

Texas Comptroller of Public Accounts

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

Submitted by **Brazos Midland Processing, LLC**



# Application for Taxable Value Limitation on Eligible Property

(Government 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.

[CLEAR ALL FIELDS](#)[PRINT](#)

## SECTION 1: Applicant Information

1. Legal name of the applicant under which this application is made ..... Brazos Midland Processing, LLC
2. Applicant's address ..... 777 Main St, STE 3700, Fort Worth, TX 76102-5376
3. Texas Taxpayer I.D. number ..... 32086997312
4. NAICS code ..... 324100
5. Applicant's form of business (*corporation, limited liability corporation, etc*) ..... Limited Liability Corp
6. Is the applicant current on all tax payments to the State of Texas? ..... ☒ Yes ☐ No
7. Provide parent company information (*if applicable*)

Brazos Midland, LLC

Parent Company Name

32080973525

Parent Company Tax ID

777 Main St, STE 3700, Fort Worth, TX 76102-5376

Parent Company Address

8. Authorized Company Representative

William

First Name

Butler

Last Name

CFO

Title

Brazos Midland, LLC

Organization

777 Main St, Suite 3700

Mailing Address

Fort Worth

City

Texas

State

76102

Zip

(817) 332-6800

Phone Number

butler@brazosmidstream.com

Email Address

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

John

First Name

Billingsley

Last Name

Controller

Title

Brazos Midland, LLC

Organization

777 Main St, Suite 3700

Mailing Address

Fort Worth

City

Texas

State

76102

Zip

(817) 332-6800

Phone Number

billingsley@brazosmidstream.com

Email Address

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

|                          |                               |
|--------------------------|-------------------------------|
| Daron                    | Fredrickson                   |
| First Name               | Last Name                     |
| Executive Vice President |                               |
| Title                    |                               |
| Merit Advisors, LLC      |                               |
| Firm Name                |                               |
| (940) 641-7758           | dfredrickson@meritadvisor.com |
| Phone Number             | Email Address                 |

## SECTION 2: School District Information

## 1. Authorized School District Representative

|                      |                            |
|----------------------|----------------------------|
| Jan                  | McCowan                    |
| First Name           | Last Name                  |
| Superintendent       |                            |
| Title                |                            |
| Stanton ISD          |                            |
| School District Name |                            |
| (432) 607-3700       | jmccowan@stanton.esc18.net |
| Phone Number         | Email Address              |

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

|                                            |                        |
|--------------------------------------------|------------------------|
| Kathy                                      | Mathias                |
| First Name                                 | Last Name              |
| Executive Director of Economic Development |                        |
| Title                                      |                        |
| Moak Casey                                 |                        |
| Firm Name                                  |                        |
| (512) 485-7878                             | kmathias@moakcasey.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 ..... Martin
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 ..... Martin CAD
5. The population of the County *(or Counties)* per the Federal Decennial Census at the time of application ..... 5,237

SECTION 4: Project Information *(continued)*

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

M&O (ISD): Stanton ISD, .6969, 100%  
(Name, tax rate and percent of project)

I&S (ISD): Stanton ISD, .021394, 100%  
(Name, tax rate and percent of project)

County: Martin County, .1524, 100%  
(Name, tax rate and percent of project)

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

Hospital District: Martin Hosp, .1319, 100%  
(Name, tax rate and percent of project)

Water District: Permian Water, .00175035, 100%  
(Name, tax rate and percent of project)

Other (describe): Road & Bridge, .01520, 100%  
(Name, tax rate and percent of project)

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

7. List all state and local incentives.

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

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

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

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

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

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

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

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

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

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

**A zone must be designated before the agreement is executed.**

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

## SECTION 5: Eligible Property

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

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

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

SECTION 5: Eligible Property *(continued)*

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

## SECTION 6: Ineligible Property

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

## SECTION 7: Projected Timeline

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

1. Projected commencement of construction ..... Q2 2025
2. Projected completion of construction ..... Q4 2025
3. Projected commencement of commercial operations ..... Q4 2025
4. First year of the incentive period ..... 2026
5. Last year of the incentive period ..... 2035

## 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 ..... 324100
- a. Indicate the NAICS level used (*county, WDA or statewide*) ..... WDA
- b. Texas Workforce Commission Quarterly Census of Employment and Wages Area. .... Permian Basin WDA
- |    |      |      |      |            |
|----|------|------|------|------------|
| Q1 | Year | 2024 | Wage | \$3,372.00 |
| Q2 | Year | 2024 | Wage | \$2,360.00 |
| Q3 | Year | 2023 | Wage | \$2,589.00 |
| Q4 | Year | 2023 | Wage | \$2,547.00 |
- c. Average Annual Wage..... \$141,284.00
- d. 110% of the Average Annual Wage..... \$155,412.00

**SECTION 9: Limitation as Compelling Factor**

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

**SECTION 10: Economic Benefit Statement and Schedules**

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

The economic benefit statement must include the project's associated economic benefits for each year of the period starting from the applicant's proposed project construction through to the 25th anniversary of the end of the incentive period. Provided associated economic benefits must include, at minimum, the following:

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

**SECTION 11: Section 403.606 Affidavit**

**In Tab 9, submit your Section 403.606 Sworn Affidavit.**

**SECTION 12: Authorized Signature****Authorized Company Representative (Applicant) Signature**

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

William Butler

Print Name (Authorized Company Representative (Applicant))

CFO

Title

sign  
here

William Butler

Signature (Authorized Company Representative (Applicant))

Digitally signed by William Butler  
Date: 2024.12.12 13:59:26 -06'00'

12/12/2024

Date

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



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Brazos Midland Processing, LLC

Tab 1 – Required Application Fee

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

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



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Tab 2 – Detailed Description of Proposed Project

The proposed project is a 300MMscfd gas processing plant. It is a cryogenic plant utilizing the Recycle Split Vapor (RSV) process with four refrigeration stages. The facility is a natural gas processing plant that cools raw gas to extremely low temperatures, allowing for the efficient extraction of valuable Natural Gas Liquids (NGLs) like ethane, propane, and butane by leveraging the different boiling points of the hydrocarbon components. This is done primarily through a series of heat exchangers and a turboexpander, with the key feature being the use of a "split vapor" recycle stream to optimize ethane recovery, all while utilizing the refrigeration to achieve the necessary cooling at different temperature levels throughout the process.



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Tab 3 – Grants / Public Money

At the time of filing form AP 243. Brazos Midland Processing, LLC has not applied for nor anticipate filing for any grants or public money.



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Brazos Midland Processing, LLC

Tab 4 – Project Map

The potential site of the plant is adjacent to an existing plant, located at 2483 County Road C2901, Stanton TX 79782 5034.

## STANTON INDEPENDENT SCHOOL DISTRICT

### RESOLUTION CREATING BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1

**WHEREAS**, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

**WHEREAS**, the Stanton Independent School District (the “District”) desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

**WHEREAS**, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

**WHEREAS**, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

**WHEREAS**, the District wishes to create a reinvestment zone within the boundaries of the school district in Martin County, Texas as shown on the map attached as **Exhibit B**; and,

**WHEREAS**, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

**WHEREAS**, all interested members of the public were given an opportunity to make comments at the public hearing.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE STANTON INDEPENDENT SCHOOL DISTRICT:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

**SECTION 2.** That the Board of Trustees of the Stanton Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as “**Exhibit A**”; and,
- (c) That the map attached hereto as “**Exhibit B**” is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Stanton Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Stanton Independent School District.

**SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Stanton Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1*.

**SECTION 4.** That the existence of the *BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1* shall first take effect upon, October 9, 2023, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

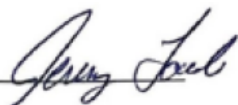
**SECTION 5.** That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

**SECTION 6.** That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Stanton Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Martin County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 9<sup>th</sup> day of October 2023.

**STANTON INDEPENDENT SCHOOL DISTRICT**

By:   
President  
Board of Trustees

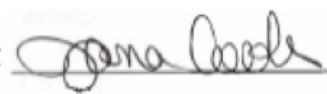
ATTEST:   
Secretary  
Board of Trustees

**EXHIBIT A**

**LEGAL DESCRIPTION OF BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1**

**BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1**

## **Brazos Midland Reinvestment Zone**

### **Partial tracts:**

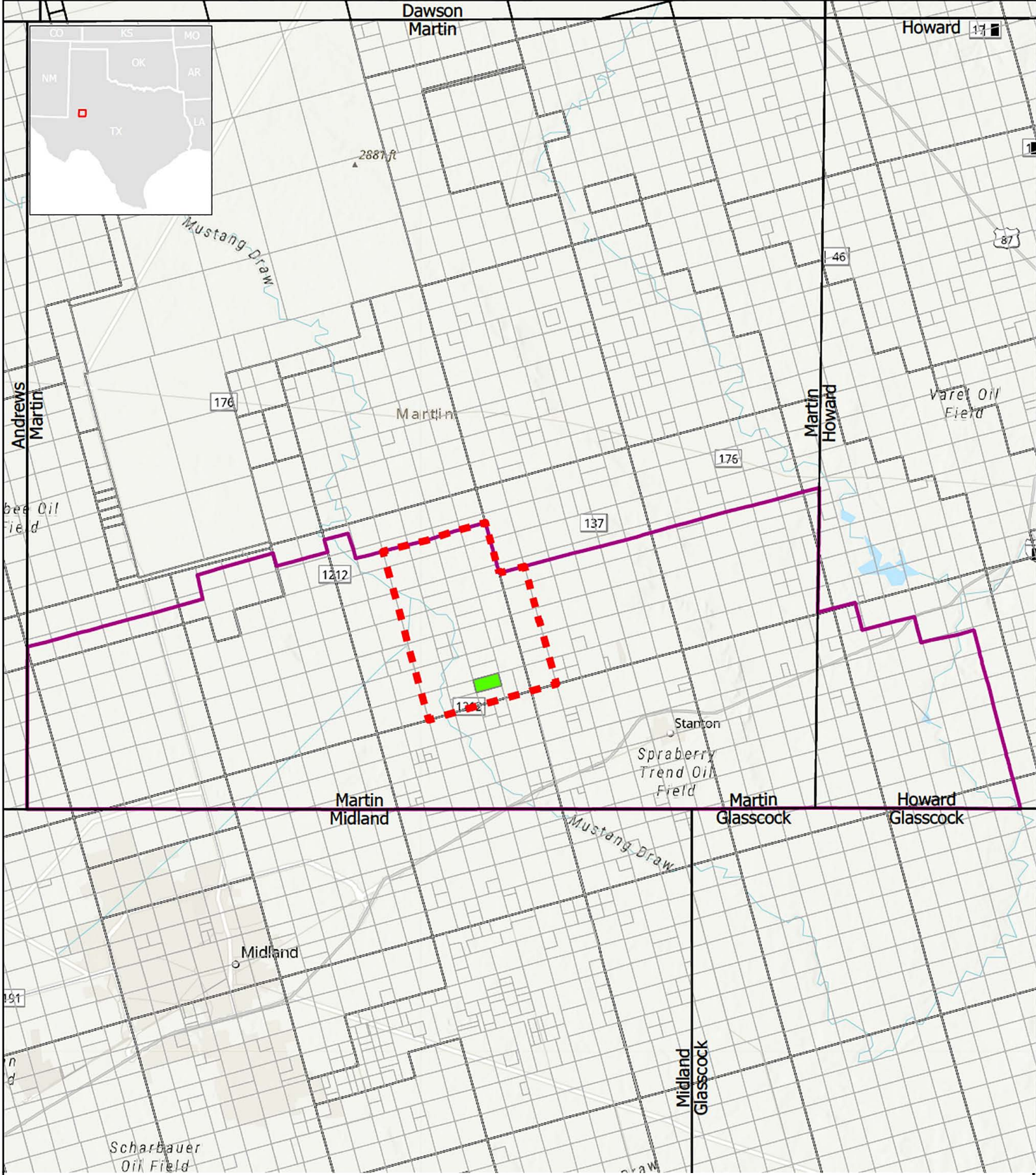
Section 9, A-216, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 10, A-898, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 11, A-217, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 12, A-648, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 19, A-136, BLK 36 T1N, T & P RR CO, Martin County, Texas

### **Full tracts:**

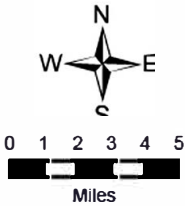
Section 13, A-218, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 14, A-647, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 15, A-219, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 16, A-666, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 21, A-222, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 22, A-1057, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 22, A-668, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 23, A-223, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 24, A-649, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 25, A-224, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 26, A-650, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 26, A-957, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 27, A-225, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 28, A-667, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 30, A-892, BLK 36 T1N, T & P RR CO, Martin County, Texas  
Section 31, A-142, BLK 36 T1N, T & P RR CO, Martin County, Texas  
Section 33, A-228, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 34, A-1095, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 34, A-1147, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 34, A-1184, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 34, A-788, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 35, A-229, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 36, A-1107, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 36, A-934, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 37, A-230, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 38, A-935, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 38, A-956, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 39, A-231, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 40, A-786, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 42, A-1181, BLK 36 T1N, T & P RR CO, Martin County, Texas  
Section 42, A-953, BLK 36 T1N, T & P RR CO, Martin County, Texas  
Section 43, A-148, BLK 36 T1N, T & P RR CO, Martin County, Texas  
Section 45, A-234, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 46, A-1030, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 46, A-933, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 47, A-235, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 48, A-1091, BLK 37 T1N, T & P RR CO, Martin County, Texas  
Section 48, A-954, BLK 37 T1N, T & P RR CO, Martin County, Texas

**EXHIBIT B**

**SURVEY MAPS OF BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1**

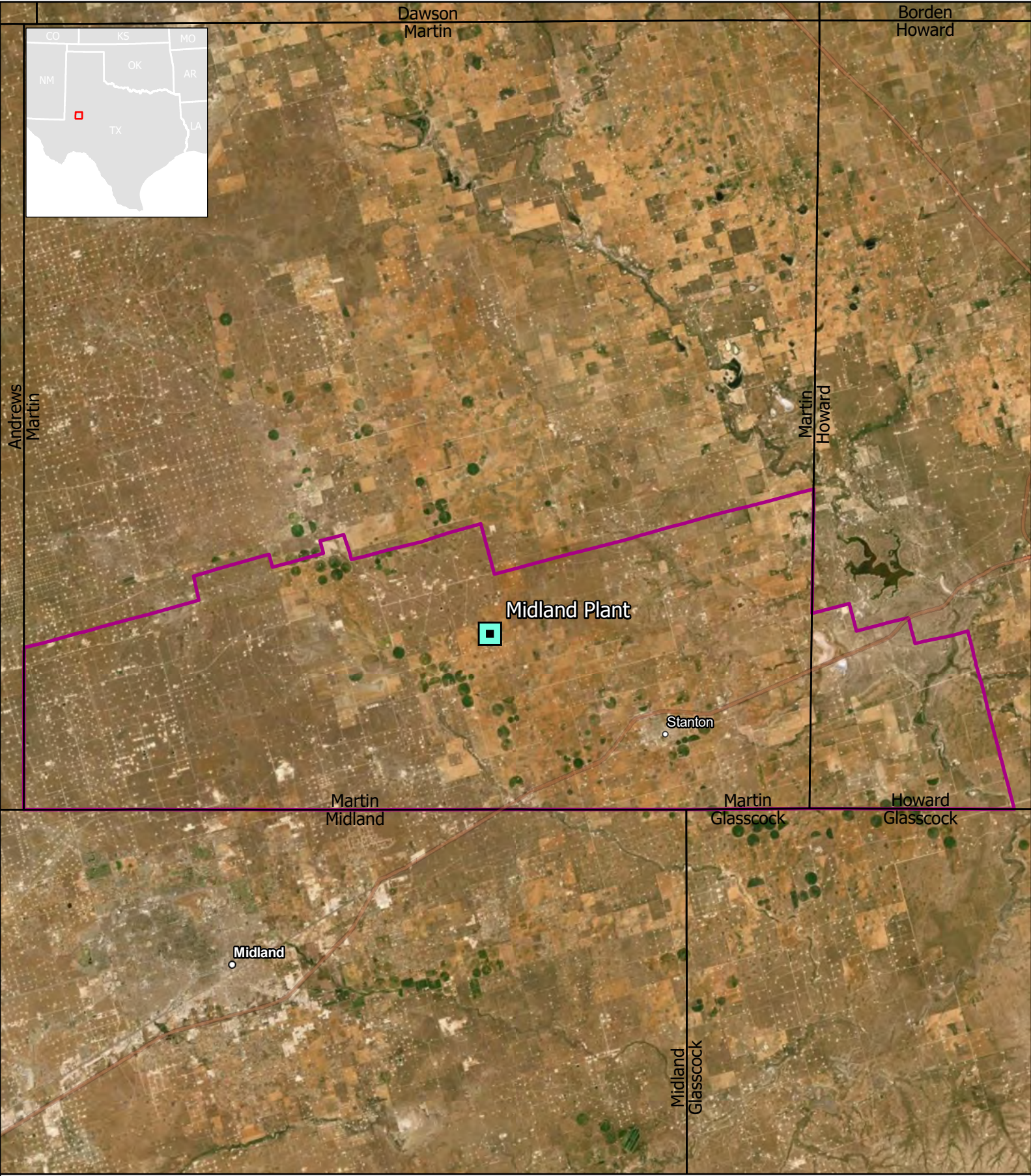


- Stanton ISD
- Proposed Reinvestment Zone
- Plant Location

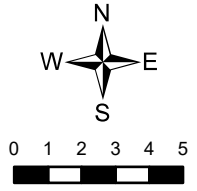


Proposed Midland Plant  
Martin County, TX



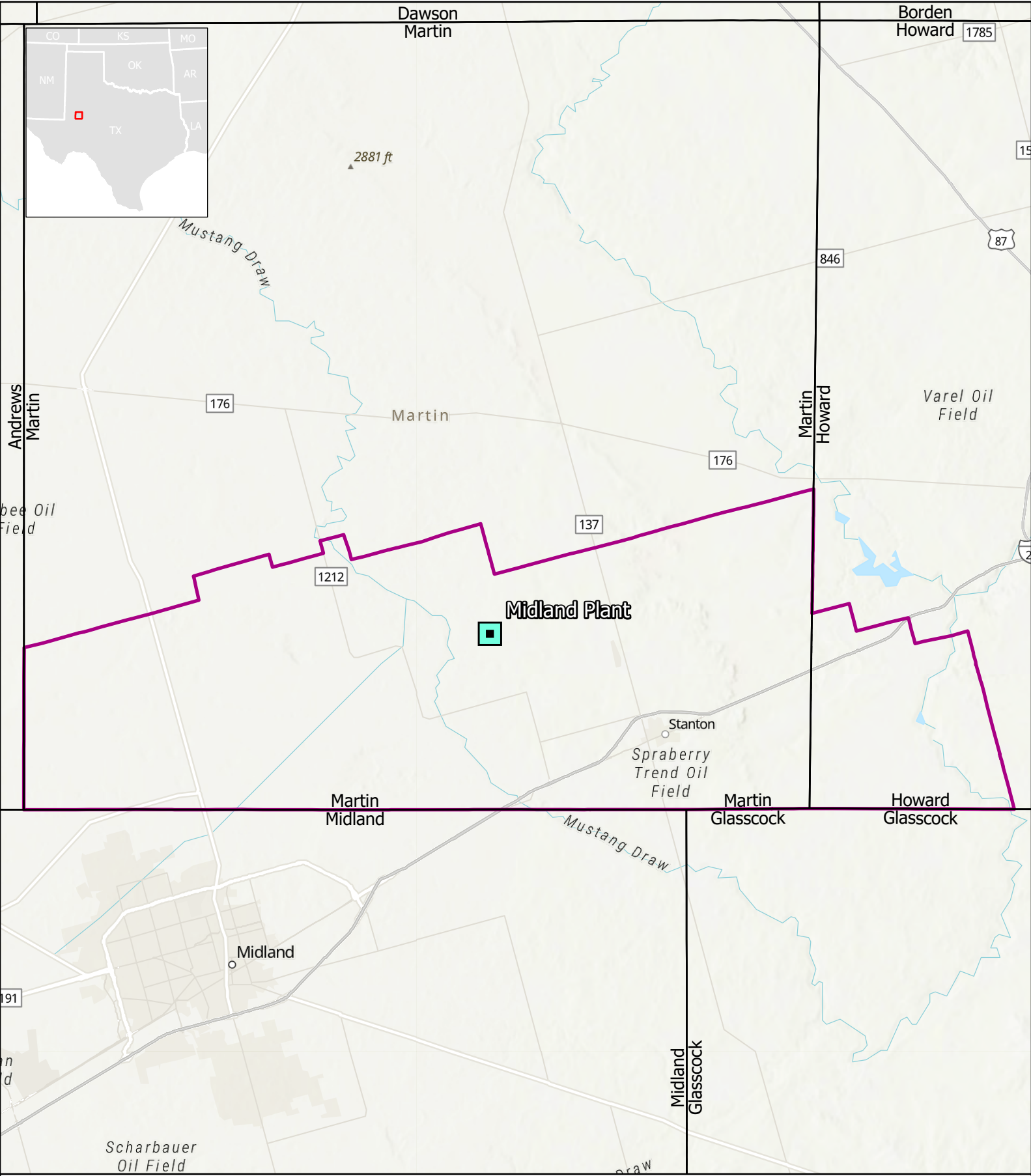


-  Proposed Plant
-  County
-  Stanton ISD

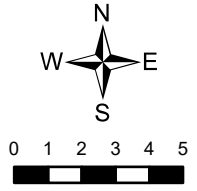


Proposed Midland Plant  
Martin County, TX





-  Proposed Plant
-  County
-  Stanton ISD



Proposed Midland Plant  
Martin County, TX





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Brazos Midland Processing, LLC

Tab 5 – List and Description of Eligible Property

This application includes all new eligible assets included in the project area and within the Reinvestment Zone. The zone and proposed plant location are as described in Tab 4.

The proposed investment includes the following:

- Land and site improvements
- A 300MMscfd Cryogenic Plant, with all associated equipment.
- An Amine Plant
- TEG Dehydration Skid
- Condensate Stabilizer Plant
- Heaters
- Coolers
- Instrument Air Skid
- Power Transformers, Transmission Line,
- Exchangers, LACT Units, Line Pipe, Valves, Fittings, Specialty Items, Flow Meters, Instrumentation
- Communications Equipment
- Electrical Equipment
- Tanks, Pressure Vessels, Pumps, Compressors, VRU, Flares
- Buildings
- All required equipment and infrastructure to construct and operate the plant.



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Brazos Midland Processing, LLC

Tab 6 – Map Comparison of Existing and New Property

## Existing Plant Operated by Brazos Midstream

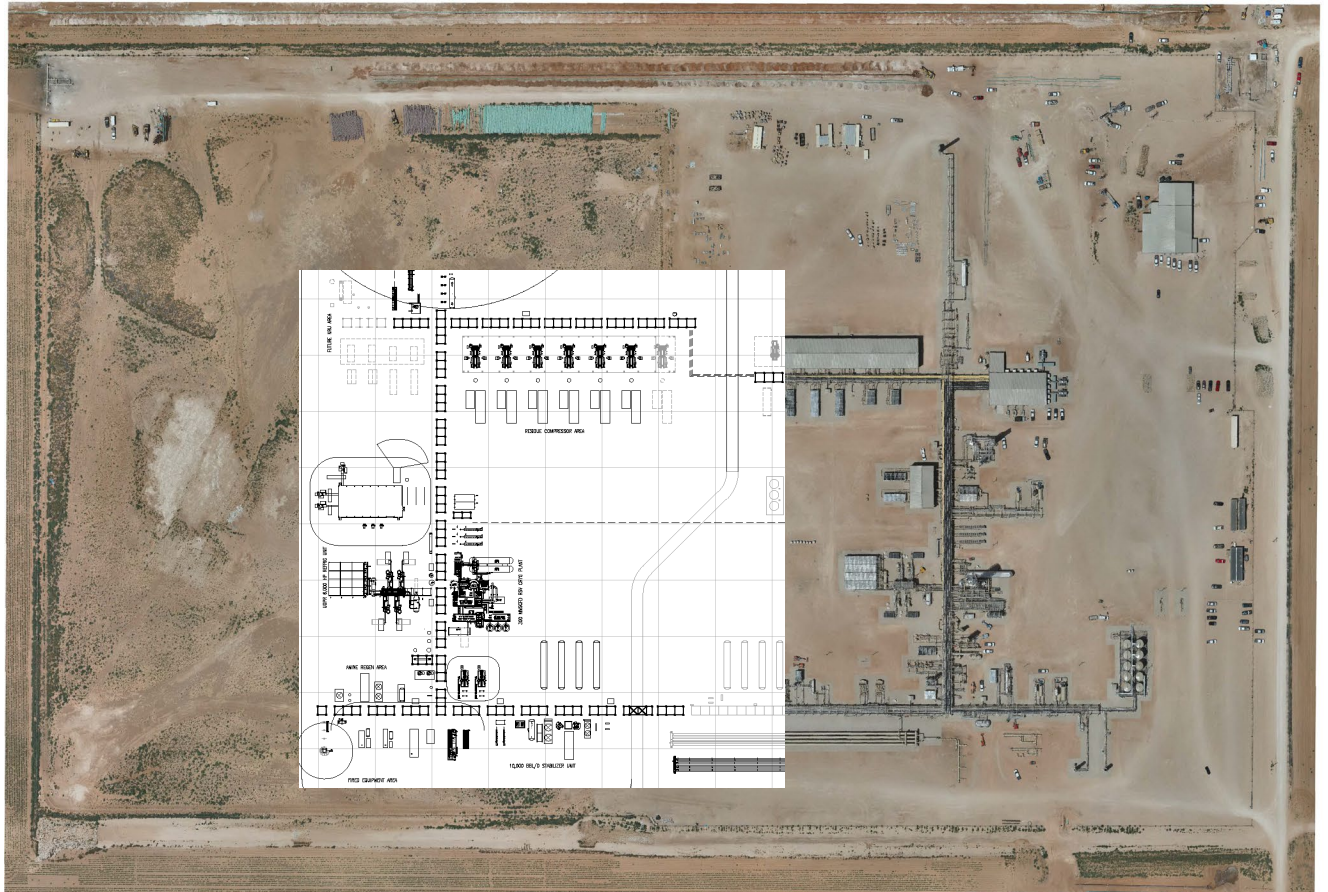
This plant has an active Chapter 313 Value Limitation Agreement in place, application 1924. This aerial photograph shows the equipment in place, subject to that agreement. This equipment would not be part of the current application.

