	0.28171	\$289,837	\$653,947
2031	\$48,870,375	0.70780	\$345,905	\$97,740,750	0.28171	\$275,345	\$621,250
2032	\$46,426,857	0.70780	\$328,609	\$92,853,713	0.28171	\$261,578	\$590,187
2033	\$44,105,514	0.70780	\$312,179	\$88,211,027	0.28171	\$248,499	\$560,678
2034	\$41,900,238	0.70780	\$296,570	\$83,800,476	0.28171	\$236,074	\$532,644
2035	\$39,805,226	0.70780	\$281,741	\$79,610,452	0.28171	\$224,271	\$506,012
2036	\$37,814,965	0.70780	\$267,654	\$75,629,929	0.28171	\$213,057	\$480,711
2037	\$71,848,433	0.70780	\$508,543	\$71,848,433	0.28171	\$202,404	\$710,947
2038	\$68,256,011	0.70780	\$483,116	\$68,256,011	0.28171	\$192,284	\$675,400

Table 6 continued on the next page

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

Year	Taxable Value of Eligible Property for M&O Tax*	M&O Tax Rate	M&O Taxes	Taxable Value of Property for I&S Tax**	I&S Tax Rate	I&S Taxes	Total School District Taxes
2039	\$64,843,210	0.70780	\$458,960	\$64,843,210	0.28171	\$182,670	\$641,630
2040	\$61,601,050	0.70780	\$436,012	\$61,601,050	0.28171	\$173,536	\$609,549
2041	\$58,520,998	0.70780	\$414,212	\$58,520,998	0.28171	\$164,860	\$579,071
2042	\$55,594,948	0.70780	\$393,501	\$55,594,948	0.28171	\$156,617	\$550,118
2043	\$52,815,201	0.70780	\$373,826	\$52,815,201	0.28171	\$148,786	\$522,612
2044	\$50,174,441	0.70780	\$355,135	\$50,174,441	0.28171	\$141,346	\$496,481
2045	\$47,665,719	0.70780	\$337,378	\$47,665,719	0.28171	\$134,279	\$471,657
2046	\$45,282,433	0.70780	\$320,509	\$45,282,433	0.28171	\$127,565	\$448,074
2047	\$43,018,311	0.70780	\$304,484	\$43,018,311	0.28171	\$121,187	\$425,670
2048	\$40,867,395	0.70780	\$289,259	\$40,867,395	0.28171	\$115,128	\$404,387
2049	\$38,824,025	0.70780	\$274,796	\$38,824,025	0.28171	\$109,371	\$384,168
2050	\$36,882,824	0.70780	\$261,057	\$36,882,824	0.28171	\$103,903	\$364,959
2051	\$35,038,683	0.70780	\$248,004	\$35,038,683	0.28171	\$98,707	\$346,711
2052	\$33,286,749	0.70780	\$235,604	\$33,286,749	0.28171	\$93,772	\$329,376
2053	\$31,622,412	0.70780	\$223,823	\$31,622,412	0.28171	\$89,083	\$312,907
2054	\$30,041,291	0.70780	\$212,632	\$30,041,291	0.28171	\$84,629	\$297,262
2055	\$28,539,226	0.70780	\$202,001	\$28,539,226	0.28171	\$80,398	\$282,398
2056	\$27,112,265	0.70780	\$191,901	\$27,112,265	0.28171	\$76,378	\$268,279
2057	\$25,756,652	0.70780	\$182,306	\$25,756,652	0.28171	\$72,559	\$254,865
2058	\$24,468,819	0.70780	\$173,190	\$24,468,819	0.28171	\$68,931	\$242,121
2059	\$23,245,378	0.70780	\$164,531	\$23,245,378	0.28171	\$65,485	\$230,015
2060	\$22,083,109	0.70780	\$156,304	\$22,083,109	0.28171	\$62,210	\$218,515
2061	\$20,978,954	0.70780	\$148,489	\$20,978,954	0.28171	\$59,100	\$207,589
Total			\$10,757,740			\$5,638,144	\$16,395,884

* Taxable Value of Eligible Property for M&O Tax is equal to 50% 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 Ad Valorem Taxes for Other Taxing Units on Investment				
Year	N/A 0.000000	Jackson County 0.388700	Other Local Districts 0.286600	Total
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$466,440	\$343,920	\$810,360
2028	\$0	\$443,118	\$326,724	\$769,842
2029	\$0	\$420,962	\$310,388	\$731,350
2030	\$0	\$399,914	\$294,868	\$694,782
2031	\$0	\$379,918	\$280,125	\$660,043
2032	\$0	\$360,922	\$266,119	\$627,041
2033	\$0	\$342,876	\$252,813	\$595,689
2034	\$0	\$325,732	\$240,172	\$565,905
2035	\$0	\$309,446	\$228,164	\$537,609
2036	\$0	\$293,974	\$216,755	\$510,729
2037	\$0	\$279,275	\$205,918	\$485,192
2038	\$0	\$265,311	\$195,622	\$460,933
2039	\$0	\$252,046	\$185,841	\$437,886
2040	\$0	\$239,443	\$176,549	\$415,992
2041	\$0	\$227,471	\$167,721	\$395,192
2042	\$0	\$216,098	\$159,335	\$375,433
2043	\$0	\$205,293	\$151,368	\$356,661
2044	\$0	\$195,028	\$143,800	\$338,828
2045	\$0	\$185,277	\$136,610	\$321,887
2046	\$0	\$176,013	\$129,779	\$305,792
2047	\$0	\$167,212	\$123,290	\$290,503
2048	\$0	\$158,852	\$117,126	\$275,978
2049	\$0	\$150,909	\$111,270	\$262,179
2050	\$0	\$143,364	\$105,706	\$249,070
2051	\$0	\$136,195	\$100,421	\$236,616
2052	\$0	\$129,386	\$95,400	\$224,785
2053	\$0	\$122,916	\$90,630	\$213,546
2054	\$0	\$116,770	\$86,098	\$202,869
2055	\$0	\$110,932	\$81,793	\$192,725
2056	\$0	\$105,385	\$77,704	\$183,089
2057	\$0	\$100,116	\$73,819	\$173,935
2058	\$0	\$95,110	\$70,128	\$165,238
2059	\$0	\$90,355	\$66,621	\$156,976

Table 7 continued on the next page

Table 7 - Continued				
Ad Valorem Taxes for Other Taxing Units on Investment				
Year	N/A 0.000000	Jackson County 0.388700	Other Local Districts 0.286600	Total
2060	\$0	\$85,837	\$63,290	\$149,127
2061	\$0	\$81,545	\$60,126	\$141,671
<u>Total</u>	<u>\$0</u>	<u>\$7,779,441</u>	<u>\$5,736,012</u>	<u>\$13,515,453</u>

Note: 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			
Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$45.00 M	\$64.53 M	\$109.53 M
Construction employment (annual average)	138	174	313
Payroll / increase in state personal income	\$18.00 M	\$17.91 M	\$35.91 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.

Table 9 Total Economic Impact During the Facility's Operations in the State of Texas			
		Annually at Full Operations in 2027	37-Year Total
Economic output / increase in gross state product:			
	Direct	\$10.52 M	\$528.14 M
	Indirect & Induced	\$14.63 M	\$734.27 M
	<u>Total</u>	<u>\$25.15 M</u>	<u>\$1.26 B</u>
Employment:			
	Direct	10	10
	Indirect & Induced	55	55
	<u>Total</u>	<u>65</u>	<u>65</u>
Payroll / increase in state personal income:			
	Direct	\$1.86 M	\$112.57 M
	Indirect & Induced	\$4.25 M	\$257.92 M
	<u>Total</u>	<u>\$6.11 M</u>	<u>\$370.49 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 Jackson 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 Local Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$45.00 M	\$5.34 M	\$50.34 M
Construction employment (annual average)	138	23	161
Payroll / increase in county personal income	\$18.00 M	\$2.15 M	\$20.15 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 Jackson County economy.

Table 11 Total Economic Impact During the Facility's Operations in Jackson County			
		Annually at Full Operations in 2027	37-Year Total
Economic output / increase in gross area product:			
	Direct	\$10.52 M	\$528.14 M
	Indirect & Induced	\$1.84 M	\$92.58 M
	<u>Total</u>	<u>\$12.37 M</u>	<u>\$620.72 M</u>
Employment:			
	Direct	10	10
	Indirect & Induced	4	4
	<u>Total</u>	<u>14</u>	<u>14</u>
Payroll/Personal Income:			
	Direct	\$1.86 M	\$112.57 M
	Indirect & Induced	\$0.70 M	\$42.52 M
	<u>Total</u>	<u>\$2.56 M</u>	<u>\$155.09 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 Tax Revenues for the State and Local Taxing Units During Construction				
	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Tax Revenues
State of Texas	\$2,177,258	\$82,148	\$682,651	\$2,942,057
Nearby Cities	\$78,381	\$0	\$0	\$78,381
Jackson County	\$26,127	\$0	\$0	\$26,127
<u>Total</u>	<u>\$2,281,767</u>	<u>\$82,148</u>	<u>\$682,651</u>	<u>\$3,046,565</u>

The state and local tax revenues from the facility's operations over the 37-year period is shown below.

Table 13 Tax Revenues for the State and Local Taxing Units During Operations						
	Sales Tax Collections	Hotel Taxes	Franchise Tax Collections	Other Taxes and Revenues	Property Taxes*	Total Tax Revenues
State of Texas	\$7,268,339	\$0	\$1,222,154	\$4,492,477	\$0	\$12,982,971
Nearby Cities	\$261,660	\$0	\$0	\$0	\$0	\$261,660
Jackson County	\$87,220	\$0	\$0	\$0	\$7,782,605	\$7,869,825
Palacios ISD	\$0	\$0	\$0	\$0	\$16,403,939	\$16,403,939
Flood District	\$0	\$0	\$0	\$0	\$975,078	\$975,078
ESD 2	\$0	\$0	\$0	\$0	\$586,649	\$586,649
Hospital District	\$0	\$0	\$0	\$0	\$4,028,454	\$4,028,454
Texana Groundwater Conservatio	\$0	\$0	\$0	\$0	\$148,164	\$148,164
<u>Total</u>	<u>\$7,617,220</u>	<u>\$0</u>	<u>\$1,222,154</u>	<u>\$4,492,477</u>	<u>\$29,924,889</u>	<u>\$43,256,740</u>

* 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.

Direct vs. Indirect Tax Revenues Generated as a Result of the Project

The tables below break down tax revenues during construction and operations, showing direct and indirect taxes. The first table covers construction, and the second focuses on operations.

Table 14 Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Construction			
	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$1,593,750	\$1,348,307	\$2,942,057
Local Districts	\$76,500	\$28,008	\$104,508
<u>Total</u>	<u>\$1,670,250</u>	<u>\$1,376,315</u>	<u>\$3,046,565</u>

Table 15 Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Operations			
	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$726,188	\$12,256,783	\$12,982,971
Local Districts	\$29,940,733	\$333,036	\$30,273,769
<u>Total</u>	<u>\$30,666,921</u>	<u>\$12,589,819</u>	<u>\$43,256,740</u>

Direct taxes are the estimated taxes paid by the company. These taxes primarily include the sales taxes paid on taxable purchases or sales, the estimated franchise taxes paid by the company, and property taxes paid by the company. Indirect taxes include all other taxes expected to be supported by the construction and on-going operations of the facility. Indirect taxes include sales taxes paid by the company's workers and by workers of indirect and induced businesses as well as other revenues detailed throughout the report.

