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GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

March 17, 2025

William Butler
CFO
Brazos Midland, LLC
777 Main St, Suite 3700
Fort Worth, TX 76102

Re: Recommendation for Approval for Limitation on Taxable Value of Property for School District Maintenance and Operations Taxes by Brazos Midland Processing, LLC, Application J0013.

Dear William Butler:

Pursuant to Section 403.609, Government Code, the Comptroller issues this recommendation and makes the following findings in support of the application's approval:

1. **Eligible Applicant:** The applicant is not listed as a company ineligible to receive a state contract. Section 403.606, Government Code.
2. **Eligible Project**: The application pertains to a Natural Gas Extraction (NAICS Code 211130) project that meets the criteria for eligibility. Section 403.609(b)(1), Government Code.
3. **20-Year Analysis**: The proposed project has demonstrated its ability to generate state or local tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. Section 403.609(b)(2), Government Code.
4. **Competitive Site Selection:** The application demonstrates that the agreement plays a pivotal role in a competitive site selection, highlighting its significance as a compelling factor and that, in the absence of the agreement, the applicant would not make the proposed investment in this state. Section 403.609(b)(3), Government Code.
5. **Qualified Opportunity Zone:** This is inapplicable because the application does not indicate that the eligible project is proposed to be located in a qualified opportunity zone. Section 403.609(b)(4), Government Code.

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

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the information presented changes or the agreement deviates from the application, this recommendation for approval is rescinded, thereby rendering the prerequisite for a Comptroller recommendation, under Section 403.609, Government Code, as not attained.

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

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

Sincerely,

DocuSigned by:
Lisa Craven
E450165D764443C...

Lisa Craven
Deputy Comptroller

Enclosure

cc: John Billingsley, Brazos Midland, LLC
Daron Fredrickson, Merit Advisors, LLC
Jan McCowan, Stanton ISD
Kathy Mathias, Moak Casey

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Attachment A – Summary

Applicant Name	Brazos Midland Processing, LLC
Eligibility Category (six-digit NAICS code)	211130
School District	Stanton
County	Martin
Population in County	5,237
Minimum required jobs per Sec. 403.604	10
Number of committed required jobs	10
Projected commencement of construction	Q2 2025
Projected completion of construction	Q4 2025
First year of the incentive period	2026
Last year of the incentive period	2035
Project is located inside a qualified opportunity zone (yes or no)	No
Limitation percent (50% or 75%)	50%
110% of the average annual wage	$165,165
Minimum wage required per Sec. 403.612(b)(6)	$165,166
Reasonably likely to generate in a 20-year period taxes greater than or equal to the district maintenance and operations ad valorem tax revenue lost as a result of the agreement	Yes
Estimated M&O levy without Limitation	$15,866,485
Estimated M&O levy with Limitation	$10,422,270
Estimated M&O gross tax benefit	$5,444,216
Amount of performance bond	$544,422

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Attachment B – 20-Year Analysis

Tax Year	Estimated ISD M&O Tax Levy Generated (Annual without limitation)	Estimated ISD M&O Tax Levy Generated (Annual without limitation) (Cumulative)	Estimated ISD M&O Tax Levy Generated (Annual with limitation)	Estimated ISD M&O Tax Levy Generated (Annual with limitation) (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
2025	$0	$0	$0	$0	$0	$0
2026	$1,259,190	$1,259,190	$629,595	$629,595	$629,595	$629,595
2027	$1,228,807	$2,487,997	$614,404	$1,243,999	$614,404	$1,243,999
2028	$1,196,108	$3,684,105	$598,054	$1,842,052	$598,054	$1,842,052
2029	$1,160,576	$4,844,681	$580,288	$2,422,341	$580,288	$2,422,341
2030	$1,122,341	$5,967,022	$561,170	$2,983,511	$561,170	$2,983,511
2031	$1,081,016	$7,048,038	$540,508	$3,524,019	$540,508	$3,524,019
2032	$1,036,344	$8,084,381	$518,172	$4,042,191	$518,172	$4,042,191
2033	$988,195	$9,072,577	$494,098	$4,536,288	$494,098	$4,536,288
2034	$936,056	$10,008,633	$468,028	$5,004,317	$468,028	$5,004,317
2035	$879,798	$10,888,431	$439,899	$5,444,216	$439,899	$5,444,216
2036	$819,162	$11,707,593	$819,162	$6,263,378	$0	$5,444,216
2037	$753,505	$12,461,099	$753,505	$7,016,883	$0	$5,444,216
2038	$682,699	$13,143,798	$682,699	$7,699,582	$0	$5,444,216
2039	$606,229	$13,750,027	$606,229	$8,305,811	$0	$5,444,216
2040	$523,579	$14,273,606	$523,579	$8,829,390	$0	$5,444,216
2041	$434,234	$14,707,840	$434,234	$9,263,625	$0	$5,444,216
2042	$386,215	$15,094,055	$386,215	$9,649,840	$0	$5,444,216
2043	$386,215	$15,480,270	$386,215	$10,036,055	$0	$5,444,216
2044	$386,215	$15,866,485	$386,215	$10,422,270	$0	$5,444,216
		$15,866,485		**$10,422,270**		**$5,444,216**
		Estimated M&O Tax Levy without limitation		Estimated M&O Tax Levy with limitation		Estimated M&O Tax levy loss
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the Incentive agreement?						Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Brazos Midland Processing, LLC

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

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Attachment C – Estimated Direct Ad Valorem Taxes

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

Year of project	Year	Estimated Total Taxable Value	Estimated Total Taxable Value without M&O Limitation		Stanton ISD I&S Tax Levy	Stanton ISD M&O Tax Levy	Stanton ISD Total Tax Rate	Martin County Tax Levy	Martin Hospital Tax Levy	Permian Water Tax Levy	Road & Bridge Tax Levy	Estimated Total Property Taxes
				Tax Rate*	0.0214	0.6969	0.7183	0.2023	0.1319	0.0018	0.0152	
1	2025	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0
2	2026	$180,684,413	$180,684,413		$38,648	$1,259,190	$1,297,838	$365,525	$238,323	$3,162	$27,464	$1,932,311
3	2027	$176,324,785	$176,324,785		$37,716	$1,228,807	$1,266,523	$356,705	$232,572	$3,086	$26,801	$1,885,688
4	2028	$171,632,643	$171,632,643		$36,712	$1,196,108	$1,232,820	$347,213	$226,383	$3,004	$26,088	$1,835,508
5	2029	$166,534,095	$166,534,095		$35,622	$1,160,576	$1,196,198	$336,898	$219,658	$2,914	$25,313	$1,780,982
6	2030	$161,047,614	$161,047,614		$34,448	$1,122,341	$1,156,789	$325,799	$212,422	$2,818	$24,479	$1,722,308
7	2031	$155,117,781	$155,117,781		$33,180	$1,081,016	$1,114,196	$313,803	$204,600	$2,715	$23,578	$1,658,892
8	2032	$148,707,650	$148,707,650		$31,809	$1,036,344	$1,068,152	$300,836	$196,145	$2,602	$22,604	$1,590,339
9	2033	$141,798,748	$141,798,748		$30,331	$988,195	$1,018,526	$286,859	$187,033	$2,481	$21,553	$1,516,453
10	2034	$134,317,183	$134,317,183		$28,730	$936,056	$964,787	$271,724	$177,164	$2,351	$20,416	$1,436,442
11	2035	$126,244,482	$126,244,482		$27,004	$879,798	$906,801	$255,393	$166,516	$2,209	$19,189	$1,350,109
12	2036	$117,543,699	$117,543,699		$25,143	$819,162	$844,305	$237,791	$155,040	$2,057	$17,867	$1,257,059
13	2037	$108,122,469	$108,122,469		$23,127	$753,505	$776,633	$218,732	$142,614	$1,892	$16,435	$1,156,305
14	2038	$97,962,319	$97,962,319		$20,954	$682,699	$703,654	$198,178	$129,212	$1,714	$14,890	$1,047,648
15	2039	$86,989,357	$86,989,357		$18,607	$606,229	$624,836	$175,979	$114,739	$1,522	$13,222	$930,299
16	2040	$75,129,691	$75,129,691		$16,070	$523,579	$539,649	$151,987	$99,096	$1,315	$11,420	$803,467
17	2041	$62,309,429	$62,309,429		$13,328	$434,234	$447,562	$126,052	$82,186	$1,090	$9,471	$666,362
18	2042	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
19	2043	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
20	2044	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
				Total	$486,991	$15,866,485	$16,353,476	$4,605,811	$3,002,998	$39,843	$346,062	$24,348,190

Source: CPA, Brazos Midland Processing, LLC
*Tax Rate per $100 Valuation

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

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

Year	Estimated Total Taxable Value	Estimated Total Taxable Value with M&O Limitation		Stanton ISD I&S Tax Levy	Stanton ISD M&O Tax Levy	Stanton ISD Total Tax Rate	Martin County Tax Levy	Martin Hospital Tax Levy	Permian Water Tax Levy	Road & Bridge Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0214	0.6969	0.7183	0.2023	0.1319	0.0018	0.0152	
2025	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0
2026	$180,684,413	$90,342,207		$38,648	$629,595	$668,243	$365,525	$238,323	$3,162	$27,464	$1,302,717
2027	$176,324,785	$88,162,393		$37,716	$614,404	$652,120	$356,705	$232,572	$3,086	$26,801	$1,271,284
2028	$171,632,643	$85,816,322		$36,712	$598,054	$634,766	$347,213	$226,383	$3,004	$26,088	$1,237,454
2029	$166,534,095	$83,267,048		$35,622	$580,288	$615,910	$336,898	$219,658	$2,914	$25,313	$1,200,694
2030	$161,047,614	$80,523,807		$34,448	$561,170	$595,618	$325,799	$212,422	$2,818	$24,479	$1,161,137
2031	$155,117,781	$77,558,891		$33,180	$540,508	$573,688	$313,803	$204,600	$2,715	$23,578	$1,118,384
2032	$148,707,650	$74,353,825		$31,809	$518,172	$549,980	$300,836	$196,145	$2,602	$22,604	$1,072,167
2033	$141,798,748	$70,899,374		$30,331	$494,098	$524,428	$286,859	$187,033	$2,481	$21,553	$1,022,355
2034	$134,317,183	$67,158,592		$28,730	$468,028	$496,759	$271,724	$177,164	$2,351	$20,416	$968,413
2035	$126,244,482	$63,122,241		$27,004	$439,899	$466,903	$255,393	$166,516	$2,209	$19,189	$910,210
2036	$117,543,699	$117,543,699		$25,143	$819,162	$844,305	$237,791	$155,040	$2,057	$17,867	$1,257,059
2037	$108,122,469	$108,122,469		$23,127	$753,505	$776,633	$218,732	$142,614	$1,892	$16,435	$1,156,305
2038	$97,962,319	$97,962,319		$20,954	$682,699	$703,654	$198,178	$129,212	$1,714	$14,890	$1,047,648
2039	$86,989,357	$86,989,357		$18,607	$606,229	$624,836	$175,979	$114,739	$1,522	$13,222	$930,299
2040	$75,129,691	$75,129,691		$16,070	$523,579	$539,649	$151,987	$99,096	$1,315	$11,420	$803,467
2041	$62,309,429	$62,309,429		$13,328	$434,234	$447,562	$126,052	$82,186	$1,090	$9,471	$666,362
2042	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
2043	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
2044	$55,419,000	$55,419,000		$11,854	$386,215	$398,069	$112,113	$73,098	$970	$8,424	$592,673
			Total	$486,991	$10,422,270	$10,909,261	$4,605,811	$3,002,998	$39,843	$346,062	$18,903,975
			Diff	$0	$5,444,216	$5,444,216	$0	$0	$0	$0	$5,444,216

Source: CPA, Brazos Midland Processing, LLC
*Tax Rate per $100 Valuation

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

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Attachment D – Compelling Factor

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

Methodology

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

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

Specifically, the Comptroller notes the following:

- Per Applicant in Tab 2 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "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."
  B. "The potential site in Texas includes a previously built plant that is completely separate and not included in this application. The proposed plant, if built on the site, would not be an extension of the existing plant. The only interconnection or commonality is the gas supplied to the plants would be from the same gathering systems."
- Per Applicant in Tab 6 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "This plant has an active Chapter 313 Value Limitation Agreement in place, application 1924."
  B. "The proposed Texas location, as identified previously in this application, has an existing plant on site. That plant was granted a Chapter 313 Abatement, #1924. The 313 Abatement being available and granted for the plant in Application 1924, was a key in the decision on the site. The abatement of the property taxes made the project more competitive when looking at the overall cost and economics of the project."
- Per Applicant in Tab 7 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "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 client who produce crude oil and natural gas."
  B. "The Permian Basin is the largest oil-producing basin in the United States, spanning 66 counties in southeastern New Mexico and western Texas…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."
  C. "Both New Mexico and Texas offer significant opportunity for the future of the proposed plant. There are issues to consider beyond economic. The Delaware Basin, where the New Mexico location is located, has geological benefits to the Midland Basin, where the Texas site is located.

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There are definite benefits to the New Mexico location that the JETI program would help offset. Delaware Basin wells average 3.0Bcf/location in gas EUR compared to 1.9 Bcf/location for Midland Basin wells. The Delaware Core and West Stateline regions are more gas-prone generating higher well values. Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources. Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable). Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + geologically viable. It takes fewer NW wells to fill a gas plant than Midland wells."

D. "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, as well as structural limitations ... Beyond the economic benefits, the geology and production profile of the Delaware Basin, where the New Mexico site is located, superior to the came in the Midland Basin for gas production."

- Per an August 15, 2024 Brazos Midstream press release:
  A. "Brazos Midstream ("Brazos" or the "Company") today announced the completion of several significant milestone projects consisting of major new-build pipelines and processing facilities located in the core of the Midland Basin, one of the most active oil and gas producing regions in the United States."
  B. "The Company is also in the final stages of constructing approximately 175 miles of 16-inch through 24-inch high-pressure natural gas gathering pipeline and other associated midstream infrastructure spanning the core of the Midland Basin, including Ector, Howard, Martin, Midland, Glasscock, and Reagan counties. Upon completion of this initial phase of construction, Brazos will operate approximately 260 total miles of natural gas gathering pipelines and 10 compressor stations in the Midland Basin."
  C. "To accommodate forecasted production growth, the Company also announced that it will construct an additional 300 MMcf/d cryogenic gas processing facility, which is expected to be operational in the second half of 2025 and, once complete, will bring the Company's total processing capacity to 500 MMcf/d."