Martin County Appraisal District Property ID 301486651 Assessed Value for 2024 97,000,000



## Proposed New Plant Site Adjacent to Existing Plant

The overlay on this aerial photograph identifies the new plant site that is included in this application.



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Brazos Midland Processing, LLC

Tab 7 – Compelling Factor Test

Brazos Midland Processing has reviewed potential sites for the construction of the 300MMscfd gas processing plant that is the subject of this application. The focus of the attention has been the Permian Basin Region in Texas and New Mexico, the primary area of operation for the company. The company owns and operates extensive midstream assets in the region and serves clients who produce crude oil and natural gas. Midstream is a term used to describe one of the three major stages of oil and gas industry operations. Midstream activities include the gathering, processing, storing, transporting and marketing of oil, natural gas, and natural gas liquids.

The Permian Basin is the largest oil-producing basin in the United States, spanning 66 counties in southeastern New Mexico and western Texas. In 2022, natural gas production in the Permian Basin also reached a new annual high, averaging 21.0 billion cubic feet per day (Bcf/d), primarily from associated natural gas produced from oil-directed drilling. The greater Permian Basin accounts for 40 percent of all oil production in the United States and 15 percent of its natural gas production, according to the Federal Reserve Bank of Dallas.

While the Permian Basin has seen significant increases in natural gas processing plant capacity recently, it has not been able to keep up with the growth of production. There are concerns that it may not currently have enough capacity to process all the gas produced, with some analysts predicting that natural gas takeaway capacity constraints will become even more problematic to energy markets and operators, requiring further plant and pipeline development to serve the growing production.

This growth in the near and long term for natural gas production and the vast reserves remaining to be drilled in the region make it a prime location for the addition of this new large capacity plant.

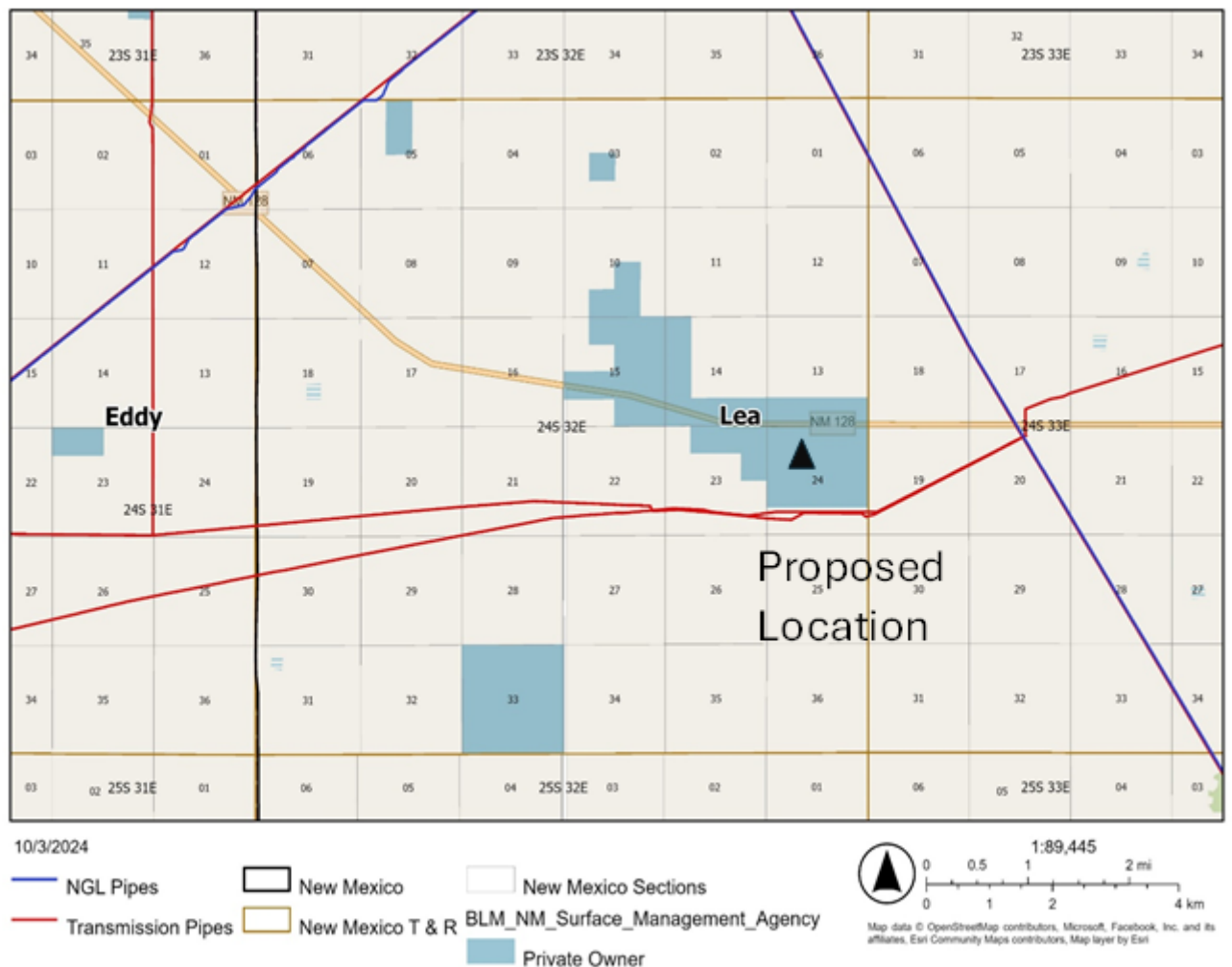
Both New Mexico and Texas offer significant opportunity for the future of the proposed plant. There are definite benefits to the New Mexico location that the JETI Program would help offset.

### The potential site in Texas:

[illegible]

## The potential site in New Mexico:

The site is strategically located near major transportation facilities and in a high growth area for production. The infrastructure to reach the markets for gas and products is substantial. The rate of plant construction has been lower than in Texas. The current and future production from the area far outweigh the existing and projected plant capacity.



## Importance of the JETI Program for this Project

The JETI Program is important for Brazos Midland to locate the plant in Texas due to several benefits to the New Mexico location. The comparisons and list of key differences are identified on the next pages.

## Property Taxes for the Plant

To understand the available incentives or abatements if any for the plant site, Brazos Midland has met with multiple representatives for various organizations for the New Mexico location. Brazos Midland discussed the tax environment at length with Jim Lucero, Community, Business & Rural Development Team Region 6 Representative, New Mexico Economic Development Department, and Jennifer Grassham, representing the Lea County local economic development. While there is not an incentive program in New Mexico directly focused on the processing of natural gas, the property taxes in New Mexico are far lower than those in Texas, even with the JETI program. (Figure 1)

Figure 1 - Estimated Property Taxes Based on the proposed cost of \$184,753,000.

| Year | Texas Property Taxes without the JETI Program |            | Texas Property Taxes with the JETI Program |            | New Mexico Property Taxes |
|------|-----------------------------------------------|------------|--------------------------------------------|------------|---------------------------|
| 2027 | \$                                            | 1,979,419  | \$                                         | 1,347,747  | \$ 1,278,426              |
| 2028 | \$                                            | 1,931,659  | \$                                         | 1,315,228  | \$ 1,211,141              |
| 2029 | \$                                            | 1,880,256  | \$                                         | 1,280,228  | \$ 1,143,855              |
| 2030 | \$                                            | 1,824,401  | \$                                         | 1,242,198  | \$ 1,076,569              |
| 2031 | \$                                            | 1,764,296  | \$                                         | 1,201,273  | \$ 1,009,284              |
| 2032 | \$                                            | 1,699,334  | \$                                         | 1,157,042  | \$ 941,998                |
| 2033 | \$                                            | 1,629,110  | \$                                         | 1,109,228  | \$ 874,713                |
| 2034 | \$                                            | 1,553,422  | \$                                         | 1,057,694  | \$ 807,427                |
| 2035 | \$                                            | 1,471,461  | \$                                         | 1,001,888  | \$ 740,142                |
| 2036 | \$                                            | 1,383,023  | \$                                         | 941,673    | \$ 672,856                |
|      | \$                                            | 17,116,382 | \$                                         | 11,654,199 | \$ 9,756,411              |

## Labor Costs for the Plant

The labor costs for the New Mexico location are lower than the Texas site. Bureau of Labor Statistics, Department of Labor data for 2022 and 2023 consistently demonstrates labor savings for Gas Plant Operators in NM vs. TX (Figure 2)

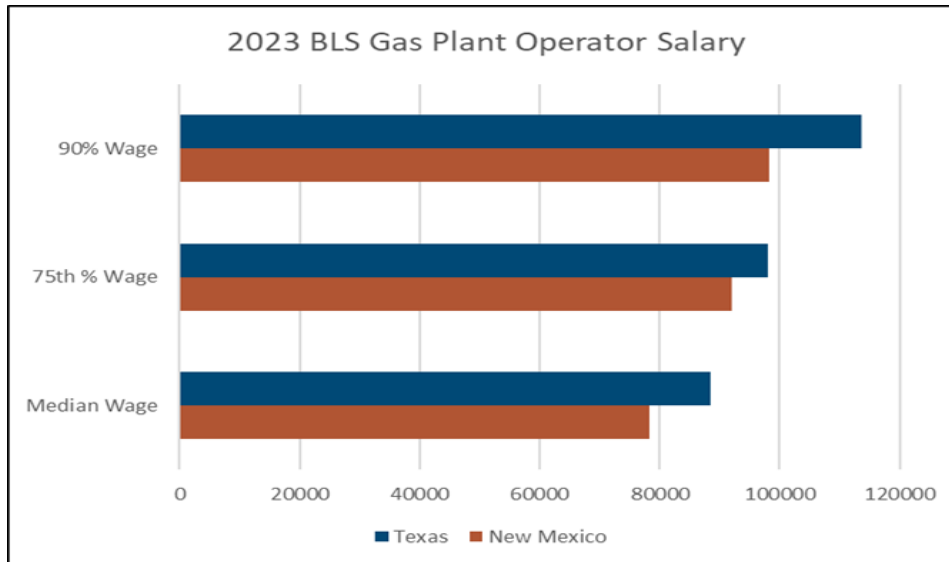


Figure 2 - Bureau of Labor Statistics, Department of Labor

## Energy Costs for Operation

The proposed plant is designed to be environmentally friendly and improve volumes of natural gas that can be marketed. Recent volatility in Texas power prices has created uncertainty in operating costs and plant margins. The power costs in Texas are projected to be higher than those in New Mexico. (Figure 3)

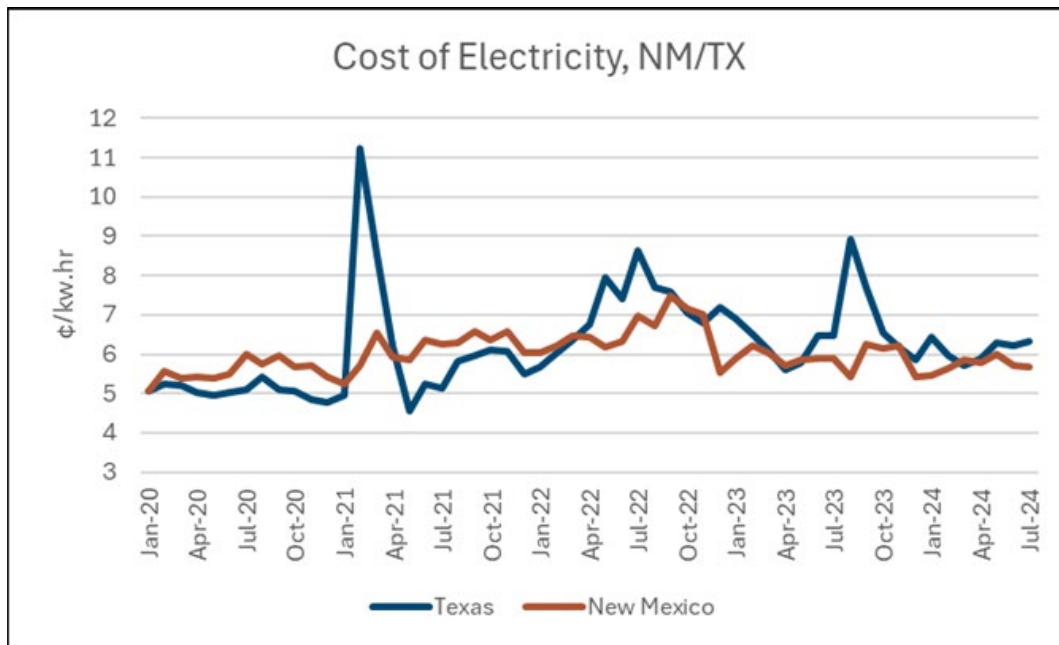


Figure 3 - U.S. Energy Information Administration

## New Mexico Market Benefits

Increased drilling on Federal land has expediated the need for additional gas processing capacity. Advanced completion techniques have increased per-well production. Contiguous leaseholds have facilitated improved production as groups of wells are completed simultaneously. Increased environmental awareness has required reduced flaring, requiring additional plant capacity to meet the requirements.

## **Summary**

Unlike in the past for the oil & gas industry, the focus in the modern market is to develop the next best project, not just the next project. Every project must compete for capital based on the potential for the best overall return.

The New Mexico location has lower cost of labor, power, and property taxes, each are significant costs in the operation of a natural gas plant. The access to market and infrastructure exists in both locations. The JETI Program adds significant value to the project by lessening the higher property tax costs for the Texas location.

Section 9.2: Limitation as Compelling Factor, Question 2. Has the applicant entered into any agreements, contracts or letters of intent related to this project? If Yes, provide details in Tab 7.

No, the applicant has not entered into any agreements, contracts or letters of intent related to this project.

Section 9.3: Limitation as Compelling Factor, Question 3. Has the applicant made any publicly available statements regarding the proposed project? (Include any alternate project names). If Yes, attach statements and explain how the limitation is a compelling factor in Tab 7.

The applicant made a public announcement of the building of the 300MMcf/day plant on August 15, 2024. The announcement identifies the plan to build, but since the decision on site has yet to be finalized, no specific location was announced.

<https://brazosmidstream.com/news/brazos-midstream-announces-significant-milestones-buildout-new-midland-basin-gas-gathering-and>

Section 9.4: Limitation as Compelling Factor, Question 4. Has the applicant applied for or received any federal, state, or local permits for activities at the proposed project site? If Yes, include a list of all permits and dates applied for and received in Tab 7.

No, the applicant has not applied for any permits for activities at the proposed sites for this plant.



Form AP-243: Application for Taxable Value Limitation on Eligible Property  
Brazos Midland Processing, LLC

Tab 8 – Economic Benefit Schedules

The following Economic Benefit Statement identifies the following:

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

# Economic Benefit Statement for Brazos Midland Processing, LLC in Martin County, TX

December 6, 2024

Prepared by:

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# An Economic Benefit Statement for Brazos Midland Processing, LLC

## 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 Brazos Midland Processing, LLC in Martin 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 36-year period beginning with 1 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         | Construction        |
| 2026-2035    | Incentive Period    |
| 2036-2060    | Additional 25 Years |

## A Description of the Facility and Its Operations

The proposed project is a 300MMscfd gas processing plant. It is a cryogenic plant utilizing the Recycle Split Vapor (RSV) process with three refrigeration stages. The facility is a natural gas processing plant that cools raw gas to extremely low temperatures, allowing for the efficient extraction of valuable Natural Gas Liquids (NGLs) like ethane, propane, and butane by leveraging the different boiling points of the hydrocarbon components. This is done primarily through a series of heat exchangers and a turboexpander, with the key feature being the use of a "split vapor" recycle stream to optimize ethane recovery, all while utilizing three distinct refrigerant loops to achieve the necessary cooling at different temperature levels throughout the process.

## Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 36 years will be as follows:

| Table 1<br>Timeline for Permanent Employment and Investment |                                                      |                          |                                                         |                          |                             |
|-------------------------------------------------------------|------------------------------------------------------|--------------------------|---------------------------------------------------------|--------------------------|-----------------------------|
| Year                                                        | Number of<br>New Workers to<br>be Hired Each<br>Year |                          | Buildings and<br>Other Real<br>Property<br>Improvements | Machinery &<br>Equipment | Total<br>JETI<br>Investment |
| 2025                                                        | 10                                                   | <i>Construction</i>      | \$2,390,000                                             | \$182,340,000            | \$184,730,000               |
| 2026                                                        | 0                                                    | <i>Incentive Year 1</i>  | \$0                                                     | \$0                      | \$0                         |
| 2027                                                        | 0                                                    | <i>Incentive Year 2</i>  | \$0                                                     | \$0                      | \$0                         |
| 2028                                                        | 0                                                    | <i>Incentive Year 3</i>  | \$0                                                     | \$0                      | \$0                         |
| 2029                                                        | 0                                                    | <i>Incentive Year 4</i>  | \$0                                                     | \$0                      | \$0                         |
| 2030                                                        | 0                                                    | <i>Incentive Year 5</i>  | \$0                                                     | \$0                      | \$0                         |
| 2031                                                        | 0                                                    | <i>Incentive Year 6</i>  | \$0                                                     | \$0                      | \$0                         |
| 2032                                                        | 0                                                    | <i>Incentive Year 7</i>  | \$0                                                     | \$0                      | \$0                         |
| 2033                                                        | 0                                                    | <i>Incentive Year 8</i>  | \$0                                                     | \$0                      | \$0                         |
| 2034                                                        | 0                                                    | <i>Incentive Year 9</i>  | \$0                                                     | \$0                      | \$0                         |
| 2035                                                        | 0                                                    | <i>Incentive Year 10</i> | \$0                                                     | \$0                      | \$0                         |
| 2036                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2037                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2038                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2039                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2040                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2041                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2042                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2043                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2044                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2045                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2046                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2047                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 2048                                                        | 0                                                    |                          | \$0                                                     | \$0                      | \$0                         |
| 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<br>Timeline for Permanent Employment and Investment |                                                      |                                                         |                          |                             |
|-------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------|--------------------------|-----------------------------|
| Year                                                                    | Number of<br>New Workers to<br>be Hired Each<br>Year | Buildings and<br>Other Real<br>Property<br>Improvements | Machinery &<br>Equipment | Total<br>JETI<br>Investment |
| 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                         |
| <u>Total</u>                                                            | <u>10</u>                                            | <u>\$2,390,000</u>                                      | <u>\$182,340,000</u>     | <u>\$184,730,000</u>        |

### Total Capital Investment and Total Employment

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

| Table 2<br>Total Capital Investment and Employment |               |
|----------------------------------------------------|---------------|
| Total Capital Investment                           | \$184,730,000 |
| 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 36 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<br>Appraised Value of the Facility's Investment |                                              |
|---------------------------------------------------------|----------------------------------------------|
| Year                                                    | Total<br>Appraised<br>Value of<br>Investment |
| 2025                                                    | \$0                                          |
| 2026                                                    | \$180,684,413                                |
| 2027                                                    | \$176,324,785                                |
| 2028                                                    | \$171,632,643                                |
| 2029                                                    | \$166,534,095                                |
| 2030                                                    | \$161,047,614                                |
| 2031                                                    | \$155,117,781                                |
| 2032                                                    | \$148,707,650                                |
| 2033                                                    | \$141,798,748                                |
| 2034                                                    | \$134,317,183                                |
| 2035                                                    | \$126,244,482                                |
| 2036                                                    | \$117,543,699                                |
| 2037                                                    | \$108,122,469                                |
| 2038                                                    | \$97,962,319                                 |
| 2039                                                    | \$86,989,357                                 |
| 2040                                                    | \$75,129,691                                 |
| 2041                                                    | \$62,309,429                                 |
| 2042                                                    | \$55,419,000                                 |
| 2043                                                    | \$55,419,000                                 |
| 2044                                                    | \$55,419,000                                 |
| 2045                                                    | \$55,419,000                                 |
| 2046                                                    | \$55,419,000                                 |
| 2047                                                    | \$55,419,000                                 |
| 2048                                                    | \$55,419,000                                 |
| 2049                                                    | \$55,419,000                                 |
| 2050                                                    | \$55,419,000                                 |
| 2051                                                    | \$55,419,000                                 |
| 2052                                                    | \$55,419,000                                 |
| 2053                                                    | \$55,419,000                                 |
| 2054                                                    | \$55,419,000                                 |

*Table 3 continued on the next page*

| Table 3 - Continued<br>Appraised Value of the Facility's Investment |                                              |
|---------------------------------------------------------------------|----------------------------------------------|
| Year                                                                | Total<br>Appraised<br>Value of<br>Investment |
| 2055                                                                | \$55,419,000                                 |
| 2056                                                                | \$55,419,000                                 |
| 2057                                                                | \$55,419,000                                 |
| 2058                                                                | \$55,419,000                                 |
| 2059                                                                | \$55,419,000                                 |
| 2060                                                                | \$55,419,000                                 |

*Appraised Value Assumptions:*

*Applies Martin County 20-year 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 Martin County subject to the following property tax rates:

| Table 4<br>Taxing Units and Tax Rates (Per \$100 of Taxable Value) at Proposed Site |                              |                  |
|-------------------------------------------------------------------------------------|------------------------------|------------------|
| City:                                                                               | N/A                          | 0.0000000        |
| County:                                                                             | Martin County                | 0.2023000        |
| School:                                                                             | Stanton ISD                  | 0.7182940        |
|                                                                                     | <i>M&amp;O Rate:</i>         | <i>0.6969000</i> |
|                                                                                     | <i>I&amp;S Rate:</i>         | <i>0.0213940</i> |
| Spec Dist #1:                                                                       | Martin County Road & Bridge  | 0.0152000        |
| Spec Dist #2:                                                                       | Martin Hospital District     | 0.1319020        |
| Spec Dist #3:                                                                       | Permian Basin Water District | 0.0017504        |
| <u>Total Rate</u>                                                                   |                              | <u>1.0694464</u> |

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

| Table 5<br>Ad Valorem Taxes for Each Taxing Unit on the Investment<br>Over the Next 36 Years |                              |                     |
|----------------------------------------------------------------------------------------------|------------------------------|---------------------|
| City:                                                                                        | N/A                          | \$0                 |
| County:                                                                                      | Martin County                | \$6,399,614         |
| School:                                                                                      | Stanton ISD                  | \$17,278,493        |
| M&O Taxes:                                                                                   |                              | \$16,601,710        |
| I&S Taxes:                                                                                   |                              | \$676,784           |
| Spec Dist #1:                                                                                | Martin County Road & Bridge  | \$480,841           |
| Spec Dist #2:                                                                                | Martin Hospital District     | \$4,172,624         |
| Spec Dist #3:                                                                                | Permian Basin Water District | \$55,373            |
| <u>Total</u>                                                                                 |                              | <u>\$28,386,944</u> |