Additional information and year-by-year calculations for 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 16 Development of Industries in the State		
	New Spending	Percent of Total
Agriculture, forestry, fishing and hunting	\$84,187	0.6%
Mining, quarrying, and oil and gas extraction	\$1,428,023	9.8%
Utilities	\$477,762	3.3%
Construction	\$170,479	1.2%
Durable goods manufacturing	\$277,817	1.9%
Nondurable goods manufacturing	\$4,224,086	28.9%
Wholesale trade	\$1,203,875	8.2%
Retail trade	\$692,439	4.7%
Transportation and warehousing	\$763,998	5.2%
Information	\$312,544	2.1%
Finance and insurance	\$986,041	6.7%
Real estate and rental and leasing	\$1,208,084	8.3%
Professional, scientific, and technical services	\$483,023	3.3%
Management of companies and enterprises	\$310,440	2.1%
Administrative & support & waste mgmt & remediation svcs	\$406,203	2.8%
Educational services	\$104,181	0.7%
Health care and social assistance	\$712,433	4.9%
Arts, entertainment, and recreation	\$65,245	0.4%
Accommodation	\$65,245	0.4%
Food services and drinking places	\$278,870	1.9%
Other services	\$374,632	2.6%
Total	\$14,629,607	100.0%

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 17 Construction Costs	
Year	Construction Costs
2025	\$18,000,000
2026	\$27,000,000
2027	\$0
2028	\$0
<u>Total</u>	<u>\$45,000,000</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 18 Economic Output/Increase in Gross State Product During Construction			
Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	\$18,000,000	\$25,812,000	\$43,812,000
2026	\$27,000,000	\$38,718,000	\$65,718,000
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$45,000,000</u>	<u>\$64,530,000</u>	<u>\$109,530,000</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.

Table 19 Number of Construction Workers for a Hypothetical \$1 Million Construction Project	
Total estimated construction	\$1,000,000
Estimated on-site labor costs as a percentage of construction costs	40%
Estimated annual construction worker's salary	\$65,000
Estimated number of construction workers for a \$1 million construction project	6.15

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

Table 20 Construction Workers Employed During Construction		
Year	Construction Costs	Number of Construction Jobs Supported Each Year
2025	\$18,000,000	111
2026	\$27,000,000	166
2027	\$0	0
2028	\$0	0
<u>Total</u>	<u>\$45,000,000</u>	
<u>Average construction jobs per year</u>		<u>138</u>

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

Table 21 Direct, Indirect and Induced Employment During Construction			
Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	111	139	250
2026	166	209	375
2027	0	0	0
2028	0	0	0
<u>Annual Avg.</u>	<u>138</u>	<u>174</u>	<u>313</u>

Construction Payroll

Construction workers will have the following payrolls:

Table 22 Direct Construction Payroll		
Year	Construction Costs	Total Construction Payroll
2025	\$18,000,000	\$7,200,000
2026	\$27,000,000	\$10,800,000
2027	\$0	\$0
2028	\$0	\$0
<u>Total</u>	<u>\$45,000,000</u>	<u>\$18,000,000</u>

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

Table 23 Direct, Indirect and Induced Payroll During Construction			
Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$7,200,000	\$7,163,280	\$14,363,280
2026	\$10,800,000	\$10,744,920	\$21,544,920
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$18,000,000</u>	<u>\$17,908,200</u>	<u>\$35,908,200</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 24 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	75%
Percent of worker salaries spent on taxable goods and services	26%
Estimated percent of machinery and equipment subject to sales tax	5%

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

Table 25 Estimated Taxable Sales					
Year	Estimated Taxable Machinery and Equipment	Estimated Total Construction Materials	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2025	\$2,100,000	\$10,800,000	\$8,100,000	\$3,734,453	\$13,934,453
2026	\$3,150,000	\$16,200,000	\$12,150,000	\$5,601,679	\$20,901,679
2027	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$5,250,000</u>	<u>\$27,000,000</u>	<u>\$20,250,000</u>	<u>\$9,336,132</u>	<u>\$34,836,132</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:

Table 26 Estimated Sales Tax Collections During Construction						
Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections	Direct Sales Tax Collections	Indirect Sales Tax Collections
2025	\$131,250	\$506,250	\$233,403	\$870,903	\$637,500	\$233,403
2026	\$196,875	\$759,375	\$350,105	\$1,306,355	\$956,250	\$350,105
2027	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$328,125</u>	<u>\$1,265,625</u>	<u>\$583,508</u>	<u>\$2,177,258</u>	<u>\$1,593,750</u>	<u>\$583,508</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:

Table 27 Estimated Taxable Margins During Construction Subject to Texas' Franchise Tax			
Year	On Direct Revenues During Construction	On Indirect & Induced Revenues	Total Taxable Margins
2025	\$1,800,000	\$2,581,200	\$4,381,200
2026	\$2,700,000	\$3,871,800	\$6,571,800
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$4,500,000</u>	<u>\$6,453,000</u>	<u>\$10,953,000</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 28 Estimated Franchise Tax Collections During Construction		
Year	Total Taxable Margins	Franchise Tax Collections
2025	\$4,381,200	\$32,859
2026	\$6,571,800	\$49,289
2027	\$0	\$0
2028	\$0	\$0
<u>Total</u>	<u>\$10,953,000</u>	<u>\$82,148</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 29 Other Revenues for the State from Each Worker During Construction	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$110
Alcohol beverage taxes	\$185
Net lottery proceeds	\$302
<u>Total</u>	<u>\$1,072</u>

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

Table 30 Other Revenues for the State from Workers During Construction						
Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes & Revenues
2025	\$9,383	\$109,470	\$27,524	\$46,290	\$75,565	\$268,232
2026	\$14,497	\$169,131	\$42,524	\$71,518	\$116,749	\$414,419
2027	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$23,880</u>	<u>\$278,601</u>	<u>\$70,048</u>	<u>\$117,808</u>	<u>\$192,314</u>	<u>\$682,651</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:

Table 31 General Fund Revenues for the State During Construction				
Year	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Revenues
2025	\$870,903	\$32,859	\$268,232	\$1,171,995
2026	\$1,306,355	\$49,289	\$414,419	\$1,770,062
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$2,177,258</u>	<u>\$82,148</u>	<u>\$682,651</u>	<u>\$2,942,057</u>

State of Texas Economic Impacts During the Facility's Operations

The facility's estimated annual revenues during the first 37 years are shown below:

Table 32 Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2025	Year 1	\$0
2026	Year 2	\$2,063,260
2027	Year 3	\$10,522,626
2028	Year 4	\$10,733,079
2029	Year 5	\$10,947,740
2030	Year 6	\$11,166,695
2031	Year 7	\$11,390,029
2032	Year 8	\$11,617,830
2033	Year 9	\$11,850,186
2034	Year 10	\$12,087,190
2035	Year 11	\$12,328,934
2036	Year 12	\$12,575,513
2037	Year 13	\$12,827,023
2038	Year 14	\$13,083,563
2039	Year 15	\$13,345,235
2040	Year 16	\$13,612,139
2041	Year 17	\$13,884,382
2042	Year 18	\$14,162,070
2043	Year 19	\$14,445,311
2044	Year 20	\$14,734,217
2045	Year 21	\$15,028,902
2046	Year 22	\$15,329,480
2047	Year 23	\$15,636,069
2048	Year 24	\$15,948,791
2049	Year 25	\$16,267,766
2050	Year 26	\$16,593,122
2051	Year 27	\$16,924,984
2052	Year 28	\$17,263,484
2053	Year 29	\$17,608,754
2054	Year 30	\$17,960,929
2055	Year 31	\$18,320,147
2056	Year 32	\$18,686,550
2057	Year 33	\$19,060,281
2058	Year 34	\$19,441,487

Table 32 continued on the next page

Table 32 - Continued Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2059	Year 35	\$19,830,317
2060	Year 36	\$20,226,923
2061	Year 37	\$20,631,461
<u>Total</u>		<u>\$528,136,469</u>

Economic Output During Operations

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

Table 33 Output During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	\$0	\$0	\$0
2026	\$2,063,260	\$2,868,550	\$4,931,811
2027	\$10,522,626	\$14,629,607	\$25,152,234
2028	\$10,733,079	\$14,922,200	\$25,655,278
2029	\$10,947,740	\$15,220,644	\$26,168,384
2030	\$11,166,695	\$15,525,056	\$26,691,752
2031	\$11,390,029	\$15,835,558	\$27,225,587
2032	\$11,617,830	\$16,152,269	\$27,770,099
2033	\$11,850,186	\$16,475,314	\$28,325,500
2034	\$12,087,190	\$16,804,820	\$28,892,010
2035	\$12,328,934	\$17,140,917	\$29,469,851
2036	\$12,575,513	\$17,483,735	\$30,059,248
2037	\$12,827,023	\$17,833,410	\$30,660,433
2038	\$13,083,563	\$18,190,078	\$31,273,641
2039	\$13,345,235	\$18,553,880	\$31,899,114
2040	\$13,612,139	\$18,924,957	\$32,537,096
2041	\$13,884,382	\$19,303,456	\$33,187,838
2042	\$14,162,070	\$19,689,525	\$33,851,595
2043	\$14,445,311	\$20,083,316	\$34,528,627
2044	\$14,734,217	\$20,484,982	\$35,219,200
2045	\$15,028,902	\$20,894,682	\$35,923,584

Table 33 continued on the next page

Table 33 - Continued Output During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2046	\$15,329,480	\$21,312,576	\$36,642,055
2047	\$15,636,069	\$21,738,827	\$37,374,896
2048	\$15,948,791	\$22,173,604	\$38,122,394
2049	\$16,267,766	\$22,617,076	\$38,884,842
2050	\$16,593,122	\$23,069,417	\$39,662,539
2051	\$16,924,984	\$23,530,806	\$40,455,790
2052	\$17,263,484	\$24,001,422	\$41,264,906
2053	\$17,608,754	\$24,481,450	\$42,090,204
2054	\$17,960,929	\$24,971,079	\$42,932,008
2055	\$18,320,147	\$25,470,501	\$43,790,648
2056	\$18,686,550	\$25,979,911	\$44,666,461
2057	\$19,060,281	\$26,499,509	\$45,559,790
2058	\$19,441,487	\$27,029,499	\$46,470,986
2059	\$19,830,317	\$27,570,089	\$47,400,406
2060	\$20,226,923	\$28,121,491	\$48,348,414
2061	\$20,631,461	\$28,683,921	\$49,315,382
<u>Total</u>	<u>\$528.14 M</u>	<u>\$734.27 M</u>	<u>\$1.26 B</u>

Employment during Operations

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

Table 34 Number of Jobs to be Created		
Year	Number of New Jobs to be Created	Cumulative Number of New Jobs
2025	0	0
2026	2	2
2027	8	10
2028	0	10
2029	0	10
2030	0	10
2031	0	10
2032	0	10
2033	0	10
2034	0	10
<u>Total</u>	<u>10</u>	

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

Table 35 Direct, Indirect & Induced Employment During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	0	0	0
2026	2	11	13
2027	10	55	65
2028	10	55	65
2029	10	55	65
2030	10	55	65
2031	10	55	65
2032	10	55	65
2033	10	55	65

Table 35 continued on the next page

Table 35 - Continued			
Direct, Indirect & Induced Employment During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2034	10	55	65
2035	10	55	65
2036	10	55	65
2037	10	55	65
2038	10	55	65
2039	10	55	65
2040	10	55	65
2041	10	55	65
2042	10	55	65
2043	10	55	65
2044	10	55	65
2045	10	55	65
2046	10	55	65
2047	10	55	65
2048	10	55	65
2049	10	55	65
2050	10	55	65
2051	10	55	65
2052	10	55	65
2053	10	55	65
2054	10	55	65
2055	10	55	65
2056	10	55	65
2057	10	55	65
2058	10	55	65
2059	10	55	65
2060	10	55	65
2061	10	55	65