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Supporting Information

a) Section 9 of the Application for a Taxable Value Limitation on Eligible Property
b) Attachments provided in Tab 2 of the Application
c) Attachments provided in Tab 6 of the Application
d) Attachments provided in Tab 7 of the Application
e) Additional information provided by the Applicant or located by the Comptroller

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

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Attachment D – Limitation as a Compelling Factor

Supporting Information

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

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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	CFO
Print Name *(Authorized Company Representative (Applicant))*	Title
sign here William Butler — Digitally signed by William Butler Date: 2024.12.12 13:59:26 -06'00'	12/12/2024
Signature *(Authorized Company Representative (Applicant))*	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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Supporting Information

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

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Amended

Brazos Midstream

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

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.

The potential site in Texas includes a previously built plant that is completely separate and not included in this application. The proposed plant, if built on the site, would not be an extension of the existing plant. The only interconnection or commonality is the gas supplied to the plants would be from the same gathering systems.

The location is located @ 2483 COUNTY ROAD C2901, STANTON TX 79782-5034
32°09′40.79″N 101°54′25.594″W , SEC 37-1N-47

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Supporting Information

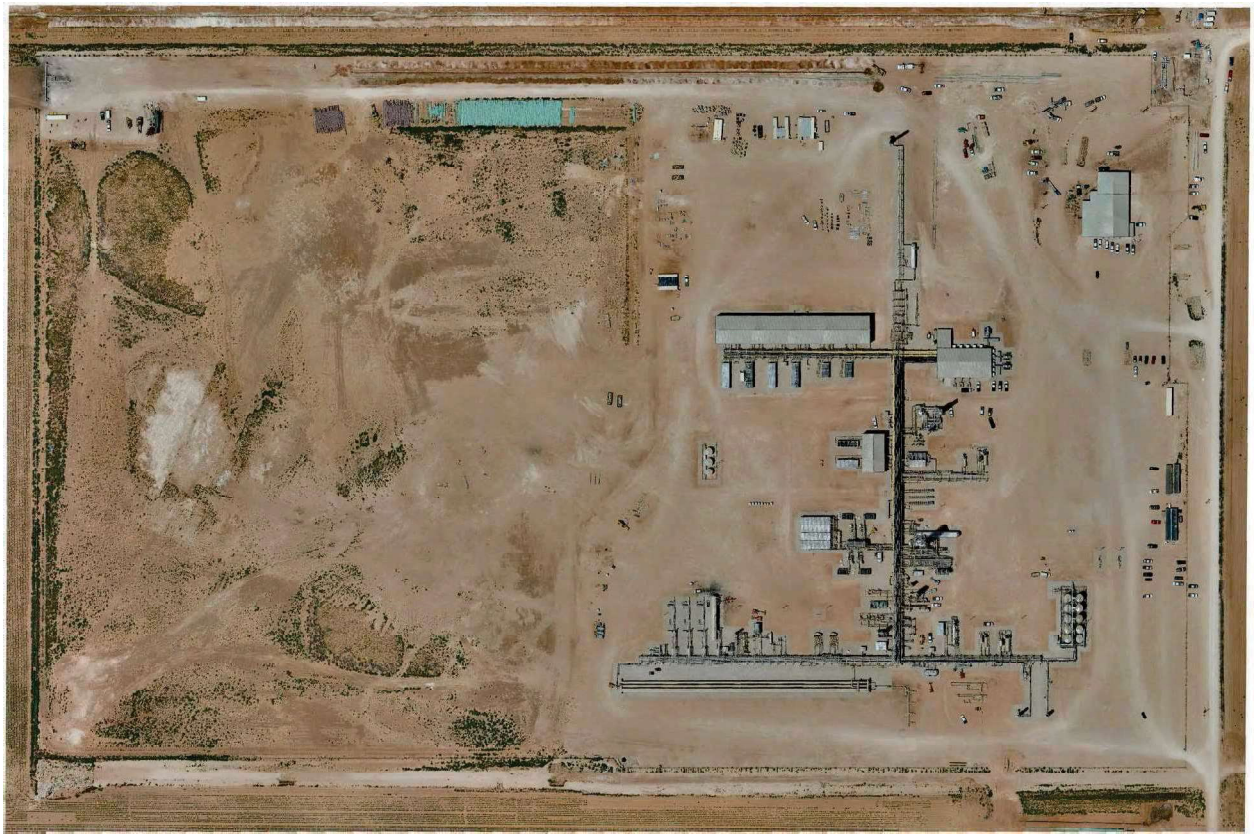
Attachments provided in Tab 6 of the Application for a Taxable Value Limitation on Eligible Property

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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



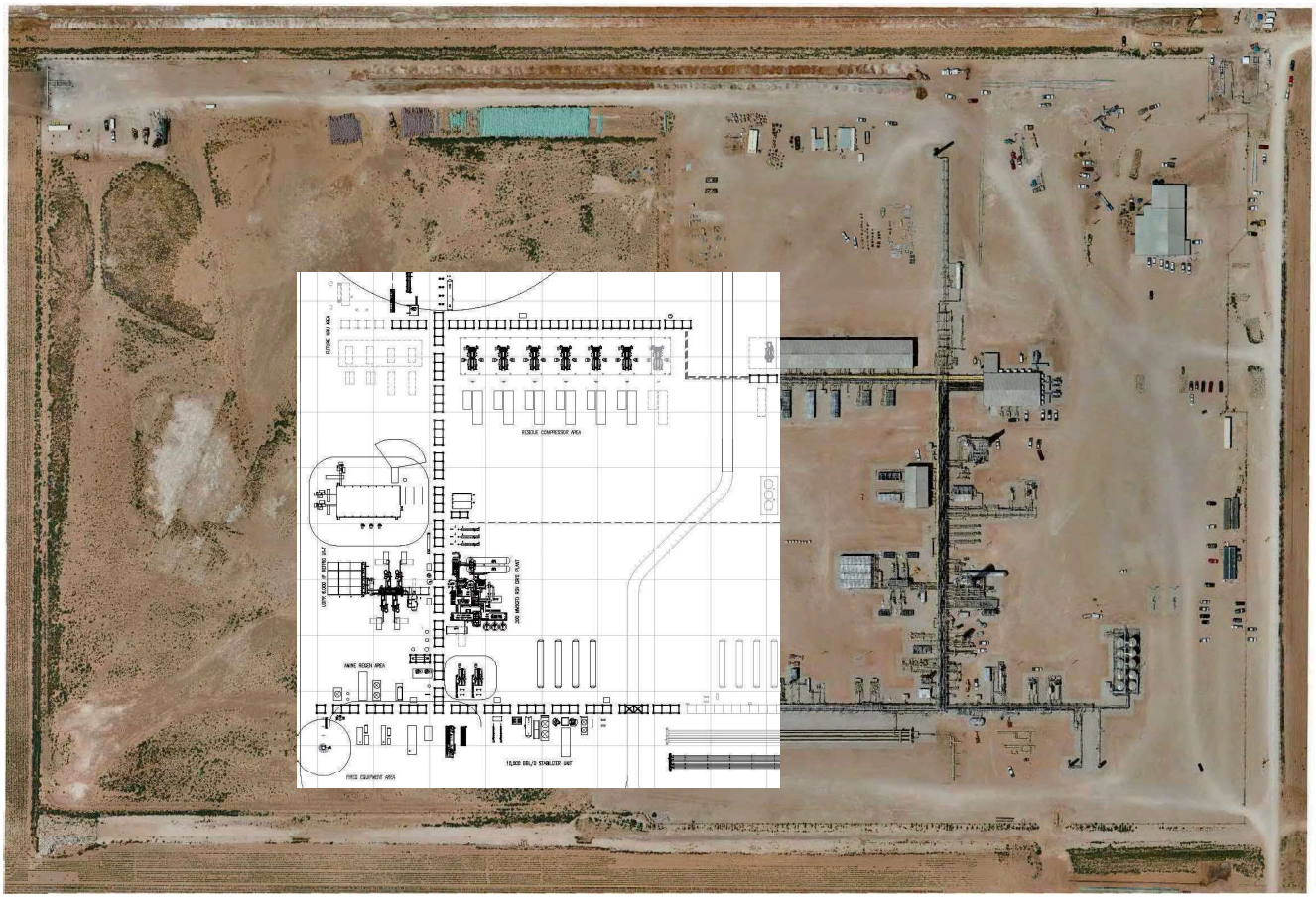
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Amended

Form AP-243: Application for Taxable Value Limitation on Eligible Property
Brazos Midland Processing, LLC
Tab 6 – Map Comparison of Existing and New Property

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.



The proposed Texas location, as identified previously in this application, has an existing plant on site. That plant was granted a Chapter 313 Abatement, #1924. The 313 Abatement being available and granted for the plant in Application 1924, was a key in the decision on the site. The abatement of the property taxes made the project more competitive when looking at the overall cost and economics of the project.

The existing equipment is assessed by the Martin County Appraisal District, account #301486651. The equipment assessed includes the expander and compressors, exchanger, glycol dehydration unit, demethanizer, demethanizer reboiler, interconnecting lines & meters, communication system, and interconnection facilities to the gathering systems.

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Supporting Information

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

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Amended

Form AP-243: Application for Taxable Value Limitation on Eligible Property
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 issues to consider beyond the economic. The Delaware Basin, where the New Mexico location is located, has geological benefits to the Midland Basin, where the Texas site is located.

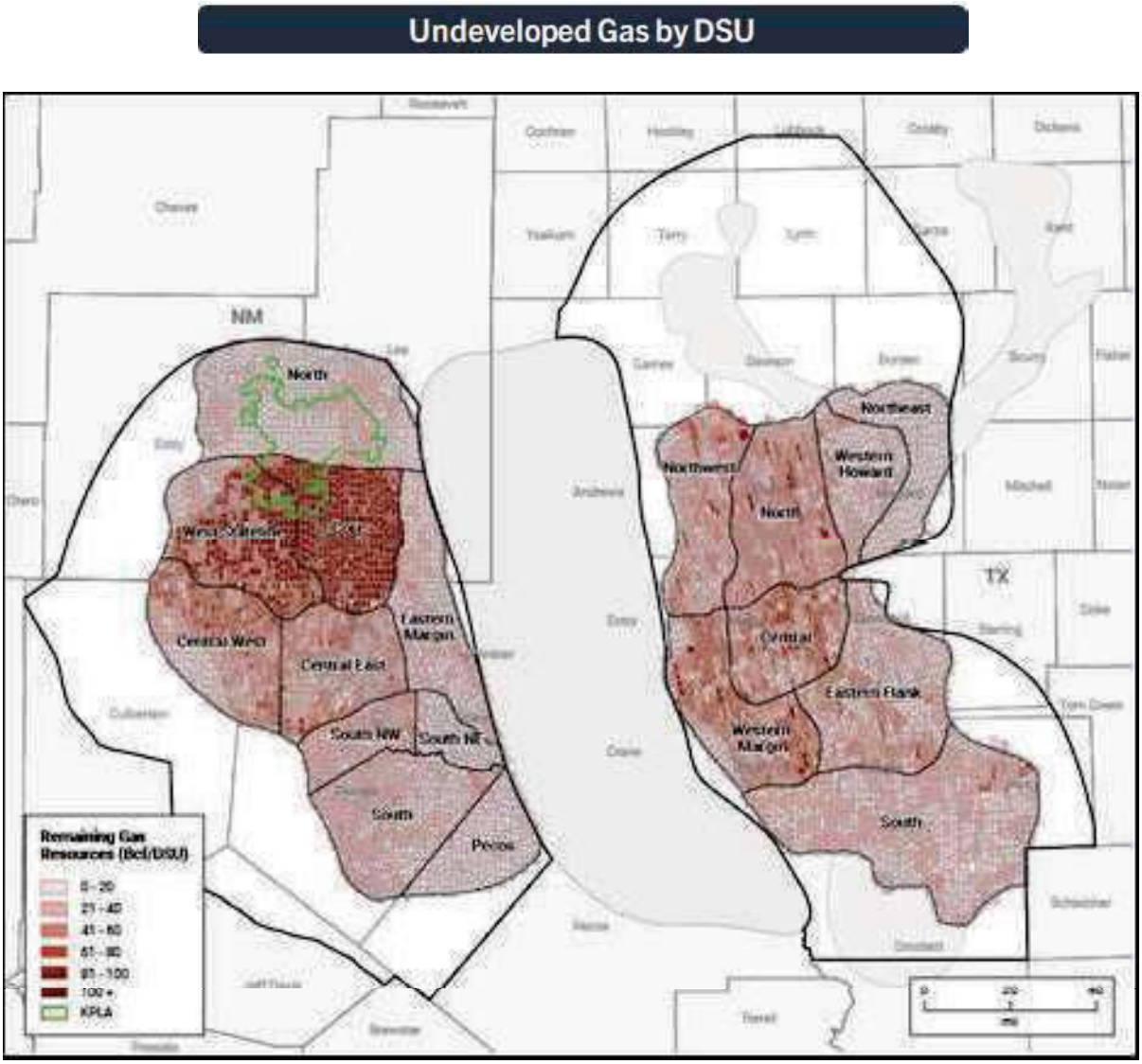
There are definite benefits to the New Mexico location that the JETI Program would help offset.

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Production Performance and Geological Benefits in New Mexico

Delaware Basin wells average ~3.0 Bcf/location in gas EUR compared to ~1.9 Bcf/location for Midland Basin wells. The Delaware Core and West Stateline regions are more gas-prone generating higher well values. Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources. Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable). Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + 5 geologically viable. It takes fewer NM wells to fill a gas plant than Midland wells.



1. Enverus: Permian Gas, Tying Inventory to Gathering Systems, January 4, 2023
2. Enverus; PERMIAN GAS REPORT, All Gas, No Brakes, November 28, 2022
3. Enverus; Delaware Basin Development, Best-First Approach Boosts Productivity, July 15, 2024
4. Enverus: Permian Inventory, Quantifying Geologically Viable Upside, August 8, 2023

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

Tab 7 – Compelling Factor Test

Summary

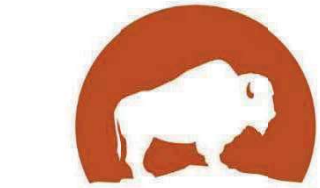
Unlike in the past for the oil & gas industry, the focus in the modern market is to develop the next best project, not just the next project. Every project must compete for capital based on the potential for the best overall return.