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

| Table 6<br>Ad Valorem Taxes for School District on Investment: Stanton ISD |                                                          |                 |              |                                                  |                 |              |                                      |
|----------------------------------------------------------------------------|----------------------------------------------------------|-----------------|--------------|--------------------------------------------------|-----------------|--------------|--------------------------------------|
| Year                                                                       | Taxable Value<br>of Eligible<br>Property for<br>M&O Tax* | M&O<br>Tax Rate | M&O<br>Taxes | Taxable<br>Value of<br>Property for<br>I&S Tax** | I&S<br>Tax Rate | I&S<br>Taxes | Total<br>School<br>District<br>Taxes |
| 2025                                                                       | \$0                                                      | 0.69690         | \$0          | \$0                                              | 0.02139         | \$0          | \$0                                  |
| 2026                                                                       | \$90,342,207                                             | 0.69690         | \$629,595    | \$180,684,413                                    | 0.02139         | \$38,656     | \$668,250                            |
| 2027                                                                       | \$88,162,393                                             | 0.69690         | \$614,404    | \$176,324,785                                    | 0.02139         | \$37,723     | \$652,127                            |
| 2028                                                                       | \$85,816,322                                             | 0.69690         | \$598,054    | \$171,632,643                                    | 0.02139         | \$36,719     | \$634,773                            |
| 2029                                                                       | \$83,267,048                                             | 0.69690         | \$580,288    | \$166,534,095                                    | 0.02139         | \$35,628     | \$615,916                            |
| 2030                                                                       | \$80,523,807                                             | 0.69690         | \$561,170    | \$161,047,614                                    | 0.02139         | \$34,455     | \$595,625                            |
| 2031                                                                       | \$77,558,891                                             | 0.69690         | \$540,508    | \$155,117,781                                    | 0.02139         | \$33,186     | \$573,694                            |
| 2032                                                                       | \$74,353,825                                             | 0.69690         | \$518,172    | \$148,707,650                                    | 0.02139         | \$31,815     | \$549,986                            |
| 2033                                                                       | \$70,899,374                                             | 0.69690         | \$494,098    | \$141,798,748                                    | 0.02139         | \$30,336     | \$524,434                            |
| 2034                                                                       | \$67,158,592                                             | 0.69690         | \$468,028    | \$134,317,183                                    | 0.02139         | \$28,736     | \$496,764                            |
| 2035                                                                       | \$63,122,241                                             | 0.69690         | \$439,899    | \$126,244,482                                    | 0.02139         | \$27,009     | \$466,908                            |
| 2036                                                                       | \$117,543,699                                            | 0.69690         | \$819,162    | \$117,543,699                                    | 0.02139         | \$25,147     | \$844,309                            |
| 2037                                                                       | \$108,122,469                                            | 0.69690         | \$753,505    | \$108,122,469                                    | 0.02139         | \$23,132     | \$776,637                            |
| 2038                                                                       | \$97,962,319                                             | 0.69690         | \$682,699    | \$97,962,319                                     | 0.02139         | \$20,958     | \$703,657                            |
| 2039                                                                       | \$86,989,357                                             | 0.69690         | \$606,229    | \$86,989,357                                     | 0.02139         | \$18,611     | \$624,839                            |

Table 6 continued on the next page

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

| Year         | Taxable Value<br>of Eligible<br>Property for<br>M&O Tax* | M&O<br>Tax Rate | M&O<br>Taxes        | Taxable<br>Value of<br>Property for<br>I&S Tax** | I&S<br>Tax Rate | I&S<br>Taxes     | Total<br>School<br>District<br>Taxes |
|--------------|----------------------------------------------------------|-----------------|---------------------|--------------------------------------------------|-----------------|------------------|--------------------------------------|
| 2040         | \$75,129,691                                             | 0.69690         | \$523,579           | \$75,129,691                                     | 0.02139         | \$16,073         | \$539,652                            |
| 2041         | \$62,309,429                                             | 0.69690         | \$434,234           | \$62,309,429                                     | 0.02139         | \$13,330         | \$447,565                            |
| 2042         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2043         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2044         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2045         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2046         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2047         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2048         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2049         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2050         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2051         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2052         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2053         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2054         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2055         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2056         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2057         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2058         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2059         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| 2060         | \$55,419,000                                             | 0.69690         | \$386,215           | \$55,419,000                                     | 0.02139         | \$11,856         | \$398,071                            |
| <b>Total</b> |                                                          |                 | <b>\$16,601,710</b> |                                                  |                 | <b>\$676,784</b> | <b>\$17,278,493</b>                  |

\* 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<br>Ad Valorem Taxes for Other Taxing Units on Investment |                         |                                   |                                              |           |
|------------------------------------------------------------------|-------------------------|-----------------------------------|----------------------------------------------|-----------|
| Year                                                             | N/A<br><i>0.0000000</i> | Martin County<br><i>0.2023000</i> | Other Local<br>Districts<br><i>0.1488524</i> | Total     |
| 2025                                                             | \$0                     | \$0                               | \$0                                          | \$0       |
| 2026                                                             | \$0                     | \$365,525                         | \$268,953                                    | \$634,478 |
| 2027                                                             | \$0                     | \$356,705                         | \$262,464                                    | \$619,169 |
| 2028                                                             | \$0                     | \$347,213                         | \$255,479                                    | \$602,692 |
| 2029                                                             | \$0                     | \$336,898                         | \$247,890                                    | \$584,788 |
| 2030                                                             | \$0                     | \$325,799                         | \$239,723                                    | \$565,523 |
| 2031                                                             | \$0                     | \$313,803                         | \$230,897                                    | \$544,700 |
| 2032                                                             | \$0                     | \$300,836                         | \$221,355                                    | \$522,190 |
| 2033                                                             | \$0                     | \$286,859                         | \$211,071                                    | \$497,930 |
| 2034                                                             | \$0                     | \$271,724                         | \$199,934                                    | \$471,658 |
| 2035                                                             | \$0                     | \$255,393                         | \$187,918                                    | \$443,311 |
| 2036                                                             | \$0                     | \$237,791                         | \$174,967                                    | \$412,758 |
| 2037                                                             | \$0                     | \$218,732                         | \$160,943                                    | \$379,675 |
| 2038                                                             | \$0                     | \$198,178                         | \$145,819                                    | \$343,997 |
| 2039                                                             | \$0                     | \$175,979                         | \$129,486                                    | \$305,465 |
| 2040                                                             | \$0                     | \$151,987                         | \$111,832                                    | \$263,820 |
| 2041                                                             | \$0                     | \$126,052                         | \$92,749                                     | \$218,801 |
| 2042                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2043                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2044                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2045                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2046                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2047                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2048                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2049                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2050                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2051                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2052                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2053                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2054                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2055                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2056                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2057                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2058                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |
| 2059                                                             | \$0                     | \$112,113                         | \$82,493                                     | \$194,605 |

Table 7 continued on the next page

| Table 7 - Continued                                   |                  |                    |                       |                     |
|-------------------------------------------------------|------------------|--------------------|-----------------------|---------------------|
| Ad Valorem Taxes for Other Taxing Units on Investment |                  |                    |                       |                     |
| Year                                                  | N/A              | Martin County      | Other Local Districts | Total               |
|                                                       | <b>0.0000000</b> | <b>0.2023000</b>   | <b>0.1488524</b>      |                     |
| 2060                                                  | \$0              | \$112,113          | \$82,493              | \$194,605           |
| <u>Total</u>                                          | <u>\$0</u>       | <u>\$6,399,614</u> | <u>\$4,708,838</u>    | <u>\$11,108,451</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<br>Economic Impact of Construction at the Firm's Facility |          |                       |          |
|-------------------------------------------------------------------|----------|-----------------------|----------|
|                                                                   | Direct   | Indirect &<br>Induced | Total    |
| Economic output / increase in gross area product                  | \$2.39 M | \$3.43 M              | \$5.82 M |
| Construction employment (annual average)                          | 15       | 19                    | 33       |
| Payroll / increase in state personal income                       | \$0.96 M | \$0.95 M              | \$1.91 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.

| <b>Table 9</b><br><b>Total Economic Impact During the Facility's Operations</b><br><b>in the State of Texas</b> |                    |                                           |                   |
|-----------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|-------------------|
|                                                                                                                 |                    | Annually at<br>Full Operations<br>in 2029 | 36-Year<br>Total  |
| Economic output / increase in gross state product:                                                              |                    |                                           |                   |
|                                                                                                                 | Direct             | \$24.48 M                                 | \$997.84 M        |
|                                                                                                                 | Indirect & Induced | \$36.15 M                                 | \$1,473.71 M      |
|                                                                                                                 | <u>Total</u>       | <u>\$60.62 M</u>                          | <u>\$2.47 B</u>   |
| Employment:                                                                                                     |                    |                                           |                   |
|                                                                                                                 | Direct             | 10                                        | 10                |
|                                                                                                                 | Indirect & Induced | 46                                        | 46                |
|                                                                                                                 | <u>Total</u>       | <u>56</u>                                 | <u>56</u>         |
| Payroll / increase in state personal income:                                                                    |                    |                                           |                   |
|                                                                                                                 | Direct             | \$1.75 M                                  | \$98.34 M         |
|                                                                                                                 | Indirect & Induced | \$4.39 M                                  | \$246.98 M        |
|                                                                                                                 | <u>Total</u>       | <u>\$6.14 M</u>                           | <u>\$345.32 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 Martin County.

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

### Local Economic Output During Construction

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

| Table 10<br>Local Economic Impact of Construction at the Firm's Facility |          |                       |          |
|--------------------------------------------------------------------------|----------|-----------------------|----------|
|                                                                          | Direct   | Indirect &<br>Induced | Total    |
| Economic output / increase in gross area product                         | \$2.39 M | \$0.33 M              | \$2.72 M |
| Construction employment (annual average)                                 | 15       | 5                     | 20       |
| Payroll / increase in county personal income                             | \$0.96 M | \$0.29 M              | \$1.24 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 Martin County economy.

| <b>Table 11</b><br><b>Total Economic Impact During the Facility's Operations</b><br><b>in Martin County</b> |                    |                                           |                     |
|-------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|---------------------|
|                                                                                                             |                    | Annually at<br>Full Operations<br>in 2029 | 36-Year<br>Total    |
| Economic output / increase in gross area product:                                                           |                    |                                           |                     |
|                                                                                                             | Direct             | \$24.48 M                                 | \$997.84 M          |
|                                                                                                             | Indirect & Induced | \$5.43 M                                  | \$221.52 M          |
|                                                                                                             | <u>Total</u>       | <u>\$29.91 M</u>                          | <u>\$1,219.36 M</u> |
| Employment:                                                                                                 |                    |                                           |                     |
|                                                                                                             | Direct             | 10                                        | 10                  |
|                                                                                                             | Indirect & Induced | 10                                        | 10                  |
|                                                                                                             | <u>Total</u>       | <u>20</u>                                 | <u>20</u>           |
| Payroll/Personal Income:                                                                                    |                    |                                           |                     |
|                                                                                                             | Direct             | \$1.75 M                                  | \$98.34 M           |
|                                                                                                             | Indirect & Induced | \$1.00 M                                  | \$56.08 M           |
|                                                                                                             | <u>Total</u>       | <u>\$2.75 M</u>                           | <u>\$154.42 M</u>   |

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

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

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

| Table 12<br>Tax Revenues for the State and Local Taxing Units During Construction |                          |                              |                             |                       |
|-----------------------------------------------------------------------------------|--------------------------|------------------------------|-----------------------------|-----------------------|
|                                                                                   | Sales Tax<br>Collections | Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Total Tax<br>Revenues |
| State of Texas                                                                    | \$668,022                | \$4,363                      | \$35,615                    | \$708,000             |
| Nearby Cities                                                                     | \$21,377                 | \$0                          | \$0                         | \$21,377              |
| Martin County                                                                     | \$0                      | \$0                          | \$0                         | \$0                   |
| <u>Total</u>                                                                      | <u>\$689,399</u>         | <u>\$4,363</u>               | <u>\$35,615</u>             | <u>\$729,377</u>      |

The state and local tax revenues from the facility's operations over the 36-year period is shown below.

| Table 13<br>Tax Revenues for the State and Local Taxing Units During Operations |                          |                  |                              |                             |                     |                       |
|---------------------------------------------------------------------------------|--------------------------|------------------|------------------------------|-----------------------------|---------------------|-----------------------|
|                                                                                 | Sales Tax<br>Collections | Hotel<br>Taxes   | Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Property<br>Taxes*  | Total Tax<br>Revenues |
| State of Texas                                                                  | \$8,334,474              | \$185,254        | \$2,406,305                  | \$3,827,953                 | \$0                 | \$14,753,984          |
| Nearby Cities                                                                   | \$266,703                | \$216,129        | \$0                          | \$0                         | \$0                 | \$482,832             |
| Martin County                                                                   | \$0                      | \$0              | \$0                          | \$0                         | \$6,399,614         | \$6,399,614           |
| Stanton ISD                                                                     | \$0                      | \$0              | \$0                          | \$0                         | \$17,278,493        | \$17,278,493          |
| Martin County Road & Bridge                                                     | \$0                      | \$0              | \$0                          | \$0                         | \$480,841           | \$480,841             |
| Martin Hospital District                                                        | \$0                      | \$0              | \$0                          | \$0                         | \$4,172,624         | \$4,172,624           |
| Permian Basin Water District                                                    | \$0                      | \$0              | \$0                          | \$0                         | \$55,373            | \$55,373              |
| <u>Total</u>                                                                    | <u>\$8,601,177</u>       | <u>\$401,383</u> | <u>\$2,406,305</u>           | <u>\$3,827,953</u>          | <u>\$28,386,944</u> | <u>\$43,623,761</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<br>Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Construction |                  |                   |                       |
|-------------------------------------------------------------------------------------------------------|------------------|-------------------|-----------------------|
|                                                                                                       | Direct<br>Taxes  | Indirect<br>Taxes | Total Tax<br>Revenues |
| State of Texas                                                                                        | \$637,031        | \$70,969          | \$708,000             |
| Local Districts                                                                                       | \$20,385         | \$992             | \$21,377              |
| <u>Total</u>                                                                                          | <u>\$657,416</u> | <u>\$71,961</u>   | <u>\$729,377</u>      |

| Table 15<br>Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Operations |                     |                     |                       |
|-----------------------------------------------------------------------------------------------------|---------------------|---------------------|-----------------------|
|                                                                                                     | Direct<br>Taxes     | Indirect<br>Taxes   | Total Tax<br>Revenues |
| State of Texas                                                                                      | \$1,372,031         | \$13,381,954        | \$14,753,984          |
| Local Districts                                                                                     | \$28,406,901        | \$462,876           | \$28,869,777          |
| <u>Total</u>                                                                                        | <u>\$29,778,932</u> | <u>\$13,844,829</u> | <u>\$43,623,761</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<br>Development of Industries in the State       |                     |                     |
|----------------------------------------------------------|---------------------|---------------------|
|                                                          | New<br>Spending     | Percent<br>of Total |
| Agriculture, forestry, fishing and hunting               | \$193,368           | 0.5%                |
| Mining, quarrying, and oil and gas extraction            | \$2,641,061         | 7.3%                |
| Utilities                                                | \$817,530           | 2.3%                |
| Construction                                             | \$406,317           | 1.1%                |
| Durable goods manufacturing                              | \$1,125,939         | 3.1%                |
| Nondurable goods manufacturing                           | \$9,727,133         | 26.9%               |
| Wholesale trade                                          | \$2,976,395         | 8.2%                |
| Retail trade                                             | \$1,605,687         | 4.4%                |
| Transportation and warehousing                           | \$2,070,749         | 5.7%                |
| Information                                              | \$864,036           | 2.4%                |
| Finance and insurance                                    | \$2,763,446         | 7.6%                |
| Real estate and rental and leasing                       | \$3,066,960         | 8.5%                |
| Professional, scientific, and technical services         | \$1,693,804         | 4.7%                |
| Management of companies and enterprises                  | \$1,008,450         | 2.8%                |
| Administrative & support & waste mgmt & remediation svcs | \$1,167,550         | 3.2%                |
| Educational services                                     | \$266,799           | 0.7%                |
| Health care and social assistance                        | \$1,774,578         | 4.9%                |
| Arts, entertainment, and recreation                      | \$166,443           | 0.5%                |
| Accommodation                                            | \$168,891           | 0.5%                |
| Food services and drinking places                        | \$704,936           | 2.0%                |
| Other services                                           | \$937,467           | 2.6%                |
| <u>Total</u>                                             | <u>\$36,147,535</u> | <u>100.0%</u>       |

The industries most affected by the project will include:

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

# 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<br>Construction Costs |                    |
|--------------------------------|--------------------|
| Year                           | Construction Costs |
| 2025                           | \$2,390,000        |
| 2026                           | \$0                |
| 2027                           | \$0                |
| 2028                           | \$0                |
| <u>Total</u>                   | <u>\$2,390,000</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<br>Economic Output/Increase in Gross State Product<br>During Construction |                            |                           |                    |
|------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------|
| Year                                                                               | Direct Construction Output | Indirect & Induced Output | Total Output       |
| 2025                                                                               | \$2,390,000                | \$3,427,260               | \$5,817,260        |
| 2026                                                                               | \$0                        | \$0                       | \$0                |
| 2027                                                                               | \$0                        | \$0                       | \$0                |
| 2028                                                                               | \$0                        | \$0                       | \$0                |
| <u>Total</u>                                                                       | <u>\$2,390,000</u>         | <u>\$3,427,260</u>        | <u>\$5,817,260</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<br>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<br>Construction Workers Employed During Construction |                    |                                                 |
|---------------------------------------------------------------|--------------------|-------------------------------------------------|
| Year                                                          | Construction Costs | Number of Construction Jobs Supported Each Year |
| 2025                                                          | \$2,390,000        | 15                                              |
| 2026                                                          | \$0                | 0                                               |
| 2027                                                          | \$0                | 0                                               |
| 2028                                                          | \$0                | 0                                               |
| <u>Total</u>                                                  | <u>\$2,390,000</u> |                                                 |
| <u>Average construction jobs per year</u>                     |                    | <u>15</u>                                       |

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

| <b>Table 21</b><br><b>Direct, Indirect and Induced Employment</b><br><b>During Construction</b> |                                      |                                     |                     |
|-------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|---------------------|
| Year                                                                                            | Direct<br>Construction<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2025                                                                                            | 15                                   | 19                                  | 33                  |
| 2026                                                                                            | 0                                    | 0                                   | 0                   |
| 2027                                                                                            | 0                                    | 0                                   | 0                   |
| 2028                                                                                            | 0                                    | 0                                   | 0                   |
| <u>Annual Avg.</u>                                                                              | <u>15</u>                            | <u>19</u>                           | <u>33</u>           |

### Construction Payroll

Construction workers will have the following payrolls:

| <b>Table 22</b><br><b>Direct Construction Payroll</b> |                       |                                  |
|-------------------------------------------------------|-----------------------|----------------------------------|
| Year                                                  | Construction<br>Costs | Total<br>Construction<br>Payroll |
| 2025                                                  | \$2,390,000           | \$956,000                        |
| 2026                                                  | \$0                   | \$0                              |
| 2027                                                  | \$0                   | \$0                              |
| 2028                                                  | \$0                   | \$0                              |
| <u>Total</u>                                          | <u>\$2,390,000</u>    | <u>\$956,000</u>                 |

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

| Table 23<br>Direct, Indirect and Induced Payroll During Construction |                                   |                                  |                    |
|----------------------------------------------------------------------|-----------------------------------|----------------------------------|--------------------|
| Year                                                                 | Direct<br>Construction<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll   |
| 2025                                                                 | \$956,000                         | \$951,124                        | \$1,907,124        |
| 2026                                                                 | \$0                               | \$0                              | \$0                |
| 2027                                                                 | \$0                               | \$0                              | \$0                |
| 2028                                                                 | \$0                               | \$0                              | \$0                |
| <u>Total</u>                                                         | <u>\$956,000</u>                  | <u>\$951,124</u>                 | <u>\$1,907,124</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<br>Percent of Construction Costs and Worker Salaries Subject to Sales Tax |     |
|------------------------------------------------------------------------------------|-----|
| Percent of construction costs for materials                                        | 60% |
| Estimated percent of construction materials that may be subject to sales tax       | 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<br>Estimated Taxable Sales |                                                       |                                                 |                                                   |                                            |                        |
|-------------------------------------|-------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|--------------------------------------------|------------------------|
| Year                                | Estimated<br>Taxable<br>Machinery<br>and<br>Equipment | Estimated<br>Total<br>Construction<br>Materials | Estimated<br>Taxable<br>Construction<br>Materials | Estimated<br>Taxable<br>Worker<br>Spending | Total Taxable<br>Sales |
| 2025                                | \$9,117,000                                           | \$1,434,000                                     | \$1,075,500                                       | \$495,852                                  | \$10,688,352           |
| 2026                                | \$0                                                   | \$0                                             | \$0                                               | \$0                                        | \$0                    |
| 2027                                | \$0                                                   | \$0                                             | \$0                                               | \$0                                        | \$0                    |
| 2028                                | \$0                                                   | \$0                                             | \$0                                               | \$0                                        | \$0                    |
| <u>Total</u>                        | <u>\$9,117,000</u>                                    | <u>\$1,434,000</u>                              | <u>\$1,075,500</u>                                | <u>\$495,852</u>                           | <u>\$10,688,352</u>    |

## Sales Tax Collections

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

| <b>Table 26</b><br><b>Estimated Sales Tax Collections During Construction</b> |                                        |                                 |                                  |                                   |                                             |                                               |
|-------------------------------------------------------------------------------|----------------------------------------|---------------------------------|----------------------------------|-----------------------------------|---------------------------------------------|-----------------------------------------------|
| Year                                                                          | On Taxable<br>Machinery &<br>Equipment | On<br>Construction<br>Materials | On Taxable<br>Worker<br>Spending | Total Sales<br>Tax<br>Collections | <i>Direct Sales<br/>Tax<br/>Collections</i> | <i>Indirect Sales<br/>Tax<br/>Collections</i> |
| 2025                                                                          | \$569,813                              | \$67,219                        | \$30,991                         | \$668,022                         | \$637,031                                   | \$30,991                                      |
| 2026                                                                          | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                         | \$0                                           |
| 2027                                                                          | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                         | \$0                                           |
| 2028                                                                          | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                         | \$0                                           |
| <u>Total</u>                                                                  | <u>\$569,813</u>                       | <u>\$67,219</u>                 | <u>\$30,991</u>                  | <u>\$668,022</u>                  | <u>\$637,031</u>                            | <u>\$30,991</u>                               |

## Taxable Margins Subject to Texas Franchise Tax

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

| <b>Table 27</b><br><b>Estimated Taxable Margins During Construction</b><br><b>Subject to Texas' Franchise Tax</b> |                                                    |                                         |                             |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------|
| Year                                                                                                              | On<br>Direct<br>Revenues<br>During<br>Construction | On<br>Indirect &<br>Induced<br>Revenues | Total<br>Taxable<br>Margins |
| 2025                                                                                                              | \$239,000                                          | \$342,726                               | \$581,726                   |
| 2026                                                                                                              | \$0                                                | \$0                                     | \$0                         |
| 2027                                                                                                              | \$0                                                | \$0                                     | \$0                         |
| 2028                                                                                                              | \$0                                                | \$0                                     | \$0                         |
| <u>Total</u>                                                                                                      | <u>\$239,000</u>                                   | <u>\$342,726</u>                        | <u>\$581,726</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<br>Estimated Franchise Tax<br>Collections During Construction |                          |                                 |
|------------------------------------------------------------------------|--------------------------|---------------------------------|
| Year                                                                   | Total Taxable<br>Margins | Franchise<br>Tax<br>Collections |
| 2025                                                                   | \$581,726                | \$4,363                         |
| 2026                                                                   | \$0                      | \$0                             |
| 2027                                                                   | \$0                      | \$0                             |
| 2028                                                                   | \$0                      | \$0                             |
| <u>Total</u>                                                           | <u>\$581,726</u>         | <u>\$4,363</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<br>Other Revenues for the State from Each Worker<br>During Construction |                |
|----------------------------------------------------------------------------------|----------------|
| Gasoline taxes                                                                   | \$38           |
| Motor vehicle sales and use taxes                                                | \$438          |
| Cigarette and tobacco taxes                                                      | \$110          |
| Alcohol beverage taxes                                                           | \$185          |
| Net lottery proceeds                                                             | \$302          |
| <u>Total</u>                                                                     | <u>\$1,072</u> |

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

| <b>Table 30</b><br><b>Other Revenues for the State from Workers During Construction</b> |                |                                   |                             |                          |                      |                              |
|-----------------------------------------------------------------------------------------|----------------|-----------------------------------|-----------------------------|--------------------------|----------------------|------------------------------|
| Year                                                                                    | Gasoline Taxes | Motor Vehicle Sales and Use Taxes | Cigarette and Tobacco Taxes | Alcoholic Beverage Taxes | Net Lottery Proceeds | Total Other Taxes & Revenues |
| 2025                                                                                    | \$1,246        | \$14,535                          | \$3,655                     | \$6,146                  | \$10,033             | \$35,615                     |
| 2026                                                                                    | \$0            | \$0                               | \$0                         | \$0                      | \$0                  | \$0                          |
| 2027                                                                                    | \$0            | \$0                               | \$0                         | \$0                      | \$0                  | \$0                          |
| 2028                                                                                    | \$0            | \$0                               | \$0                         | \$0                      | \$0                  | \$0                          |
| <u>Total</u>                                                                            | <u>\$1,246</u> | <u>\$14,535</u>                   | <u>\$3,655</u>              | <u>\$6,146</u>           | <u>\$10,033</u>      | <u>\$35,615</u>              |

### Summary of General Fund Revenues for the State During Construction

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

| <b>Table 31</b><br><b>General Fund Revenues for the State During Construction</b> |                       |                           |                          |                  |
|-----------------------------------------------------------------------------------|-----------------------|---------------------------|--------------------------|------------------|
| Year                                                                              | Sales Tax Collections | Franchise Tax Collections | Other Taxes and Revenues | Total Revenues   |
| 2025                                                                              | \$668,022             | \$4,363                   | \$35,615                 | \$708,000        |
| 2026                                                                              | \$0                   | \$0                       | \$0                      | \$0              |
| 2027                                                                              | \$0                   | \$0                       | \$0                      | \$0              |
| 2028                                                                              | \$0                   | \$0                       | \$0                      | \$0              |
| <u>Total</u>                                                                      | <u>\$668,022</u>      | <u>\$4,363</u>            | <u>\$35,615</u>          | <u>\$708,000</u> |