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

Table 36 Estimated Annual Payroll			
Percent of annual increase		3.0%	
	Year	Average Annual Salaries	Annual Payroll
Year 1	2025	\$174,932	\$0
Year 2	2026	\$180,180	\$360,360
Year 3	2027	\$185,585	\$1,855,853
Year 4	2028	\$191,153	\$1,911,528
Year 5	2029	\$196,887	\$1,968,874
Year 6	2030	\$202,794	\$2,027,940
Year 7	2031	\$208,878	\$2,088,778
Year 8	2032	\$215,144	\$2,151,442
Year 9	2033	\$221,598	\$2,215,985
Year 10	2034	\$228,246	\$2,282,465
Year 11	2035	\$235,094	\$2,350,938
Year 12	2036	\$242,147	\$2,421,467
Year 13	2037	\$249,411	\$2,494,111
Year 14	2038	\$256,893	\$2,568,934
Year 15	2039	\$264,600	\$2,646,002
Year 16	2040	\$272,538	\$2,725,382
Year 17	2041	\$280,714	\$2,807,143
Year 18	2042	\$289,136	\$2,891,358
Year 19	2043	\$297,810	\$2,978,099
Year 20	2044	\$306,744	\$3,067,441
Year 21	2045	\$315,946	\$3,159,465
Year 22	2046	\$325,425	\$3,254,249
Year 23	2047	\$335,188	\$3,351,876
Year 24	2048	\$345,243	\$3,452,432
Year 25	2049	\$355,601	\$3,556,005
Year 26	2050	\$366,269	\$3,662,686
Year 27	2051	\$377,257	\$3,772,566
Year 28	2052	\$388,574	\$3,885,743
Year 29	2053	\$400,232	\$4,002,315
Year 30	2054	\$412,238	\$4,122,385
Year 31	2055	\$424,606	\$4,246,056
Year 32	2056	\$437,344	\$4,373,438
Year 33	2057	\$450,464	\$4,504,641

Table 36 continued on the next page

Table 36 - Continued Estimated Annual Payroll			
	Year	Average Annual Salaries	Annual Payroll
Year 34	2058	\$463,978	\$4,639,780
Year 35	2059	\$477,897	\$4,778,974
Year 36	2060	\$492,234	\$4,922,343
Year 37	2061	\$507,001	\$5,070,013

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

Table 37 Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$0	\$0	\$0
2026	\$360,360	\$825,656	\$1,186,016
2027	\$1,855,853	\$4,252,129	\$6,107,982
2028	\$1,911,528	\$4,379,693	\$6,291,221
2029	\$1,968,874	\$4,511,084	\$6,479,958
2030	\$2,027,940	\$4,646,417	\$6,674,357
2031	\$2,088,778	\$4,785,809	\$6,874,587
2032	\$2,151,442	\$4,929,383	\$7,080,825
2033	\$2,215,985	\$5,077,265	\$7,293,250
2034	\$2,282,465	\$5,229,583	\$7,512,047
2035	\$2,350,938	\$5,386,470	\$7,737,409
2036	\$2,421,467	\$5,548,064	\$7,969,531
2037	\$2,494,111	\$5,714,506	\$8,208,617
2038	\$2,568,934	\$5,885,941	\$8,454,875
2039	\$2,646,002	\$6,062,520	\$8,708,522
2040	\$2,725,382	\$6,244,395	\$8,969,777
2041	\$2,807,143	\$6,431,727	\$9,238,871
2042	\$2,891,358	\$6,624,679	\$9,516,037
2043	\$2,978,099	\$6,823,419	\$9,801,518
2044	\$3,067,441	\$7,028,122	\$10,095,563
2045	\$3,159,465	\$7,238,966	\$10,398,430
2046	\$3,254,249	\$7,456,134	\$10,710,383
2047	\$3,351,876	\$7,679,819	\$11,031,695

Table 37 continued on the next page

Table 37 - Continued			
Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2048	\$3,452,432	\$7,910,213	\$11,362,645
2049	\$3,556,005	\$8,147,519	\$11,703,525
2050	\$3,662,686	\$8,391,945	\$12,054,631
2051	\$3,772,566	\$8,643,703	\$12,416,269
2052	\$3,885,743	\$8,903,015	\$12,788,758
2053	\$4,002,315	\$9,170,105	\$13,172,420
2054	\$4,122,385	\$9,445,208	\$13,567,593
2055	\$4,246,056	\$9,728,564	\$13,974,621
2056	\$4,373,438	\$10,020,421	\$14,393,859
2057	\$4,504,641	\$10,321,034	\$14,825,675
2058	\$4,639,780	\$10,630,665	\$15,270,445
2059	\$4,778,974	\$10,949,585	\$15,728,559
2060	\$4,922,343	\$11,278,072	\$16,200,415
2061	\$5,070,013	\$11,616,415	\$16,686,428
<u>Total</u>	<u>\$112.57 M</u>	<u>\$257.92 M</u>	<u>\$370.49 M</u>

State of Texas Fiscal Impacts During the Facility's Operations

Taxable Sales on Direct, Indirect and Induced Worker Spending

An estimated 26% of the gross salaries of direct, indirect and induced 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 38 Taxable Spending by Direct, Indirect, & Induced Workers		
Year	Worker Salaries	Workers' Taxable Spending
2025	\$0	\$0
2026	\$1,186,016	\$308,364
2027	\$6,107,982	\$1,588,075
2028	\$6,291,221	\$1,635,718
2029	\$6,479,958	\$1,684,789
2030	\$6,674,357	\$1,735,333
2031	\$6,874,587	\$1,787,393
2032	\$7,080,825	\$1,841,014
2033	\$7,293,250	\$1,896,245
2034	\$7,512,047	\$1,953,132
2035	\$7,737,409	\$2,011,726
2036	\$7,969,531	\$2,072,078
2037	\$8,208,617	\$2,134,240
2038	\$8,454,875	\$2,198,268
2039	\$8,708,522	\$2,264,216
2040	\$8,969,777	\$2,332,142
2041	\$9,238,871	\$2,402,106
2042	\$9,516,037	\$2,474,170
2043	\$9,801,518	\$2,548,395
2044	\$10,095,563	\$2,624,846
2045	\$10,398,430	\$2,703,592
2046	\$10,710,383	\$2,784,700
2047	\$11,031,695	\$2,868,241
2048	\$11,362,645	\$2,954,288
2049	\$11,703,525	\$3,042,916
2050	\$12,054,631	\$3,134,204
2051	\$12,416,269	\$3,228,230
2052	\$12,788,758	\$3,325,077
2053	\$13,172,420	\$3,424,829
2054	\$13,567,593	\$3,527,574

Table 38 continued on the next page

Table 38 - Continued Taxable Spending by Direct, Indirect, & Induced Workers		
Year	Worker Salaries	Workers' Taxable Spending
2055	\$13,974,621	\$3,633,401
2056	\$14,393,859	\$3,742,403
2057	\$14,825,675	\$3,854,676
2058	\$15,270,445	\$3,970,316
2059	\$15,728,559	\$4,089,425
2060	\$16,200,415	\$4,212,108
2061	\$16,686,428	\$4,338,471
<u>Total</u>	<u>\$370.49 M</u>	<u>\$96.33 M</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 2% 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:

Table 39 Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2025	\$0	\$0	\$0
2026	\$20,633	\$57,371	\$78,004
2027	\$105,226	\$292,592	\$397,818
2028	\$107,331	\$298,444	\$405,775
2029	\$109,477	\$304,413	\$413,890
2030	\$111,667	\$310,501	\$422,168
2031	\$113,900	\$316,711	\$430,611
2032	\$116,178	\$323,045	\$439,224
2033	\$118,502	\$329,506	\$448,008
2034	\$120,872	\$336,096	\$456,968
2035	\$123,289	\$342,818	\$466,108
2036	\$125,755	\$349,675	\$475,430
2037	\$128,270	\$356,668	\$484,938
2038	\$130,836	\$363,802	\$494,637
2039	\$133,452	\$371,078	\$504,530
2040	\$136,121	\$378,499	\$514,621
2041	\$138,844	\$386,069	\$524,913
2042	\$141,621	\$393,791	\$535,411
2043	\$144,453	\$401,666	\$546,119
2044	\$147,342	\$409,700	\$557,042
2045	\$150,289	\$417,894	\$568,183
2046	\$153,295	\$426,252	\$579,546
2047	\$156,361	\$434,777	\$591,137
2048	\$159,488	\$443,472	\$602,960
2049	\$162,678	\$452,342	\$615,019
2050	\$165,931	\$461,388	\$627,320
2051	\$169,250	\$470,616	\$639,866
2052	\$172,635	\$480,028	\$652,663

Table 39 continued on the next page

Table 39 - Continued Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2053	\$176,088	\$489,629	\$665,717
2054	\$179,609	\$499,422	\$679,031
2055	\$183,201	\$509,410	\$692,611
2056	\$186,866	\$519,598	\$706,464
2057	\$190,603	\$529,990	\$720,593
2058	\$194,415	\$540,590	\$735,005
2059	\$198,303	\$551,402	\$749,705
2060	\$202,269	\$562,430	\$764,699
2061	\$206,315	\$573,678	\$779,993
<u>Total</u>	<u>\$5.28 M</u>	<u>\$14.69 M</u>	<u>\$19.97 M</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 40 Spending by a Typical Out-of-State Visitor	
Estimated number of out of town visitors	0
Annual increase in the number of out of town visitors after year 1	0.0%
Estimated average number of days spent visiting the facility	0
Average daily spending in the community subject to sales tax	\$0
Estimated number of nights in a local motel	0
Average nightly room rate at a local motel	\$0
Average annual increase in nightly room rate	2.0%
Average annual increase in daily taxable spending in the community	2.0%

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

Table 41 Spending by Out-of-Town Visitors		
Year	Taxable Spending in the Community	Spending on Lodging in the Community
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
2041	\$0	\$0
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
2049	\$0	\$0
2050	\$0	\$0
2051	\$0	\$0
2052	\$0	\$0
2053	\$0	\$0
2054	\$0	\$0
2055	\$0	\$0
2056	\$0	\$0
2057	\$0	\$0
2058	\$0	\$0

Table 41 continued on the next page

Table 41 - Continued Spending by Out-of-Town Visitors		
Year	Taxable Spending in the Community	Spending on Lodging in the Community
2059	\$0	\$0
2060	\$0	\$0
2061	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Total Taxable Sales

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

Table 42 Estimated Total Taxable Sales						
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$308,364	\$0	\$20,633	\$57,371	\$0	\$386,368
2027	\$1,588,075	\$0	\$105,226	\$292,592	\$0	\$1,985,894
2028	\$1,635,718	\$0	\$107,331	\$298,444	\$0	\$2,041,492
2029	\$1,684,789	\$0	\$109,477	\$304,413	\$0	\$2,098,679
2030	\$1,735,333	\$0	\$111,667	\$310,501	\$0	\$2,157,501
2031	\$1,787,393	\$0	\$113,900	\$316,711	\$0	\$2,218,004
2032	\$1,841,014	\$0	\$116,178	\$323,045	\$0	\$2,280,238
2033	\$1,896,245	\$0	\$118,502	\$329,506	\$0	\$2,344,253
2034	\$1,953,132	\$0	\$120,872	\$336,096	\$0	\$2,410,101
2035	\$2,011,726	\$0	\$123,289	\$342,818	\$0	\$2,477,834
2036	\$2,072,078	\$0	\$125,755	\$349,675	\$0	\$2,547,508
2037	\$2,134,240	\$0	\$128,270	\$356,668	\$0	\$2,619,179
2038	\$2,198,268	\$0	\$130,836	\$363,802	\$0	\$2,692,905
2039	\$2,264,216	\$0	\$133,452	\$371,078	\$0	\$2,768,746
2040	\$2,332,142	\$0	\$136,121	\$378,499	\$0	\$2,846,763
2041	\$2,402,106	\$0	\$138,844	\$386,069	\$0	\$2,927,019
2042	\$2,474,170	\$0	\$141,621	\$393,791	\$0	\$3,009,581
2043	\$2,548,395	\$0	\$144,453	\$401,666	\$0	\$3,094,514
2044	\$2,624,846	\$0	\$147,342	\$409,700	\$0	\$3,181,888