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, as well as structural limitations listed below.

Beyond the economic benefits, the geology and production profile of the Delaware Basin, where the New Mexico site is located, superior to the came in the Midland Basin for gas production.

*Please see attached internal slide presentation from Brazos Midland.

Amended



Brazos Midstream

Proposed NM Gas Plant

September 2024

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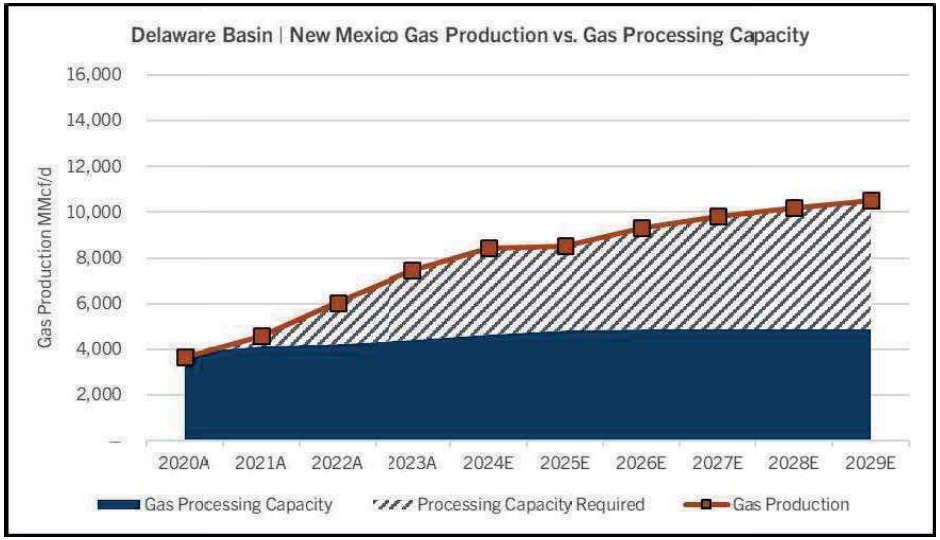
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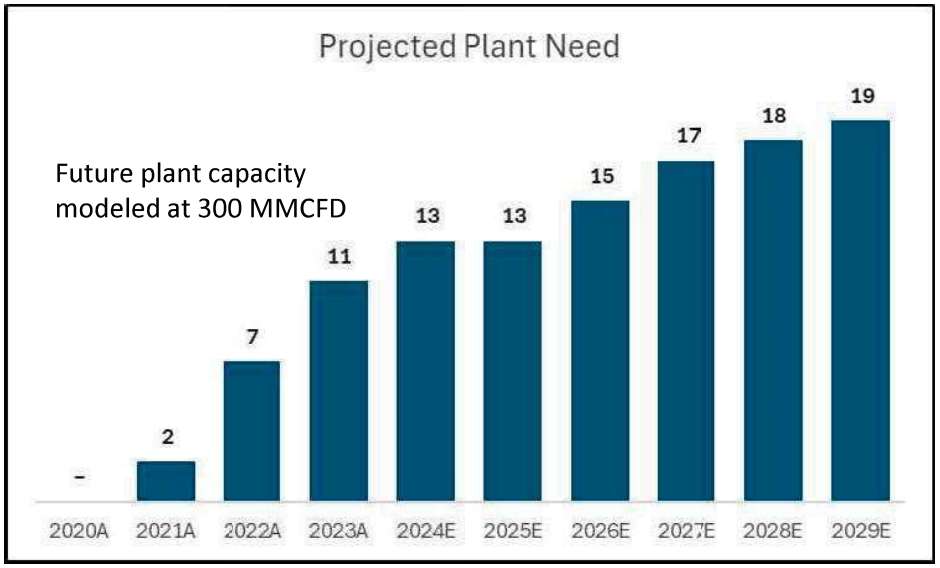
NM Delaware Basin Rationale

Justification

- Current/future production far exceeds projected plant capacity
- Increased drilling on Federal land has expediated a 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

Production/Capacity





website: www.bls.gov/oes

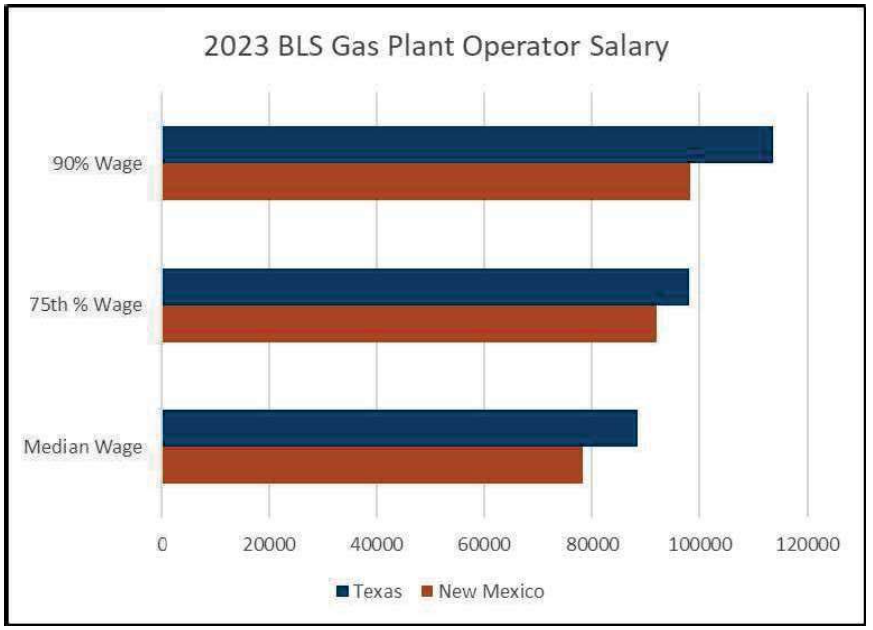
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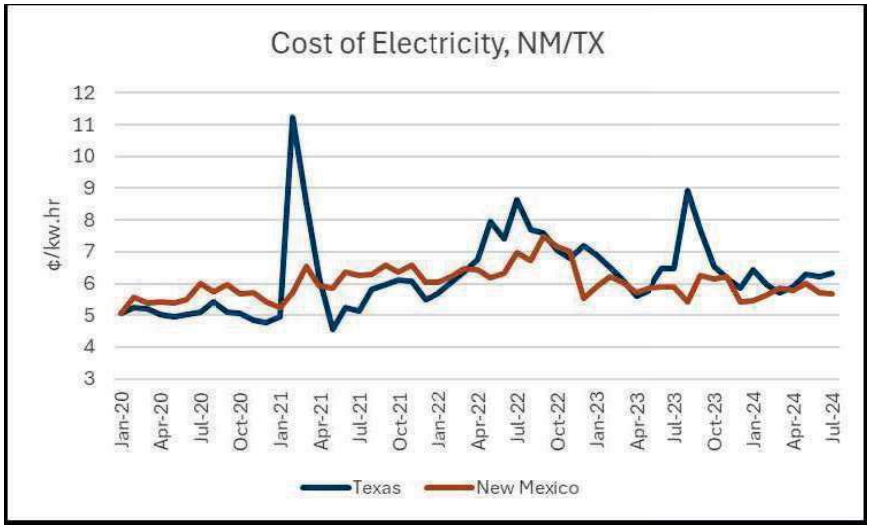
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Plant Details

New Mexico Advantages

- Bureau of Labor Statistics, Department of Labor data for 2022 and 2023 consistently demonstrates a labor savings for Gas Plant Operators in NM vs. TX[1]
- Recent volatility in Texas power prices has created uncertainty in operating costs and plant margins[2]
- While private land cost is comparable NM/TX, the opportunity to acquire public land in NM comes with a potential 75% cost savings





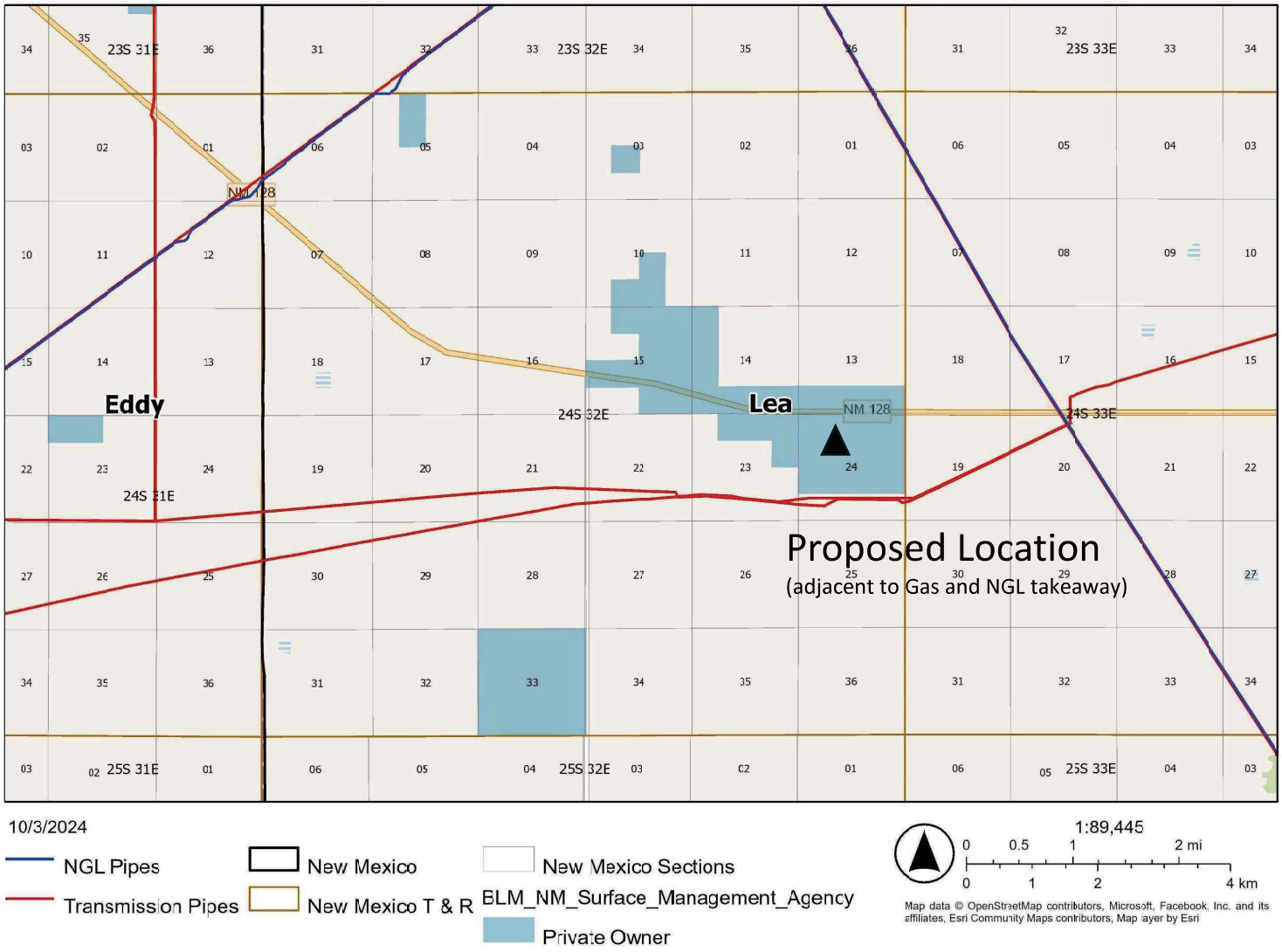
1. Bureau of Labor Statistics, Department of Labor
2. U.S. Energy Information Administration

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Proposed Location



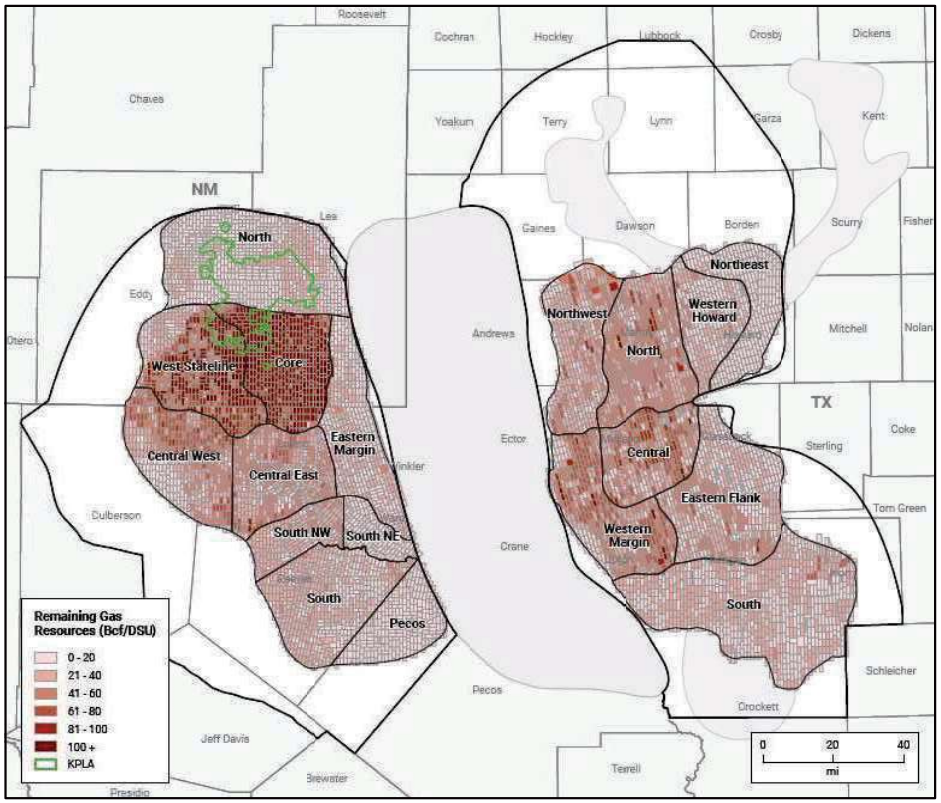
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NM vs TX Well Productivity

Delaware Well Performance Superiority

- Delaware Basin wells average ~3.0 Bcf/location in gas EUR compared to ~1.9 Bcf/location for Midland Basin wells[1]
- The Delaware Core and West Stateline regions are more gas-prone generating higher well values[2]
- Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources[3]
- Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable)[4]
- Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + 5 geologically viable [4]
- It takes fewer NM wells to fill a gas plant than Midland wells – decreased capital yields higher return

Undeveloped Gas by DSU



1. Enverus: Permian Gas, Tying Inventory to Gathering Systems, January 4, 2023
2. Enverus; PERMIAN GAS REPORT, All Gas, No Brakes, November 28, 2022
3. Enverus; Delaware Basin Development, Best-First Approach Boosts Productivity, July 15, 2024
4. Enverus: Permian Inventory, Quantifying Geologically Viable Upside, August 8, 2023

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Analogous Project Opportunity



Description

- Proposed plant will have a comparative capacity of 300 MMCFD
- Site takes up approximately 24 acres.
- System will employ 25+ people
- Estimated plant cost: $200MM
- Estimated field gathering pipe and compression cost: $600MM

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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.