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

The facility's estimated annual expenditures during the first 36 years are shown below:

| Table 32<br>Facility's Estimated Annual Operating Expenditures |         |                                 |
|----------------------------------------------------------------|---------|---------------------------------|
|                                                                |         | Total Operating<br>Expenditures |
| 2025                                                           | Year 1  | \$3,990,586                     |
| 2026                                                           | Year 2  | \$15,079,681                    |
| 2027                                                           | Year 3  | \$17,826,065                    |
| 2028                                                           | Year 4  | \$21,761,687                    |
| 2029                                                           | Year 5  | \$24,475,276                    |
| 2030                                                           | Year 6  | \$25,209,535                    |
| 2031                                                           | Year 7  | \$25,965,821                    |
| 2032                                                           | Year 8  | \$26,744,795                    |
| 2033                                                           | Year 9  | \$27,547,139                    |
| 2034                                                           | Year 10 | \$28,373,553                    |
| 2035                                                           | Year 11 | \$29,224,760                    |
| 2036                                                           | Year 12 | \$30,101,503                    |
| 2037                                                           | Year 13 | \$31,004,548                    |
| 2038                                                           | Year 14 | \$31,934,684                    |
| 2039                                                           | Year 15 | \$32,892,725                    |
| 2040                                                           | Year 16 | \$33,879,506                    |
| 2041                                                           | Year 17 | \$34,895,892                    |
| 2042                                                           | Year 18 | \$35,942,768                    |
| 2043                                                           | Year 19 | \$37,021,051                    |
| 2044                                                           | Year 20 | \$38,131,683                    |
| 2045                                                           | Year 21 | \$69,637,817                    |
| 2046                                                           | Year 22 | \$20,226,951                    |
| 2047                                                           | Year 23 | \$20,833,760                    |
| 2048                                                           | Year 24 | \$21,458,773                    |
| 2049                                                           | Year 25 | \$22,102,536                    |
| 2050                                                           | Year 26 | \$22,765,612                    |
| 2051                                                           | Year 27 | \$23,448,580                    |
| 2052                                                           | Year 28 | \$24,152,038                    |
| 2053                                                           | Year 29 | \$24,876,599                    |
| 2054                                                           | Year 30 | \$25,622,897                    |
| 2055                                                           | Year 31 | \$26,391,584                    |
| 2056                                                           | Year 32 | \$27,183,331                    |
| 2057                                                           | Year 33 | \$27,998,831                    |
| 2058                                                           | Year 34 | \$28,838,796                    |

Table 32 continued on the next page

| Table 32 - Continued<br>Facility's Estimated Annual Operating Expenditures |         |                              |
|----------------------------------------------------------------------------|---------|------------------------------|
|                                                                            |         | Total Operating Expenditures |
| 2059                                                                       | Year 35 | \$29,703,960                 |
| 2060                                                                       | Year 36 | \$30,595,079                 |
| <u>Total</u>                                                               |         | <u>\$997,840,398</u>         |

### Economic Output During Operations

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

| Table 33<br>Output During Operations |                          |                           |               |
|--------------------------------------|--------------------------|---------------------------|---------------|
| Year                                 | Direct Operations Output | Indirect & Induced Output | Total Output  |
| 2025                                 | \$3,990,586              | \$5,893,696               | \$9,884,282   |
| 2026                                 | \$15,079,681             | \$22,271,181              | \$37,350,862  |
| 2027                                 | \$17,826,065             | \$26,327,316              | \$44,153,381  |
| 2028                                 | \$21,761,687             | \$32,139,836              | \$53,901,524  |
| 2029                                 | \$24,475,276             | \$36,147,535              | \$60,622,812  |
| 2030                                 | \$25,209,535             | \$37,231,962              | \$62,441,496  |
| 2031                                 | \$25,965,821             | \$38,348,920              | \$64,314,741  |
| 2032                                 | \$26,744,795             | \$39,499,388              | \$66,244,183  |
| 2033                                 | \$27,547,139             | \$40,684,370              | \$68,231,509  |
| 2034                                 | \$28,373,553             | \$41,904,901              | \$70,278,454  |
| 2035                                 | \$29,224,760             | \$43,162,048              | \$72,386,808  |
| 2036                                 | \$30,101,503             | \$44,456,909              | \$74,558,412  |
| 2037                                 | \$31,004,548             | \$45,790,616              | \$76,795,164  |
| 2038                                 | \$31,934,684             | \$47,164,335              | \$79,099,019  |
| 2039                                 | \$32,892,725             | \$48,579,265              | \$81,471,990  |
| 2040                                 | \$33,879,506             | \$50,036,643              | \$83,916,149  |
| 2041                                 | \$34,895,892             | \$51,537,742              | \$86,433,634  |
| 2042                                 | \$35,942,768             | \$53,083,875              | \$89,026,643  |
| 2043                                 | \$37,021,051             | \$54,676,391              | \$91,697,442  |
| 2044                                 | \$38,131,683             | \$56,316,682              | \$94,448,365  |
| 2045                                 | \$69,637,817             | \$102,848,091             | \$172,485,908 |
| 2046                                 | \$20,226,951             | \$29,873,184              | \$50,100,135  |

*Table 33 continued on the next page*

| Table 33 - Continued<br>Output During Operations |                                |                                 |                 |
|--------------------------------------------------|--------------------------------|---------------------------------|-----------------|
| Year                                             | Direct<br>Operations<br>Output | Indirect &<br>Induced<br>Output | Total<br>Output |
| 2047                                             | \$20,833,760                   | \$30,769,380                    | \$51,603,139    |
| 2048                                             | \$21,458,773                   | \$31,692,461                    | \$53,151,234    |
| 2049                                             | \$22,102,536                   | \$32,643,235                    | \$54,745,771    |
| 2050                                             | \$22,765,612                   | \$33,622,532                    | \$56,388,144    |
| 2051                                             | \$23,448,580                   | \$34,631,208                    | \$58,079,788    |
| 2052                                             | \$24,152,038                   | \$35,670,144                    | \$59,822,182    |
| 2053                                             | \$24,876,599                   | \$36,740,249                    | \$61,616,847    |
| 2054                                             | \$25,622,897                   | \$37,842,456                    | \$63,465,353    |
| 2055                                             | \$26,391,584                   | \$38,977,730                    | \$65,369,313    |
| 2056                                             | \$27,183,331                   | \$40,147,062                    | \$67,330,393    |
| 2057                                             | \$27,998,831                   | \$41,351,473                    | \$69,350,304    |
| 2058                                             | \$28,838,796                   | \$42,592,018                    | \$71,430,813    |
| 2059                                             | \$29,703,960                   | \$43,869,778                    | \$73,573,738    |
| 2060                                             | \$30,595,079                   | \$45,185,871                    | \$75,780,950    |
| <u>Total</u>                                     | <u>\$997.84 M</u>              | <u>\$1,473.71 M</u>             | <u>\$2.47 B</u> |

## Employment during Operations

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

| Table 34<br>Number of Jobs to be Created |                                        |                                     |
|------------------------------------------|----------------------------------------|-------------------------------------|
| Year                                     | Number of<br>New Jobs<br>to be Created | Cumulative<br>Number of<br>New Jobs |
| 2025                                     | 10                                     | 10                                  |
| 2026                                     | 0                                      | 10                                  |
| 2027                                     | 0                                      | 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<br>Direct, Indirect & Induced Employment During Operations |                                    |                                     |                     |
|---------------------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| Year                                                                | Direct<br>Operations<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2025                                                                | 10                                 | 46                                  | 56                  |
| 2026                                                                | 10                                 | 46                                  | 56                  |
| 2027                                                                | 10                                 | 46                                  | 56                  |
| 2028                                                                | 10                                 | 46                                  | 56                  |
| 2029                                                                | 10                                 | 46                                  | 56                  |
| 2030                                                                | 10                                 | 46                                  | 56                  |
| 2031                                                                | 10                                 | 46                                  | 56                  |
| 2032                                                                | 10                                 | 46                                  | 56                  |
| 2033                                                                | 10                                 | 46                                  | 56                  |

*Table 35 continued on the next page*

| Table 35 - Continued                                    |                                    |                                     |                     |
|---------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| Direct, Indirect & Induced Employment During Operations |                                    |                                     |                     |
| Year                                                    | Direct<br>Operations<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2034                                                    | 10                                 | 46                                  | 56                  |
| 2035                                                    | 10                                 | 46                                  | 56                  |
| 2036                                                    | 10                                 | 46                                  | 56                  |
| 2037                                                    | 10                                 | 46                                  | 56                  |
| 2038                                                    | 10                                 | 46                                  | 56                  |
| 2039                                                    | 10                                 | 46                                  | 56                  |
| 2040                                                    | 10                                 | 46                                  | 56                  |
| 2041                                                    | 10                                 | 46                                  | 56                  |
| 2042                                                    | 10                                 | 46                                  | 56                  |
| 2043                                                    | 10                                 | 46                                  | 56                  |
| 2044                                                    | 10                                 | 46                                  | 56                  |
| 2045                                                    | 10                                 | 46                                  | 56                  |
| 2046                                                    | 10                                 | 46                                  | 56                  |
| 2047                                                    | 10                                 | 46                                  | 56                  |
| 2048                                                    | 10                                 | 46                                  | 56                  |
| 2049                                                    | 10                                 | 46                                  | 56                  |
| 2050                                                    | 10                                 | 46                                  | 56                  |
| 2051                                                    | 10                                 | 46                                  | 56                  |
| 2052                                                    | 10                                 | 46                                  | 56                  |
| 2053                                                    | 10                                 | 46                                  | 56                  |
| 2054                                                    | 10                                 | 46                                  | 56                  |
| 2055                                                    | 10                                 | 46                                  | 56                  |
| 2056                                                    | 10                                 | 46                                  | 56                  |
| 2057                                                    | 10                                 | 46                                  | 56                  |
| 2058                                                    | 10                                 | 46                                  | 56                  |
| 2059                                                    | 10                                 | 46                                  | 56                  |
| 2060                                                    | 10                                 | 46                                  | 56                  |

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

| Table 36<br>Estimated Annual Payroll |      |                               |                   |
|--------------------------------------|------|-------------------------------|-------------------|
| Percent of annual increase           |      | 3.0%                          |                   |
|                                      | Year | Average<br>Annual<br>Salaries | Annual<br>Payroll |
| Year 1                               | 2025 | \$155,412                     | \$1,554,124       |
| Year 2                               | 2026 | \$160,075                     | \$1,600,748       |
| Year 3                               | 2027 | \$164,877                     | \$1,648,770       |
| Year 4                               | 2028 | \$169,823                     | \$1,698,233       |
| Year 5                               | 2029 | \$174,918                     | \$1,749,180       |
| Year 6                               | 2030 | \$180,166                     | \$1,801,656       |
| Year 7                               | 2031 | \$185,571                     | \$1,855,705       |
| Year 8                               | 2032 | \$191,138                     | \$1,911,376       |
| Year 9                               | 2033 | \$196,872                     | \$1,968,718       |
| Year 10                              | 2034 | \$202,778                     | \$2,027,779       |
| Year 11                              | 2035 | \$208,861                     | \$2,088,613       |
| Year 12                              | 2036 | \$215,127                     | \$2,151,271       |
| Year 13                              | 2037 | \$221,581                     | \$2,215,809       |
| Year 14                              | 2038 | \$228,228                     | \$2,282,283       |
| Year 15                              | 2039 | \$235,075                     | \$2,350,752       |
| Year 16                              | 2040 | \$242,127                     | \$2,421,275       |
| Year 17                              | 2041 | \$249,391                     | \$2,493,913       |
| Year 18                              | 2042 | \$256,873                     | \$2,568,730       |
| Year 19                              | 2043 | \$264,579                     | \$2,645,792       |
| Year 20                              | 2044 | \$272,517                     | \$2,725,166       |
| Year 21                              | 2045 | \$280,692                     | \$2,806,921       |
| Year 22                              | 2046 | \$289,113                     | \$2,891,128       |
| Year 23                              | 2047 | \$297,786                     | \$2,977,862       |
| Year 24                              | 2048 | \$306,720                     | \$3,067,198       |
| Year 25                              | 2049 | \$315,921                     | \$3,159,214       |
| Year 26                              | 2050 | \$325,399                     | \$3,253,991       |
| Year 27                              | 2051 | \$335,161                     | \$3,351,610       |
| Year 28                              | 2052 | \$345,216                     | \$3,452,159       |
| Year 29                              | 2053 | \$355,572                     | \$3,555,723       |
| Year 30                              | 2054 | \$366,240                     | \$3,662,395       |
| Year 31                              | 2055 | \$377,227                     | \$3,772,267       |
| Year 32                              | 2056 | \$388,543                     | \$3,885,435       |
| Year 33                              | 2057 | \$400,200                     | \$4,001,998       |

Table 36 continued on the next page

| Table 36 - Continued<br>Estimated Annual Payroll |      |                               |                   |
|--------------------------------------------------|------|-------------------------------|-------------------|
|                                                  | Year | Average<br>Annual<br>Salaries | Annual<br>Payroll |
| Year 34                                          | 2058 | \$412,206                     | \$4,122,058       |
| Year 35                                          | 2059 | \$424,572                     | \$4,245,720       |
| Year 36                                          | 2060 | \$437,309                     | \$4,373,091       |

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

| Table 37<br>Direct, Indirect and Induced Payroll During Operations |                                 |                                  |                  |
|--------------------------------------------------------------------|---------------------------------|----------------------------------|------------------|
| Year                                                               | Direct<br>Operations<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll |
| 2025                                                               | \$1,554,124                     | \$3,903,182                      | \$5,457,306      |
| 2026                                                               | \$1,600,748                     | \$4,020,278                      | \$5,621,026      |
| 2027                                                               | \$1,648,770                     | \$4,140,886                      | \$5,789,656      |
| 2028                                                               | \$1,698,233                     | \$4,265,113                      | \$5,963,346      |
| 2029                                                               | \$1,749,180                     | \$4,393,066                      | \$6,142,246      |
| 2030                                                               | \$1,801,656                     | \$4,524,858                      | \$6,326,514      |
| 2031                                                               | \$1,855,705                     | \$4,660,604                      | \$6,516,309      |
| 2032                                                               | \$1,911,376                     | \$4,800,422                      | \$6,711,799      |
| 2033                                                               | \$1,968,718                     | \$4,944,435                      | \$6,913,153      |
| 2034                                                               | \$2,027,779                     | \$5,092,768                      | \$7,120,547      |
| 2035                                                               | \$2,088,613                     | \$5,245,551                      | \$7,334,163      |
| 2036                                                               | \$2,151,271                     | \$5,402,917                      | \$7,554,188      |
| 2037                                                               | \$2,215,809                     | \$5,565,005                      | \$7,780,814      |
| 2038                                                               | \$2,282,283                     | \$5,731,955                      | \$8,014,238      |
| 2039                                                               | \$2,350,752                     | \$5,903,914                      | \$8,254,666      |
| 2040                                                               | \$2,421,275                     | \$6,081,031                      | \$8,502,306      |
| 2041                                                               | \$2,493,913                     | \$6,263,462                      | \$8,757,375      |
| 2042                                                               | \$2,568,730                     | \$6,451,366                      | \$9,020,096      |
| 2043                                                               | \$2,645,792                     | \$6,644,907                      | \$9,290,699      |
| 2044                                                               | \$2,725,166                     | \$6,844,254                      | \$9,569,420      |
| 2045                                                               | \$2,806,921                     | \$7,049,582                      | \$9,856,502      |
| 2046                                                               | \$2,891,128                     | \$7,261,069                      | \$10,152,198     |
| 2047                                                               | \$2,977,862                     | \$7,478,901                      | \$10,456,763     |
| 2048                                                               | \$3,067,198                     | \$7,703,268                      | \$10,770,466     |
| 2049                                                               | \$3,159,214                     | \$7,934,366                      | \$11,093,580     |

Table 37 continued on the next page

| Table 37 - Continued                                   |                                 |                                  |                   |
|--------------------------------------------------------|---------------------------------|----------------------------------|-------------------|
| Direct, Indirect and Induced Payroll During Operations |                                 |                                  |                   |
| Year                                                   | Direct<br>Operations<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll  |
| 2050                                                   | \$3,253,991                     | \$8,172,397                      | \$11,426,388      |
| 2051                                                   | \$3,351,610                     | \$8,417,569                      | \$11,769,179      |
| 2052                                                   | \$3,452,159                     | \$8,670,096                      | \$12,122,255      |
| 2053                                                   | \$3,555,723                     | \$8,930,199                      | \$12,485,922      |
| 2054                                                   | \$3,662,395                     | \$9,198,105                      | \$12,860,500      |
| 2055                                                   | \$3,772,267                     | \$9,474,048                      | \$13,246,315      |
| 2056                                                   | \$3,885,435                     | \$9,758,270                      | \$13,643,705      |
| 2057                                                   | \$4,001,998                     | \$10,051,018                     | \$14,053,016      |
| 2058                                                   | \$4,122,058                     | \$10,352,548                     | \$14,474,606      |
| 2059                                                   | \$4,245,720                     | \$10,663,125                     | \$14,908,844      |
| 2060                                                   | \$4,373,091                     | \$10,983,018                     | \$15,356,110      |
| <u>Total</u>                                           | <u>\$98.34 M</u>                | <u>\$246.98 M</u>                | <u>\$345.32 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<br>Taxable Spending by Direct, Indirect, & Induced Workers |                 |                                 |
|---------------------------------------------------------------------|-----------------|---------------------------------|
| Year                                                                | Worker Salaries | Workers'<br>Taxable<br>Spending |
| 2025                                                                | \$5,457,306     | \$1,418,900                     |
| 2026                                                                | \$5,621,026     | \$1,461,467                     |
| 2027                                                                | \$5,789,656     | \$1,505,311                     |
| 2028                                                                | \$5,963,346     | \$1,550,470                     |
| 2029                                                                | \$6,142,246     | \$1,596,984                     |
| 2030                                                                | \$6,326,514     | \$1,644,894                     |
| 2031                                                                | \$6,516,309     | \$1,694,240                     |
| 2032                                                                | \$6,711,799     | \$1,745,068                     |
| 2033                                                                | \$6,913,153     | \$1,797,420                     |
| 2034                                                                | \$7,120,547     | \$1,851,342                     |
| 2035                                                                | \$7,334,163     | \$1,906,883                     |
| 2036                                                                | \$7,554,188     | \$1,964,089                     |
| 2037                                                                | \$7,780,814     | \$2,023,012                     |
| 2038                                                                | \$8,014,238     | \$2,083,702                     |
| 2039                                                                | \$8,254,666     | \$2,146,213                     |
| 2040                                                                | \$8,502,306     | \$2,210,599                     |
| 2041                                                                | \$8,757,375     | \$2,276,917                     |
| 2042                                                                | \$9,020,096     | \$2,345,225                     |
| 2043                                                                | \$9,290,699     | \$2,415,582                     |
| 2044                                                                | \$9,569,420     | \$2,488,049                     |
| 2045                                                                | \$9,856,502     | \$2,562,691                     |
| 2046                                                                | \$10,152,198    | \$2,639,571                     |
| 2047                                                                | \$10,456,763    | \$2,718,758                     |
| 2048                                                                | \$10,770,466    | \$2,800,321                     |
| 2049                                                                | \$11,093,580    | \$2,884,331                     |
| 2050                                                                | \$11,426,388    | \$2,970,861                     |
| 2051                                                                | \$11,769,179    | \$3,059,987                     |
| 2052                                                                | \$12,122,255    | \$3,151,786                     |
| 2053                                                                | \$12,485,922    | \$3,246,340                     |
| 2054                                                                | \$12,860,500    | \$3,343,730                     |

Table 38 continued on the next page

| Table 38 - Continued                                    |                   |                           |
|---------------------------------------------------------|-------------------|---------------------------|
| Taxable Spending by Direct, Indirect, & Induced Workers |                   |                           |
| Year                                                    | Worker Salaries   | Workers' Taxable Spending |
| 2055                                                    | \$13,246,315      | \$3,444,042               |
| 2056                                                    | \$13,643,705      | \$3,547,363               |
| 2057                                                    | \$14,053,016      | \$3,653,784               |
| 2058                                                    | \$14,474,606      | \$3,763,398               |
| 2059                                                    | \$14,908,844      | \$3,876,300               |
| 2060                                                    | \$15,356,110      | \$3,992,589               |
| <u>Total</u>                                            | <u>\$345.32 M</u> | <u>\$89.78 M</u>          |

### The Facility's Taxable Sales

The facility will produce commodities for resale, and as a result, the company does not anticipate these sales being 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<br>Taxable Spending by the Facility and Indirect Companies |                                                    |                                                                           |                                                            |
|---------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------|
| Year                                                                | The Facility's<br>Estimated<br>Taxable<br>Spending | Estimated<br>Taxable<br>Spending by<br>Indirect &<br>Induced<br>Companies | Total<br>Facility and<br>Companies'<br>Taxable<br>Spending |
| 2025                                                                | \$39,906                                           | \$117,874                                                                 | \$157,780                                                  |
| 2026                                                                | \$150,797                                          | \$445,424                                                                 | \$596,220                                                  |
| 2027                                                                | \$178,261                                          | \$526,546                                                                 | \$704,807                                                  |
| 2028                                                                | \$217,617                                          | \$642,797                                                                 | \$860,414                                                  |
| 2029                                                                | \$244,753                                          | \$722,951                                                                 | \$967,703                                                  |
| 2030                                                                | \$252,095                                          | \$744,639                                                                 | \$996,735                                                  |
| 2031                                                                | \$259,658                                          | \$766,978                                                                 | \$1,026,637                                                |
| 2032                                                                | \$267,448                                          | \$789,988                                                                 | \$1,057,436                                                |
| 2033                                                                | \$275,471                                          | \$813,687                                                                 | \$1,089,159                                                |
| 2034                                                                | \$283,736                                          | \$838,098                                                                 | \$1,121,834                                                |
| 2035                                                                | \$292,248                                          | \$863,241                                                                 | \$1,155,489                                                |
| 2036                                                                | \$301,015                                          | \$889,138                                                                 | \$1,190,153                                                |
| 2037                                                                | \$310,045                                          | \$915,812                                                                 | \$1,225,858                                                |
| 2038                                                                | \$319,347                                          | \$943,287                                                                 | \$1,262,634                                                |
| 2039                                                                | \$328,927                                          | \$971,585                                                                 | \$1,300,513                                                |
| 2040                                                                | \$338,795                                          | \$1,000,733                                                               | \$1,339,528                                                |
| 2041                                                                | \$348,959                                          | \$1,030,755                                                               | \$1,379,714                                                |
| 2042                                                                | \$359,428                                          | \$1,061,677                                                               | \$1,421,105                                                |
| 2043                                                                | \$370,211                                          | \$1,093,528                                                               | \$1,463,738                                                |
| 2044                                                                | \$381,317                                          | \$1,126,334                                                               | \$1,507,650                                                |
| 2045                                                                | \$696,378                                          | \$2,056,962                                                               | \$2,753,340                                                |
| 2046                                                                | \$202,270                                          | \$597,464                                                                 | \$799,733                                                  |
| 2047                                                                | \$208,338                                          | \$615,388                                                                 | \$823,725                                                  |
| 2048                                                                | \$214,588                                          | \$633,849                                                                 | \$848,437                                                  |
| 2049                                                                | \$221,025                                          | \$652,865                                                                 | \$873,890                                                  |
| 2050                                                                | \$227,656                                          | \$672,451                                                                 | \$900,107                                                  |
| 2051                                                                | \$234,486                                          | \$692,624                                                                 | \$927,110                                                  |
| 2052                                                                | \$241,520                                          | \$713,403                                                                 | \$954,923                                                  |

Table 39 continued on the next page

| Table 39 - Continued<br>Taxable Spending by the Facility and Indirect Companies |                                                    |                                                                           |                                                            |
|---------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------|
| Year                                                                            | The Facility's<br>Estimated<br>Taxable<br>Spending | Estimated<br>Taxable<br>Spending by<br>Indirect &<br>Induced<br>Companies | Total<br>Facility and<br>Companies'<br>Taxable<br>Spending |
| 2053                                                                            | \$248,766                                          | \$734,805                                                                 | \$983,571                                                  |
| 2054                                                                            | \$256,229                                          | \$756,849                                                                 | \$1,013,078                                                |
| 2055                                                                            | \$263,916                                          | \$779,555                                                                 | \$1,043,470                                                |
| 2056                                                                            | \$271,833                                          | \$802,941                                                                 | \$1,074,775                                                |
| 2057                                                                            | \$279,988                                          | \$827,029                                                                 | \$1,107,018                                                |
| 2058                                                                            | \$288,388                                          | \$851,840                                                                 | \$1,140,228                                                |
| 2059                                                                            | \$297,040                                          | \$877,396                                                                 | \$1,174,435                                                |
| 2060                                                                            | \$305,951                                          | \$903,717                                                                 | \$1,209,668                                                |
| <u>Total</u>                                                                    | <u>\$9.98 M</u>                                    | <u>\$29.47 M</u>                                                          | <u>\$39.45 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<br>Spending by a Typical Out-of-State Visitor             |       |
|--------------------------------------------------------------------|-------|
| Estimated number of out of town visitors                           | 324   |
| Annual increase in the number of out of town visitors after year 1 | 1.0%  |
| Estimated average number of days spent visiting the facility       | 2     |
| Average daily spending in the community subject to sales tax       | \$100 |
| Estimated number of nights in a local motel                        | 1     |
| Average nightly room rate at a local motel                         | \$150 |
| 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.