Table 42 continued on the next page

Table 42 - Continued
Estimated Total Taxable Sales

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2045	\$2,703,592	\$0	\$150,289	\$417,894	\$0	\$3,271,775
2046	\$2,784,700	\$0	\$153,295	\$426,252	\$0	\$3,364,246
2047	\$2,868,241	\$0	\$156,361	\$434,777	\$0	\$3,459,378
2048	\$2,954,288	\$0	\$159,488	\$443,472	\$0	\$3,557,248
2049	\$3,042,916	\$0	\$162,678	\$452,342	\$0	\$3,657,936
2050	\$3,134,204	\$0	\$165,931	\$461,388	\$0	\$3,761,524
2051	\$3,228,230	\$0	\$169,250	\$470,616	\$0	\$3,868,096
2052	\$3,325,077	\$0	\$172,635	\$480,028	\$0	\$3,977,740
2053	\$3,424,829	\$0	\$176,088	\$489,629	\$0	\$4,090,546
2054	\$3,527,574	\$0	\$179,609	\$499,422	\$0	\$4,206,605
2055	\$3,633,401	\$0	\$183,201	\$509,410	\$0	\$4,326,013
2056	\$3,742,403	\$0	\$186,866	\$519,598	\$0	\$4,448,867
2057	\$3,854,676	\$0	\$190,603	\$529,990	\$0	\$4,575,269
2058	\$3,970,316	\$0	\$194,415	\$540,590	\$0	\$4,705,321
2059	\$4,089,425	\$0	\$198,303	\$551,402	\$0	\$4,839,130
2060	\$4,212,108	\$0	\$202,269	\$562,430	\$0	\$4,976,807
2061	\$4,338,471	\$0	\$206,315	\$573,678	\$0	\$5,118,464
<u>Total</u>	<u>\$96,326,701</u>	<u>\$0</u>	<u>\$5,281,365</u>	<u>\$14,685,363</u>	<u>\$0</u>	<u>\$116,293,429</u>

Sales Tax Collections

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

Table 43 Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$19,273	\$0	\$1,290	\$3,586	\$0	\$24,148
2027	\$99,255	\$0	\$6,577	\$18,287	\$0	\$124,118
2028	\$102,232	\$0	\$6,708	\$18,653	\$0	\$127,593
2029	\$105,299	\$0	\$6,842	\$19,026	\$0	\$131,167
2030	\$108,458	\$0	\$6,979	\$19,406	\$0	\$134,844
2031	\$111,712	\$0	\$7,119	\$19,794	\$0	\$138,625
2032	\$115,063	\$0	\$7,261	\$20,190	\$0	\$142,515
2033	\$118,515	\$0	\$7,406	\$20,594	\$0	\$146,516
2034	\$122,071	\$0	\$7,554	\$21,006	\$0	\$150,631
2035	\$125,733	\$0	\$7,706	\$21,426	\$0	\$154,865
2036	\$129,505	\$0	\$7,860	\$21,855	\$0	\$159,219
2037	\$133,390	\$0	\$8,017	\$22,292	\$0	\$163,699
2038	\$137,392	\$0	\$8,177	\$22,738	\$0	\$168,307
2039	\$141,513	\$0	\$8,341	\$23,192	\$0	\$173,047
2040	\$145,759	\$0	\$8,508	\$23,656	\$0	\$177,923
2041	\$150,132	\$0	\$8,678	\$24,129	\$0	\$182,939
2042	\$154,636	\$0	\$8,851	\$24,612	\$0	\$188,099
2043	\$159,275	\$0	\$9,028	\$25,104	\$0	\$193,407
2044	\$164,053	\$0	\$9,209	\$25,606	\$0	\$198,868
2045	\$168,974	\$0	\$9,393	\$26,118	\$0	\$204,486
2046	\$174,044	\$0	\$9,581	\$26,641	\$0	\$210,265
2047	\$179,265	\$0	\$9,773	\$27,174	\$0	\$216,211
2048	\$184,643	\$0	\$9,968	\$27,717	\$0	\$222,328
2049	\$190,182	\$0	\$10,167	\$28,271	\$0	\$228,621
2050	\$195,888	\$0	\$10,371	\$28,837	\$0	\$235,095
2051	\$201,764	\$0	\$10,578	\$29,414	\$0	\$241,756
2052	\$207,817	\$0	\$10,790	\$30,002	\$0	\$248,609
2053	\$214,052	\$0	\$11,005	\$30,602	\$0	\$255,659
2054	\$220,473	\$0	\$11,226	\$31,214	\$0	\$262,913
2055	\$227,088	\$0	\$11,450	\$31,838	\$0	\$270,376
2056	\$233,900	\$0	\$11,679	\$32,475	\$0	\$278,054
2057	\$240,917	\$0	\$11,913	\$33,124	\$0	\$285,954
2058	\$248,145	\$0	\$12,151	\$33,787	\$0	\$294,083

Table 43 continued on the next page

Table 43 - Continued Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	\$255,589	\$0	\$12,394	\$34,463	\$0	\$302,446
2060	\$263,257	\$0	\$12,642	\$35,152	\$0	\$311,050
2061	\$271,154	\$0	\$12,895	\$35,855	\$0	\$319,904
<u>Total</u>	<u>\$6,020,419</u>	<u>\$0</u>	<u>\$330,085</u>	<u>\$917,835</u>	<u>\$0</u>	<u>\$7,268,339</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 44 Estimated Hotel Occupancy Tax Collections from Visitors		
Year	Total Hotel Spending on Lodging	Occupancy Tax Collections
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
2041	\$0	\$0

Table 44 continued on the next page

Table 44 - Continued
Estimated Hotel Occupancy Tax Collections
from Visitors

Year	Spending on Lodging	Total Hotel Occupancy Tax Collections
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
2049	\$0	\$0
2050	\$0	\$0
2051	\$0	\$0
2052	\$0	\$0
2053	\$0	\$0
2054	\$0	\$0
2055	\$0	\$0
2056	\$0	\$0
2057	\$0	\$0
2058	\$0	\$0
2059	\$0	\$0
2060	\$0	\$0
2061	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Franchise Tax Collections from the Company and Indirect and Induced Businesses

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

Estimated Taxable Margins of the Company and Indirect and Induced Companies

The facility's estimated taxable margins subject to Texas franchise tax may be 10% of its operating revenues and the estimated taxable margins of indirect companies may be 15% 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.

Table 45 Revenues of the Company Subject to Franchise Taxes & Taxable Margins of Indirect and Induced Companies During Operations			
Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2025	\$0	\$0	\$0
2026	\$206,326	\$430,283	\$636,609
2027	\$1,052,263	\$2,194,441	\$3,246,704
2028	\$1,073,308	\$2,238,330	\$3,311,638
2029	\$1,094,774	\$2,283,097	\$3,377,871
2030	\$1,116,670	\$2,328,758	\$3,445,428
2031	\$1,139,003	\$2,375,334	\$3,514,337
2032	\$1,161,783	\$2,422,840	\$3,584,623
2033	\$1,185,019	\$2,471,297	\$3,656,316
2034	\$1,208,719	\$2,520,723	\$3,729,442
2035	\$1,232,893	\$2,571,138	\$3,804,031
2036	\$1,257,551	\$2,622,560	\$3,880,112
2037	\$1,282,702	\$2,675,011	\$3,957,714
2038	\$1,308,356	\$2,728,512	\$4,036,868
2039	\$1,334,523	\$2,783,082	\$4,117,605
2040	\$1,361,214	\$2,838,744	\$4,199,958

Table 45 continued on the next page

Table 45 - Continued
Revenues of the Company Subject to Franchise Taxes &
Taxable Margins of Indirect and Induced Companies
During Operations

Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2041	\$1,388,438	\$2,895,518	\$4,283,957
2042	\$1,416,207	\$2,953,429	\$4,369,636
2043	\$1,444,531	\$3,012,497	\$4,457,028
2044	\$1,473,422	\$3,072,747	\$4,546,169
2045	\$1,502,890	\$3,134,202	\$4,637,092
2046	\$1,532,948	\$3,196,886	\$4,729,834
2047	\$1,563,607	\$3,260,824	\$4,824,431
2048	\$1,594,879	\$3,326,041	\$4,920,920
2049	\$1,626,777	\$3,392,561	\$5,019,338
2050	\$1,659,312	\$3,460,413	\$5,119,725
2051	\$1,692,498	\$3,529,621	\$5,222,119
2052	\$1,726,348	\$3,600,213	\$5,326,562
2053	\$1,760,875	\$3,672,218	\$5,433,093
2054	\$1,796,093	\$3,745,662	\$5,541,755
2055	\$1,832,015	\$3,820,575	\$5,652,590
2056	\$1,868,655	\$3,896,987	\$5,765,642
2057	\$1,906,028	\$3,974,926	\$5,880,954
2058	\$1,944,149	\$4,054,425	\$5,998,574
2059	\$1,983,032	\$4,135,513	\$6,118,545
2060	\$2,022,692	\$4,218,224	\$6,240,916
2061	\$2,063,146	\$4,302,588	\$6,365,734
<u>Total</u>	<u>\$52.81 M</u>	<u>\$110.14 M</u>	<u>\$162.95 M</u>

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.

Table 46 Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect & Induced Businesses	Total
2025	\$0	\$0	\$0
2026	\$1,547	\$3,227	\$4,775
2027	\$7,892	\$16,458	\$24,350
2028	\$8,050	\$16,787	\$24,837
2029	\$8,211	\$17,123	\$25,334
2030	\$8,375	\$17,466	\$25,841
2031	\$8,543	\$17,815	\$26,358
2032	\$8,713	\$18,171	\$26,885
2033	\$8,888	\$18,535	\$27,422
2034	\$9,065	\$18,905	\$27,971
2035	\$9,247	\$19,284	\$28,530
2036	\$9,432	\$19,669	\$29,101
2037	\$9,620	\$20,063	\$29,683
2038	\$9,813	\$20,464	\$30,277
2039	\$10,009	\$20,873	\$30,882
2040	\$10,209	\$21,291	\$31,500
2041	\$10,413	\$21,716	\$32,130
2042	\$10,622	\$22,151	\$32,772
2043	\$10,834	\$22,594	\$33,428
2044	\$11,051	\$23,046	\$34,096
2045	\$11,272	\$23,507	\$34,778
2046	\$11,497	\$23,977	\$35,474
2047	\$11,727	\$24,456	\$36,183
2048	\$11,962	\$24,945	\$36,907
2049	\$12,201	\$25,444	\$37,645
2050	\$12,445	\$25,953	\$38,398
2051	\$12,694	\$26,472	\$39,166
2052	\$12,948	\$27,002	\$39,949
2053	\$13,207	\$27,542	\$40,748
2054	\$13,471	\$28,092	\$41,563

Table 46 continued on the next page

Table 46 - Continued Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect & Induced Businesses	Total
2055	\$13,740	\$28,654	\$42,394
2056	\$14,015	\$29,227	\$43,242
2057	\$14,295	\$29,812	\$44,107
2058	\$14,581	\$30,408	\$44,989
2059	\$14,873	\$31,016	\$45,889
2060	\$15,170	\$31,637	\$46,807
2061	\$15,474	\$32,269	\$47,743
<u>Total</u>	<u>\$396,102</u>	<u>\$826,052</u>	<u>\$1,222,154</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:

Table 47 Other Revenues for the State from Each Worker During Operations	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$110
Alcoholic beverage taxes	\$185
Net lottery proceeds	\$302
<u>Total</u>	<u>\$1,072</u>