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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

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Attachment D – Limitation as a Compelling Factor

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

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AUGUST 15, 2024

Brazos Midstream Announces Significant Milestones in Buildout of New Midland Basin Gas Gathering and Processing System

↓ READ MORE

BRAZOS MIDSTREAM

- New-build G&P system will span the core of the Midland Basin, including Ector, Howard, Midland, Martin, Glasscock, and Reagan counties
- Projects include a new 200 MMcf/d cryogenic gas processing facility with nitrogen rejection capabilities and approximately 175 miles of 16-inch through 24-inch high-pressure gas gathering pipeline and other associated midstream infrastructure
- Construction of an additional 300 MMcf/d cryogenic gas processing facility will increase Brazos' total processing capacity to 500 MMcf/d by year-end 2025
- New preferred equity investment led by EOC Partners and Elda River Capital and increased revolving credit facility expands financial capacity for accelerated growth plans

FORT WORTH, TX – Brazos Midstream ("Brazos" or the "Company") today announced the completion of several significant milestone projects consisting of major new-build pipelines and processing facilities located in the core of the Midland Basin, one of the most active oil and gas producing regions in the United States.

Midland Basin System Overview

Brazos' buildout of new Midland Basin gas midstream infrastructure is anchored by the installation of a new 200 million cubic feet per day ("MMcf/d") cryogenic gas processing facility (Sundance I) located in Martin County, Texas. The plant is mechanically complete and will commence operations in October 2024. The Company is also in the final stages of constructing approximately 175 miles of 16-inch through 24-inch high-pressure natural gas gathering pipeline and other associated midstream infrastructure spanning the core of the Midland Basin, including Ector, Howard, Martin, Midland, Glasscock, and Reagan counties. Upon completion of this initial phase of construction, Brazos will operate approximately 260 total miles of natural gas gathering pipelines and 10 compressor stations in the Midland Basin.

To accommodate forecasted production growth, the Company also announced that it will construct an additional 300 MMcf/d cryogenic gas processing facility, which is expected to be operational in the second half of 2025 and, once complete, will bring the Company's total processing capacity to 500 MMcf/d.

This new, expansive gathering and processing system is owned by Brazos Midstream Holdings III, LLC, which is backed by equity commitments from Old Ironsides Energy, Encap Flatrock Midstream, Brazos management and other strategic investors. In addition, Brazos announced that it has recently closed a new preferred equity

investment with EOC Partners, Elda River Capital, and co-investors and has significantly upsized its existing revolving credit facility, led by BOK Financial. These partnerships allow Brazos the financial strength and flexibility to continue to aggressively grow its footprint.

Management Perspective

"These expansion projects are a testament to our continued commitment to build high-quality assets in the Permian Basin and provide the highest level of service for our producer customers," said Brad Iles, Brazos Chief Executive Officer. "The Permian Basin accounts for a quarter of all marketed natural gas production in the Lower 48 and, despite being discovered over a century ago, production is estimated to continue increasing for years to come. Our asset base represents mission critical infrastructure that provides reliable capacity for existing Permian gas production that has been historically underserved."

Delaware Basin Overview

Brazos operates a significant midstream footprint in the core of the Southern Delaware Basin, including Loving, Pecos, Reeves, Ward, and Winkler counties. The assets are owned by Brazos Midstream Holdings II, LLC, with Morgan Stanley Infrastructure Partners as its majority investor, and include the Comanche natural gas processing complex which is located in Reeves County and consists of 460 MMcf/d of total operated processing capacity. The Company also owns and operates approximately 900 miles of natural gas, natural gas liquids, and crude oil gathering pipelines and 75,000 barrels of crude oil storage that service production from approximately 540,000 dedicated acres and over 25 upstream producer customers, composed primarily of large, publicly traded and investment grade companies.

###

About Brazos Midstream

Headquartered in Fort Worth, Texas, the Brazos Midstream entities collectively represent the largest privately held midstream platform in the Permian Basin. On a combined basis, the Company's critical hydrocarbon infrastructure totals approximately 1,200 miles of high-pressure natural gas, natural gas liquids and crude oil gathering pipelines spanning the most prolific producing counties in the Midland and Delaware Basins; 660 MMcf/d of total Permian-based processing capacity with expansion projects underway to expand to approximately 1 Bcf/d by 2025; and 75,000 barrels of crude oil storage.

For more information, please visit **www.brazosmidstream.com**.

Brazos Media Contact:

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Attachment E – Application

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Texas Comptroller of Public Accounts

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

Submitted by **Brazos Midland Processing, LLC**



Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Amended

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.

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 211130
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

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SECTION 1: Applicant Information *(continued)*

10. Authorized Company Consultant *(if applicable)*

Daron
First Name

Fredrickson
Last Name

Executive Vice President
Title

Merit Advisors, LLC
Firm Name

(940) 641-7758
Phone Number

dfredrickson@meritadvisor.com
Email Address

SECTION 2: School District Information

1. Authorized School District Representative

Jan
First Name

McCowan
Last Name

Superintendent
Title

Stanton ISD
School District Name

(432) 607-3700
Phone Number

jmccowan@stanton.esc18.net
Email Address

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

Kathy
First Name

Mathias
Last Name

Executive Director of Economic Development
Title

Moak Casey
Firm Name

(512) 485-7878
Phone Number

kmathias@moakcasey.com
Email Address

SECTION 3: Fee

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

SECTION 4: Project Information

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

1. In Tab 2, provide a detailed description of the proposed project. Include a legal description of the real property on which the proposed project will be located and the address, if known.
2. The county or counties in which the proposed project will be located ..... 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, .2023, 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 relevent 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: 211130

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	$4,231.00
Q2	Year	2024	Wage	$2,566.00
Q3	Year	2023	Wage	$2,293.00
Q4	Year	2023	Wage	$2,460.00

c. Average Annual Wage: $150,150.00

d. 110% of the Average Annual Wage: $165,165.00

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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	CFO
Print Name *(Authorized Company Representative (Applicant))*	Title

sign here ▶ William Butler — Digitally signed by William Butler Date: 2024.12.12 13:59:26 -06'00' — 12/12/2024

Signature *(Authorized Company Representative (Applicant))* — 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 Midstream

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

Tab 1 – Required Application Fee

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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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Brazos Midstream

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

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.

The potential site in Texas includes a previously built plant that is completely separate and not included in this application. The proposed plant, if built on the site, would not be an extension of the existing plant. The only interconnection or commonality is the gas supplied to the plants would be from the same gathering systems.

The location is located @ 2483 COUNTY ROAD C2901, STANTON TX 79782-5034
32°09′40.79″N 101°54′25.594″W , SEC 37-1N-47

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

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

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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:

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(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 beheld 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

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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 9th day of October 2023.

STANTON INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

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EXHIBIT A

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

BRAZOS MIDLAND REINVESTMENT ZONE NO. 1-1

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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

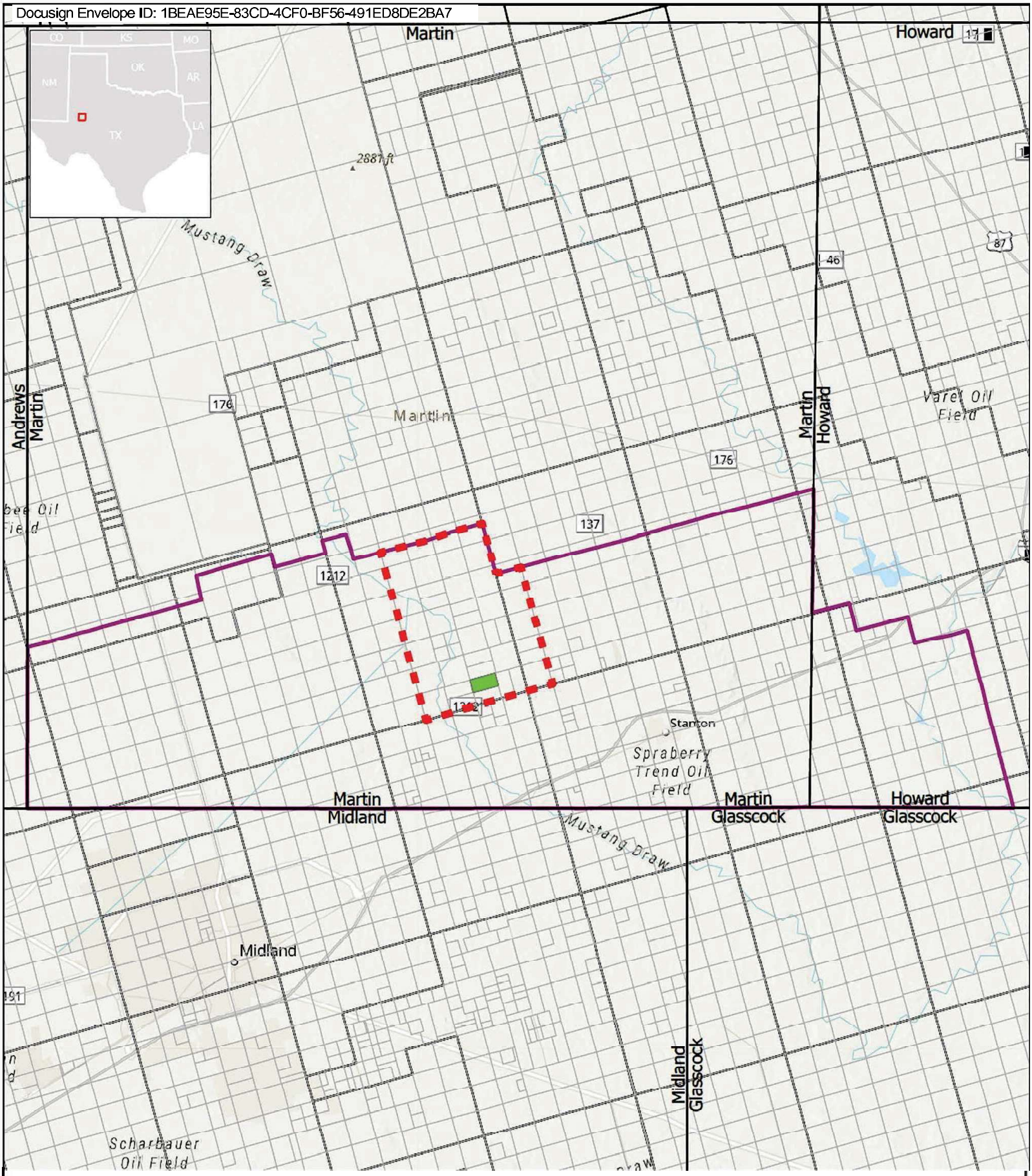
Full tracts:
Section 13, A-218, BLK 37 T1N, T & P RR CO, Martin County, Texas
Section 14, A-647, BLK 37 T1N, T & P RR CO, Martin County, Texas
Section 15, A-219, BLK 37 T1N, T & P RR CO, Martin County, Texas
Section 16, A-666, BLK 37 T1N, T & P RR CO, Martin County, Texas
Section 21, A-222, BLK 37 T1N, 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
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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
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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

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EXHIBIT B

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

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Stanton ISD

Proposed Reinvestment Zone

Plant Location

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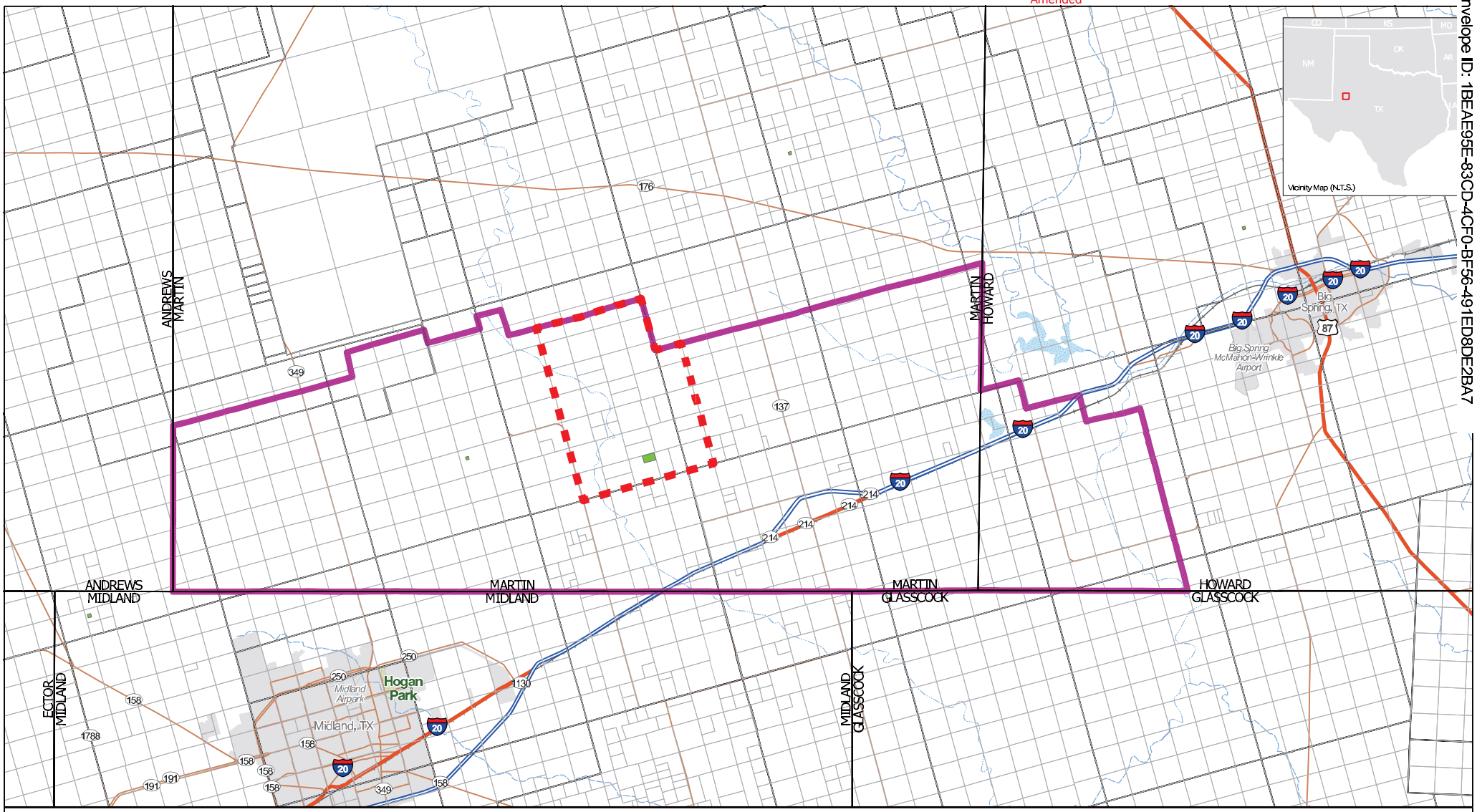
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Proposed Midland Plant
Martin County, TX

Brazos Midstream

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Potential Plant Location
Martin County, TX

Brazos Midstream

The Project Boundary is shared with the 313 Application 1924.