| <b>Table 41</b><br><b>Spending by Out-of-Town Visitors</b> |                                         |                                            |
|------------------------------------------------------------|-----------------------------------------|--------------------------------------------|
| Year                                                       | Taxable<br>Spending in the<br>Community | Spending on<br>Lodging in the<br>Community |
| 2025                                                       | \$64,800                                | \$48,600                                   |
| 2026                                                       | \$66,757                                | \$50,068                                   |
| 2027                                                       | \$68,773                                | \$51,580                                   |
| 2028                                                       | \$70,850                                | \$53,137                                   |
| 2029                                                       | \$72,990                                | \$54,742                                   |
| 2030                                                       | \$75,194                                | \$56,395                                   |
| 2031                                                       | \$77,465                                | \$58,099                                   |
| 2032                                                       | \$79,804                                | \$59,853                                   |
| 2033                                                       | \$82,214                                | \$61,661                                   |
| 2034                                                       | \$84,697                                | \$63,523                                   |
| 2035                                                       | \$87,255                                | \$65,441                                   |
| 2036                                                       | \$89,890                                | \$67,418                                   |
| 2037                                                       | \$92,605                                | \$69,454                                   |
| 2038                                                       | \$95,401                                | \$71,551                                   |
| 2039                                                       | \$98,283                                | \$73,712                                   |
| 2040                                                       | \$101,251                               | \$75,938                                   |
| 2041                                                       | \$104,309                               | \$78,231                                   |
| 2042                                                       | \$107,459                               | \$80,594                                   |
| 2043                                                       | \$110,704                               | \$83,028                                   |
| 2044                                                       | \$114,047                               | \$85,535                                   |
| 2045                                                       | \$117,491                               | \$88,119                                   |
| 2046                                                       | \$121,040                               | \$90,780                                   |
| 2047                                                       | \$124,695                               | \$93,521                                   |
| 2048                                                       | \$128,461                               | \$96,346                                   |
| 2049                                                       | \$132,340                               | \$99,255                                   |
| 2050                                                       | \$136,337                               | \$102,253                                  |
| 2051                                                       | \$140,454                               | \$105,341                                  |
| 2052                                                       | \$144,696                               | \$108,522                                  |
| 2053                                                       | \$149,066                               | \$111,799                                  |
| 2054                                                       | \$153,568                               | \$115,176                                  |
| 2055                                                       | \$158,205                               | \$118,654                                  |
| 2056                                                       | \$162,983                               | \$122,237                                  |
| 2057                                                       | \$167,905                               | \$125,929                                  |
| 2058                                                       | \$172,976                               | \$129,732                                  |

*Table 41 continued on the next page*

| Table 41 - Continued<br>Spending by Out-of-Town Visitors |                                         |                                            |
|----------------------------------------------------------|-----------------------------------------|--------------------------------------------|
| Year                                                     | Taxable<br>Spending in the<br>Community | Spending on<br>Lodging in the<br>Community |
| 2059                                                     | \$178,200                               | \$133,650                                  |
| 2060                                                     | \$183,582                               | \$137,686                                  |
| <u>Total</u>                                             | <u>\$4,116,746</u>                      | <u>\$3,087,560</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<br>Estimated Total Taxable Sales |                                 |                                 |                                         |                                                            |                                                        |                        |
|-------------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|------------------------------------------------------------|--------------------------------------------------------|------------------------|
| Year                                      | Workers'<br>Taxable<br>Spending | The Facility's<br>Taxable Sales | The<br>Company's<br>Taxable<br>Spending | Indirect &<br>Induced<br>Companies'<br>Taxable<br>Spending | Taxable<br>Spending by<br>Visitors in The<br>Community | Total Taxable<br>Sales |
| 2025                                      | \$1,418,900                     | \$0                             | \$39,906                                | \$117,874                                                  | \$64,800                                               | \$1,641,479            |
| 2026                                      | \$1,461,467                     | \$0                             | \$150,797                               | \$445,424                                                  | \$66,757                                               | \$2,124,444            |
| 2027                                      | \$1,505,311                     | \$0                             | \$178,261                               | \$526,546                                                  | \$68,773                                               | \$2,278,891            |
| 2028                                      | \$1,550,470                     | \$0                             | \$217,617                               | \$642,797                                                  | \$70,850                                               | \$2,481,734            |
| 2029                                      | \$1,596,984                     | \$0                             | \$244,753                               | \$722,951                                                  | \$72,990                                               | \$2,637,677            |
| 2030                                      | \$1,644,894                     | \$0                             | \$252,095                               | \$744,639                                                  | \$75,194                                               | \$2,716,822            |
| 2031                                      | \$1,694,240                     | \$0                             | \$259,658                               | \$766,978                                                  | \$77,465                                               | \$2,798,342            |
| 2032                                      | \$1,745,068                     | \$0                             | \$267,448                               | \$789,988                                                  | \$79,804                                               | \$2,882,308            |
| 2033                                      | \$1,797,420                     | \$0                             | \$275,471                               | \$813,687                                                  | \$82,214                                               | \$2,968,793            |
| 2034                                      | \$1,851,342                     | \$0                             | \$283,736                               | \$838,098                                                  | \$84,697                                               | \$3,057,873            |
| 2035                                      | \$1,906,883                     | \$0                             | \$292,248                               | \$863,241                                                  | \$87,255                                               | \$3,149,626            |
| 2036                                      | \$1,964,089                     | \$0                             | \$301,015                               | \$889,138                                                  | \$89,890                                               | \$3,244,132            |
| 2037                                      | \$2,023,012                     | \$0                             | \$310,045                               | \$915,812                                                  | \$92,605                                               | \$3,341,474            |
| 2038                                      | \$2,083,702                     | \$0                             | \$319,347                               | \$943,287                                                  | \$95,401                                               | \$3,441,737            |
| 2039                                      | \$2,146,213                     | \$0                             | \$328,927                               | \$971,585                                                  | \$98,283                                               | \$3,545,008            |
| 2040                                      | \$2,210,599                     | \$0                             | \$338,795                               | \$1,000,733                                                | \$101,251                                              | \$3,651,378            |
| 2041                                      | \$2,276,917                     | \$0                             | \$348,959                               | \$1,030,755                                                | \$104,309                                              | \$3,760,940            |
| 2042                                      | \$2,345,225                     | \$0                             | \$359,428                               | \$1,061,677                                                | \$107,459                                              | \$3,873,789            |
| 2043                                      | \$2,415,582                     | \$0                             | \$370,211                               | \$1,093,528                                                | \$110,704                                              | \$3,990,024            |
| 2044                                      | \$2,488,049                     | \$0                             | \$381,317                               | \$1,126,334                                                | \$114,047                                              | \$4,109,747            |
| 2045                                      | \$2,562,691                     | \$0                             | \$696,378                               | \$2,056,962                                                | \$117,491                                              | \$5,433,522            |

Table 42 continued on the next page

**Table 42 - Continued**  
**Estimated Total Taxable Sales**

| Year         | Workers'<br>Taxable<br>Spending | The Facility's<br>Taxable Sales | The<br>Company's<br>Taxable<br>Spending | Indirect &<br>Induced<br>Companies'<br>Taxable<br>Spending | Taxable<br>Spending by<br>Visitors in The<br>Community | Total Taxable<br>Sales |
|--------------|---------------------------------|---------------------------------|-----------------------------------------|------------------------------------------------------------|--------------------------------------------------------|------------------------|
| 2046         | \$2,639,571                     | \$0                             | \$202,270                               | \$597,464                                                  | \$121,040                                              | \$3,560,344            |
| 2047         | \$2,718,758                     | \$0                             | \$208,338                               | \$615,388                                                  | \$124,695                                              | \$3,667,179            |
| 2048         | \$2,800,321                     | \$0                             | \$214,588                               | \$633,849                                                  | \$128,461                                              | \$3,777,219            |
| 2049         | \$2,884,331                     | \$0                             | \$221,025                               | \$652,865                                                  | \$132,340                                              | \$3,890,561            |
| 2050         | \$2,970,861                     | \$0                             | \$227,656                               | \$672,451                                                  | \$136,337                                              | \$4,007,305            |
| 2051         | \$3,059,987                     | \$0                             | \$234,486                               | \$692,624                                                  | \$140,454                                              | \$4,127,551            |
| 2052         | \$3,151,786                     | \$0                             | \$241,520                               | \$713,403                                                  | \$144,696                                              | \$4,251,406            |
| 2053         | \$3,246,340                     | \$0                             | \$248,766                               | \$734,805                                                  | \$149,066                                              | \$4,378,977            |
| 2054         | \$3,343,730                     | \$0                             | \$256,229                               | \$756,849                                                  | \$153,568                                              | \$4,510,376            |
| 2055         | \$3,444,042                     | \$0                             | \$263,916                               | \$779,555                                                  | \$158,205                                              | \$4,645,718            |
| 2056         | \$3,547,363                     | \$0                             | \$271,833                               | \$802,941                                                  | \$162,983                                              | \$4,785,121            |
| 2057         | \$3,653,784                     | \$0                             | \$279,988                               | \$827,029                                                  | \$167,905                                              | \$4,928,707            |
| 2058         | \$3,763,398                     | \$0                             | \$288,388                               | \$851,840                                                  | \$172,976                                              | \$5,076,602            |
| 2059         | \$3,876,300                     | \$0                             | \$297,040                               | \$877,396                                                  | \$178,200                                              | \$5,228,935            |
| 2060         | \$3,992,589                     | \$0                             | \$305,951                               | \$903,717                                                  | \$183,582                                              | \$5,385,838            |
| <u>Total</u> | <u>\$89,782,216</u>             | <u>\$0</u>                      | <u>\$9,978,404</u>                      | <u>\$29,474,210</u>                                        | <u>\$4,116,746</u>                                     | <u>\$133,351,577</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:

| <b>Table 43</b><br><b>Estimated Sales Tax Collections During Operations</b> |                            |                                       |                                            |                                                  |                                                           |                                   |
|-----------------------------------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|-----------------------------------|
| Year                                                                        | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On the<br>Company's<br>Taxable<br>Spending | On Indirect<br>Companies'<br>Taxable<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2025                                                                        | \$88,681                   | \$0                                   | \$2,494                                    | \$7,367                                          | \$4,050                                                   | \$102,592                         |
| 2026                                                                        | \$91,342                   | \$0                                   | \$9,425                                    | \$27,839                                         | \$4,172                                                   | \$132,778                         |
| 2027                                                                        | \$94,082                   | \$0                                   | \$11,141                                   | \$32,909                                         | \$4,298                                                   | \$142,431                         |
| 2028                                                                        | \$96,904                   | \$0                                   | \$13,601                                   | \$40,175                                         | \$4,428                                                   | \$155,108                         |
| 2029                                                                        | \$99,812                   | \$0                                   | \$15,297                                   | \$45,184                                         | \$4,562                                                   | \$164,855                         |
| 2030                                                                        | \$102,806                  | \$0                                   | \$15,756                                   | \$46,540                                         | \$4,700                                                   | \$169,801                         |
| 2031                                                                        | \$105,890                  | \$0                                   | \$16,229                                   | \$47,936                                         | \$4,842                                                   | \$174,896                         |
| 2032                                                                        | \$109,067                  | \$0                                   | \$16,715                                   | \$49,374                                         | \$4,988                                                   | \$180,144                         |
| 2033                                                                        | \$112,339                  | \$0                                   | \$17,217                                   | \$50,855                                         | \$5,138                                                   | \$185,550                         |
| 2034                                                                        | \$115,709                  | \$0                                   | \$17,733                                   | \$52,381                                         | \$5,294                                                   | \$191,117                         |
| 2035                                                                        | \$119,180                  | \$0                                   | \$18,265                                   | \$53,953                                         | \$5,453                                                   | \$196,852                         |
| 2036                                                                        | \$122,756                  | \$0                                   | \$18,813                                   | \$55,571                                         | \$5,618                                                   | \$202,758                         |
| 2037                                                                        | \$126,438                  | \$0                                   | \$19,378                                   | \$57,238                                         | \$5,788                                                   | \$208,842                         |
| 2038                                                                        | \$130,231                  | \$0                                   | \$19,959                                   | \$58,955                                         | \$5,963                                                   | \$215,109                         |
| 2039                                                                        | \$134,138                  | \$0                                   | \$20,558                                   | \$60,724                                         | \$6,143                                                   | \$221,563                         |
| 2040                                                                        | \$138,162                  | \$0                                   | \$21,175                                   | \$62,546                                         | \$6,328                                                   | \$228,211                         |
| 2041                                                                        | \$142,307                  | \$0                                   | \$21,810                                   | \$64,422                                         | \$6,519                                                   | \$235,059                         |
| 2042                                                                        | \$146,577                  | \$0                                   | \$22,464                                   | \$66,355                                         | \$6,716                                                   | \$242,112                         |
| 2043                                                                        | \$150,974                  | \$0                                   | \$23,138                                   | \$68,345                                         | \$6,919                                                   | \$249,376                         |
| 2044                                                                        | \$155,503                  | \$0                                   | \$23,832                                   | \$70,396                                         | \$7,128                                                   | \$256,859                         |
| 2045                                                                        | \$160,168                  | \$0                                   | \$43,524                                   | \$128,560                                        | \$7,343                                                   | \$339,595                         |
| 2046                                                                        | \$164,973                  | \$0                                   | \$12,642                                   | \$37,341                                         | \$7,565                                                   | \$222,522                         |
| 2047                                                                        | \$169,922                  | \$0                                   | \$13,021                                   | \$38,462                                         | \$7,793                                                   | \$229,199                         |
| 2048                                                                        | \$175,020                  | \$0                                   | \$13,412                                   | \$39,616                                         | \$8,029                                                   | \$236,076                         |
| 2049                                                                        | \$180,271                  | \$0                                   | \$13,814                                   | \$40,804                                         | \$8,271                                                   | \$243,160                         |
| 2050                                                                        | \$185,679                  | \$0                                   | \$14,229                                   | \$42,028                                         | \$8,521                                                   | \$250,457                         |
| 2051                                                                        | \$191,249                  | \$0                                   | \$14,655                                   | \$43,289                                         | \$8,778                                                   | \$257,972                         |
| 2052                                                                        | \$196,987                  | \$0                                   | \$15,095                                   | \$44,588                                         | \$9,044                                                   | \$265,713                         |
| 2053                                                                        | \$202,896                  | \$0                                   | \$15,548                                   | \$45,925                                         | \$9,317                                                   | \$273,686                         |
| 2054                                                                        | \$208,983                  | \$0                                   | \$16,014                                   | \$47,303                                         | \$9,598                                                   | \$281,898                         |
| 2055                                                                        | \$215,253                  | \$0                                   | \$16,495                                   | \$48,722                                         | \$9,888                                                   | \$290,357                         |
| 2056                                                                        | \$221,710                  | \$0                                   | \$16,990                                   | \$50,184                                         | \$10,186                                                  | \$299,070                         |
| 2057                                                                        | \$228,362                  | \$0                                   | \$17,499                                   | \$51,689                                         | \$10,494                                                  | \$308,044                         |
| 2058                                                                        | \$235,212                  | \$0                                   | \$18,024                                   | \$53,240                                         | \$10,811                                                  | \$317,288                         |

Table 43 continued on the next page

| Table 43 - Continued<br>Estimated Sales Tax Collections During Operations |                            |                                       |                                 |                                                  |                                                           |                                   |
|---------------------------------------------------------------------------|----------------------------|---------------------------------------|---------------------------------|--------------------------------------------------|-----------------------------------------------------------|-----------------------------------|
| Year                                                                      | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On the<br>Company's<br>Spending | On Indirect<br>Companies'<br>Taxable<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2059                                                                      | \$242,269                  | \$0                                   | \$18,565                        | \$54,837                                         | \$11,137                                                  | \$326,808                         |
| 2060                                                                      | \$249,537                  | \$0                                   | \$19,122                        | \$56,482                                         | \$11,474                                                  | \$336,615                         |
| <u>Total</u>                                                              | <u>\$5,611,389</u>         | <u>\$0</u>                            | <u>\$623,650</u>                | <u>\$1,842,138</u>                               | <u>\$257,297</u>                                          | <u>\$8,334,474</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<br>Estimated Hotel Occupancy Tax Collections<br>from Visitors |                                       |                              |
|------------------------------------------------------------------------|---------------------------------------|------------------------------|
| Year                                                                   | Total Hotel<br>Spending on<br>Lodging | Occupancy Tax<br>Collections |
| 2025                                                                   | \$48,600                              | \$2,916                      |
| 2026                                                                   | \$50,068                              | \$3,004                      |
| 2027                                                                   | \$51,580                              | \$3,095                      |
| 2028                                                                   | \$53,137                              | \$3,188                      |
| 2029                                                                   | \$54,742                              | \$3,285                      |
| 2030                                                                   | \$56,395                              | \$3,384                      |
| 2031                                                                   | \$58,099                              | \$3,486                      |
| 2032                                                                   | \$59,853                              | \$3,591                      |
| 2033                                                                   | \$61,661                              | \$3,700                      |
| 2034                                                                   | \$63,523                              | \$3,811                      |
| 2035                                                                   | \$65,441                              | \$3,926                      |
| 2036                                                                   | \$67,418                              | \$4,045                      |
| 2037                                                                   | \$69,454                              | \$4,167                      |
| 2038                                                                   | \$71,551                              | \$4,293                      |
| 2039                                                                   | \$73,712                              | \$4,423                      |
| 2040                                                                   | \$75,938                              | \$4,556                      |
| 2041                                                                   | \$78,231                              | \$4,694                      |
| 2042                                                                   | \$80,594                              | \$4,836                      |

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 |
|--------------|---------------------|---------------------------------------|
| 2043         | \$83,028            | \$4,982                               |
| 2044         | \$85,535            | \$5,132                               |
| 2045         | \$88,119            | \$5,287                               |
| 2046         | \$90,780            | \$5,447                               |
| 2047         | \$93,521            | \$5,611                               |
| 2048         | \$96,346            | \$5,781                               |
| 2049         | \$99,255            | \$5,955                               |
| 2050         | \$102,253           | \$6,135                               |
| 2051         | \$105,341           | \$6,320                               |
| 2052         | \$108,522           | \$6,511                               |
| 2053         | \$111,799           | \$6,708                               |
| 2054         | \$115,176           | \$6,911                               |
| 2055         | \$118,654           | \$7,119                               |
| 2056         | \$122,237           | \$7,334                               |
| 2057         | \$125,929           | \$7,556                               |
| 2058         | \$129,732           | \$7,784                               |
| 2059         | \$133,650           | \$8,019                               |
| 2060         | \$137,686           | \$8,261                               |
| <u>Total</u> | <u>\$3,087,560</u>  | <u>\$185,254</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.

| <b>Table 45</b><br><b>Revenues of the Company Subject to Franchise Taxes &amp;</b><br><b>Taxable Margins of Indirect and Induced Companies</b><br><b>During Operations</b> |                              |                                             |                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------|-------------------------------------------------------|
| Year                                                                                                                                                                       | Direct<br>Taxable<br>Margins | Indirect &<br>Induced<br>Taxable<br>Margins | Total<br>Revenues<br>Subject to<br>Franchise<br>Taxes |
| 2025                                                                                                                                                                       | \$399,059                    | \$884,054                                   | \$1,283,113                                           |
| 2026                                                                                                                                                                       | \$1,507,968                  | \$3,340,677                                 | \$4,848,645                                           |
| 2027                                                                                                                                                                       | \$1,782,607                  | \$3,949,097                                 | \$5,731,704                                           |
| 2028                                                                                                                                                                       | \$2,176,169                  | \$4,820,975                                 | \$6,997,144                                           |
| 2029                                                                                                                                                                       | \$2,447,528                  | \$5,422,130                                 | \$7,869,658                                           |
| 2030                                                                                                                                                                       | \$2,520,953                  | \$5,584,794                                 | \$8,105,748                                           |
| 2031                                                                                                                                                                       | \$2,596,582                  | \$5,752,338                                 | \$8,348,920                                           |
| 2032                                                                                                                                                                       | \$2,674,480                  | \$5,924,908                                 | \$8,599,388                                           |
| 2033                                                                                                                                                                       | \$2,754,714                  | \$6,102,655                                 | \$8,857,369                                           |
| 2034                                                                                                                                                                       | \$2,837,355                  | \$6,285,735                                 | \$9,123,090                                           |
| 2035                                                                                                                                                                       | \$2,922,476                  | \$6,474,307                                 | \$9,396,783                                           |
| 2036                                                                                                                                                                       | \$3,010,150                  | \$6,668,536                                 | \$9,678,687                                           |
| 2037                                                                                                                                                                       | \$3,100,455                  | \$6,868,592                                 | \$9,969,047                                           |
| 2038                                                                                                                                                                       | \$3,193,468                  | \$7,074,650                                 | \$10,268,119                                          |
| 2039                                                                                                                                                                       | \$3,289,272                  | \$7,286,890                                 | \$10,576,162                                          |
| 2040                                                                                                                                                                       | \$3,387,951                  | \$7,505,496                                 | \$10,893,447                                          |

*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<br>Taxable<br>Margins | Indirect &<br>Induced<br>Taxable<br>Margins | Total<br>Revenues<br>Subject to<br>Franchise<br>Taxes |
|--------------|------------------------------|---------------------------------------------|-------------------------------------------------------|
| 2041         | \$3,489,589                  | \$7,730,661                                 | \$11,220,250                                          |
| 2042         | \$3,594,277                  | \$7,962,581                                 | \$11,556,858                                          |
| 2043         | \$3,702,105                  | \$8,201,459                                 | \$11,903,564                                          |
| 2044         | \$3,813,168                  | \$8,447,502                                 | \$12,260,671                                          |
| 2045         | \$6,963,782                  | \$15,427,214                                | \$22,390,995                                          |
| 2046         | \$2,022,695                  | \$4,480,978                                 | \$6,503,673                                           |
| 2047         | \$2,083,376                  | \$4,615,407                                 | \$6,698,783                                           |
| 2048         | \$2,145,877                  | \$4,753,869                                 | \$6,899,746                                           |
| 2049         | \$2,210,254                  | \$4,896,485                                 | \$7,106,739                                           |
| 2050         | \$2,276,561                  | \$5,043,380                                 | \$7,319,941                                           |
| 2051         | \$2,344,858                  | \$5,194,681                                 | \$7,539,539                                           |
| 2052         | \$2,415,204                  | \$5,350,522                                 | \$7,765,725                                           |
| 2053         | \$2,487,660                  | \$5,511,037                                 | \$7,998,697                                           |
| 2054         | \$2,562,290                  | \$5,676,368                                 | \$8,238,658                                           |
| 2055         | \$2,639,158                  | \$5,846,659                                 | \$8,485,818                                           |
| 2056         | \$2,718,333                  | \$6,022,059                                 | \$8,740,392                                           |
| 2057         | \$2,799,883                  | \$6,202,721                                 | \$9,002,604                                           |
| 2058         | \$2,883,880                  | \$6,388,803                                 | \$9,272,682                                           |
| 2059         | \$2,970,396                  | \$6,580,467                                 | \$9,550,863                                           |
| 2060         | \$3,059,508                  | \$6,777,881                                 | \$9,837,389                                           |
| <u>Total</u> | <u>\$99.78 M</u>             | <u>\$221.06 M</u>                           | <u>\$320.84 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.

| <b>Table 46</b><br><b>Estimated Franchise Tax Collections from</b><br><b>the Facility and Indirect and Induced Businesses</b><br><b>During Operations</b> |              |                                     |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------|-----------|
|                                                                                                                                                           | The Facility | Indirect &<br>Induced<br>Businesses | Total     |
| 2025                                                                                                                                                      | \$2,993      | \$6,630                             | \$9,623   |
| 2026                                                                                                                                                      | \$11,310     | \$25,055                            | \$36,365  |
| 2027                                                                                                                                                      | \$13,370     | \$29,618                            | \$42,988  |
| 2028                                                                                                                                                      | \$16,321     | \$36,157                            | \$52,479  |
| 2029                                                                                                                                                      | \$18,356     | \$40,666                            | \$59,022  |
| 2030                                                                                                                                                      | \$18,907     | \$41,886                            | \$60,793  |
| 2031                                                                                                                                                      | \$19,474     | \$43,143                            | \$62,617  |
| 2032                                                                                                                                                      | \$20,059     | \$44,437                            | \$64,495  |
| 2033                                                                                                                                                      | \$20,660     | \$45,770                            | \$66,430  |
| 2034                                                                                                                                                      | \$21,280     | \$47,143                            | \$68,423  |
| 2035                                                                                                                                                      | \$21,919     | \$48,557                            | \$70,476  |
| 2036                                                                                                                                                      | \$22,576     | \$50,014                            | \$72,590  |
| 2037                                                                                                                                                      | \$23,253     | \$51,514                            | \$74,768  |
| 2038                                                                                                                                                      | \$23,951     | \$53,060                            | \$77,011  |
| 2039                                                                                                                                                      | \$24,670     | \$54,652                            | \$79,321  |
| 2040                                                                                                                                                      | \$25,410     | \$56,291                            | \$81,701  |
| 2041                                                                                                                                                      | \$26,172     | \$57,980                            | \$84,152  |
| 2042                                                                                                                                                      | \$26,957     | \$59,719                            | \$86,676  |
| 2043                                                                                                                                                      | \$27,766     | \$61,511                            | \$89,277  |
| 2044                                                                                                                                                      | \$28,599     | \$63,356                            | \$91,955  |
| 2045                                                                                                                                                      | \$52,228     | \$115,704                           | \$167,932 |
| 2046                                                                                                                                                      | \$15,170     | \$33,607                            | \$48,778  |
| 2047                                                                                                                                                      | \$15,625     | \$34,616                            | \$50,241  |
| 2048                                                                                                                                                      | \$16,094     | \$35,654                            | \$51,748  |
| 2049                                                                                                                                                      | \$16,577     | \$36,724                            | \$53,301  |
| 2050                                                                                                                                                      | \$17,074     | \$37,825                            | \$54,900  |
| 2051                                                                                                                                                      | \$17,586     | \$38,960                            | \$56,547  |
| 2052                                                                                                                                                      | \$18,114     | \$40,129                            | \$58,243  |
| 2053                                                                                                                                                      | \$18,657     | \$41,333                            | \$59,990  |
| 2054                                                                                                                                                      | \$19,217     | \$42,573                            | \$61,790  |