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

Table 48 Other Revenues for the State from Workers During Operations						
Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes and Revenues
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$503	\$5,869	\$1,476	\$2,482	\$4,051	\$14,381
2027	\$2,591	\$30,227	\$7,600	\$12,782	\$20,865	\$74,065
2028	\$2,669	\$31,134	\$7,828	\$13,165	\$21,491	\$76,286
2029	\$2,749	\$32,068	\$8,063	\$13,560	\$22,136	\$78,575
2030	\$2,831	\$33,030	\$8,305	\$13,967	\$22,800	\$80,932
2031	\$2,916	\$34,021	\$8,554	\$14,386	\$23,484	\$83,360
2032	\$3,004	\$35,041	\$8,810	\$14,817	\$24,188	\$85,861
2033	\$3,094	\$36,092	\$9,075	\$15,262	\$24,914	\$88,437
2034	\$3,186	\$37,175	\$9,347	\$15,720	\$25,662	\$91,090
2035	\$3,282	\$38,291	\$9,627	\$16,191	\$26,431	\$93,823
2036	\$3,381	\$39,439	\$9,916	\$16,677	\$27,224	\$96,637
2037	\$3,482	\$40,622	\$10,214	\$17,177	\$28,041	\$99,537
2038	\$3,586	\$41,841	\$10,520	\$17,693	\$28,882	\$102,523
2039	\$3,694	\$43,096	\$10,836	\$18,224	\$29,749	\$105,598
2040	\$3,805	\$44,389	\$11,161	\$18,770	\$30,641	\$108,766
2041	\$3,919	\$45,721	\$11,496	\$19,333	\$31,560	\$112,029
2042	\$4,037	\$47,093	\$11,840	\$19,913	\$32,507	\$115,390
2043	\$4,158	\$48,505	\$12,196	\$20,511	\$33,483	\$118,852
2044	\$4,282	\$49,960	\$12,561	\$21,126	\$34,487	\$122,417
2045	\$4,411	\$51,459	\$12,938	\$21,760	\$35,522	\$126,090
2046	\$4,543	\$53,003	\$13,326	\$22,413	\$36,587	\$129,873
2047	\$4,679	\$54,593	\$13,726	\$23,085	\$37,685	\$133,769
2048	\$4,820	\$56,231	\$14,138	\$23,778	\$38,815	\$137,782
2049	\$4,964	\$57,918	\$14,562	\$24,491	\$39,980	\$141,915
2050	\$5,113	\$59,655	\$14,999	\$25,226	\$41,179	\$146,173
2051	\$5,267	\$61,445	\$15,449	\$25,982	\$42,415	\$150,558
2052	\$5,425	\$63,288	\$15,913	\$26,762	\$43,687	\$155,075
2053	\$5,587	\$65,187	\$16,390	\$27,565	\$44,998	\$159,727
2054	\$5,755	\$67,143	\$16,882	\$28,392	\$46,348	\$164,519
2055	\$5,928	\$69,157	\$17,388	\$29,244	\$47,738	\$169,454
2056	\$6,106	\$71,232	\$17,910	\$30,121	\$49,170	\$174,538
2057	\$6,289	\$73,369	\$18,447	\$31,024	\$50,645	\$179,774
2058	\$6,477	\$75,570	\$19,000	\$31,955	\$52,165	\$185,167
2059	\$6,672	\$77,837	\$19,570	\$32,914	\$53,730	\$190,722
2060	\$6,872	\$80,172	\$20,157	\$33,901	\$55,341	\$196,444
2061	\$7,078	\$82,577	\$20,762	\$34,918	\$57,002	\$202,337
Total	\$157,153	\$1,833,450	\$460,982	\$775,288	\$1,265,605	\$4,492,477

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 49 General Fund Revenues for the State During Operations					
Year	Sales Tax Collections	Hotel Occupancy Taxes	Franchise Tax Collections	Other Taxes and Revenues	Total State Revenues
2025	\$0	\$0	\$0	\$0	\$0
2026	\$24,148	\$0	\$4,775	\$14,381	\$43,304
2027	\$124,118	\$0	\$24,350	\$74,065	\$222,533
2028	\$127,593	\$0	\$24,837	\$76,286	\$228,717
2029	\$131,167	\$0	\$25,334	\$78,575	\$235,077
2030	\$134,844	\$0	\$25,841	\$80,932	\$241,617
2031	\$138,625	\$0	\$26,358	\$83,360	\$248,343
2032	\$142,515	\$0	\$26,885	\$85,861	\$255,261
2033	\$146,516	\$0	\$27,422	\$88,437	\$262,375
2034	\$150,631	\$0	\$27,971	\$91,090	\$269,692
2035	\$154,865	\$0	\$28,530	\$93,823	\$277,218
2036	\$159,219	\$0	\$29,101	\$96,637	\$284,957
2037	\$163,699	\$0	\$29,683	\$99,537	\$292,918
2038	\$168,307	\$0	\$30,277	\$102,523	\$301,106
2039	\$173,047	\$0	\$30,882	\$105,598	\$309,527
2040	\$177,923	\$0	\$31,500	\$108,766	\$318,189
2041	\$182,939	\$0	\$32,130	\$112,029	\$327,098
2042	\$188,099	\$0	\$32,772	\$115,390	\$336,261
2043	\$193,407	\$0	\$33,428	\$118,852	\$345,687
2044	\$198,868	\$0	\$34,096	\$122,417	\$355,382
2045	\$204,486	\$0	\$34,778	\$126,090	\$365,354
2046	\$210,265	\$0	\$35,474	\$129,873	\$375,612
2047	\$216,211	\$0	\$36,183	\$133,769	\$386,163
2048	\$222,328	\$0	\$36,907	\$137,782	\$397,017
2049	\$228,621	\$0	\$37,645	\$141,915	\$408,181
2050	\$235,095	\$0	\$38,398	\$146,173	\$419,666
2051	\$241,756	\$0	\$39,166	\$150,558	\$431,480
2052	\$248,609	\$0	\$39,949	\$155,075	\$443,633
2053	\$255,659	\$0	\$40,748	\$159,727	\$456,134
2054	\$262,913	\$0	\$41,563	\$164,519	\$468,995
2055	\$270,376	\$0	\$42,394	\$169,454	\$482,225
2056	\$278,054	\$0	\$43,242	\$174,538	\$495,834
2057	\$285,954	\$0	\$44,107	\$179,774	\$509,836

Table 49 continued on the next page

Table 49 - Continued					
General Fund Revenues for the State During Operations					
Year	Sales Tax Collections	Hotel		Other Taxes and Revenues	Total State Revenues
		Occupancy Taxes	Franchise Tax Collections		
2058	\$294,083	\$0	\$44,989	\$185,167	\$524,239
2059	\$302,446	\$0	\$45,889	\$190,722	\$539,057
2060	\$311,050	\$0	\$46,807	\$196,444	\$554,301
2061	\$319,904	\$0	\$47,743	\$202,337	\$569,984
<u>Total</u>	<u>\$7,268,339</u>	<u>\$0</u>	<u>\$1,222,154</u>	<u>\$4,492,477</u>	<u>\$12,982,971</u>

The Total Revenues for the State of Texas from the Facility's Operations - Direct vs. Indirect

The table below details the total increase in state revenues from the facility's operations by direct and indirect sources.

Table 50 Direct vs. Indirect: General Fund Revenues for the State During Operations			
Year	Direct Taxes	Indirect Taxes	Total State Revenues
2025	\$0	\$0	\$0
2026	\$2,837	\$40,467	\$43,304
2027	\$14,469	\$208,065	\$222,533
2028	\$14,758	\$213,959	\$228,717
2029	\$15,053	\$220,023	\$235,077
2030	\$15,354	\$226,263	\$241,617
2031	\$15,661	\$232,682	\$248,343
2032	\$15,975	\$239,286	\$255,261
2033	\$16,294	\$246,081	\$262,375
2034	\$16,620	\$253,072	\$269,692
2035	\$16,952	\$260,265	\$277,218
2036	\$17,291	\$267,666	\$284,957
2037	\$17,637	\$275,281	\$292,918
2038	\$17,990	\$283,116	\$301,106
2039	\$18,350	\$291,177	\$309,527
2040	\$18,717	\$299,472	\$318,189
2041	\$19,091	\$308,007	\$327,098
2042	\$19,473	\$316,788	\$336,261
2043	\$19,862	\$325,824	\$345,687
2044	\$20,260	\$335,122	\$355,382
2045	\$20,665	\$344,689	\$365,354
2046	\$21,078	\$354,534	\$375,612
2047	\$21,500	\$364,664	\$386,163
2048	\$21,930	\$375,087	\$397,017
2049	\$22,368	\$385,813	\$408,181
2050	\$22,816	\$396,850	\$419,666
2051	\$23,272	\$408,208	\$431,480
2052	\$23,737	\$419,895	\$443,633
2053	\$24,212	\$431,922	\$456,134
2054	\$24,696	\$444,298	\$468,995
2055	\$25,190	\$457,034	\$482,225
2056	\$25,694	\$470,140	\$495,834

Table 50 continued on the next page

Table 50 - Continued			
Direct vs. Indirect: General Fund Revenues for the State During Operations			
Year	Direct Taxes	Indirect Taxes	Total State Revenues
2057	\$26,208	\$483,628	\$509,836
2058	\$26,732	\$497,507	\$524,239
2059	\$27,267	\$511,790	\$539,057
2060	\$27,812	\$526,489	\$554,301
2061	\$28,368	\$541,616	\$569,984
<u>Total</u>	<u>\$726,188</u>	<u>\$12,256,783</u>	<u>\$12,982,971</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 Jackson 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 Jackson 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 51			
Economic Output/Increase in Gross Area Product in Jackson County During Construction			
Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	\$18,000,000	\$2,136,600	\$20,136,600
2026	\$27,000,000	\$3,204,900	\$30,204,900
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$45.00 M</u>	<u>\$5.34 M</u>	<u>\$50.34 M</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 Jackson County each year:

Table 52 Direct, Indirect and Induced Employment in Jackson County During Construction			
Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	111	18	129
2026	166	28	194
2027	0	0	0
2028	0	0	0
<u>Annual Avg.</u>	<u>138</u>	<u>23</u>	<u>161</u>

Construction Payroll

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

Table 53 Direct, Indirect and Induced Payroll in Jackson County During Construction			
Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$7,200,000	\$861,120	\$8,061,120
2026	\$10,800,000	\$1,291,680	\$12,091,680
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$18,000,000</u>	<u>\$2,152,800</u>	<u>\$20,152,800</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 Jackson County multipliers to estimate the total impact inclusive of the indirect and induced effects.

Local Fiscal Impacts During Construction

Taxable Sales

A significant amount of taxable sales or spending during construction can be expected to take place within Jackson County and nearby cities. If 15% of the statewide taxable sales during construction occur locally, the facility's construction project will result in the following taxable sales:

Table 54 Local Estimated Taxable Sales During Construction				
Year	Estimated Taxable Machinery and Equipment	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2025	\$315,000	\$1,215,000	\$560,168	\$2,090,168
2026	\$472,500	\$1,822,500	\$840,252	\$3,135,252
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$787,500</u>	<u>\$3,037,500</u>	<u>\$1,400,420</u>	<u>\$5,225,420</u>

Sales Tax Collections

With a combined 2.00% local sales tax, Jackson County and nearby cities will collect the following sales tax on machinery and equipment, construction materials and construction worker spending:

Table 55 Estimated Sales Tax Collections During Construction						
Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections	Direct Sales Tax Collections	Total Sales Tax Collections
2025	\$6,300	\$24,300	\$11,203	\$41,803	\$30,600	\$11,203
2026	\$9,450	\$36,450	\$16,805	\$62,705	\$45,900	\$16,805
2027	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$15,750</u>	<u>\$60,750</u>	<u>\$28,008</u>	<u>\$104,508</u>	<u>\$76,500</u>	<u>\$28,008</u>

Summary of Local Taxes During Construction

During the facility's construction project, Jackson County and nearby cities will receive the following tax revenues:

Table 56 Tax Revenues for the City During Construction			
Year	City Sales Tax Collections	County Sales Tax Collections	Total Revenues
2025	\$31,353	\$10,451	\$41,803
2026	\$47,029	\$15,676	\$62,705
2027	\$0	\$0	\$0
2028	\$0	\$0	\$0
<u>Total</u>	<u>\$78,381</u>	<u>\$26,127</u>	<u>\$104,508</u>

Local Economic Impacts During the Facility's Operations

Economic Output During Operations

The facility's estimated annual revenues during the first 37 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 Jackson County when applying the local economic impact multiplier.