Legend

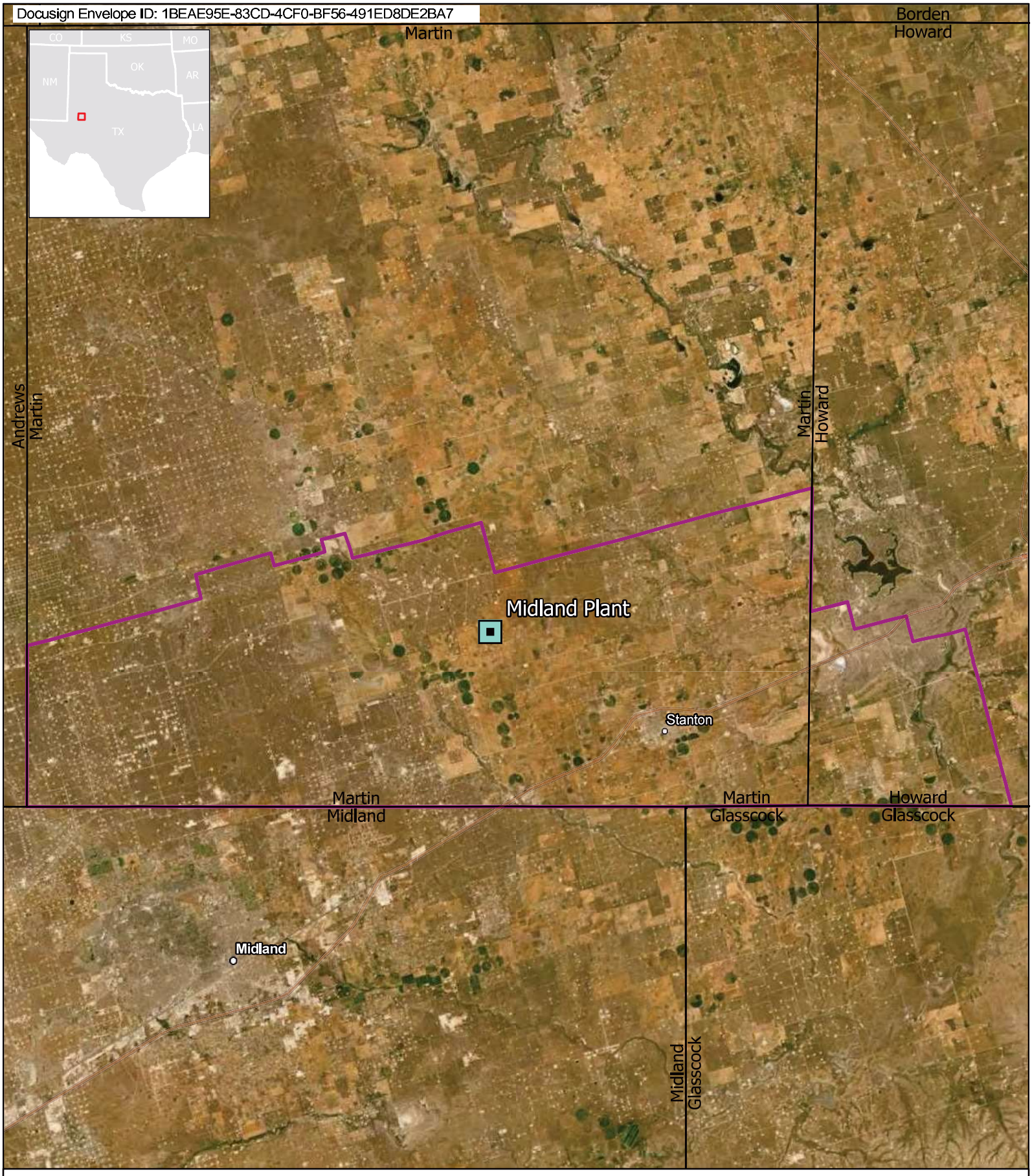
- Stanton ISD
- Reinvestment Zone
- Project Boundary

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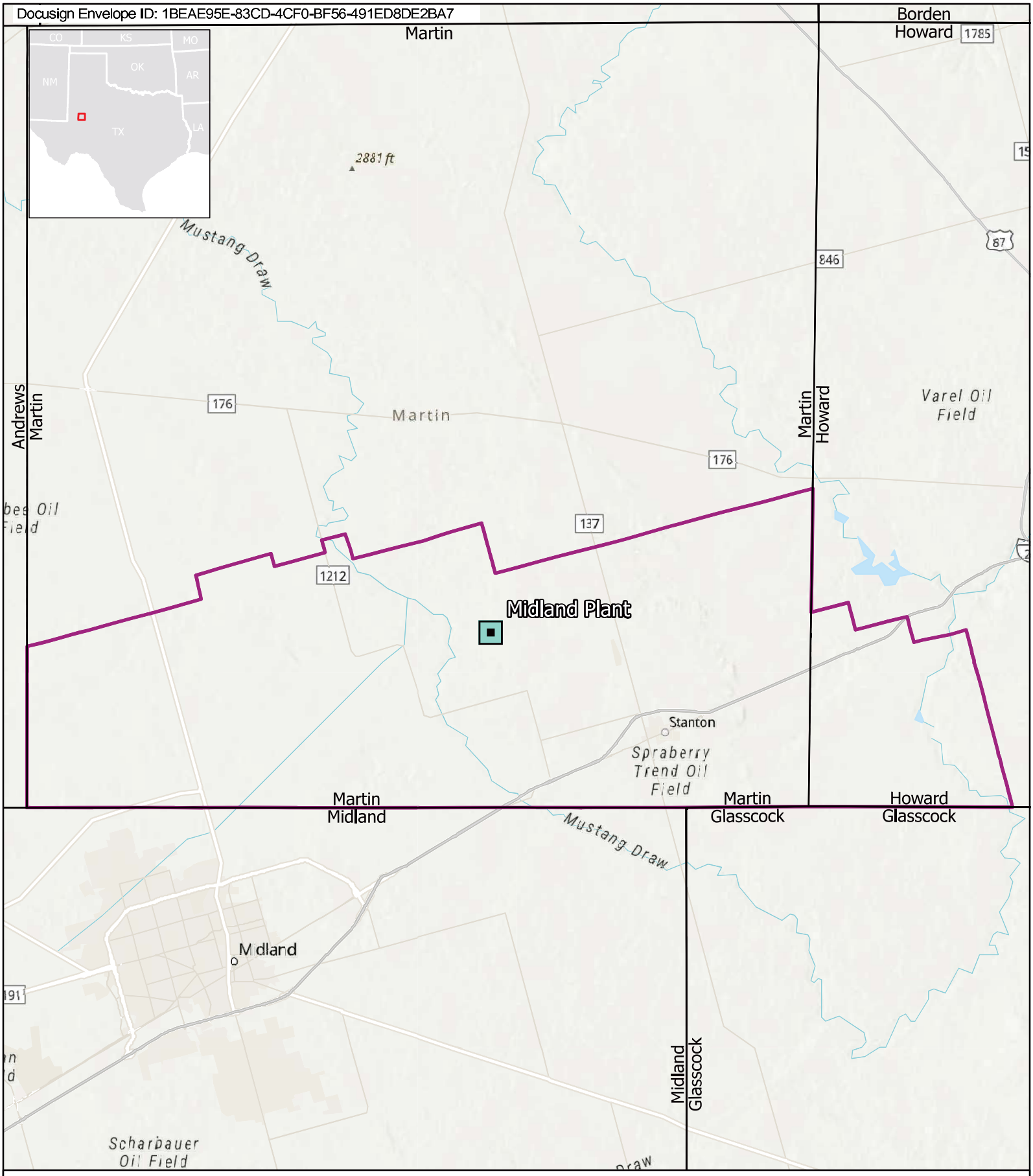
Proposed Plant
County
Stanton ISD

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Proposed Midland Plant
Martin County, TX

Brazos Midstream

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Proposed Plant
County
Stanton ISD

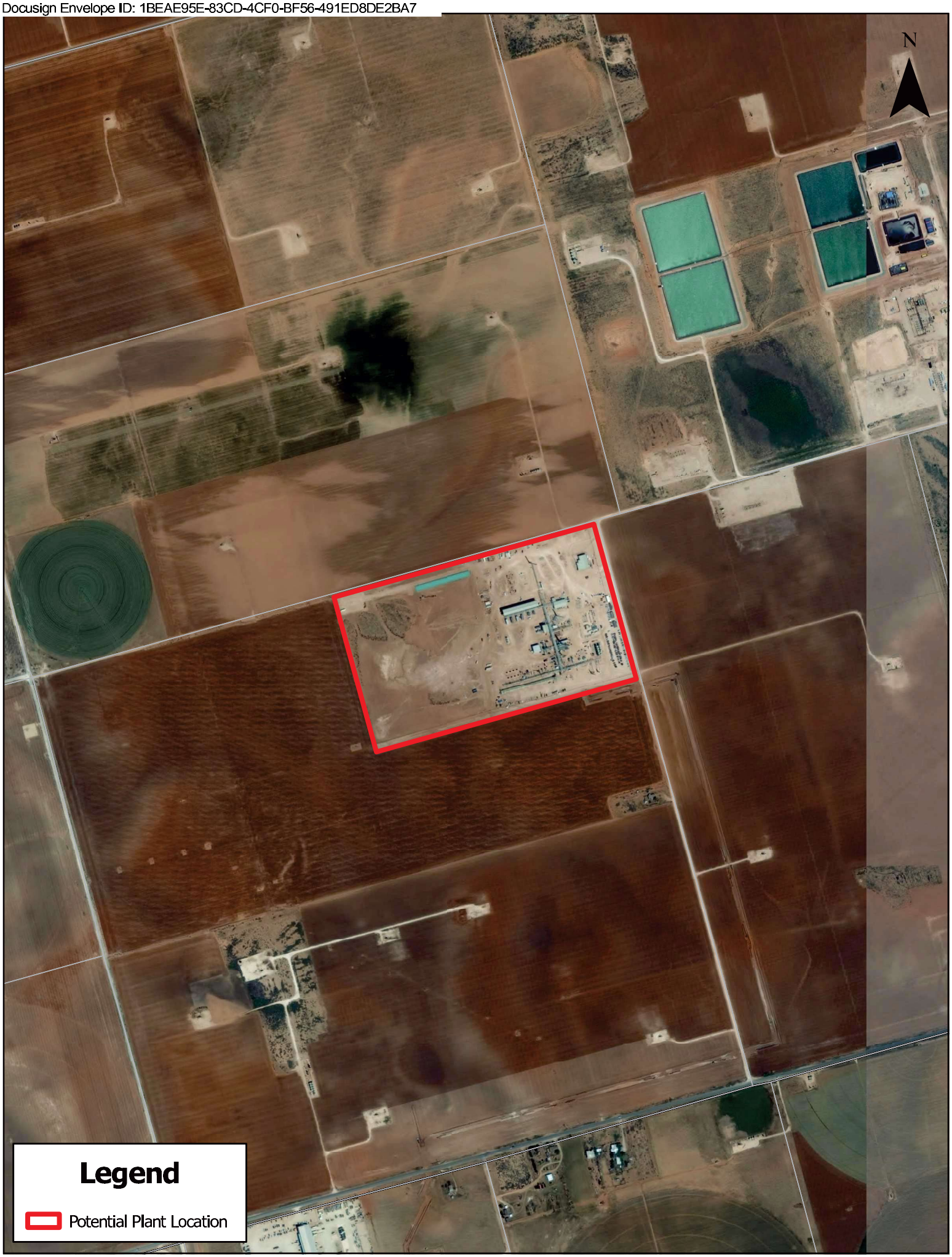
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Proposed Midland Plant
Martin County, TX

Brazos Midstream

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Brazos Midstream

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

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

Tab 6 – Map Comparison of Existing and New Property

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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