*Table 46 continued on the next page*

| <b>Table 46 - Continued</b><br><b>Estimated Franchise Tax Collections from</b><br><b>the Facility and Indirect and Induced Businesses</b><br><b>During Operations</b> |                  |                                     |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------|--------------------|
|                                                                                                                                                                       | The Facility     | Indirect &<br>Induced<br>Businesses | Total              |
| 2055                                                                                                                                                                  | \$19,794         | \$43,850                            | \$63,644           |
| 2056                                                                                                                                                                  | \$20,387         | \$45,165                            | \$65,553           |
| 2057                                                                                                                                                                  | \$20,999         | \$46,520                            | \$67,520           |
| 2058                                                                                                                                                                  | \$21,629         | \$47,916                            | \$69,545           |
| 2059                                                                                                                                                                  | \$22,278         | \$49,354                            | \$71,631           |
| 2060                                                                                                                                                                  | \$22,946         | \$50,834                            | \$73,780           |
| <u>Total</u>                                                                                                                                                          | <u>\$748,380</u> | <u>\$1,657,924</u>                  | <u>\$2,406,305</u> |

### Other Taxes and Revenues from Workers

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

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

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

| <b>Table 48</b><br><b>Other Revenues for the State from Workers During Operations</b> |                   |                                         |                                |                                |                         |                                      |
|---------------------------------------------------------------------------------------|-------------------|-----------------------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------------------|
| Year                                                                                  | Gasoline<br>Taxes | Motor Vehicle<br>Sales and<br>Use Taxes | Cigarette and<br>Tobacco Taxes | Alcoholic<br>Beverage<br>Taxes | Net Lottery<br>Proceeds | Total<br>Other Taxes<br>and Revenues |
| 2025                                                                                  | \$2,116           | \$24,689                                | \$6,208                        | \$10,440                       | \$17,043                | \$60,496                             |
| 2026                                                                                  | \$2,180           | \$25,430                                | \$6,394                        | \$10,753                       | \$17,554                | \$62,311                             |
| 2027                                                                                  | \$2,245           | \$26,193                                | \$6,586                        | \$11,076                       | \$18,081                | \$64,180                             |
| 2028                                                                                  | \$2,312           | \$26,979                                | \$6,783                        | \$11,408                       | \$18,623                | \$66,106                             |
| 2029                                                                                  | \$2,382           | \$27,788                                | \$6,987                        | \$11,750                       | \$19,182                | \$68,089                             |
| 2030                                                                                  | \$2,453           | \$28,622                                | \$7,196                        | \$12,103                       | \$19,757                | \$70,132                             |
| 2031                                                                                  | \$2,527           | \$29,480                                | \$7,412                        | \$12,466                       | \$20,350                | \$72,236                             |
| 2032                                                                                  | \$2,603           | \$30,365                                | \$7,635                        | \$12,840                       | \$20,960                | \$74,403                             |
| 2033                                                                                  | \$2,681           | \$31,276                                | \$7,864                        | \$13,225                       | \$21,589                | \$76,635                             |
| 2034                                                                                  | \$2,761           | \$32,214                                | \$8,100                        | \$13,622                       | \$22,237                | \$78,934                             |
| 2035                                                                                  | \$2,844           | \$33,181                                | \$8,343                        | \$14,031                       | \$22,904                | \$81,302                             |
| 2036                                                                                  | \$2,929           | \$34,176                                | \$8,593                        | \$14,452                       | \$23,591                | \$83,741                             |
| 2037                                                                                  | \$3,017           | \$35,201                                | \$8,851                        | \$14,885                       | \$24,299                | \$86,253                             |
| 2038                                                                                  | \$3,108           | \$36,257                                | \$9,116                        | \$15,332                       | \$25,028                | \$88,841                             |
| 2039                                                                                  | \$3,201           | \$37,345                                | \$9,390                        | \$15,792                       | \$25,779                | \$91,506                             |
| 2040                                                                                  | \$3,297           | \$38,465                                | \$9,671                        | \$16,265                       | \$26,552                | \$94,251                             |
| 2041                                                                                  | \$3,396           | \$39,619                                | \$9,961                        | \$16,753                       | \$27,349                | \$97,079                             |
| 2042                                                                                  | \$3,498           | \$40,808                                | \$10,260                       | \$17,256                       | \$28,169                | \$99,991                             |
| 2043                                                                                  | \$3,603           | \$42,032                                | \$10,568                       | \$17,774                       | \$29,014                | \$102,991                            |
| 2044                                                                                  | \$3,711           | \$43,293                                | \$10,885                       | \$18,307                       | \$29,885                | \$106,080                            |
| 2045                                                                                  | \$3,822           | \$44,592                                | \$11,212                       | \$18,856                       | \$30,781                | \$109,263                            |
| 2046                                                                                  | \$3,937           | \$45,930                                | \$11,548                       | \$19,422                       | \$31,705                | \$112,541                            |
| 2047                                                                                  | \$4,055           | \$47,308                                | \$11,894                       | \$20,004                       | \$32,656                | \$115,917                            |
| 2048                                                                                  | \$4,177           | \$48,727                                | \$12,251                       | \$20,604                       | \$33,635                | \$119,394                            |
| 2049                                                                                  | \$4,302           | \$50,189                                | \$12,619                       | \$21,223                       | \$34,644                | \$122,976                            |
| 2050                                                                                  | \$4,431           | \$51,694                                | \$12,997                       | \$21,859                       | \$35,684                | \$126,666                            |
| 2051                                                                                  | \$4,564           | \$53,245                                | \$13,387                       | \$22,515                       | \$36,754                | \$130,466                            |
| 2052                                                                                  | \$4,701           | \$54,842                                | \$13,789                       | \$23,190                       | \$37,857                | \$134,379                            |
| 2053                                                                                  | \$4,842           | \$56,488                                | \$14,203                       | \$23,886                       | \$38,993                | \$138,411                            |
| 2054                                                                                  | \$4,987           | \$58,182                                | \$14,629                       | \$24,603                       | \$40,162                | \$142,563                            |
| 2055                                                                                  | \$5,137           | \$59,928                                | \$15,068                       | \$25,341                       | \$41,367                | \$146,840                            |
| 2056                                                                                  | \$5,291           | \$61,726                                | \$15,520                       | \$26,101                       | \$42,608                | \$151,245                            |
| 2057                                                                                  | \$5,449           | \$63,577                                | \$15,985                       | \$26,884                       | \$43,887                | \$155,783                            |
| 2058                                                                                  | \$5,613           | \$65,485                                | \$16,465                       | \$27,691                       | \$45,203                | \$160,456                            |
| 2059                                                                                  | \$5,781           | \$67,449                                | \$16,959                       | \$28,521                       | \$46,559                | \$165,270                            |
| 2060                                                                                  | \$5,955           | \$69,473                                | \$17,467                       | \$29,377                       | \$47,956                | \$170,228                            |
| <b>Total</b>                                                                          | <b>\$133,907</b>  | <b>\$1,562,247</b>                      | <b>\$392,794</b>               | <b>\$660,608</b>               | <b>\$1,078,397</b>      | <b>\$3,827,953</b>                   |

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

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

| Table 49<br>General Fund Revenues for the State During Operations |                          |                             |                              |                             |                         |
|-------------------------------------------------------------------|--------------------------|-----------------------------|------------------------------|-----------------------------|-------------------------|
| Year                                                              | Sales Tax<br>Collections | Hotel<br>Occupancy<br>Taxes | Franchise Tax<br>Collections | Other Taxes<br>and Revenues | Total State<br>Revenues |
| 2025                                                              | \$102,592                | \$2,916                     | \$9,623                      | \$60,496                    | \$175,628               |
| 2026                                                              | \$132,778                | \$3,004                     | \$36,365                     | \$62,311                    | \$234,458               |
| 2027                                                              | \$142,431                | \$3,095                     | \$42,988                     | \$64,180                    | \$252,694               |
| 2028                                                              | \$155,108                | \$3,188                     | \$52,479                     | \$66,106                    | \$276,881               |
| 2029                                                              | \$164,855                | \$3,285                     | \$59,022                     | \$68,089                    | \$295,251               |
| 2030                                                              | \$169,801                | \$3,384                     | \$60,793                     | \$70,132                    | \$304,110               |
| 2031                                                              | \$174,896                | \$3,486                     | \$62,617                     | \$72,236                    | \$313,235               |
| 2032                                                              | \$180,144                | \$3,591                     | \$64,495                     | \$74,403                    | \$322,633               |
| 2033                                                              | \$185,550                | \$3,700                     | \$66,430                     | \$76,635                    | \$332,314               |
| 2034                                                              | \$191,117                | \$3,811                     | \$68,423                     | \$78,934                    | \$342,285               |
| 2035                                                              | \$196,852                | \$3,926                     | \$70,476                     | \$81,302                    | \$352,556               |
| 2036                                                              | \$202,758                | \$4,045                     | \$72,590                     | \$83,741                    | \$363,134               |
| 2037                                                              | \$208,842                | \$4,167                     | \$74,768                     | \$86,253                    | \$374,030               |
| 2038                                                              | \$215,109                | \$4,293                     | \$77,011                     | \$88,841                    | \$385,253               |
| 2039                                                              | \$221,563                | \$4,423                     | \$79,321                     | \$91,506                    | \$396,813               |
| 2040                                                              | \$228,211                | \$4,556                     | \$81,701                     | \$94,251                    | \$408,719               |
| 2041                                                              | \$235,059                | \$4,694                     | \$84,152                     | \$97,079                    | \$420,983               |
| 2042                                                              | \$242,112                | \$4,836                     | \$86,676                     | \$99,991                    | \$433,615               |
| 2043                                                              | \$249,376                | \$4,982                     | \$89,277                     | \$102,991                   | \$446,626               |
| 2044                                                              | \$256,859                | \$5,132                     | \$91,955                     | \$106,080                   | \$460,027               |
| 2045                                                              | \$339,595                | \$5,287                     | \$167,932                    | \$109,263                   | \$622,078               |
| 2046                                                              | \$222,522                | \$5,447                     | \$48,778                     | \$112,541                   | \$389,287               |
| 2047                                                              | \$229,199                | \$5,611                     | \$50,241                     | \$115,917                   | \$400,968               |
| 2048                                                              | \$236,076                | \$5,781                     | \$51,748                     | \$119,394                   | \$412,999               |
| 2049                                                              | \$243,160                | \$5,955                     | \$53,301                     | \$122,976                   | \$425,392               |
| 2050                                                              | \$250,457                | \$6,135                     | \$54,900                     | \$126,666                   | \$438,157               |
| 2051                                                              | \$257,972                | \$6,320                     | \$56,547                     | \$130,466                   | \$451,304               |
| 2052                                                              | \$265,713                | \$6,511                     | \$58,243                     | \$134,379                   | \$464,847               |
| 2053                                                              | \$273,686                | \$6,708                     | \$59,990                     | \$138,411                   | \$478,795               |
| 2054                                                              | \$281,898                | \$6,911                     | \$61,790                     | \$142,563                   | \$493,162               |
| 2055                                                              | \$290,357                | \$7,119                     | \$63,644                     | \$146,840                   | \$507,960               |
| 2056                                                              | \$299,070                | \$7,334                     | \$65,553                     | \$151,245                   | \$523,203               |
| 2057                                                              | \$308,044                | \$7,556                     | \$67,520                     | \$155,783                   | \$538,902               |

Table 49 continued on the next page

| Table 49 - Continued                                  |                       |                          |                           |                          |                      |
|-------------------------------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|----------------------|
| General Fund Revenues for the State During Operations |                       |                          |                           |                          |                      |
| Year                                                  | Sales Tax Collections | Hotel<br>Occupancy Taxes | Franchise Tax Collections | Other Taxes and Revenues | Total State Revenues |
| 2058                                                  | \$317,288             | \$7,784                  | \$69,545                  | \$160,456                | \$555,073            |
| 2059                                                  | \$326,808             | \$8,019                  | \$71,631                  | \$165,270                | \$571,729            |
| 2060                                                  | \$336,615             | \$8,261                  | \$73,780                  | \$170,228                | \$588,884            |
| <u>Total</u>                                          | <u>\$8,334,474</u>    | <u>\$185,254</u>         | <u>\$2,406,305</u>        | <u>\$3,827,953</u>       | <u>\$14,753,984</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                                                                       | \$5,487      | \$170,141      | \$175,628            |  |
| 2026                                                                       | \$20,735     | \$213,723      | \$234,458            |  |
| 2027                                                                       | \$24,511     | \$228,183      | \$252,694            |  |
| 2028                                                                       | \$29,922     | \$246,959      | \$276,881            |  |
| 2029                                                                       | \$33,654     | \$261,597      | \$295,251            |  |
| 2030                                                                       | \$34,663     | \$269,447      | \$304,110            |  |
| 2031                                                                       | \$35,703     | \$277,532      | \$313,235            |  |
| 2032                                                                       | \$36,774     | \$285,859      | \$322,633            |  |
| 2033                                                                       | \$37,877     | \$294,437      | \$332,314            |  |
| 2034                                                                       | \$39,014     | \$303,272      | \$342,285            |  |
| 2035                                                                       | \$40,184     | \$312,372      | \$352,556            |  |
| 2036                                                                       | \$41,390     | \$321,745      | \$363,134            |  |
| 2037                                                                       | \$42,631     | \$331,399      | \$374,030            |  |
| 2038                                                                       | \$43,910     | \$341,343      | \$385,253            |  |
| 2039                                                                       | \$45,227     | \$351,585      | \$396,813            |  |
| 2040                                                                       | \$46,584     | \$362,135      | \$408,719            |  |
| 2041                                                                       | \$47,982     | \$373,001      | \$420,983            |  |
| 2042                                                                       | \$49,421     | \$384,194      | \$433,615            |  |
| 2043                                                                       | \$50,904     | \$395,722      | \$446,626            |  |
| 2044                                                                       | \$52,431     | \$407,596      | \$460,027            |  |
| 2045                                                                       | \$95,752     | \$526,326      | \$622,078            |  |
| 2046                                                                       | \$27,812     | \$361,474      | \$389,287            |  |
| 2047                                                                       | \$28,646     | \$372,321      | \$400,968            |  |
| 2048                                                                       | \$29,506     | \$383,494      | \$412,999            |  |
| 2049                                                                       | \$30,391     | \$395,001      | \$425,392            |  |
| 2050                                                                       | \$31,303     | \$406,854      | \$438,157            |  |
| 2051                                                                       | \$32,242     | \$419,063      | \$451,304            |  |
| 2052                                                                       | \$33,209     | \$431,638      | \$464,847            |  |
| 2053                                                                       | \$34,205     | \$444,590      | \$478,795            |  |
| 2054                                                                       | \$35,231     | \$457,931      | \$493,162            |  |
| 2055                                                                       | \$36,288     | \$471,672      | \$507,960            |  |
| 2056                                                                       | \$37,377     | \$485,825      | \$523,203            |  |

Table 50 continued on the next page

| Table 50 - Continued                                                       |                    |                     |                         |
|----------------------------------------------------------------------------|--------------------|---------------------|-------------------------|
| Direct vs. Indirect: General Fund Revenues for the State During Operations |                    |                     |                         |
| Year                                                                       | Direct<br>Taxes    | Indirect<br>Taxes   | Total State<br>Revenues |
| 2057                                                                       | \$38,498           | \$500,404           | \$538,902               |
| 2058                                                                       | \$39,653           | \$515,419           | \$555,073               |
| 2059                                                                       | \$40,843           | \$530,886           | \$571,729               |
| 2060                                                                       | \$42,068           | \$546,816           | \$588,884               |
| <u>Total</u>                                                               | <u>\$1,372,031</u> | <u>\$13,381,954</u> | <u>\$14,753,984</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 Martin 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 this 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 Martin 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<br>Economic Output/Increase in Gross Area Product<br>in Martin County During Construction |                                  |                                 |                 |
|----------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|-----------------|
| Year                                                                                               | Direct<br>Construction<br>Output | Indirect &<br>Induced<br>Output | Total<br>Output |
| 2025                                                                                               | \$2,390,000                      | \$329,342                       | \$2,719,342     |
| 2026                                                                                               | \$0                              | \$0                             | \$0             |
| 2027                                                                                               | \$0                              | \$0                             | \$0             |
| 2028                                                                                               | \$0                              | \$0                             | \$0             |
| <u>Total</u>                                                                                       | <u>\$2.39 M</u>                  | <u>\$0.33 M</u>                 | <u>\$2.72 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 Martin County each year:

| Table 52<br>Direct, Indirect and Induced Employment<br>in Martin County During Construction |                                      |                                     |                     |
|---------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|---------------------|
| Year                                                                                        | Direct<br>Construction<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2025                                                                                        | 15                                   | 5                                   | 20                  |
| 2026                                                                                        | 0                                    | 0                                   | 0                   |
| 2027                                                                                        | 0                                    | 0                                   | 0                   |
| 2028                                                                                        | 0                                    | 0                                   | 0                   |
| <u>Annual Avg.</u>                                                                          | <u>15</u>                            | <u>5</u>                            | <u>20</u>           |

## Construction Payroll

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

| Table 53<br>Direct, Indirect and Induced Payroll<br>in Martin County During Construction |                                   |                                  |                    |
|------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|--------------------|
| Year                                                                                     | Direct<br>Construction<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll   |
| 2025                                                                                     | \$956,000                         | \$287,756                        | \$1,243,756        |
| 2026                                                                                     | \$0                               | \$0                              | \$0                |
| 2027                                                                                     | \$0                               | \$0                              | \$0                |
| 2028                                                                                     | \$0                               | \$0                              | \$0                |
| <u>Total</u>                                                                             | <u>\$956,000</u>                  | <u>\$287,756</u>                 | <u>\$1,243,756</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 Martin 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 Martin County and nearby cities. If 10% of the statewide taxable sales during construction occur locally, the facility's construction project will result in the following taxable sales:

| Table 54<br>Local Estimated Taxable Sales During Construction |                                                       |                                                   |                                            |                        |
|---------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|--------------------------------------------|------------------------|
| Year                                                          | Estimated<br>Taxable<br>Machinery<br>and<br>Equipment | Estimated<br>Taxable<br>Construction<br>Materials | Estimated<br>Taxable<br>Worker<br>Spending | Total Taxable<br>Sales |
| 2025                                                          | \$911,700                                             | \$107,550                                         | \$49,585                                   | \$1,068,835            |
| 2026                                                          | \$0                                                   | \$0                                               | \$0                                        | \$0                    |
| 2027                                                          | \$0                                                   | \$0                                               | \$0                                        | \$0                    |
| 2028                                                          | \$0                                                   | \$0                                               | \$0                                        | \$0                    |
| <u>Total</u>                                                  | <u>\$911,700</u>                                      | <u>\$107,550</u>                                  | <u>\$49,585</u>                            | <u>\$1,068,835</u>     |

### Sales Tax Collections

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

| Table 55<br>Estimated Sales Tax Collections During Construction |                                        |                                 |                                  |                                   |                                    |                                   |
|-----------------------------------------------------------------|----------------------------------------|---------------------------------|----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Year                                                            | On Taxable<br>Machinery &<br>Equipment | On<br>Construction<br>Materials | On Taxable<br>Worker<br>Spending | Total Sales<br>Tax<br>Collections | Direct Sales<br>Tax<br>Collections | Total Sales<br>Tax<br>Collections |
| 2025                                                            | \$18,234                               | \$2,151                         | \$992                            | \$21,377                          | \$20,385                           | \$992                             |
| 2026                                                            | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                | \$0                               |
| 2027                                                            | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                | \$0                               |
| 2028                                                            | \$0                                    | \$0                             | \$0                              | \$0                               | \$0                                | \$0                               |
| <u>Total</u>                                                    | <u>\$18,234</u>                        | <u>\$2,151</u>                  | <u>\$992</u>                     | <u>\$21,377</u>                   | <u>\$20,385</u>                    | <u>\$992</u>                      |

## Summary of Local Taxes During Construction

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

| Table 56<br>Tax Revenues for the City During Construction |                                  |                                    |                   |
|-----------------------------------------------------------|----------------------------------|------------------------------------|-------------------|
| Year                                                      | City<br>Sales Tax<br>Collections | County<br>Sales Tax<br>Collections | Total<br>Revenues |
| 2025                                                      | \$21,377                         | \$0                                | \$21,377          |
| 2026                                                      | \$0                              | \$0                                | \$0               |
| 2027                                                      | \$0                              | \$0                                | \$0               |
| 2028                                                      | \$0                              | \$0                                | \$0               |
| <u>Total</u>                                              | <u>\$21,377</u>                  | <u>\$0</u>                         | <u>\$21,377</u>   |

## Local Economic Impacts During the Facility's Operations

### Economic Output During Operations

The facility's estimated annual revenues during the first 36 years again serve as the direct economic output during operations.