Table 57 Direct, Indirect & Induced Output in Jackson County During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	\$0	\$0	\$0
2026	\$2,063,260	\$361,689	\$2,424,950
2027	\$10,522,626	\$1,844,616	\$12,367,243
2028	\$10,733,079	\$1,881,509	\$12,614,588
2029	\$10,947,740	\$1,919,139	\$12,866,879
2030	\$11,166,695	\$1,957,522	\$13,124,217
2031	\$11,390,029	\$1,996,672	\$13,386,701
2032	\$11,617,830	\$2,036,606	\$13,654,435
2033	\$11,850,186	\$2,077,338	\$13,927,524
2034	\$12,087,190	\$2,118,884	\$14,206,075
2035	\$12,328,934	\$2,161,262	\$14,490,196
2036	\$12,575,513	\$2,204,487	\$14,780,000
2037	\$12,827,023	\$2,248,577	\$15,075,600
2038	\$13,083,563	\$2,293,549	\$15,377,112
2039	\$13,345,235	\$2,339,420	\$15,684,654
2040	\$13,612,139	\$2,386,208	\$15,998,347
2041	\$13,884,382	\$2,433,932	\$16,318,314
2042	\$14,162,070	\$2,482,611	\$16,644,680
2043	\$14,445,311	\$2,532,263	\$16,977,574
2044	\$14,734,217	\$2,582,908	\$17,317,126
2045	\$15,028,902	\$2,634,566	\$17,663,468
2046	\$15,329,480	\$2,687,258	\$18,016,737
2047	\$15,636,069	\$2,741,003	\$18,377,072
2048	\$15,948,791	\$2,795,823	\$18,744,614
2049	\$16,267,766	\$2,851,739	\$19,119,506
2050	\$16,593,122	\$2,908,774	\$19,501,896

Table 57 continued on the next page

Table 57 - Continued Direct, Indirect & Induced Output in Jackson County During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2051	\$16,924,984	\$2,966,950	\$19,891,934
2052	\$17,263,484	\$3,026,289	\$20,289,773
2053	\$17,608,754	\$3,086,815	\$20,695,568
2054	\$17,960,929	\$3,148,551	\$21,109,479
2055	\$18,320,147	\$3,211,522	\$21,531,669
2056	\$18,686,550	\$3,275,752	\$21,962,302
2057	\$19,060,281	\$3,341,267	\$22,401,548
2058	\$19,441,487	\$3,408,093	\$22,849,579
2059	\$19,830,317	\$3,476,254	\$23,306,571
2060	\$20,226,923	\$3,545,780	\$23,772,702
2061	\$20,631,461	\$3,616,695	\$24,248,156
<u>Total</u>	<u>\$528.14 M</u>	<u>\$92.58 M</u>	<u>\$620.72 M</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:

Table 58 Direct, Indirect & Induced Employment in Jackson County During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	0	0	0
2026	2	1	3
2027	10	4	14
2028	10	4	14
2029	10	4	14
2030	10	4	14
2031	10	4	14
2032	10	4	14
2033	10	4	14
2034	10	4	14
2035	10	4	14
2036	10	4	14
2037	10	4	14
2038	10	4	14
2039	10	4	14
2040	10	4	14
2041	10	4	14
2042	10	4	14
2043	10	4	14
2044	10	4	14
2045	10	4	14
2046	10	4	14
2047	10	4	14
2048	10	4	14
2049	10	4	14
2050	10	4	14
2051	10	4	14
2052	10	4	14
2053	10	4	14
2054	10	4	14
2055	10	4	14

Table 58 continued on the next page

Table 58 - Continued Direct, Indirect & Induced Employment in Jackson County During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2056	10	4	14
2057	10	4	14
2058	10	4	14
2059	10	4	14
2060	10	4	14
2061	10	4	14

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

Table 59 Direct, Indirect and Induced Payroll in Jackson County During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$0	\$0	\$0
2026	\$360,360	\$136,108	\$496,468
2027	\$1,855,853	\$700,955	\$2,556,808
2028	\$1,911,528	\$721,984	\$2,633,512
2029	\$1,968,874	\$743,644	\$2,712,518
2030	\$2,027,940	\$765,953	\$2,793,893
2031	\$2,088,778	\$788,932	\$2,877,710
2032	\$2,151,442	\$812,600	\$2,964,041
2033	\$2,215,985	\$836,978	\$3,052,962
2034	\$2,282,465	\$862,087	\$3,144,551
2035	\$2,350,938	\$887,949	\$3,238,888
2036	\$2,421,467	\$914,588	\$3,336,055
2037	\$2,494,111	\$942,026	\$3,436,136
2038	\$2,568,934	\$970,286	\$3,539,220
2039	\$2,646,002	\$999,395	\$3,645,397
2040	\$2,725,382	\$1,029,377	\$3,754,759
2041	\$2,807,143	\$1,060,258	\$3,867,402

Table 59 continued on the next page

Table 59 - Continued
Direct, Indirect and Induced Payroll
in Jackson County During Operations

Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2042	\$2,891,358	\$1,092,066	\$3,983,424
2043	\$2,978,099	\$1,124,828	\$4,102,926
2044	\$3,067,441	\$1,158,573	\$4,226,014
2045	\$3,159,465	\$1,193,330	\$4,352,795
2046	\$3,254,249	\$1,229,130	\$4,483,378
2047	\$3,351,876	\$1,266,004	\$4,617,880
2048	\$3,452,432	\$1,303,984	\$4,756,416
2049	\$3,556,005	\$1,343,103	\$4,899,109
2050	\$3,662,686	\$1,383,396	\$5,046,082
2051	\$3,772,566	\$1,424,898	\$5,197,464
2052	\$3,885,743	\$1,467,645	\$5,353,388
2053	\$4,002,315	\$1,511,675	\$5,513,990
2054	\$4,122,385	\$1,557,025	\$5,679,410
2055	\$4,246,056	\$1,603,735	\$5,849,792
2056	\$4,373,438	\$1,651,848	\$6,025,286
2057	\$4,504,641	\$1,701,403	\$6,206,044
2058	\$4,639,780	\$1,752,445	\$6,392,225
2059	\$4,778,974	\$1,805,018	\$6,583,992
2060	\$4,922,343	\$1,859,169	\$6,781,512
2061	\$5,070,013	\$1,914,944	\$6,984,957
Total	<u>\$112,569,067</u>	<u>\$42,517,337</u>	<u>\$155,086,404</u>

Local Fiscal Impacts During the Facility's Operations

Local Taxable Sales

A significant amount of taxable sales or spending can be expected to take place within Jackson County and nearby cities. If 15% 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 60 Local Estimated Total Taxable Sales During Operations						
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$46,255	\$0	\$3,095	\$8,606	\$0	\$57,955
2027	\$238,211	\$0	\$15,784	\$43,889	\$0	\$297,884
2028	\$245,358	\$0	\$16,100	\$44,767	\$0	\$306,224
2029	\$252,718	\$0	\$16,422	\$45,662	\$0	\$314,802
2030	\$260,300	\$0	\$16,750	\$46,575	\$0	\$323,625
2031	\$268,109	\$0	\$17,085	\$47,507	\$0	\$332,701
2032	\$276,152	\$0	\$17,427	\$48,457	\$0	\$342,036
2033	\$284,437	\$0	\$17,775	\$49,426	\$0	\$351,638
2034	\$292,970	\$0	\$18,131	\$50,414	\$0	\$361,515
2035	\$301,759	\$0	\$18,493	\$51,423	\$0	\$371,675
2036	\$310,812	\$0	\$18,863	\$52,451	\$0	\$382,126
2037	\$320,136	\$0	\$19,241	\$53,500	\$0	\$392,877
2038	\$329,740	\$0	\$19,625	\$54,570	\$0	\$403,936
2039	\$339,632	\$0	\$20,018	\$55,662	\$0	\$415,312
2040	\$349,821	\$0	\$20,418	\$56,775	\$0	\$427,014
2041	\$360,316	\$0	\$20,827	\$57,910	\$0	\$439,053
2042	\$371,125	\$0	\$21,243	\$59,069	\$0	\$451,437
2043	\$382,259	\$0	\$21,668	\$60,250	\$0	\$464,177
2044	\$393,727	\$0	\$22,101	\$61,455	\$0	\$477,283
2045	\$405,539	\$0	\$22,543	\$62,684	\$0	\$490,766
2046	\$417,705	\$0	\$22,994	\$63,938	\$0	\$504,637
2047	\$430,236	\$0	\$23,454	\$65,216	\$0	\$518,907
2048	\$443,143	\$0	\$23,923	\$66,521	\$0	\$533,587
2049	\$456,437	\$0	\$24,402	\$67,851	\$0	\$548,690
2050	\$470,131	\$0	\$24,890	\$69,208	\$0	\$564,229
2051	\$484,235	\$0	\$25,387	\$70,592	\$0	\$580,214
2052	\$498,762	\$0	\$25,895	\$72,004	\$0	\$596,661
2053	\$513,724	\$0	\$26,413	\$73,444	\$0	\$613,582
2054	\$529,136	\$0	\$26,941	\$74,913	\$0	\$630,991
2055	\$545,010	\$0	\$27,480	\$76,412	\$0	\$648,902
2056	\$561,361	\$0	\$28,030	\$77,940	\$0	\$667,330

Table 60 continued on the next page

Table 60 - Continued
Local Estimated Total Taxable Sales or Spending

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2057	\$578,201	\$0	\$28,590	\$79,499	\$0	\$686,290
2058	\$595,547	\$0	\$29,162	\$81,088	\$0	\$705,798
2059	\$613,414	\$0	\$29,745	\$82,710	\$0	\$725,870
2060	\$631,816	\$0	\$30,340	\$84,364	\$0	\$746,521
2061	\$650,771	\$0	\$30,947	\$86,052	\$0	\$767,770
<u>Total</u>	<u>\$14,449,005</u>	<u>\$0</u>	<u>\$792,205</u>	<u>\$2,202,804</u>	<u>\$0</u>	<u>\$17,444,014</u>

Sales Tax Collections

With a combined 2.00% local sales tax rate, Jackson County and nearby cities will collect sales tax on the spending of workers, companies and visitors:

Table 61 Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$925	\$0	\$62	\$172	\$0	\$1,159
2027	\$4,764	\$0	\$316	\$878	\$0	\$5,958
2028	\$4,907	\$0	\$322	\$895	\$0	\$6,124
2029	\$5,054	\$0	\$328	\$913	\$0	\$6,296
2030	\$5,206	\$0	\$335	\$932	\$0	\$6,473
2031	\$5,362	\$0	\$342	\$950	\$0	\$6,654
2032	\$5,523	\$0	\$349	\$969	\$0	\$6,841
2033	\$5,689	\$0	\$356	\$989	\$0	\$7,033
2034	\$5,859	\$0	\$363	\$1,008	\$0	\$7,230
2035	\$6,035	\$0	\$370	\$1,028	\$0	\$7,434
2036	\$6,216	\$0	\$377	\$1,049	\$0	\$7,643
2037	\$6,403	\$0	\$385	\$1,070	\$0	\$7,858
2038	\$6,595	\$0	\$393	\$1,091	\$0	\$8,079
2039	\$6,793	\$0	\$400	\$1,113	\$0	\$8,306
2040	\$6,996	\$0	\$408	\$1,135	\$0	\$8,540
2041	\$7,206	\$0	\$417	\$1,158	\$0	\$8,781
2042	\$7,423	\$0	\$425	\$1,181	\$0	\$9,029
2043	\$7,645	\$0	\$433	\$1,205	\$0	\$9,284
2044	\$7,875	\$0	\$442	\$1,229	\$0	\$9,546
2045	\$8,111	\$0	\$451	\$1,254	\$0	\$9,815
2046	\$8,354	\$0	\$460	\$1,279	\$0	\$10,093
2047	\$8,605	\$0	\$469	\$1,304	\$0	\$10,378
2048	\$8,863	\$0	\$478	\$1,330	\$0	\$10,672
2049	\$9,129	\$0	\$488	\$1,357	\$0	\$10,974
2050	\$9,403	\$0	\$498	\$1,384	\$0	\$11,285
2051	\$9,685	\$0	\$508	\$1,412	\$0	\$11,604
2052	\$9,975	\$0	\$518	\$1,440	\$0	\$11,933
2053	\$10,274	\$0	\$528	\$1,469	\$0	\$12,272
2054	\$10,583	\$0	\$539	\$1,498	\$0	\$12,620
2055	\$10,900	\$0	\$550	\$1,528	\$0	\$12,978
2056	\$11,227	\$0	\$561	\$1,559	\$0	\$13,347
2057	\$11,564	\$0	\$572	\$1,590	\$0	\$13,726
2058	\$11,911	\$0	\$583	\$1,622	\$0	\$14,116