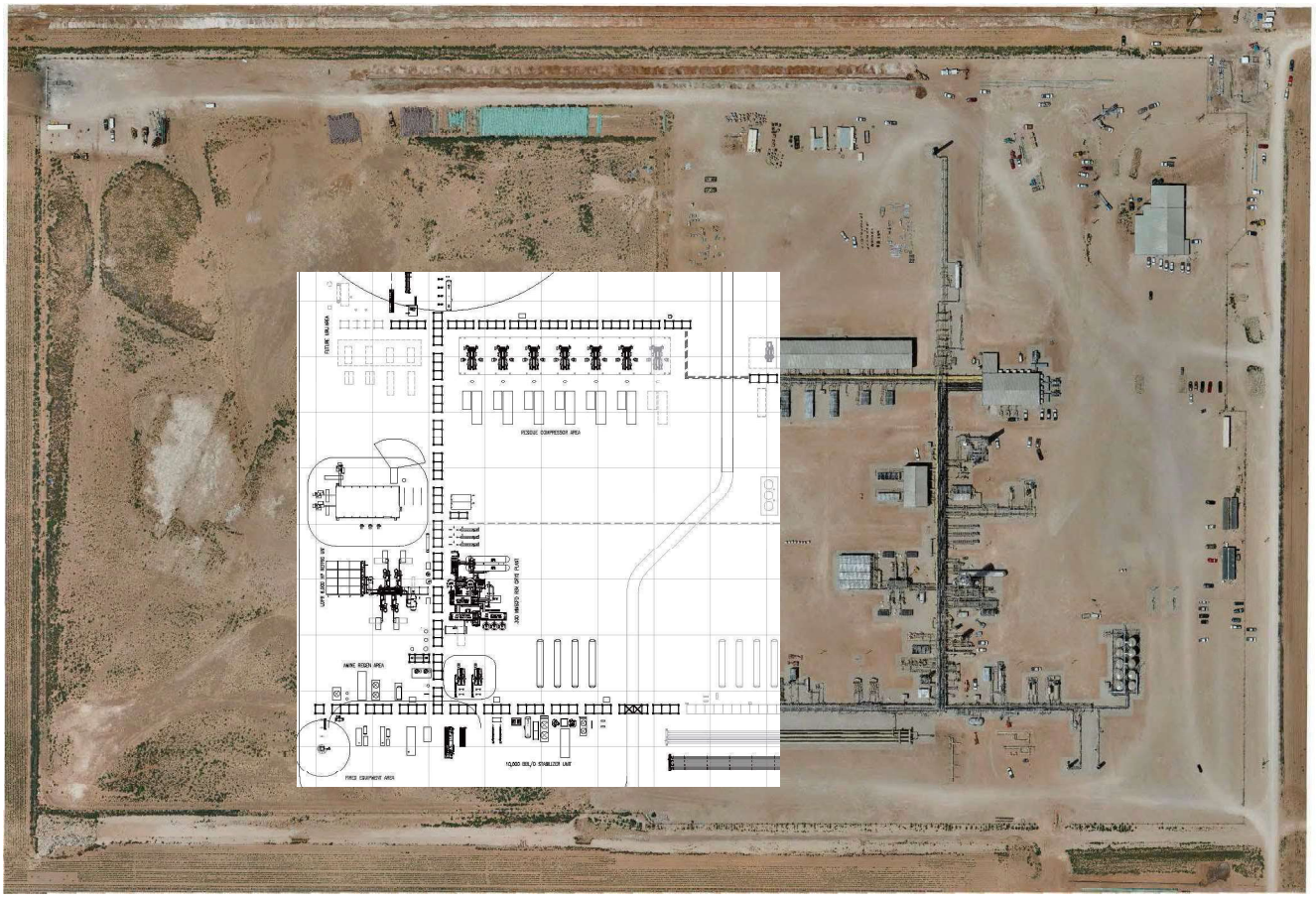
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Form AP-243: Application for Taxable Value Limitation on Eligible Property
Brazos Midland Processing, LLC
Tab 6 – Map Comparison of Existing and New Property

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.



The proposed Texas location, as identified previously in this application, has an existing plant on site. That plant was granted a Chapter 313 Abatement, #1924. The 313 Abatement being available and granted for the plant in Application 1924, was a key in the decision on the site. The abatement of the property taxes made the project more competitive when looking at the overall cost and economics of the project.

The existing equipment is assessed by the Martin County Appraisal District, account #301486651. The equipment assessed includes the expander and compressors, exchanger, glycol dehydration unit, demethanizer, demethanizer reboiler, interconnecting lines & meters, communication system, and interconnection facilities to the gathering systems.

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Form AP-243: Application for Taxable Value Limitation on Eligible Property
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 issues to consider beyond the economic. The Delaware Basin, where the New Mexico location is located, has geological benefits to the Midland Basin, where the Texas site is located.

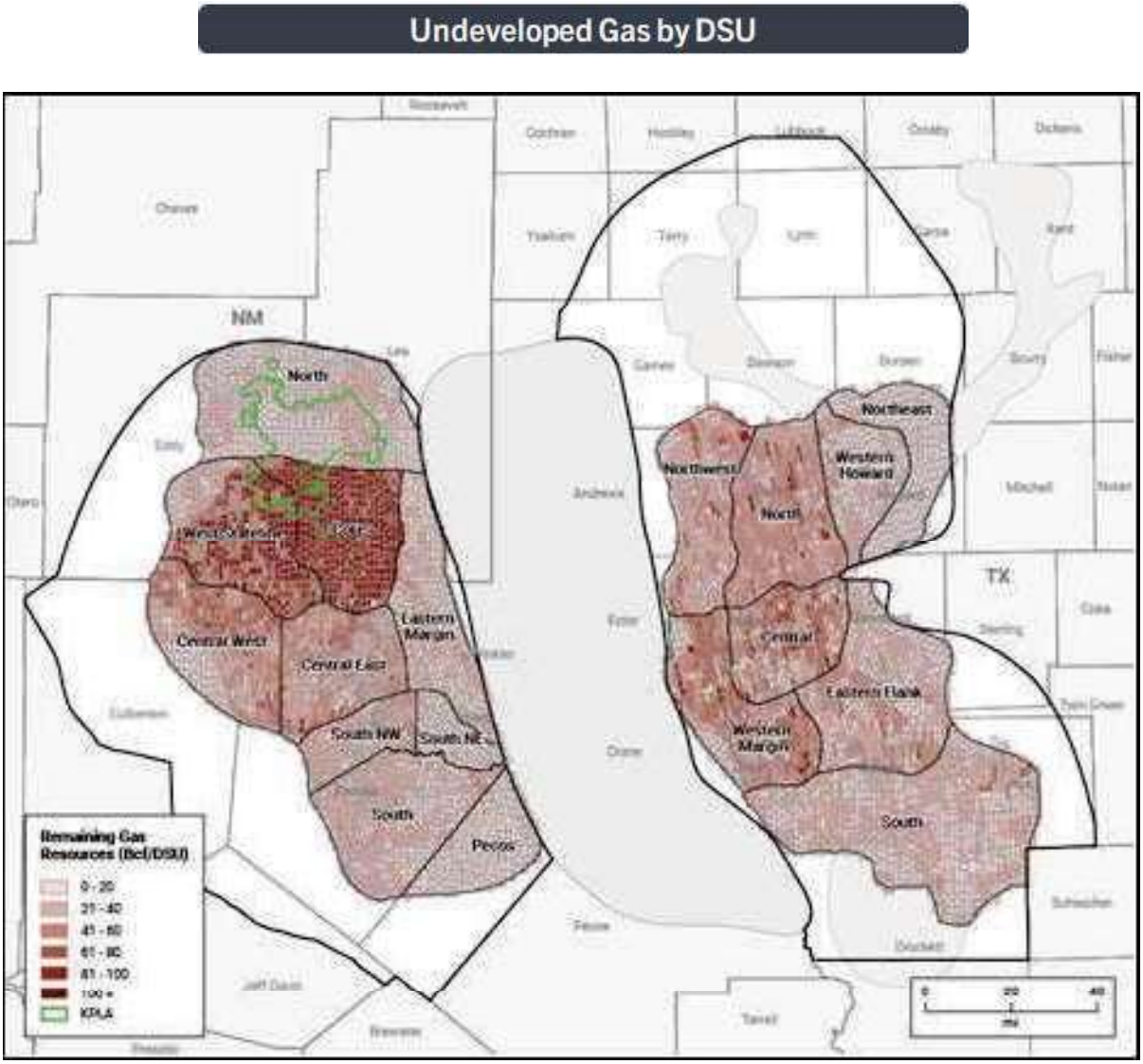
There are definite benefits to the New Mexico location that the JETI Program would help offset.

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Production Performance and Geological Benefits in New Mexico

Delaware Basin wells average ~3.0 Bcf/location in gas EUR compared to ~1.9 Bcf/location for Midland Basin wells. The Delaware Core and West Stateline regions are more gas-prone generating higher well values. Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources. Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable). Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + 5 geologically viable. It takes fewer NM wells to fill a gas plant than Midland wells.



1. Enverus: Permian Gas, Tying Inventory to Gathering Systems, January 4, 2023
2. Enverus; PERMIAN GAS REPORT, All Gas, No Brakes, November 28, 2022
3. Enverus; Delaware Basin Development, Best-First Approach Boosts Productivity, July 15, 2024
4. Enverus: Permian Inventory, Quantifying Geologically Viable Upside, August 8, 2023

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

Tab 7 – Compelling Factor Test

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, as well as structural limitations listed below.

Beyond the economic benefits, the geology and production profile of the Delaware Basin, where the New Mexico site is located, superior to the came in the Midland Basin for gas production.

*Please see attached internal slide presentation from Brazos Midland.

Amended



Brazos Midstream

Proposed NM Gas Plant

September 2024

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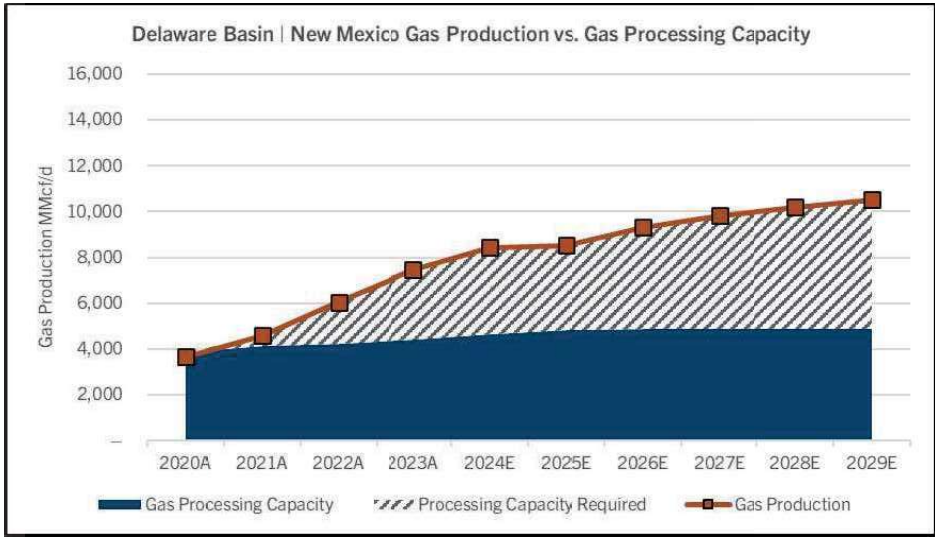
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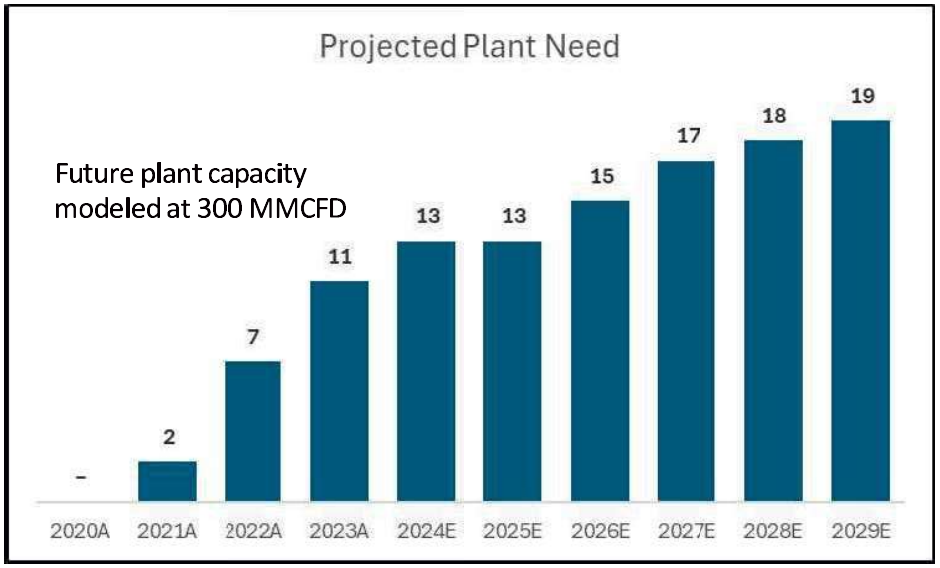
NM Delaware Basin Rationale

Justification

- Current/future production far exceeds projected plant capacity
- Increased drilling on Federal land has expediated a 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