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

| <b>Table 57</b><br><b>Direct, Indirect &amp; Induced Output</b><br><b>in Martin County During Operations</b> |                                |                                 |                 |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------|-----------------|
| Year                                                                                                         | Direct<br>Operations<br>Output | Indirect &<br>Induced<br>Output | Total<br>Output |
| 2025                                                                                                         | \$3,990,586                    | \$885,910                       | \$4,876,496     |
| 2026                                                                                                         | \$15,079,681                   | \$3,347,689                     | \$18,427,370    |
| 2027                                                                                                         | \$17,826,065                   | \$3,957,387                     | \$21,783,452    |
| 2028                                                                                                         | \$21,761,687                   | \$4,831,095                     | \$26,592,782    |
| 2029                                                                                                         | \$24,475,276                   | \$5,433,511                     | \$29,908,788    |
| 2030                                                                                                         | \$25,209,535                   | \$5,596,517                     | \$30,806,051    |
| 2031                                                                                                         | \$25,965,821                   | \$5,764,412                     | \$31,730,233    |
| 2032                                                                                                         | \$26,744,795                   | \$5,937,345                     | \$32,682,140    |
| 2033                                                                                                         | \$27,547,139                   | \$6,115,465                     | \$33,662,604    |
| 2034                                                                                                         | \$28,373,553                   | \$6,298,929                     | \$34,672,482    |
| 2035                                                                                                         | \$29,224,760                   | \$6,487,897                     | \$35,712,656    |
| 2036                                                                                                         | \$30,101,503                   | \$6,682,534                     | \$36,784,036    |
| 2037                                                                                                         | \$31,004,548                   | \$6,883,010                     | \$37,887,557    |
| 2038                                                                                                         | \$31,934,684                   | \$7,089,500                     | \$39,024,184    |
| 2039                                                                                                         | \$32,892,725                   | \$7,302,185                     | \$40,194,910    |
| 2040                                                                                                         | \$33,879,506                   | \$7,521,250                     | \$41,400,757    |
| 2041                                                                                                         | \$34,895,892                   | \$7,746,888                     | \$42,642,779    |
| 2042                                                                                                         | \$35,942,768                   | \$7,979,295                     | \$43,922,063    |
| 2043                                                                                                         | \$37,021,051                   | \$8,218,673                     | \$45,239,725    |
| 2044                                                                                                         | \$38,131,683                   | \$8,465,234                     | \$46,596,917    |
| 2045                                                                                                         | \$69,637,817                   | \$15,459,595                    | \$85,097,412    |
| 2046                                                                                                         | \$20,226,951                   | \$4,490,383                     | \$24,717,334    |
| 2047                                                                                                         | \$20,833,760                   | \$4,625,095                     | \$25,458,854    |
| 2048                                                                                                         | \$21,458,773                   | \$4,763,847                     | \$26,222,620    |
| 2049                                                                                                         | \$22,102,536                   | \$4,906,763                     | \$27,009,299    |
| 2050                                                                                                         | \$22,765,612                   | \$5,053,966                     | \$27,819,578    |

*Table 57 continued on the next page*

**Table 57 - Continued**  
**Direct, Indirect & Induced Output**  
**in Martin County During Operations**

| Year         | Direct<br>Operations<br>Output | Indirect &<br>Induced<br>Output | Total<br>Output     |
|--------------|--------------------------------|---------------------------------|---------------------|
| 2051         | \$23,448,580                   | \$5,205,585                     | \$28,654,165        |
| 2052         | \$24,152,038                   | \$5,361,752                     | \$29,513,790        |
| 2053         | \$24,876,599                   | \$5,522,605                     | \$30,399,204        |
| 2054         | \$25,622,897                   | \$5,688,283                     | \$31,311,180        |
| 2055         | \$26,391,584                   | \$5,858,932                     | \$32,250,515        |
| 2056         | \$27,183,331                   | \$6,034,699                     | \$33,218,031        |
| 2057         | \$27,998,831                   | \$6,215,740                     | \$34,214,571        |
| 2058         | \$28,838,796                   | \$6,402,213                     | \$35,241,009        |
| 2059         | \$29,703,960                   | \$6,594,279                     | \$36,298,239        |
| 2060         | \$30,595,079                   | \$6,792,107                     | \$37,387,186        |
| <u>Total</u> | <u>\$997.84 M</u>              | <u>\$221.52 M</u>               | <u>\$1,219.36 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<br>Direct, Indirect & Induced Employment<br>in Martin County During Operations |                                    |                                     |                     |
|-----------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| Year                                                                                    | Direct<br>Operations<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2025                                                                                    | 10                                 | 10                                  | 20                  |
| 2026                                                                                    | 10                                 | 10                                  | 20                  |
| 2027                                                                                    | 10                                 | 10                                  | 20                  |
| 2028                                                                                    | 10                                 | 10                                  | 20                  |
| 2029                                                                                    | 10                                 | 10                                  | 20                  |
| 2030                                                                                    | 10                                 | 10                                  | 20                  |
| 2031                                                                                    | 10                                 | 10                                  | 20                  |
| 2032                                                                                    | 10                                 | 10                                  | 20                  |
| 2033                                                                                    | 10                                 | 10                                  | 20                  |
| 2034                                                                                    | 10                                 | 10                                  | 20                  |
| 2035                                                                                    | 10                                 | 10                                  | 20                  |
| 2036                                                                                    | 10                                 | 10                                  | 20                  |
| 2037                                                                                    | 10                                 | 10                                  | 20                  |
| 2038                                                                                    | 10                                 | 10                                  | 20                  |
| 2039                                                                                    | 10                                 | 10                                  | 20                  |
| 2040                                                                                    | 10                                 | 10                                  | 20                  |
| 2041                                                                                    | 10                                 | 10                                  | 20                  |
| 2042                                                                                    | 10                                 | 10                                  | 20                  |
| 2043                                                                                    | 10                                 | 10                                  | 20                  |
| 2044                                                                                    | 10                                 | 10                                  | 20                  |
| 2045                                                                                    | 10                                 | 10                                  | 20                  |
| 2046                                                                                    | 10                                 | 10                                  | 20                  |
| 2047                                                                                    | 10                                 | 10                                  | 20                  |
| 2048                                                                                    | 10                                 | 10                                  | 20                  |
| 2049                                                                                    | 10                                 | 10                                  | 20                  |
| 2050                                                                                    | 10                                 | 10                                  | 20                  |
| 2051                                                                                    | 10                                 | 10                                  | 20                  |
| 2052                                                                                    | 10                                 | 10                                  | 20                  |
| 2053                                                                                    | 10                                 | 10                                  | 20                  |
| 2054                                                                                    | 10                                 | 10                                  | 20                  |
| 2055                                                                                    | 10                                 | 10                                  | 20                  |

*Table 58 continued on the next page*

| <b>Table 58 - Continued</b><br><b>Direct, Indirect &amp; Induced Employment</b><br><b>in Martin County During Operations</b> |                                    |                                     |                     |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|---------------------|
| Year                                                                                                                         | Direct<br>Operations<br>Employment | Indirect &<br>Induced<br>Employment | Total<br>Employment |
| 2056                                                                                                                         | 10                                 | 10                                  | 20                  |
| 2057                                                                                                                         | 10                                 | 10                                  | 20                  |
| 2058                                                                                                                         | 10                                 | 10                                  | 20                  |
| 2059                                                                                                                         | 10                                 | 10                                  | 20                  |
| 2060                                                                                                                         | 10                                 | 10                                  | 20                  |

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

| <b>Table 59</b><br><b>Direct, Indirect and Induced Payroll</b><br><b>in Martin County During Operations</b> |                                 |                                  |                  |
|-------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|------------------|
| Year                                                                                                        | Direct<br>Operations<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll |
| 2025                                                                                                        | \$1,554,124                     | \$886,317                        | \$2,440,441      |
| 2026                                                                                                        | \$1,600,748                     | \$912,906                        | \$2,513,654      |
| 2027                                                                                                        | \$1,648,770                     | \$940,294                        | \$2,589,064      |
| 2028                                                                                                        | \$1,698,233                     | \$968,502                        | \$2,666,736      |
| 2029                                                                                                        | \$1,749,180                     | \$997,557                        | \$2,746,738      |
| 2030                                                                                                        | \$1,801,656                     | \$1,027,484                      | \$2,829,140      |
| 2031                                                                                                        | \$1,855,705                     | \$1,058,309                      | \$2,914,014      |
| 2032                                                                                                        | \$1,911,376                     | \$1,090,058                      | \$3,001,435      |
| 2033                                                                                                        | \$1,968,718                     | \$1,122,760                      | \$3,091,478      |
| 2034                                                                                                        | \$2,027,779                     | \$1,156,443                      | \$3,184,222      |
| 2035                                                                                                        | \$2,088,613                     | \$1,191,136                      | \$3,279,749      |
| 2036                                                                                                        | \$2,151,271                     | \$1,226,870                      | \$3,378,141      |
| 2037                                                                                                        | \$2,215,809                     | \$1,263,676                      | \$3,479,485      |
| 2038                                                                                                        | \$2,282,283                     | \$1,301,586                      | \$3,583,870      |
| 2039                                                                                                        | \$2,350,752                     | \$1,340,634                      | \$3,691,386      |
| 2040                                                                                                        | \$2,421,275                     | \$1,380,853                      | \$3,802,127      |
| 2041                                                                                                        | \$2,493,913                     | \$1,422,278                      | \$3,916,191      |
| 2042                                                                                                        | \$2,568,730                     | \$1,464,947                      | \$4,033,677      |

*Table 59 continued on the next page*

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

| Year         | Direct<br>Operations<br>Payroll | Indirect &<br>Induced<br>Payroll | Total<br>Payroll            |
|--------------|---------------------------------|----------------------------------|-----------------------------|
| 2043         | \$2,645,792                     | \$1,508,895                      | \$4,154,687                 |
| 2044         | \$2,725,166                     | \$1,554,162                      | \$4,279,328                 |
| 2045         | \$2,806,921                     | \$1,600,787                      | \$4,407,708                 |
| 2046         | \$2,891,128                     | \$1,648,811                      | \$4,539,939                 |
| 2047         | \$2,977,862                     | \$1,698,275                      | \$4,676,137                 |
| 2048         | \$3,067,198                     | \$1,749,223                      | \$4,816,421                 |
| 2049         | \$3,159,214                     | \$1,801,700                      | \$4,960,914                 |
| 2050         | \$3,253,991                     | \$1,855,751                      | \$5,109,741                 |
| 2051         | \$3,351,610                     | \$1,911,423                      | \$5,263,034                 |
| 2052         | \$3,452,159                     | \$1,968,766                      | \$5,420,925                 |
| 2053         | \$3,555,723                     | \$2,027,829                      | \$5,583,552                 |
| 2054         | \$3,662,395                     | \$2,088,664                      | \$5,751,059                 |
| 2055         | \$3,772,267                     | \$2,151,324                      | \$5,923,591                 |
| 2056         | \$3,885,435                     | \$2,215,864                      | \$6,101,298                 |
| 2057         | \$4,001,998                     | \$2,282,339                      | \$6,284,337                 |
| 2058         | \$4,122,058                     | \$2,350,810                      | \$6,472,867                 |
| 2059         | \$4,245,720                     | \$2,421,334                      | \$6,667,053                 |
| 2060         | \$4,373,091                     | \$2,493,974                      | \$6,867,065                 |
| <b>Total</b> | <b><u>\$98,338,664</u></b>      | <b><u>\$56,082,540</u></b>       | <b><u>\$154,421,203</u></b> |

## 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 Martin County and nearby cities. If 10% 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<br>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                                                              | \$141,890                 | \$0                          | \$3,991                        | \$11,787                                       | \$6,480                                       | \$164,148           |
| 2026                                                              | \$146,147                 | \$0                          | \$15,080                       | \$44,542                                       | \$6,676                                       | \$212,444           |
| 2027                                                              | \$150,531                 | \$0                          | \$17,826                       | \$52,655                                       | \$6,877                                       | \$227,889           |
| 2028                                                              | \$155,047                 | \$0                          | \$21,762                       | \$64,280                                       | \$7,085                                       | \$248,173           |
| 2029                                                              | \$159,698                 | \$0                          | \$24,475                       | \$72,295                                       | \$7,299                                       | \$263,768           |
| 2030                                                              | \$164,489                 | \$0                          | \$25,210                       | \$74,464                                       | \$7,519                                       | \$271,682           |
| 2031                                                              | \$169,424                 | \$0                          | \$25,966                       | \$76,698                                       | \$7,746                                       | \$279,834           |
| 2032                                                              | \$174,507                 | \$0                          | \$26,745                       | \$78,999                                       | \$7,980                                       | \$288,231           |
| 2033                                                              | \$179,742                 | \$0                          | \$27,547                       | \$81,369                                       | \$8,221                                       | \$296,879           |
| 2034                                                              | \$185,134                 | \$0                          | \$28,374                       | \$83,810                                       | \$8,470                                       | \$305,787           |
| 2035                                                              | \$190,688                 | \$0                          | \$29,225                       | \$86,324                                       | \$8,726                                       | \$314,963           |
| 2036                                                              | \$196,409                 | \$0                          | \$30,102                       | \$88,914                                       | \$8,989                                       | \$324,413           |
| 2037                                                              | \$202,301                 | \$0                          | \$31,005                       | \$91,581                                       | \$9,260                                       | \$334,147           |
| 2038                                                              | \$208,370                 | \$0                          | \$31,935                       | \$94,329                                       | \$9,540                                       | \$344,174           |
| 2039                                                              | \$214,621                 | \$0                          | \$32,893                       | \$97,159                                       | \$9,828                                       | \$354,501           |
| 2040                                                              | \$221,060                 | \$0                          | \$33,880                       | \$100,073                                      | \$10,125                                      | \$365,138           |
| 2041                                                              | \$227,692                 | \$0                          | \$34,896                       | \$103,075                                      | \$10,431                                      | \$376,094           |
| 2042                                                              | \$234,522                 | \$0                          | \$35,943                       | \$106,168                                      | \$10,746                                      | \$387,379           |
| 2043                                                              | \$241,558                 | \$0                          | \$37,021                       | \$109,353                                      | \$11,070                                      | \$399,002           |
| 2044                                                              | \$248,805                 | \$0                          | \$38,132                       | \$112,633                                      | \$11,405                                      | \$410,975           |
| 2045                                                              | \$256,269                 | \$0                          | \$69,638                       | \$205,696                                      | \$11,749                                      | \$543,352           |
| 2046                                                              | \$263,957                 | \$0                          | \$20,227                       | \$59,746                                       | \$12,104                                      | \$356,034           |
| 2047                                                              | \$271,876                 | \$0                          | \$20,834                       | \$61,539                                       | \$12,469                                      | \$366,718           |
| 2048                                                              | \$280,032                 | \$0                          | \$21,459                       | \$63,385                                       | \$12,846                                      | \$377,722           |
| 2049                                                              | \$288,433                 | \$0                          | \$22,103                       | \$65,286                                       | \$13,234                                      | \$389,056           |
| 2050                                                              | \$297,086                 | \$0                          | \$22,766                       | \$67,245                                       | \$13,634                                      | \$400,730           |
| 2051                                                              | \$305,999                 | \$0                          | \$23,449                       | \$69,262                                       | \$14,045                                      | \$412,755           |
| 2052                                                              | \$315,179                 | \$0                          | \$24,152                       | \$71,340                                       | \$14,470                                      | \$425,141           |
| 2053                                                              | \$324,634                 | \$0                          | \$24,877                       | \$73,480                                       | \$14,907                                      | \$437,898           |
| 2054                                                              | \$334,373                 | \$0                          | \$25,623                       | \$75,685                                       | \$15,357                                      | \$451,038           |
| 2055                                                              | \$344,404                 | \$0                          | \$26,392                       | \$77,955                                       | \$15,821                                      | \$464,572           |
| 2056                                                              | \$354,736                 | \$0                          | \$27,183                       | \$80,294                                       | \$16,298                                      | \$478,512           |

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         | \$365,378                 | \$0                          | \$27,999                       | \$82,703                                       | \$16,791                                      | \$492,871           |
| 2058         | \$376,340                 | \$0                          | \$28,839                       | \$85,184                                       | \$17,298                                      | \$507,660           |
| 2059         | \$387,630                 | \$0                          | \$29,704                       | \$87,740                                       | \$17,820                                      | \$522,893           |
| 2060         | \$399,259                 | \$0                          | \$30,595                       | \$90,372                                       | \$18,358                                      | \$538,584           |
| <u>Total</u> | <u>\$8,978,222</u>        | <u>\$0</u>                   | <u>\$997,840</u>               | <u>\$2,947,421</u>                             | <u>\$411,675</u>                              | <u>\$13,335,158</u> |

## Sales Tax Collections

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

| Table 61<br>Estimated Sales Tax Collections During Operations |                            |                                       |                                            |                                                  |                                                           |                                   |
|---------------------------------------------------------------|----------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|-----------------------------------|
| Year                                                          | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On the<br>Company's<br>Taxable<br>Spending | On Indirect<br>Companies'<br>Taxable<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
| 2025                                                          | \$2,838                    | \$0                                   | \$80                                       | \$236                                            | \$130                                                     | \$3,283                           |
| 2026                                                          | \$2,923                    | \$0                                   | \$302                                      | \$891                                            | \$134                                                     | \$4,249                           |
| 2027                                                          | \$3,011                    | \$0                                   | \$357                                      | \$1,053                                          | \$138                                                     | \$4,558                           |
| 2028                                                          | \$3,101                    | \$0                                   | \$435                                      | \$1,286                                          | \$142                                                     | \$4,963                           |
| 2029                                                          | \$3,194                    | \$0                                   | \$490                                      | \$1,446                                          | \$146                                                     | \$5,275                           |
| 2030                                                          | \$3,290                    | \$0                                   | \$504                                      | \$1,489                                          | \$150                                                     | \$5,434                           |
| 2031                                                          | \$3,388                    | \$0                                   | \$519                                      | \$1,534                                          | \$155                                                     | \$5,597                           |
| 2032                                                          | \$3,490                    | \$0                                   | \$535                                      | \$1,580                                          | \$160                                                     | \$5,765                           |
| 2033                                                          | \$3,595                    | \$0                                   | \$551                                      | \$1,627                                          | \$164                                                     | \$5,938                           |
| 2034                                                          | \$3,703                    | \$0                                   | \$567                                      | \$1,676                                          | \$169                                                     | \$6,116                           |
| 2035                                                          | \$3,814                    | \$0                                   | \$584                                      | \$1,726                                          | \$175                                                     | \$6,299                           |
| 2036                                                          | \$3,928                    | \$0                                   | \$602                                      | \$1,778                                          | \$180                                                     | \$6,488                           |
| 2037                                                          | \$4,046                    | \$0                                   | \$620                                      | \$1,832                                          | \$185                                                     | \$6,683                           |
| 2038                                                          | \$4,167                    | \$0                                   | \$639                                      | \$1,887                                          | \$191                                                     | \$6,883                           |
| 2039                                                          | \$4,292                    | \$0                                   | \$658                                      | \$1,943                                          | \$197                                                     | \$7,090                           |
| 2040                                                          | \$4,421                    | \$0                                   | \$678                                      | \$2,001                                          | \$203                                                     | \$7,303                           |
| 2041                                                          | \$4,554                    | \$0                                   | \$698                                      | \$2,062                                          | \$209                                                     | \$7,522                           |
| 2042                                                          | \$4,690                    | \$0                                   | \$719                                      | \$2,123                                          | \$215                                                     | \$7,748                           |
| 2043                                                          | \$4,831                    | \$0                                   | \$740                                      | \$2,187                                          | \$221                                                     | \$7,980                           |
| 2044                                                          | \$4,976                    | \$0                                   | \$763                                      | \$2,253                                          | \$228                                                     | \$8,219                           |
| 2045                                                          | \$5,125                    | \$0                                   | \$1,393                                    | \$4,114                                          | \$235                                                     | \$10,867                          |
| 2046                                                          | \$5,279                    | \$0                                   | \$405                                      | \$1,195                                          | \$242                                                     | \$7,121                           |
| 2047                                                          | \$5,438                    | \$0                                   | \$417                                      | \$1,231                                          | \$249                                                     | \$7,334                           |
| 2048                                                          | \$5,601                    | \$0                                   | \$429                                      | \$1,268                                          | \$257                                                     | \$7,554                           |
| 2049                                                          | \$5,769                    | \$0                                   | \$442                                      | \$1,306                                          | \$265                                                     | \$7,781                           |
| 2050                                                          | \$5,942                    | \$0                                   | \$455                                      | \$1,345                                          | \$273                                                     | \$8,015                           |
| 2051                                                          | \$6,120                    | \$0                                   | \$469                                      | \$1,385                                          | \$281                                                     | \$8,255                           |
| 2052                                                          | \$6,304                    | \$0                                   | \$483                                      | \$1,427                                          | \$289                                                     | \$8,503                           |
| 2053                                                          | \$6,493                    | \$0                                   | \$498                                      | \$1,470                                          | \$298                                                     | \$8,758                           |
| 2054                                                          | \$6,687                    | \$0                                   | \$512                                      | \$1,514                                          | \$307                                                     | \$9,021                           |
| 2055                                                          | \$6,888                    | \$0                                   | \$528                                      | \$1,559                                          | \$316                                                     | \$9,291                           |
| 2056                                                          | \$7,095                    | \$0                                   | \$544                                      | \$1,606                                          | \$326                                                     | \$9,570                           |
| 2057                                                          | \$7,308                    | \$0                                   | \$560                                      | \$1,654                                          | \$336                                                     | \$9,857                           |
| 2058                                                          | \$7,527                    | \$0                                   | \$577                                      | \$1,704                                          | \$346                                                     | \$10,153                          |

Table 61 continued on the next page

**Table 61 - Continued**  
**Estimated Sales Tax Collections During Operations**

| Year         | On<br>Workers'<br>Spending | On<br>The Facility's<br>Taxable Sales | On the<br>Company's<br>Taxable<br>Spending | On Indirect<br>Companies'<br>Taxable<br>Spending | On Taxable<br>Spending of<br>Visitors in the<br>Community | Total Sales<br>Tax<br>Collections |
|--------------|----------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|-----------------------------------|
| 2059         | \$7,753                    | \$0                                   | \$594                                      | \$1,755                                          | \$356                                                     | \$10,458                          |
| 2060         | \$7,985                    | \$0                                   | \$612                                      | \$1,807                                          | \$367                                                     | \$10,772                          |
| <u>Total</u> | <u>\$179,564</u>           | <u>\$0</u>                            | <u>\$19,957</u>                            | <u>\$58,948</u>                                  | <u>\$8,233</u>                                            | <u>\$266,703</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<br>Spending on<br>Lodging | Occupancy Tax<br>Collections |
|------|--------------------------------------|------------------------------|
| 2025 | \$48,600                             | \$3,402                      |
| 2026 | \$50,068                             | \$3,505                      |
| 2027 | \$51,580                             | \$3,611                      |
| 2028 | \$53,137                             | \$3,720                      |
| 2029 | \$54,742                             | \$3,832                      |
| 2030 | \$56,395                             | \$3,948                      |
| 2031 | \$58,099                             | \$4,067                      |
| 2032 | \$59,853                             | \$4,190                      |
| 2033 | \$61,661                             | \$4,316                      |
| 2034 | \$63,523                             | \$4,447                      |
| 2035 | \$65,441                             | \$4,581                      |
| 2036 | \$67,418                             | \$4,719                      |
| 2037 | \$69,454                             | \$4,862                      |
| 2038 | \$71,551                             | \$5,009                      |
| 2039 | \$73,712                             | \$5,160                      |
| 2040 | \$75,938                             | \$5,316                      |
| 2041 | \$78,231                             | \$5,476                      |

*Table 62 continued on the next page*

**Table 62 - Continued**  
**Estimated Hotel Occupancy Tax Collections**  
**from Visitors**

| Year         | City Hotel<br>Spending on<br>Lodging | Occupancy Tax<br>Collections |
|--------------|--------------------------------------|------------------------------|
| 2042         | \$80,594                             | \$5,642                      |
| 2043         | \$83,028                             | \$5,812                      |
| 2044         | \$85,535                             | \$5,987                      |
| 2045         | \$88,119                             | \$6,168                      |
| 2046         | \$90,780                             | \$6,355                      |
| 2047         | \$93,521                             | \$6,546                      |
| 2048         | \$96,346                             | \$6,744                      |
| 2049         | \$99,255                             | \$6,948                      |
| 2050         | \$102,253                            | \$7,158                      |
| 2051         | \$105,341                            | \$7,374                      |
| 2052         | \$108,522                            | \$7,597                      |
| 2053         | \$111,799                            | \$7,826                      |
| 2054         | \$115,176                            | \$8,062                      |
| 2055         | \$118,654                            | \$8,306                      |
| 2056         | \$122,237                            | \$8,557                      |
| 2057         | \$125,929                            | \$8,815                      |
| 2058         | \$129,732                            | \$9,081                      |
| 2059         | \$133,650                            | \$9,355                      |
| 2060         | \$137,686                            | \$9,638                      |
| <u>Total</u> | <u>\$3,087,560</u>                   | <u>\$216,129</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<br>Ad Valorem Tax Collections for Local Taxing Units on Investment |            |                    |                     |                           |                     |
|-----------------------------------------------------------------------------|------------|--------------------|---------------------|---------------------------|---------------------|
| Year                                                                        | N/A        | Martin County      | Stanton ISD         | Other Local Jurisdictions | Total               |
| 2025                                                                        | \$0        | \$0                | \$0                 | \$0                       | \$0                 |
| 2026                                                                        | \$0        | \$365,525          | \$668,250           | \$268,953                 | \$1,302,728         |
| 2027                                                                        | \$0        | \$356,705          | \$652,127           | \$262,464                 | \$1,271,295         |
| 2028                                                                        | \$0        | \$347,213          | \$634,773           | \$255,479                 | \$1,237,465         |
| 2029                                                                        | \$0        | \$336,898          | \$615,916           | \$247,890                 | \$1,200,705         |
| 2030                                                                        | \$0        | \$325,799          | \$595,625           | \$239,723                 | \$1,161,147         |
| 2031                                                                        | \$0        | \$313,803          | \$573,694           | \$230,897                 | \$1,118,394         |
| 2032                                                                        | \$0        | \$300,836          | \$549,986           | \$221,355                 | \$1,072,177         |
| 2033                                                                        | \$0        | \$286,859          | \$524,434           | \$211,071                 | \$1,022,364         |
| 2034                                                                        | \$0        | \$271,724          | \$496,764           | \$199,934                 | \$968,422           |
| 2035                                                                        | \$0        | \$255,393          | \$466,908           | \$187,918                 | \$910,218           |
| 2036                                                                        | \$0        | \$237,791          | \$844,309           | \$174,967                 | \$1,257,067         |
| 2037                                                                        | \$0        | \$218,732          | \$776,637           | \$160,943                 | \$1,156,312         |
| 2038                                                                        | \$0        | \$198,178          | \$703,657           | \$145,819                 | \$1,047,654         |
| 2039                                                                        | \$0        | \$175,979          | \$624,839           | \$129,486                 | \$930,305           |
| 2040                                                                        | \$0        | \$151,987          | \$539,652           | \$111,832                 | \$803,472           |
| 2041                                                                        | \$0        | \$126,052          | \$447,565           | \$92,749                  | \$666,366           |
| 2042                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2043                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2044                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2045                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2046                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2047                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2048                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2049                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2050                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2051                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2052                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2053                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2054                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2055                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2056                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2057                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2058                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2059                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| 2060                                                                        | \$0        | \$112,113          | \$398,071           | \$82,493                  | \$592,677           |
| <b>Total</b>                                                                | <b>\$0</b> | <b>\$6,399,614</b> | <b>\$17,278,493</b> | <b>\$4,708,838</b>        | <b>\$28,386,944</b> |

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

*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                                                 | \$0  | \$0         | \$0                                         |
| 2055                                                 | \$0  | \$0         | \$0                                         |
| 2056                                                 | \$0  | \$0         | \$0                                         |
| 2057                                                 | \$0  | \$0         | \$0                                         |
| 2058                                                 | \$0  | \$0         | \$0                                         |
| 2059                                                 | \$0  | \$0         | \$0                                         |
| 2060                                                 | \$0  | \$0         | \$0                                         |

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<br>0.0000000 | Martin County<br>0.2023000 | Stanton ISD<br>0.7182940 | Other Local Jurisdictions<br>0.1488524 | Total<br>1.0694464 |
| 2025                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2026                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2027                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2028                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2029                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2030                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2031                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2032                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2033                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2034                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2035                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2036                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2037                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2038                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2039                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2040                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |
| 2041                                                          | \$0                                 | \$0              | \$0                        | \$0                      | \$0                                    | \$0                |