Table 61 continued on the next page

Table 61 - Continued
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	\$12,268	\$0	\$595	\$1,654	\$0	\$14,517
2060	\$12,636	\$0	\$607	\$1,687	\$0	\$14,930
2061	\$13,015	\$0	\$619	\$1,721	\$0	\$15,355
<u>Total</u>	<u>\$288,980</u>	<u>\$0</u>	<u>\$15,844</u>	<u>\$44,056</u>	<u>\$0</u>	<u>\$348,880</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:

Table 62
Estimated Hotel Occupancy Tax Collections
from Visitors

Year	City Hotel Spending on Lodging	Occupancy Tax Collections
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0

Table 62 continued on the next page

Table 62 - Continued Estimated Hotel Occupancy Tax Collections from Visitors		
Year	City Hotel Spending on Lodging	Occupancy Tax Collections
2041	\$0	\$0
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
2049	\$0	\$0
2050	\$0	\$0
2051	\$0	\$0
2052	\$0	\$0
2053	\$0	\$0
2054	\$0	\$0
2055	\$0	\$0
2056	\$0	\$0
2057	\$0	\$0
2058	\$0	\$0
2059	\$0	\$0
2060	\$0	\$0
2061	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Property Tax Collections - JETI Investment

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

Table 63 Ad Valorem Tax Collections for Local Taxing Units on Investment					
Year	N/A	Jackson County	Palacios ISD	Other Local Jurisdictions	Total
2025	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$466,440	\$762,732	\$343,920	\$1,573,092
2028	\$0	\$443,118	\$724,595	\$326,724	\$1,494,437
2029	\$0	\$420,962	\$688,366	\$310,388	\$1,419,716
2030	\$0	\$399,914	\$653,947	\$294,868	\$1,348,730
2031	\$0	\$379,918	\$621,250	\$280,125	\$1,281,293
2032	\$0	\$360,922	\$590,187	\$266,119	\$1,217,229
2033	\$0	\$342,876	\$560,678	\$252,813	\$1,156,367
2034	\$0	\$325,732	\$532,644	\$240,172	\$1,098,549
2035	\$0	\$309,446	\$506,012	\$228,164	\$1,043,621
2036	\$0	\$293,974	\$480,711	\$216,755	\$991,440
2037	\$0	\$279,275	\$710,947	\$205,918	\$1,196,140
2038	\$0	\$265,311	\$675,400	\$195,622	\$1,136,333
2039	\$0	\$252,046	\$641,630	\$185,841	\$1,079,516
2040	\$0	\$239,443	\$609,549	\$176,549	\$1,025,540
2041	\$0	\$227,471	\$579,071	\$167,721	\$974,263
2042	\$0	\$216,098	\$550,118	\$159,335	\$925,550
2043	\$0	\$205,293	\$522,612	\$151,368	\$879,273
2044	\$0	\$195,028	\$496,481	\$143,800	\$835,309
2045	\$0	\$185,277	\$471,657	\$136,610	\$793,544
2046	\$0	\$176,013	\$448,074	\$129,779	\$753,866
2047	\$0	\$167,212	\$425,670	\$123,290	\$716,173
2048	\$0	\$158,852	\$404,387	\$117,126	\$680,364
2049	\$0	\$150,909	\$384,168	\$111,270	\$646,346
2050	\$0	\$143,364	\$364,959	\$105,706	\$614,029
2051	\$0	\$136,195	\$346,711	\$100,421	\$583,327
2052	\$0	\$129,386	\$329,376	\$95,400	\$554,161
2053	\$0	\$122,916	\$312,907	\$90,630	\$526,453
2054	\$0	\$116,770	\$297,262	\$86,098	\$500,130
2055	\$0	\$110,932	\$282,398	\$81,793	\$475,124
2056	\$0	\$105,385	\$268,279	\$77,704	\$451,368
2057	\$0	\$100,116	\$254,865	\$73,819	\$428,799
2058	\$0	\$95,110	\$242,121	\$70,128	\$407,359
2059	\$0	\$90,355	\$230,015	\$66,621	\$386,991
2060	\$0	\$85,837	\$218,515	\$63,290	\$367,642
2061	\$0	\$81,545	\$207,589	\$60,126	\$349,260
Total	\$0	\$7,779,441	\$16,395,884	\$5,736,012	\$29,911,337

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 64 Appraised Value of the Facility's Land & Inventories			
Year	Land	Inventories	Total Appraised Value of Land & Inventories
2025	\$22,000	\$0	\$22,000
2026	\$22,000	\$0	\$22,000
2027	\$22,000	\$0	\$22,000
2028	\$22,000	\$0	\$22,000
2029	\$22,000	\$0	\$22,000
2030	\$22,000	\$0	\$22,000
2031	\$22,000	\$0	\$22,000
2032	\$22,000	\$0	\$22,000
2033	\$22,000	\$0	\$22,000
2034	\$22,000	\$0	\$22,000
2035	\$22,000	\$0	\$22,000
2036	\$22,000	\$0	\$22,000
2037	\$22,000	\$0	\$22,000
2038	\$22,000	\$0	\$22,000
2039	\$22,000	\$0	\$22,000
2040	\$22,000	\$0	\$22,000
2041	\$22,000	\$0	\$22,000
2042	\$22,000	\$0	\$22,000
2043	\$22,000	\$0	\$22,000
2044	\$22,000	\$0	\$22,000
2045	\$22,000	\$0	\$22,000
2046	\$22,000	\$0	\$22,000
2047	\$22,000	\$0	\$22,000
2048	\$22,000	\$0	\$22,000
2049	\$22,000	\$0	\$22,000
2050	\$22,000	\$0	\$22,000
2051	\$22,000	\$0	\$22,000
2052	\$22,000	\$0	\$22,000
2053	\$22,000	\$0	\$22,000

Table 64 continued on the next page

Table 64 - Continued Appraised Value of the Facility's Land & Inventories			
Year	Land	Inventories	Total Appraised Value of Land & Inventories
2054	\$22,000	\$0	\$22,000
2055	\$22,000	\$0	\$22,000
2056	\$22,000	\$0	\$22,000
2057	\$22,000	\$0	\$22,000
2058	\$22,000	\$0	\$22,000
2059	\$22,000	\$0	\$22,000
2060	\$22,000	\$0	\$22,000
2061	\$22,000	\$0	\$22,000

Appraised Value Assumptions:

Land Value: No annual appreciation.

Inventories: None expected.

Table 65 Ad Valorem Taxes for Other Taxing Units on Land & Inventories						
Year	Taxable Value of Land & Inventories	N/A 0.000000	Jackson County 0.388700	Palacios ISD 0.989510	Other Local Jurisdictions 0.286600	Total 1.664810
2025	\$22,000	\$0	\$86	\$218	\$63	\$366
2026	\$22,000	\$0	\$86	\$218	\$63	\$366
2027	\$22,000	\$0	\$86	\$218	\$63	\$366
2028	\$22,000	\$0	\$86	\$218	\$63	\$366
2029	\$22,000	\$0	\$86	\$218	\$63	\$366
2030	\$22,000	\$0	\$86	\$218	\$63	\$366
2031	\$22,000	\$0	\$86	\$218	\$63	\$366
2032	\$22,000	\$0	\$86	\$218	\$63	\$366
2033	\$22,000	\$0	\$86	\$218	\$63	\$366
2034	\$22,000	\$0	\$86	\$218	\$63	\$366
2035	\$22,000	\$0	\$86	\$218	\$63	\$366
2036	\$22,000	\$0	\$86	\$218	\$63	\$366
2037	\$22,000	\$0	\$86	\$218	\$63	\$366
2038	\$22,000	\$0	\$86	\$218	\$63	\$366
2039	\$22,000	\$0	\$86	\$218	\$63	\$366
2040	\$22,000	\$0	\$86	\$218	\$63	\$366

Table 65 continued on the next page

Table 65 - Continued
Ad Valorem Taxes for Other Taxing Units on Land & Inventories

Year	Taxable Value of Land & Inventories	N/A <i>0.000000</i>	Jackson County <i>0.388700</i>	Palacios ISD <i>0.989510</i>	Other Local Jurisdictions <i>0.286600</i>	Total <i>1.664810</i>
2041	\$22,000	\$0	\$86	\$218	\$63	\$366
2042	\$22,000	\$0	\$86	\$218	\$63	\$366
2043	\$22,000	\$0	\$86	\$218	\$63	\$366
2044	\$22,000	\$0	\$86	\$218	\$63	\$366
2045	\$22,000	\$0	\$86	\$218	\$63	\$366
2046	\$22,000	\$0	\$86	\$218	\$63	\$366
2047	\$22,000	\$0	\$86	\$218	\$63	\$366
2048	\$22,000	\$0	\$86	\$218	\$63	\$366
2049	\$22,000	\$0	\$86	\$218	\$63	\$366
2050	\$22,000	\$0	\$86	\$218	\$63	\$366
2051	\$22,000	\$0	\$86	\$218	\$63	\$366
2052	\$22,000	\$0	\$86	\$218	\$63	\$366
2053	\$22,000	\$0	\$86	\$218	\$63	\$366
2054	\$22,000	\$0	\$86	\$218	\$63	\$366
2055	\$22,000	\$0	\$86	\$218	\$63	\$366
2056	\$22,000	\$0	\$86	\$218	\$63	\$366
2057	\$22,000	\$0	\$86	\$218	\$63	\$366
2058	\$22,000	\$0	\$86	\$218	\$63	\$366
2059	\$22,000	\$0	\$86	\$218	\$63	\$366
2060	\$22,000	\$0	\$86	\$218	\$63	\$366
2061	\$22,000	\$0	\$86	\$218	\$63	\$366
<u>Total</u>		<u>\$0</u>	<u>\$3,164</u>	<u>\$8,055</u>	<u>\$2,333</u>	<u>\$13,552</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 66 Tax Revenues for Local Taxing Units During Operations by Year						
Year	City Sales Tax Collections	County Sales Tax Collections	City Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
2025	\$0	\$0	\$0	\$0	\$366	\$366
2026	\$869	\$290	\$0	\$0	\$366	\$1,525
2027	\$4,468	\$1,489	\$0	\$1,573,092	\$366	\$1,579,416
2028	\$4,593	\$1,531	\$0	\$1,494,437	\$366	\$1,500,928
2029	\$4,722	\$1,574	\$0	\$1,419,716	\$366	\$1,426,378
2030	\$4,854	\$1,618	\$0	\$1,348,730	\$366	\$1,355,569
2031	\$4,991	\$1,664	\$0	\$1,281,293	\$366	\$1,288,314
2032	\$5,131	\$1,710	\$0	\$1,217,229	\$366	\$1,224,436
2033	\$5,275	\$1,758	\$0	\$1,156,367	\$366	\$1,163,766
2034	\$5,423	\$1,808	\$0	\$1,098,549	\$366	\$1,106,145
2035	\$5,575	\$1,858	\$0	\$1,043,621	\$366	\$1,051,421
2036	\$5,732	\$1,911	\$0	\$991,440	\$366	\$999,449
2037	\$5,893	\$1,964	\$0	\$1,196,140	\$366	\$1,204,364
2038	\$6,059	\$2,020	\$0	\$1,136,333	\$366	\$1,144,778
2039	\$6,230	\$2,077	\$0	\$1,079,516	\$366	\$1,088,189
2040	\$6,405	\$2,135	\$0	\$1,025,540	\$366	\$1,034,447
2041	\$6,586	\$2,195	\$0	\$974,263	\$366	\$983,411
2042	\$6,772	\$2,257	\$0	\$925,550	\$366	\$934,945
2043	\$6,963	\$2,321	\$0	\$879,273	\$366	\$888,923
2044	\$7,159	\$2,386	\$0	\$835,309	\$366	\$845,221
2045	\$7,361	\$2,454	\$0	\$793,544	\$366	\$803,725
2046	\$7,570	\$2,523	\$0	\$753,866	\$366	\$764,325
2047	\$7,784	\$2,595	\$0	\$716,173	\$366	\$726,918
2048	\$8,004	\$2,668	\$0	\$680,364	\$366	\$691,402
2049	\$8,230	\$2,743	\$0	\$646,346	\$366	\$657,686
2050	\$8,463	\$2,821	\$0	\$614,029	\$366	\$625,680
2051	\$8,703	\$2,901	\$0	\$583,327	\$366	\$595,298
2052	\$8,950	\$2,983	\$0	\$554,161	\$366	\$566,461
2053	\$9,204	\$3,068	\$0	\$526,453	\$366	\$539,091
2054	\$9,465	\$3,155	\$0	\$500,130	\$366	\$513,116
2055	\$9,734	\$3,245	\$0	\$475,124	\$366	\$488,468
2056	\$10,010	\$3,337	\$0	\$451,368	\$366	\$465,081
2057	\$10,294	\$3,431	\$0	\$428,799	\$366	\$442,891
2058	\$10,587	\$3,529	\$0	\$407,359	\$366	\$421,842
2059	\$10,888	\$3,629	\$0	\$386,991	\$366	\$401,875
2060	\$11,198	\$3,733	\$0	\$367,642	\$366	\$382,938
2061	\$11,517	\$3,839	\$0	\$349,260	\$366	\$364,981
Total	\$261,660	\$87,220	\$0	\$29,911,337	\$13,552	\$30,273,769