Production/Capacity





website: www.bls.gov/oes

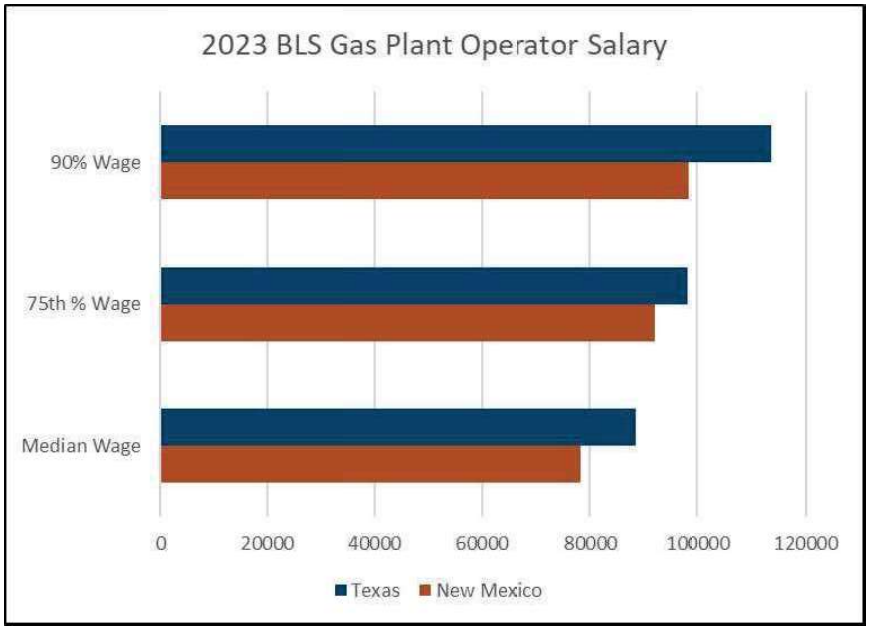
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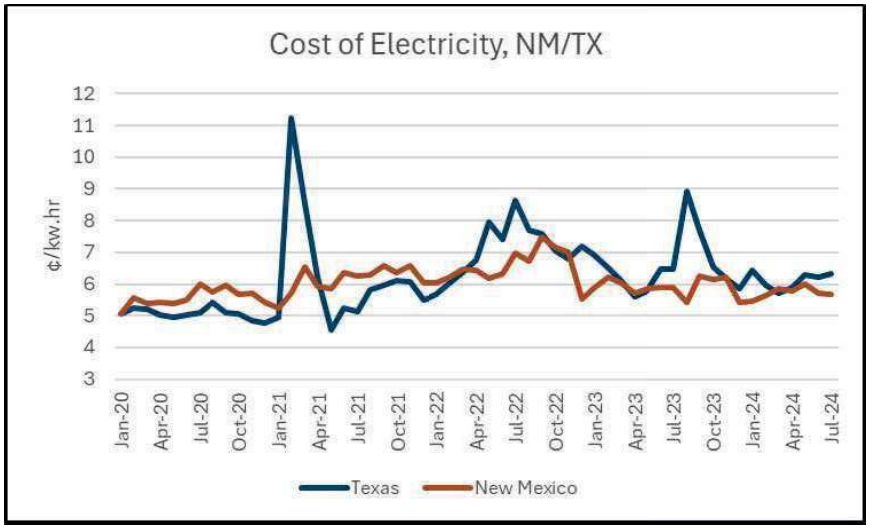
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Plant Details

New Mexico Advantages

- Bureau of Labor Statistics, Department of Labor data for 2022 and 2023 consistently demonstrates a labor savings for Gas Plant Operators in NM vs. TX[1]
- Recent volatility in Texas power prices has created uncertainty in operating costs and plant margins[2]
- While private land cost is comparable NM/TX, the opportunity to acquire public land in NM comes with a potential 75% cost savings



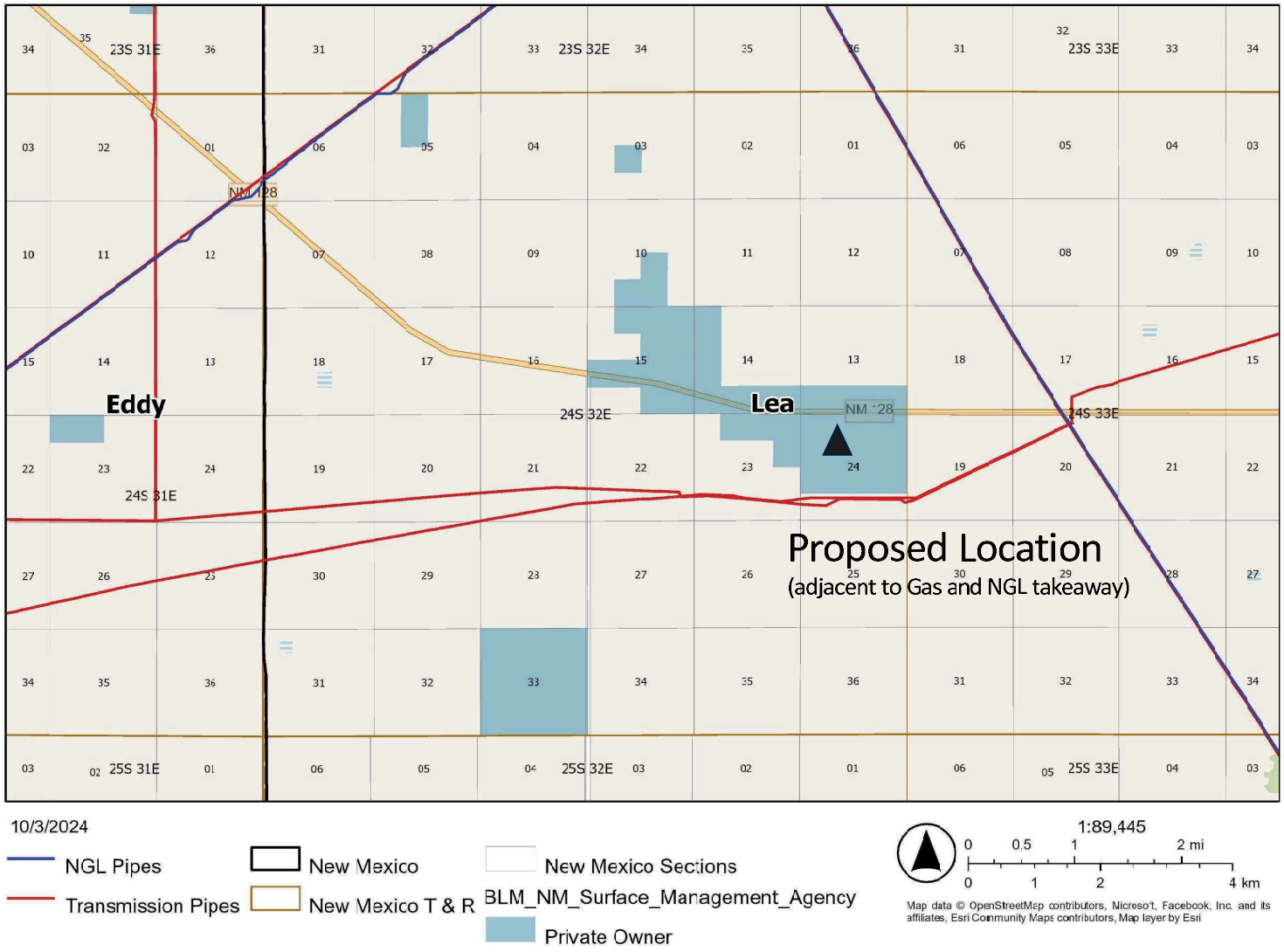


1. Bureau of Labor Statistics, Department of Labor
2. U.S. Energy Information Administration

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Amended

Proposed Location



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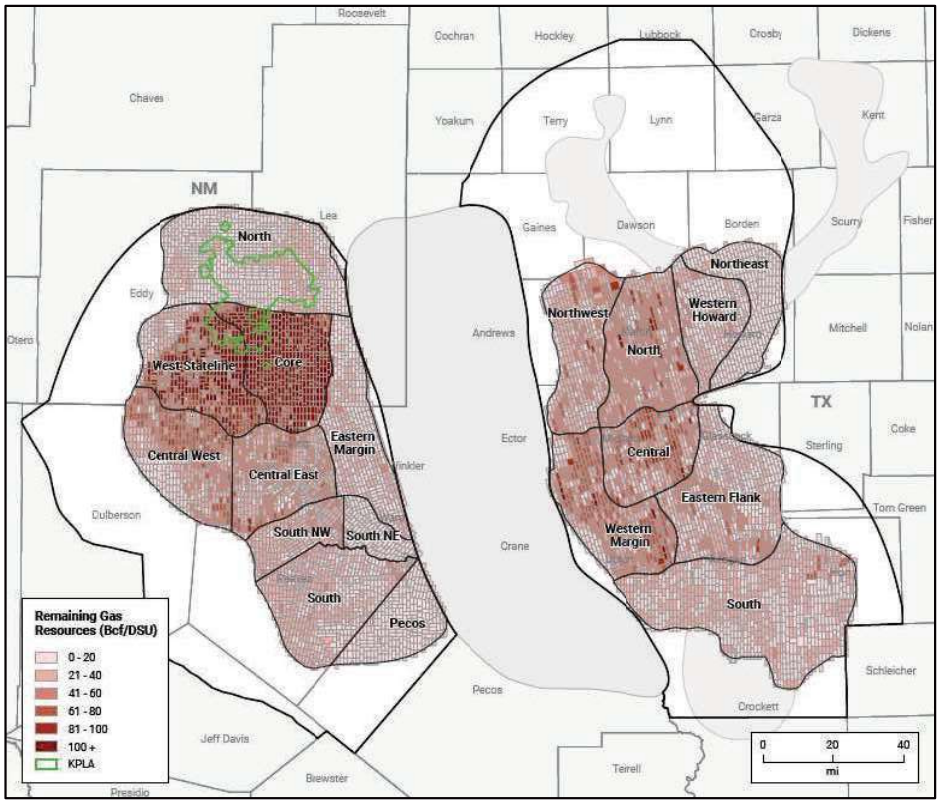
Amended

NM vs TX Well Productivity

Delaware Well Performance Superiority

- Delaware Basin wells average ~3.0 Bcf/location in gas EUR compared to ~1.9 Bcf/location for Midland Basin wells[1]
- The Delaware Core and West Stateline regions are more gas-prone generating higher well values[2]
- Delaware Basin has more prevalent barriers between flow units, particularly in New Mexico and West Stateline regions, which enables better development of gas resources[3]
- Delaware Core can support up to 40 wells per section (34 economically proven + 6 geologically viable)[4]
- Midland Basin generally supports lower well density, with the Central region maxing at 33 wells per section (28 economically proven + 5 geologically viable [4]
- It takes fewer NM wells to fill a gas plant than Midland wells – decreased capital yields higher return

Undeveloped Gas by DSU



1. Enverus: Permian Gas, Tying Inventory to Gathering Systems, January 4, 2023
2. Enverus; PERMIAN GAS REPORT, All Gas, No Brakes, November 28, 2022
3. Enverus; Delaware Basin Development, Best-First Approach Boosts Productivity, July 15, 2024
4. Enverus: Permian Inventory, Quantifying Geologically Viable Upside, August 8, 2023

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Amended

Analogous Project Opportunity



Description

- Proposed plant will have a comparative capacity of 300 MMCFD
- Site takes up approximately 24 acres.
- System will employ 25+ people
- Estimated plant cost: $200MM
- Estimated field gathering pipe and compression cost: $600MM

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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.

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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

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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.

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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.

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

January 3, 2025

Prepared by:

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IMPACT DataSource

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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).

Years	Period
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.

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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
Timeline for Permanent Employment and Investment

Year	Number of New Workers to be Hired Each Year		Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2025	10	*Construction*	$2,390,000	$182,340,000	$184,730,000
2026	0	*Incentive Year 1*	$0	$0	$0
2027	0	*Incentive Year 2*	$0	$0	$0
2028	0	*Incentive Year 3*	$0	$0	$0
2029	0	*Incentive Year 4*	$0	$0	$0
2030	0	*Incentive Year 5*	$0	$0	$0
2031	0	*Incentive Year 6*	$0	$0	$0
2032	0	*Incentive Year 7*	$0	$0	$0
2033	0	*Incentive Year 8*	$0	$0	$0
2034	0	*Incentive Year 9*	$0	$0	$0
2035	0	*Incentive Year 10*	$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

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Table 1 - Continued
Timeline for Permanent Employment and Investment

Year	Number of New Workers to be Hired Each Year	Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2056	0	$0	$0	$0
2057	0	$0	$0	$0
2058	0	$0	$0	$0
2059	0	$0	$0	$0
2060	0	$0	$0	$0
Total	10	$2,390,000	$182,340,000	$184,730,000

Total Capital Investment and Total Employment

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

Table 2
Total Capital Investment and Employment

Total Capital Investment	$184,730,000
Total Employment	10

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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
Appraised Value of the Facility's Investment

Year	Total Appraised Value of 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

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Table 3 - Continued
Appraised Value of the Facility's Investment

Year	Total Appraised Value of 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
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
		M&O Rate:	*0.6969000*	
		I&S Rate:	*0.0213940*	
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
Total Rate				1.0694464

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

Table 5
Ad Valorem Taxes for Each Taxing Unit on the Investment
Over the Next 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
Total				$28,386,944

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

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

Year	*Taxable Value of Eligible Property for M&O Tax**	M&O Tax Rate	M&O Taxes	*Taxable Value of Property for I&S Tax***	I&S Tax Rate	I&S Taxes	Total School District Taxes
2025	*$0*	0.69690	$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

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

Year	*Taxable Value of Eligible Property for M&O Tax**	M&O Tax Rate	M&O Taxes	*Taxable Value of Property for I&S Tax***	I&S Tax Rate	I&S Taxes	Total School District Taxes
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
Total			$16,601,710			$676,784	$17,278,493

** 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.*

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Table 7
Ad Valorem Taxes for Other Taxing Units on Investment

Year	N/A ***0.0000000***	Martin County ***0.2023000***	Other Local Districts ***0.1488524***	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

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Table 7 - Continued
Ad Valorem Taxes for Other Taxing Units on Investment

Year	N/A ***0.0000000***	Martin County ***0.2023000***	Other Local Districts ***0.1488524***	Total
2060	$0	$112,113	$82,493	$194,605
Total	$0	$6,399,614	$4,708,838	$11,108,451

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

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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

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

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

State Economic Output During Construction

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

Table 8
Economic Impact of Construction at the Firm's Facility

	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	$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

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State Economic Impacts During the Facility's Operations

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

Table 9
Total Economic Impact During the Facility's Operations in the State of Texas

		Annually at Full Operations in 2029	36-Year Total
Economic output / increase in gross state product:			
	Direct	$24.48 M	$997.84 M
	Indirect & Induced	$28.41 M	$1,158.39 M
	Total	$52.89 M	$2.16 B
Employment:			
	Direct	10	10
	Indirect & Induced	40	40
	Total	50	50
Payroll / increase in state personal income:			
	Direct	$1.86 M	$104.51 M
	Indirect & Induced	$2.27 M	$127.80 M
	Total	$4.13 M	$232.31 M

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.

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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
Local Economic Impact of Construction at the Firm's Facility

	Direct	Indirect & 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

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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.

Table 11
Total Economic Impact During the Facility's Operations in Martin County

		Annually at Full Operations in 2029	36-Year Total
Economic output / increase in gross area product:			
	Direct	$24.48 M	$997.84 M
	Indirect & Induced	$5.82 M	$237.29 M
	Total	$30.30 M	$1,235.13 M
Employment:			
	Direct	10	10
	Indirect & Induced	6	6
	Total	16	16
Payroll/Personal Income:			
	Direct	$1.86 M	$104.51 M
	Indirect & Induced	$0.49 M	$27.54 M
	Total	$2.35 M	$132.05 M

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.