Table 65 continued on the next page

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

| Year         | Taxable<br>Value of Land<br>& Inventories | N/A<br><i>0.0000000</i> | Martin County<br><i>0.2023000</i> | Stanton ISD<br><i>0.7182940</i> | Other Local<br>Jurisdictions<br><i>0.1488524</i> | Total<br><i>1.0694464</i> |
|--------------|-------------------------------------------|-------------------------|-----------------------------------|---------------------------------|--------------------------------------------------|---------------------------|
| 2042         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2043         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2044         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2045         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2046         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2047         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2048         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2049         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2050         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2051         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2052         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2053         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2054         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2055         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2056         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2057         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2058         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2059         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| 2060         | \$0                                       | \$0                     | \$0                               | \$0                             | \$0                                              | \$0                       |
| <u>Total</u> |                                           | <u>\$0</u>              | <u>\$0</u>                        | <u>\$0</u>                      | <u>\$0</u>                                       | <u>\$0</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<br>Tax Revenues for Local Taxing Units During Operations by Year |                                  |                                    |                                  |                                         |                                            |                         |
|---------------------------------------------------------------------------|----------------------------------|------------------------------------|----------------------------------|-----------------------------------------|--------------------------------------------|-------------------------|
| Year                                                                      | City<br>Sales Tax<br>Collections | County<br>Sales Tax<br>Collections | City Hotel<br>Occupancy<br>Taxes | Property<br>Taxes<br>JETI<br>Investment | Property<br>Taxes<br>Land &<br>Inventories | Total Local<br>Revenues |
| 2025                                                                      | \$3,283                          | \$0                                | \$3,402                          | \$0                                     | \$0                                        | \$6,685                 |
| 2026                                                                      | \$4,249                          | \$0                                | \$3,505                          | \$1,302,728                             | \$0                                        | \$1,310,482             |
| 2027                                                                      | \$4,558                          | \$0                                | \$3,611                          | \$1,271,295                             | \$0                                        | \$1,279,464             |
| 2028                                                                      | \$4,963                          | \$0                                | \$3,720                          | \$1,237,465                             | \$0                                        | \$1,246,148             |
| 2029                                                                      | \$5,275                          | \$0                                | \$3,832                          | \$1,200,705                             | \$0                                        | \$1,209,812             |
| 2030                                                                      | \$5,434                          | \$0                                | \$3,948                          | \$1,161,147                             | \$0                                        | \$1,170,529             |
| 2031                                                                      | \$5,597                          | \$0                                | \$4,067                          | \$1,118,394                             | \$0                                        | \$1,128,057             |
| 2032                                                                      | \$5,765                          | \$0                                | \$4,190                          | \$1,072,177                             | \$0                                        | \$1,082,131             |
| 2033                                                                      | \$5,938                          | \$0                                | \$4,316                          | \$1,022,364                             | \$0                                        | \$1,032,618             |
| 2034                                                                      | \$6,116                          | \$0                                | \$4,447                          | \$968,422                               | \$0                                        | \$978,984               |
| 2035                                                                      | \$6,299                          | \$0                                | \$4,581                          | \$910,218                               | \$0                                        | \$921,098               |
| 2036                                                                      | \$6,488                          | \$0                                | \$4,719                          | \$1,257,067                             | \$0                                        | \$1,268,274             |
| 2037                                                                      | \$6,683                          | \$0                                | \$4,862                          | \$1,156,312                             | \$0                                        | \$1,167,857             |
| 2038                                                                      | \$6,883                          | \$0                                | \$5,009                          | \$1,047,654                             | \$0                                        | \$1,059,547             |
| 2039                                                                      | \$7,090                          | \$0                                | \$5,160                          | \$930,305                               | \$0                                        | \$942,554               |
| 2040                                                                      | \$7,303                          | \$0                                | \$5,316                          | \$803,472                               | \$0                                        | \$816,090               |
| 2041                                                                      | \$7,522                          | \$0                                | \$5,476                          | \$666,366                               | \$0                                        | \$679,364               |
| 2042                                                                      | \$7,748                          | \$0                                | \$5,642                          | \$592,677                               | \$0                                        | \$606,066               |
| 2043                                                                      | \$7,980                          | \$0                                | \$5,812                          | \$592,677                               | \$0                                        | \$606,469               |
| 2044                                                                      | \$8,219                          | \$0                                | \$5,987                          | \$592,677                               | \$0                                        | \$606,883               |
| 2045                                                                      | \$10,867                         | \$0                                | \$6,168                          | \$592,677                               | \$0                                        | \$609,712               |
| 2046                                                                      | \$7,121                          | \$0                                | \$6,355                          | \$592,677                               | \$0                                        | \$606,152               |
| 2047                                                                      | \$7,334                          | \$0                                | \$6,546                          | \$592,677                               | \$0                                        | \$606,557               |
| 2048                                                                      | \$7,554                          | \$0                                | \$6,744                          | \$592,677                               | \$0                                        | \$606,975               |
| 2049                                                                      | \$7,781                          | \$0                                | \$6,948                          | \$592,677                               | \$0                                        | \$607,405               |
| 2050                                                                      | \$8,015                          | \$0                                | \$7,158                          | \$592,677                               | \$0                                        | \$607,849               |
| 2051                                                                      | \$8,255                          | \$0                                | \$7,374                          | \$592,677                               | \$0                                        | \$608,305               |
| 2052                                                                      | \$8,503                          | \$0                                | \$7,597                          | \$592,677                               | \$0                                        | \$608,776               |
| 2053                                                                      | \$8,758                          | \$0                                | \$7,826                          | \$592,677                               | \$0                                        | \$609,260               |
| 2054                                                                      | \$9,021                          | \$0                                | \$8,062                          | \$592,677                               | \$0                                        | \$609,760               |
| 2055                                                                      | \$9,291                          | \$0                                | \$8,306                          | \$592,677                               | \$0                                        | \$610,274               |
| 2056                                                                      | \$9,570                          | \$0                                | \$8,557                          | \$592,677                               | \$0                                        | \$610,803               |
| 2057                                                                      | \$9,857                          | \$0                                | \$8,815                          | \$592,677                               | \$0                                        | \$611,349               |
| 2058                                                                      | \$10,153                         | \$0                                | \$9,081                          | \$592,677                               | \$0                                        | \$611,911               |
| 2059                                                                      | \$10,458                         | \$0                                | \$9,355                          | \$592,677                               | \$0                                        | \$612,490               |
| 2060                                                                      | \$10,772                         | \$0                                | \$9,638                          | \$592,677                               | \$0                                        | \$613,086               |
| <b>Total</b>                                                              | <b>\$266,703</b>                 | <b>\$0</b>                         | <b>\$216,129</b>                 | <b>\$28,386,944</b>                     | <b>\$0</b>                                 | <b>\$28,869,777</b>     |

## 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                                                                               | \$80                | \$6,605          | \$6,685              |
| 2026                                                                               | \$1,303,030         | \$7,452          | \$1,310,482          |
| 2027                                                                               | \$1,271,652         | \$7,812          | \$1,279,464          |
| 2028                                                                               | \$1,237,900         | \$8,248          | \$1,246,148          |
| 2029                                                                               | \$1,201,194         | \$8,618          | \$1,209,812          |
| 2030                                                                               | \$1,161,652         | \$8,877          | \$1,170,529          |
| 2031                                                                               | \$1,118,913         | \$9,144          | \$1,128,057          |
| 2032                                                                               | \$1,072,712         | \$9,419          | \$1,082,131          |
| 2033                                                                               | \$1,022,915         | \$9,703          | \$1,032,618          |
| 2034                                                                               | \$968,990           | \$9,995          | \$978,984            |
| 2035                                                                               | \$910,803           | \$10,296         | \$921,098            |
| 2036                                                                               | \$1,257,669         | \$10,605         | \$1,268,274          |
| 2037                                                                               | \$1,156,932         | \$10,925         | \$1,167,857          |
| 2038                                                                               | \$1,048,293         | \$11,253         | \$1,059,547          |
| 2039                                                                               | \$930,962           | \$11,592         | \$942,554            |
| 2040                                                                               | \$804,149           | \$11,941         | \$816,090            |
| 2041                                                                               | \$667,064           | \$12,300         | \$679,364            |
| 2042                                                                               | \$593,395           | \$12,670         | \$606,066            |
| 2043                                                                               | \$593,417           | \$13,052         | \$606,469            |
| 2044                                                                               | \$593,439           | \$13,444         | \$606,883            |
| 2045                                                                               | \$594,069           | \$15,643         | \$609,712            |
| 2046                                                                               | \$593,081           | \$13,071         | \$606,152            |
| 2047                                                                               | \$593,093           | \$13,464         | \$606,557            |
| 2048                                                                               | \$593,106           | \$13,869         | \$606,975            |
| 2049                                                                               | \$593,119           | \$14,287         | \$607,405            |
| 2050                                                                               | \$593,132           | \$14,717         | \$607,849            |
| 2051                                                                               | \$593,145           | \$15,160         | \$608,305            |
| 2052                                                                               | \$593,160           | \$15,616         | \$608,776            |
| 2053                                                                               | \$593,174           | \$16,086         | \$609,260            |
| 2054                                                                               | \$593,189           | \$16,571         | \$609,760            |
| 2055                                                                               | \$593,204           | \$17,069         | \$610,274            |
| 2056                                                                               | \$593,220           | \$17,583         | \$610,803            |
| 2057                                                                               | \$593,236           | \$18,112         | \$611,349            |
| 2058                                                                               | \$593,253           | \$18,658         | \$611,911            |
| 2059                                                                               | \$593,271           | \$19,219         | \$612,490            |
| 2060                                                                               | \$593,288           | \$19,798         | \$613,086            |
| <u>Total</u>                                                                       | <u>\$28,406,901</u> | <u>\$462,876</u> | <u>\$28,869,777</u>  |

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

|                              | Sales Tax<br>Collections | Hotel<br>Occupancy<br>Taxes | Property<br>Taxes<br>JETI<br>Investment | Property<br>Taxes<br>Land &<br>Inventories | Total Local<br>Revenues |
|------------------------------|--------------------------|-----------------------------|-----------------------------------------|--------------------------------------------|-------------------------|
| Nearby Cities                | \$266,703                | \$216,129                   | \$0                                     | \$0                                        | \$482,832               |
| Martin County                | \$0                      | \$0                         | \$6,399,614                             | \$0                                        | \$6,399,614             |
| Stanton ISD                  | \$0                      | \$0                         | \$17,278,493                            | \$0                                        | \$17,278,493            |
| Martin County Road & Bridge  | \$0                      | \$0                         | \$480,841                               | \$0                                        | \$480,841               |
| Martin Hospital District     | \$0                      | \$0                         | \$4,172,624                             | \$0                                        | \$4,172,624             |
| Permian Basin Water District | \$0                      | \$0                         | \$55,373                                | \$0                                        | \$55,373                |
| <u>Total</u>                 | <u>\$266,703</u>         | <u>\$216,129</u>            | <u>\$28,386,944</u>                     | <u>\$0</u>                                 | <u>\$28,869,777</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:

| <b>Table 68</b>                                                 |                                |                              |
|-----------------------------------------------------------------|--------------------------------|------------------------------|
| <b>State of Texas RIMS II Multipliers Used in this Analysis</b> |                                |                              |
| <b>Type II (Direct + Indirect + Induced) Multipliers</b>        |                                |                              |
|                                                                 | <b>During<br/>Construction</b> | <b>During<br/>Operations</b> |
| Output multiplier                                               | 2.4340                         | 2.4769                       |
| Employment multiplier                                           | 2.2589                         | 5.6433                       |
| Earnings multiplier                                             | 1.9949                         | 3.5115                       |

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

| <b>Table 69</b>                                                |                                |                              |
|----------------------------------------------------------------|--------------------------------|------------------------------|
| <b>Martin County RIMS II Multipliers Used in this Analysis</b> |                                |                              |
| <b>Type II (Direct + Indirect + Induced) Multipliers</b>       |                                |                              |
|                                                                | <b>During<br/>Construction</b> | <b>During<br/>Operations</b> |
| Output multiplier                                              | 1.1378                         | 1.2220                       |
| Employment multiplier                                          | 1.3594                         | 1.9928                       |
| Earnings multiplier                                            | 1.3010                         | 1.5703                       |

## About Impact DataSource

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

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

## Some Rates and Assumptions Used in this Analysis

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

Texas business franchise tax:

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

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

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

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

**Some assumptions used in this analysis:**

*Annual state gasoline tax collections per worker:*

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

*Annual motor vehicle sales and use tax collections per worker:*

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

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

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

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

Estimated annual increase in the above taxes per worker over each of the next 36 years 3.00%

### Local tax rates used in this analysis:

#### Local Sales Tax Rates

|                                   |              |
|-----------------------------------|--------------|
| Nearby Cities                     | 2.00%        |
| Martin County                     | 0.00%        |
| <u>Total Local Sales Tax Rate</u> | <u>2.00%</u> |

#### Local Hotel Occupancy Tax Rates

|               |       |
|---------------|-------|
| Nearby Cities | 7.00% |
|---------------|-------|

#### Local Property Tax Rates

|                                            |           |          |
|--------------------------------------------|-----------|----------|
| City: N/A                                  |           | 0.000000 |
| County: Martin County                      |           | 0.202300 |
| School: Stanton ISD                        |           | 0.718294 |
|                                            | M&O Rate: | 0.696900 |
|                                            | I&S Rate: | 0.021394 |
| Spec Dist #1: Martin County Road & Bridge  |           | 0.015200 |
| Spec Dist #2: Martin Hospital District     |           | 0.131902 |
| Spec Dist #3: Permian Basin Water District |           | 0.001750 |
| Total Rate                                 |           | 1.069446 |



Form AP-243: Application for Taxable Value Limitation on Eligible Property  
Brazos Midland Processing, LLC

Tab 9 – Sworn Affidavit

**AFFIDAVIT OF WILLIAM BUTLER**

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

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

I am Executive Vice President and Chief Financial Officer of Brazos Midland Processing, LLC and am authorized to make this affidavit on behalf of Brazos Midland Processing, LLC. Brazos Midland Processing, LLC hereby attests that it is not ineligible under Government Code, §403.606 to submit an application or enter into an agreement under Texas Jobs, Energy, Technology and Innovation Act (“Act”).

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

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

WITNESS MY HAND on this the 21 day of October, 2024.



William Butler, in my capacity as Executive Vice President and Chief Financial Officer of Brazos Midland Processing, LLC

SUBSCRIBED AND SWORN TO BEFORE ME on Oct. 21, 2024, to certify which witness my hand and official seal.



Notary Public, State of Texas

My commission expires 6-5-27

**Schedule A: Total Eligible Investment for Economic Impact**

**Date**                    **12/9/2024**  
**Applicant Name**     **Brazos Midland Processing, LLC**  
**ISD Name**            **Stanton ISD**

| ELIGIBLE INVESTMENT AMOUNTS                                                   |      |                                                     |                                                                                                                                                                                      |                                                                                                                                    |                                          |
|-------------------------------------------------------------------------------|------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.)            |      |                                                     |                                                                                                                                                                                      |                                                                                                                                    |                                          |
|                                                                               |      |                                                     | Column A                                                                                                                                                                             | Column B                                                                                                                           | Column C                                 |
|                                                                               | Year | Tax Year<br>(Fill in actual tax year below)<br>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<br>(for this year only) |
| Complete Tax years of Construction Period (Add additional years if necessary) | 1    | 2025                                                | 182,340,000                                                                                                                                                                          | 2,390,000                                                                                                                          | 184,730,000.00                           |
|                                                                               | 2    |                                                     |                                                                                                                                                                                      |                                                                                                                                    | -                                        |
|                                                                               | 3    |                                                     |                                                                                                                                                                                      |                                                                                                                                    | -                                        |
| Total Eligible Investment                                                     |      |                                                     |                                                                                                                                                                                      |                                                                                                                                    | 184,730,000.00                           |

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                            | 12/9/2024                      |
| Applicant Name                  | Brazos Midland Processing, LLC |
| ISD Name                        | Stanton 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

|                                                                                                                                                                                                           |                 |                   |                         |                 | 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<br><i>Insert as many rows as necessary</i>                                                                                                                                            | 1               |                   | 2025-2026               | 2025            |                                | -                                        | -                                                                          | -                                                                          |
| Incentive Period<br>(Incentive period will need to equal no more than 10 consecutive years. Section 403.613(a)).                                                                                          | 2               | 1                 | 2026-2027               | 2026            |                                | 180,684,413.00                           | 180,684,413.00                                                             | 90,342,206.50                                                              |
|                                                                                                                                                                                                           | 3               | 2                 | 2027-2028               | 2027            |                                | 176,324,785.00                           | 176,324,785.00                                                             | 88,162,392.50                                                              |
|                                                                                                                                                                                                           | 4               | 3                 | 2028-2029               | 2028            |                                | 171,632,643.00                           | 171,632,643.00                                                             | 85,816,321.50                                                              |
|                                                                                                                                                                                                           | 5               | 4                 | 2029-2030               | 2029            |                                | 166,534,095.00                           | 166,534,095.00                                                             | 83,267,047.50                                                              |
|                                                                                                                                                                                                           | 6               | 5                 | 2030-2031               | 2030            |                                | 161,047,614.00                           | 161,047,614.00                                                             | 80,523,807.00                                                              |
|                                                                                                                                                                                                           | 7               | 6                 | 2031-2032               | 2031            |                                | 155,117,781.00                           | 155,117,781.00                                                             | 77,558,890.50                                                              |
|                                                                                                                                                                                                           | 8               | 7                 | 2032-2033               | 2032            |                                | 148,707,650.00                           | 148,707,650.00                                                             | 74,353,825.00                                                              |
|                                                                                                                                                                                                           | 9               | 8                 | 2033-2034               | 2033            |                                | 141,798,748.00                           | 141,798,748.00                                                             | 70,899,374.00                                                              |
|                                                                                                                                                                                                           | 10              | 9                 | 2034-2035               | 2034            |                                | 134,317,183.00                           | 134,317,183.00                                                             | 67,158,591.50                                                              |
|                                                                                                                                                                                                           | 11              | 10                | 2035-2036               | 2035            |                                | 126,244,482.00                           | 126,244,482.00                                                             | 63,122,241.00                                                              |
| Additional years for a 20 year economic impact as required by 403.609(b)(2)<br>Must total at least 20 years with construction, Incentive, and additional years<br><i>Insert as many rows as necessary</i> | 12              |                   | 2036-2037               | 2036            |                                | 117,543,699.00                           | 117,543,699.00                                                             | 117,543,699.00                                                             |
|                                                                                                                                                                                                           | 13              |                   | 2037-2038               | 2037            |                                | 108,122,469.00                           | 108,122,469.00                                                             | 108,122,469.00                                                             |
|                                                                                                                                                                                                           | 14              |                   | 2038-2039               | 2038            |                                | 97,962,319.00                            | 97,962,319.00                                                              | 97,962,319.00                                                              |
|                                                                                                                                                                                                           | 15              |                   | 2039-2040               | 2039            |                                | 86,989,357.00                            | 86,989,357.00                                                              | 86,989,357.00                                                              |
|                                                                                                                                                                                                           | 16              |                   | 2040-2041               | 2040            |                                | 75,129,691.00                            | 75,129,691.00                                                              | 75,129,691.00                                                              |
|                                                                                                                                                                                                           | 17              |                   | 2041-2042               | 2041            |                                | 62,309,429.00                            | 62,309,429.00                                                              | 62,309,429.00                                                              |
|                                                                                                                                                                                                           | 18              |                   | 2042-2043               | 2042            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 19              |                   | 2043-2044               | 2043            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 20              |                   | 2044-2045               | 2044            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 21              |                   | 2045-2046               | 2045            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 22              |                   | 2046-2047               | 2046            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 23              |                   | 2047-2048               | 2047            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 24              |                   | 2048-2049               | 2048            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 25              |                   | 2049-2050               | 2049            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 26              |                   | 2050-2051               | 2050            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 27              |                   | 2051-2052               | 2051            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 28              |                   | 2052-2053               | 2052            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 29              |                   | 2053-2054               | 2053            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 30              |                   | 2054-2055               | 2054            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 31              |                   | 2055-2056               | 2055            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 32              |                   | 2056-2057               | 2056            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 33              |                   | 2057-2058               | 2057            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 34              |                   | 2058-2059               | 2058            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 35              |                   | 2059-2060               | 2059            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |
|                                                                                                                                                                                                           | 36              |                   | 2060-2061               | 2060            |                                | 55,419,000.00                            | 55,419,000.00                                                              | 55,419,000.00                                                              |

## 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.

| Year | Period | Area          | Area Number | Ownership | Industry Code | Industry                                  | Level | Establishments | Firms | Average Employment | Average Weekly Wage | Total Wages | Month 1 Employment | Month 2 Employment | Month 3 Employment | Hierarchical Ordering |
|------|--------|---------------|-------------|-----------|---------------|-------------------------------------------|-------|----------------|-------|--------------------|---------------------|-------------|--------------------|--------------------|--------------------|-----------------------|
| 2023 | 01     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 14             | 12    | 362                | 3,225               | 15,175,361  | 356                | 372                | 358                | 607                   |
| 2023 | 02     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 14             | 12    | 357                | 2,405               | 11,161,749  | 352                | 359                | 360                | 607                   |
| 2023 | 03     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 14             | 12    | 360                | 2,589               | 12,114,363  | 348                | 367                | 365                | 607                   |
| 2023 | 04     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 14             | 12    | 371                | 2,547               | 12,282,588  | 367                | 374                | 372                | 607                   |
| 2024 | 01     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 13             | 11    | 320                | 3,372               | 14,026,213  | 334                | 312                | 314                | 607                   |
| 2024 | 02     | Permian Basin | 000011      | Total All | 3241          | Petroleum and Coal Products Manufacturing | 4     | 12             | 10    | 295                | 2,360               | 9,049,011   | 298                | 293                | 294                | 607                   |

|                    |         |
|--------------------|---------|
| Avg Weekly         | 2,717   |
| Avg Annual         | 141,284 |
| 110% of Avg Annual | 155,412 |

|                       |               |        |                                 |
|-----------------------|---------------|--------|---------------------------------|
| County: Martin County | 6 Digit NAICS | 324100 | No results                      |
|                       | 5 Digit NAICS | 32410  | No results                      |
|                       | 4 Digit NAICS | 3241   | No results                      |
| WDA: Permian Basin    | 6 Digit NAICS | 324100 | No results                      |
|                       | 5 Digit NAICS | 32410  | No results                      |
|                       | 4 Digit NAICS | 3241   | Data for 4 consecutive quarters |
| State: Texas          | 6 Digit NAICS | 324100 |                                 |
|                       | 5 Digit NAICS | 32410  |                                 |
|                       | 4 Digit NAICS | 3241   |                                 |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 | Wage resource: <a href="https://texaslmi.com/LMIbyCategory/QCEW">https://texaslmi.com/LMIbyCategory/QCEW</a><br>No. 2.b. – Enter specific county, WDA or Texas.<br>Must use most recent/consecutive four quarters. Required search order:<br>1. County – 6-digit NAICS, 5-digit NAICS, 4-digit NAICS<br>2. WDA – 6-digit NAICS, 5-digit NAICS, 4-digit NAICS<br>3. Statewide (Texas) – 6-digit NAICS, 5-digit NAICS, 4-digit NAICS<br>See additional details on the following pages. |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



## Franchise Tax Account Status

As of : 12/07/2024 13:57:12

This summary page is designed to satisfy standard business needs. If you need to reinstate or terminate a business with the Texas Secretary of State, you must obtain a certificate specific to that purpose.

| BRAZOS MIDLAND, LLC                                               |                                                  |
|-------------------------------------------------------------------|--------------------------------------------------|
| Texas Taxpayer Number                                             | 32080973525                                      |
| Mailing Address                                                   | 777 MAIN ST STE 3700 FORT WORTH, TX 76102-5376   |
| Right to Transact Business in Texas                               | ACTIVE                                           |
| State of Formation                                                | TX                                               |
| SOS Registration Status<br>(SOS status updated each business day) | ACTIVE                                           |
| Effective SOS Registration Date                                   | 09/08/2021                                       |
| Texas SOS File Number                                             | 0804231399                                       |
| Registered Agent Name                                             | STEPHEN ANDREW LUSKEY                            |
| Registered Office Street Address                                  | 777 MAIN STREET, SUITE 3700 FORT WORTH, TX 76102 |



## Franchise Tax Account Status

As of : 12/07/2024 13:56:29

This summary page is designed to satisfy standard business needs. If you need to reinstate or terminate a business with the Texas Secretary of State, you must obtain a certificate specific to that purpose.

| BRAZOS MIDLAND PROCESSING, LLC                                    |                                                  |
|-------------------------------------------------------------------|--------------------------------------------------|
| Texas Taxpayer Number                                             | 32086997312                                      |
| Mailing Address                                                   | 777 MAIN ST STE 3700 FORT WORTH, TX 76102-5376   |
| Right to Transact Business in Texas                               | ACTIVE                                           |
| State of Formation                                                | TX                                               |
| SOS Registration Status<br>(SOS status updated each business day) | ACTIVE                                           |
| Effective SOS Registration Date                                   | 10/31/2022                                       |
| Texas SOS File Number                                             | 0804794859                                       |
| Registered Agent Name                                             | STEPHEN ANDREW LUSKEY                            |
| Registered Office Street Address                                  | 777 MAIN STREET, SUITE 3700 FORT WORTH, TX 76102 |