The Total Tax Revenues for Local Taxing Units from the Facility's Operations - Direct vs. Indirect

The table below details the total increase in local tax revenues from the facility's operations by direct and indirect sources.

Table 67 Direct vs. Indirect: Tax Revenues for Local Taxing Units During Operations by Year			
Year	Direct Taxes	Indirect Taxes	Total Local Revenues
2025	\$366	\$0	\$366
2026	\$428	\$1,097	\$1,525
2027	\$1,573,774	\$5,642	\$1,579,416
2028	\$1,495,126	\$5,802	\$1,500,928
2029	\$1,420,410	\$5,968	\$1,426,378
2030	\$1,349,431	\$6,138	\$1,355,569
2031	\$1,282,001	\$6,312	\$1,288,314
2032	\$1,217,943	\$6,492	\$1,224,436
2033	\$1,157,089	\$6,677	\$1,163,766
2034	\$1,099,278	\$6,868	\$1,106,145
2035	\$1,044,358	\$7,064	\$1,051,421
2036	\$992,184	\$7,265	\$999,449
2037	\$1,196,891	\$7,473	\$1,204,364
2038	\$1,137,092	\$7,686	\$1,144,778
2039	\$1,080,283	\$7,906	\$1,088,189
2040	\$1,026,315	\$8,132	\$1,034,447
2041	\$975,046	\$8,365	\$983,411
2042	\$926,341	\$8,604	\$934,945
2043	\$880,072	\$8,850	\$888,923
2044	\$836,117	\$9,104	\$845,221
2045	\$794,361	\$9,364	\$803,725
2046	\$754,693	\$9,633	\$764,325
2047	\$717,008	\$9,909	\$726,918
2048	\$681,209	\$10,193	\$691,402
2049	\$647,201	\$10,486	\$657,686
2050	\$614,893	\$10,787	\$625,680
2051	\$584,202	\$11,097	\$595,298
2052	\$555,045	\$11,415	\$566,461
2053	\$527,348	\$11,743	\$539,091
2054	\$501,036	\$12,081	\$513,116
2055	\$476,040	\$12,428	\$488,468
2056	\$452,295	\$12,786	\$465,081
2057	\$429,737	\$13,154	\$442,891
2058	\$408,309	\$13,533	\$421,842
2059	\$387,953	\$13,922	\$401,875
2060	\$368,615	\$14,324	\$382,938
2061	\$350,245	\$14,736	\$364,981
Total	<u>\$29,940,733</u>	<u>\$333,036</u>	<u>\$30,273,769</u>

Table 67
Tax Revenues for Local Taxing Units During Operations by Taxing Unit

	Sales Tax Collections	Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
Nearby Cities	\$261,660	\$0	\$0	\$0	\$261,660
Jackson County	\$87,220	\$0	\$7,779,441	\$3,164	\$7,869,825
Palacios ISD	\$0	\$0	\$16,395,884	\$8,055	\$16,403,939
Flood District	\$0	\$0	\$974,682	\$396	\$975,078
ESD 2	\$0	\$0	\$586,410	\$239	\$586,649
Hospital District	\$0	\$0	\$4,026,817	\$1,638	\$4,028,454
Texana Groundwater Conservation District	\$0	\$0	\$148,104	\$60	\$148,164
<u>Total</u>	<u>\$348,880</u>	<u>\$0</u>	<u>\$29,911,337</u>	<u>\$13,552</u>	<u>\$30,273,769</u>

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:

Table 68		
State of Texas RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	2.4340	2.3903
Employment multiplier	2.2589	6.5124
Earnings multiplier	1.9949	3.2912

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

Table 69		
Jackson County RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	1.1187	1.1753
Employment multiplier	1.1659	1.4026
Earnings multiplier	1.1196	1.3777

About Impact DataSource

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

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

Some Rates and Assumptions Used in this Analysis

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

Texas business franchise tax:

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

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

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

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

Some assumptions used in this analysis:

Annual state gasoline tax collections per worker:

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

Annual motor vehicle sales and use tax collections per worker:

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

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

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

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

Estimated annual increase in the above taxes per worker over each of the next 37 years 3.00%

Local tax rates used in this analysis:

Local Sales Tax Rates

Nearby Cities	1.50%
Jackson County	0.50%
<u>Total Local Sales Tax Rate</u>	<u>2.00%</u>

Local Hotel Occupancy Tax Rates

Nearby Cities	7.00%
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Local Property Tax Rates

City: N/A	0.000000
County: Jackson County	0.388700
School: Palacios ISD	0.989510
M&O Rate:	0.707800
I&S Rate:	0.281710
Spec Dist #1: Flood District	0.048700
Spec Dist #2: ESD 2	0.029300
Spec Dist #3: Hospital District	0.201200
Spec Dist #4: Texana Groundwater Conservation District	0.007400
Total Rate	1.664810

Schedule A: Total Eligible Investment for Economic Impact

Date	10/2/2024	Formosa Plastics Corporation, Texas			
Applicant Name	Palacios ISD				
ISD Name					
ELIGIBLE INVESTMENT AMOUNTS					
(Estimated Investment in each year. Do not put cumulative totals.)					
			Column A	Column B	Column C
		Tax Year (Fill in actual tax year below) YYYY	New Eligible investment made during this year for tangible personal property as defined in Section (403.602(9)(B)) placed into service after the date the agreement was entered into	New eligible investment as defined in Section 403.602(13) made during this year and after the date the agreement was entered into.	Total Investment (for this year only)
	Year				
Complete Tax years of Construction Period (Add additional years if necessary)	1	2025	\$ 42,000,000.00	\$ 18,000,000.00	60,000,000.00
	2	2026	\$ 63,000,000.00	\$ 27,000,000.00	90,000,000.00
	3				-
Total Eligible Investment					150,000,000.00

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 Investment The summation of all totals

Schedule B: Estimated Market And Taxable Value

Date	10/2/2024
Applicant Name	Formosa Plastics Corporation, Texas
ISD Name	Palacios ISD
Located in an opportunity zone?	No

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

Estimated Taxable Value								
	Year of Project	Year of Incentive	School Year (YYYY-YYYY)	Tax Year (YYYY)	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 <i>Insert as many rows as necessary</i>	1		2024-2025	2025	22,000.00	0	22,000.00	22,000.00
	2		2025-2026	2026	22,000.00	0	22,000.00	22,000.00
Incentive Period <i>(Incentive period will need to equal no more than 10 consecutive years. Section 403.613(a)).</i>	3	1	2026-2027	2027	22,000.00	120,000,000.00	120,022,000.00	60,022,000.00
	4	2	2027-2028	2028	22,000.00	114,000,000.00	114,022,000.00	57,022,000.00
	5	3	2028-2029	2029	22,000.00	108,300,000.00	108,322,000.00	54,172,000.00
	6	4	2029-2030	2030	22,000.00	102,885,000.00	102,907,000.00	51,464,500.00
	7	5	2030-2031	2031	22,000.00	97,740,750.00	97,762,750.00	48,892,375.00
	8	6	2031-2032	2032	22,000.00	92,853,713.00	92,875,713.00	46,448,856.50
	9	7	2032-2033	2033	22,000.00	88,211,027.00	88,233,027.00	44,127,513.50
	10	8	2033-2034	2034	22,000.00	83,800,476.00	83,822,476.00	41,922,238.00
	11	9	2034-2035	2035	22,000.00	79,610,452.00	79,632,452.00	39,827,226.00
	12	10	2035-2036	2036	22,000.00	75,629,929.00	75,651,929.00	37,836,964.50
Additional years for a 20 year economic impact as required by 403.609(b)(2) <i>Must total at least 20 years with construction, incentive, and additional years. Insert as many rows as necessary</i>	13		2036-2037	2037	22,000.00	71,848,433.00	71,870,433.00	71,870,433.00
	14		2037-2038	2038	22,000.00	68,256,011.00	68,278,011.00	68,278,011.00
	15		2038-2039	2039	22,000.00	64,843,210.00	64,865,210.00	64,865,210.00
	16		2039-2040	2040	22,000.00	61,601,050.00	61,623,050.00	61,623,050.00
	17		2040-2041	2041	22,000.00	58,520,998.00	58,542,998.00	58,542,998.00
	18		2041-2042	2042	22,000.00	55,594,948.00	55,616,948.00	55,616,948.00
	19		2042-2043	2043	22,000.00	52,815,201.00	52,837,201.00	52,837,201.00
	20		2043-2044	2044	22,000.00	50,174,441.00	50,196,441.00	50,196,441.00
	21		2044-2045	2045	22,000.00	47,665,719.00	47,687,719.00	47,687,719.00
	22		2045-2046	2046	22,000.00	45,282,433.00	45,304,433.00	45,304,433.00
	23		2046-2047	2047	22,000.00	43,018,311.00	43,040,311.00	43,040,311.00
	24		2047-2048	2048	22,000.00	40,867,395.00	40,889,395.00	40,889,395.00
	25		2048-2049	2049	22,000.00	38,824,025.00	38,846,025.00	38,846,025.00
	26		2049-2050	2050	22,000.00	36,882,824.00	36,904,824.00	36,904,824.00
	27		2050-2051	2051	22,000.00	35,038,683.00	35,060,683.00	35,060,683.00
	28		2051-2052	2052	22,000.00	33,286,749.00	33,308,749.00	33,308,749.00
	29		2052-2053	2053	22,000.00	31,622,412.00	31,644,412.00	31,644,412.00
	30		2053-2054	2054	22,000.00	30,041,291.00	30,063,291.00	30,063,291.00
	31		2054-2055	2055	22,000.00	28,539,226.00	28,561,226.00	28,561,226.00
	32		2055-2056	2056	22,000.00	27,112,265.00	27,134,265.00	27,134,265.00
	33		2056-2057	2057	22,000.00	25,756,652.00	25,778,652.00	25,778,652.00
	34		2057-2058	2058	22,000.00	24,468,819.00	24,490,819.00	24,490,819.00
	35		2058-2059	2059	22,000.00	23,245,378.00	23,267,378.00	23,267,378.00
	36		2059-2060	2060	22,000.00	22,083,109.00	22,105,109.00	22,105,109.00
	37		2060-2061	2061	22,000.00	20,978,954.00	21,000,954.00	21,000,954.00

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.