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

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

Table 12
Tax Revenues for the State and Local Taxing Units During Construction

	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Tax Revenues
State of Texas	$668,022	$4,363	$35,615	$708,000
Nearby Cities	$21,377	$0	$0	$21,377
Martin County	$0	$0	$0	$0
Total	$689,399	$4,363	$35,615	$729,377

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

Table 13
Tax Revenues for the State and Local Taxing Units During Operations

	Sales Tax Collections	Hotel Taxes	Franchise Tax Collections	Other Taxes and Revenues	Property Taxes*	Total Tax Revenues
State of Texas	$6,104,051	$185,254	$2,051,572	$3,387,996	$0	$11,728,872
Nearby Cities	$195,330	$216,129	$0	$0	$0	$411,459
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
Total	$6,299,381	$401,383	$2,051,572	$3,387,996	$28,386,944	$40,527,276

** 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.

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

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

Table 14
Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Construction

	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	$637,031	$70,969	$708,000
Local Districts	$20,385	$992	$21,377
Total	$657,416	$71,961	$729,377

Table 15
Direct vs. Indirect Tax Revenues for the State and Local Taxing Units During Operations

	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	$1,372,031	$10,356,842	$11,728,872
Local Districts	$28,406,901	$391,502	$28,798,403
Total	$29,778,932	$10,748,344	$40,527,276

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.

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Development of Complementary Businesses or Industries in the State

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

Table 16
Development of Industries in the State

	New Spending	Percent of Total
Agriculture, forestry, fishing and hunting	$124,824	0.4%
Mining, quarrying, and oil and gas extraction	$2,848,922	10.0%
Utilities	$854,187	3.0%
Construction	$293,703	1.0%
Durable goods manufacturing	$1,424,461	5.0%
Nondurable goods manufacturing	$1,926,204	6.8%
Wholesale trade	$1,679,004	5.9%
Retail trade	$1,676,556	5.9%
Transportation and warehousing	$1,534,600	5.4%
Information	$900,690	3.2%
Finance and insurance	$2,973,746	10.5%
Real estate and rental and leasing	$3,568,495	12.6%
Professional, scientific, and technical services	$1,519,915	5.3%
Management of companies and enterprises	$1,696,137	6.0%
Administrative & support & waste mgmt & remediation svcs	$930,060	3.3%
Educational services	$298,598	1.1%
Health care and social assistance	$2,046,133	7.2%
Arts, entertainment, and recreation	$188,460	0.7%
Accommodation	$186,012	0.7%
Food services and drinking places	$795,446	2.8%
Other services	$947,193	3.3%
Total	$28,413,348	100.0%

The industries most affected by the project will include:

1. Real estate and rental and leasing
2. Finance and insurance
3. Mining, quarrying, and oil and gas extraction
4. Health care and social assistance
5. Nondurable goods manufacturing

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State of Texas Benefits Economic Impact & Tax Revenue

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State of Texas Economic Impacts During Construction

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

Table 17
Construction Costs

Year	Construction Costs
2025	$2,390,000
2026	$0
2027	$0
2028	$0
Total	$2,390,000

Construction Economic Output/Increase in Gross State Product

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

Table 18
Economic Output/Increase in Gross State Product During Construction

Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	$2,390,000	$3,427,260	$5,817,260
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$2,390,000	$3,427,260	$5,817,260

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

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Construction Employment

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

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

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

Table 20 Construction Workers Employed During Construction		
Year	Construction Costs	Number of Construction Jobs Supported Each Year
2025	$2,390,000	15
2026	$0	0
2027	$0	0
2028	$0	0
Total	$2,390,000	
Average construction jobs per year		15

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

Table 21
Direct, Indirect and Induced Employment
During Construction

Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	15	19	33
2026	0	0	0
2027	0	0	0
2028	0	0	0
Annual Avg.	15	19	33

Construction Payroll

Construction workers will have the following payrolls:

Table 22
Direct Construction Payroll

Year	Construction Costs	Total Construction Payroll
2025	$2,390,000	$956,000
2026	$0	$0
2027	$0	$0
2028	$0	$0
Total	$2,390,000	$956,000

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

Table 23
Direct, Indirect and Induced Payroll During Construction

Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	$956,000	$951,124	$1,907,124
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$956,000	$951,124	$1,907,124

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State of Texas Fiscal Impacts During Construction

Taxable Sales

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

Table 24
Percent of Construction Costs and Worker Salaries Subject to Sales Tax

Percent of construction costs for materials	60%
Estimated percent of construction materials that may be subject to sales tax	75%
Percent of worker salaries spent on taxable goods and services	26%
Estimated percent of machinery and equipment subject to sales tax	5%

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

Table 25
Estimated Taxable Sales

Year	Estimated Taxable Machinery and Equipment	Estimated Total Construction Materials	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2025	$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
Total	$9,117,000	$1,434,000	$1,075,500	$495,852	$10,688,352

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Sales Tax Collections

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

Table 26
Estimated Sales Tax Collections During Construction

Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections	*Direct Sales Tax Collections*	*Indirect Sales Tax Collections*
2025	$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*
Total	$569,813	$67,219	$30,991	$668,022	*$637,031*	*$30,991*

Taxable Margins Subject to Texas Franchise Tax

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

Table 27
Estimated Taxable Margins During Construction Subject to Texas' Franchise Tax

Year	On Direct Revenues During Construction	On Indirect & Induced Revenues	Total Taxable Margins
2025	$239,000	$342,726	$581,726
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$239,000	$342,726	$581,726

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Franchise Tax Collections

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

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

Table 28
Estimated Franchise Tax Collections During Construction

Year	Total Taxable Margins	Franchise Tax Collections
2025	$581,726	$4,363
2026	$0	$0
2027	$0	$0
2028	$0	$0
Total	$581,726	$4,363

Other Taxes and Revenues from Workers

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

Table 29
Other Revenues for the State from Each Worker During Construction

Gasoline taxes	$38
Motor vehicle sales and use taxes	$438
Cigarette and tobacco taxes	$110
Alcohol beverage taxes	$185
Net lottery proceeds	$302
Total	$1,072

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

Table 30
Other Revenues for the State from Workers During Construction

Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes & Revenues
2025	$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
Total	$1,246	$14,535	$3,655	$6,146	$10,033	$35,615

Summary of General Fund Revenues for the State During Construction

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

Table 31
General Fund Revenues for the State During Construction

Year	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Revenues
2025	$668,022	$4,363	$35,615	$708,000
2026	$0	$0	$0	$0
2027	$0	$0	$0	$0
2028	$0	$0	$0	$0
Total	$668,022	$4,363	$35,615	$708,000

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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
Facility's Estimated Annual Operating Expenditures

		Total Operating 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

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Table 32 - Continued
Facility's Estimated Annual Operating Expenditures

		Total Operating Expenditures
2059	Year 35	$29,703,960
2060	Year 36	$30,595,079
Total		$997,840,398

Economic Output During Operations

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

Table 33
Output During Operations

Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	$3,990,586	$4,632,671	$8,623,257
2026	$15,079,681	$17,506,002	$32,585,683
2027	$17,826,065	$20,694,279	$38,520,345
2028	$21,761,687	$25,263,143	$47,024,830
2029	$24,475,276	$28,413,348	$52,888,624
2030	$25,209,535	$29,265,749	$54,475,283
2031	$25,965,821	$30,143,721	$56,109,542
2032	$26,744,795	$31,048,033	$57,792,828
2033	$27,547,139	$31,979,474	$59,526,613
2034	$28,373,553	$32,938,858	$61,312,411
2035	$29,224,760	$33,927,024	$63,151,783
2036	$30,101,503	$34,944,834	$65,046,337
2037	$31,004,548	$35,993,179	$66,997,727
2038	$31,934,684	$37,072,975	$69,007,659
2039	$32,892,725	$38,185,164	$71,077,889
2040	$33,879,506	$39,330,719	$73,210,225
2041	$34,895,892	$40,510,641	$75,406,532
2042	$35,942,768	$41,725,960	$77,668,728
2043	$37,021,051	$42,977,739	$79,998,790
2044	$38,131,683	$44,267,071	$82,398,754
2045	$69,637,817	$80,842,541	$150,480,358
2046	$20,226,951	$23,481,468	$43,708,419

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Table 33 - Continued
Output During Operations

Year	Direct Operations Output	Indirect & Induced Output	Total Output
2047	$20,833,760	$24,185,912	$45,019,671
2048	$21,458,773	$24,911,489	$46,370,262
2049	$22,102,536	$25,658,834	$47,761,369
2050	$22,765,612	$26,428,599	$49,194,210
2051	$23,448,580	$27,221,457	$50,670,037
2052	$24,152,038	$28,038,100	$52,190,138
2053	$24,876,599	$28,879,243	$53,755,842
2054	$25,622,897	$29,745,621	$55,368,517
2055	$26,391,584	$30,637,989	$57,029,573
2056	$27,183,331	$31,557,129	$58,740,460
2057	$27,998,831	$32,503,843	$60,502,674
2058	$28,838,796	$33,478,958	$62,317,754
2059	$29,703,960	$34,483,327	$64,187,287
2060	$30,595,079	$35,517,827	$66,112,905
Total	$997.84 M	$1,158.39 M	$2.16 B

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Employment during Operations

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

Table 34
Number of Jobs to be Created

Year	Number of New Jobs to be Created	Cumulative Number of New Jobs
2025	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
Total	10	

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

Table 35
Direct, Indirect & Induced Employment During Operations

Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	10	40	50
2026	10	40	50
2027	10	40	50
2028	10	40	50
2029	10	40	50
2030	10	40	50
2031	10	40	50
2032	10	40	50
2033	10	40	50

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Table 35 - Continued
Direct, Indirect & Induced Employment During Operations

Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2034	10	40	50
2035	10	40	50
2036	10	40	50
2037	10	40	50
2038	10	40	50
2039	10	40	50
2040	10	40	50
2041	10	40	50
2042	10	40	50
2043	10	40	50
2044	10	40	50
2045	10	40	50
2046	10	40	50
2047	10	40	50
2048	10	40	50
2049	10	40	50
2050	10	40	50
2051	10	40	50
2052	10	40	50
2053	10	40	50
2054	10	40	50
2055	10	40	50
2056	10	40	50
2057	10	40	50
2058	10	40	50
2059	10	40	50
2060	10	40	50

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

Table 36
Estimated Annual Payroll

Percent of annual increase			3.0%
	Year	*Average Annual Salaries*	Annual Payroll
Year 1	2025	*$165,165*	$1,651,650
Year 2	2026	*$170,120*	$1,701,200
Year 3	2027	*$175,224*	$1,752,235
Year 4	2028	*$180,480*	$1,804,803
Year 5	2029	*$185,895*	$1,858,947
Year 6	2030	*$191,472*	$1,914,715
Year 7	2031	*$197,216*	$1,972,156
Year 8	2032	*$203,132*	$2,031,321
Year 9	2033	*$209,226*	$2,092,261
Year 10	2034	*$215,503*	$2,155,029
Year 11	2035	*$221,968*	$2,219,679
Year 12	2036	*$228,627*	$2,286,270
Year 13	2037	*$235,486*	$2,354,858
Year 14	2038	*$242,550*	$2,425,504
Year 15	2039	*$249,827*	$2,498,269
Year 16	2040	*$257,322*	$2,573,217
Year 17	2041	*$265,041*	$2,650,413
Year 18	2042	*$272,993*	$2,729,926
Year 19	2043	*$281,182*	$2,811,824
Year 20	2044	*$289,618*	$2,896,178
Year 21	2045	*$298,306*	$2,983,064
Year 22	2046	*$307,256*	$3,072,556
Year 23	2047	*$316,473*	$3,164,732
Year 24	2048	*$325,967*	$3,259,674
Year 25	2049	*$335,746*	$3,357,464
Year 26	2050	*$345,819*	$3,458,188
Year 27	2051	*$356,193*	$3,561,934
Year 28	2052	*$366,879*	$3,668,792
Year 29	2053	*$377,886*	$3,778,856
Year 30	2054	*$389,222*	$3,892,221
Year 31	2055	*$400,899*	$4,008,988
Year 32	2056	*$412,926*	$4,129,258
Year 33	2057	*$425,314*	$4,253,135

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Table 36 - Continued Estimated Annual Payroll			
	Year	*Average Annual Salaries*	Annual Payroll
Year 34	2058	*$438,073*	$4,380,729
Year 35	2059	*$451,215*	$4,512,151
Year 36	2060	*$464,752*	$4,647,516

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

Table 37 Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	$1,651,650	$2,019,803	$3,671,453
2026	$1,701,200	$2,080,397	$3,781,596
2027	$1,752,235	$2,142,809	$3,895,044
2028	$1,804,803	$2,207,093	$4,011,896
2029	$1,858,947	$2,273,306	$4,132,252
2030	$1,914,715	$2,341,505	$4,256,220
2031	$1,972,156	$2,411,750	$4,383,907
2032	$2,031,321	$2,484,103	$4,515,424
2033	$2,092,261	$2,558,626	$4,650,887
2034	$2,155,029	$2,635,385	$4,790,413
2035	$2,219,679	$2,714,446	$4,934,126
2036	$2,286,270	$2,795,879	$5,082,149
2037	$2,354,858	$2,879,756	$5,234,614
2038	$2,425,504	$2,966,148	$5,391,652
2039	$2,498,269	$3,055,133	$5,553,402
2040	$2,573,217	$3,146,787	$5,720,004
2041	$2,650,413	$3,241,191	$5,891,604
2042	$2,729,926	$3,338,426	$6,068,352
2043	$2,811,824	$3,438,579	$6,250,403
2044	$2,896,178	$3,541,736	$6,437,915
2045	$2,983,064	$3,647,989	$6,631,052
2046	$3,072,556	$3,757,428	$6,829,984
2047	$3,164,732	$3,870,151	$7,034,883
2048	$3,259,674	$3,986,256	$7,245,930
2049	$3,357,464	$4,105,843	$7,463,308

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Table 37 - Continued
Direct, Indirect and Induced Payroll During Operations

Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2050	$3,458,188	$4,229,018	$7,687,207
2051	$3,561,934	$4,355,889	$7,917,823
2052	$3,668,792	$4,486,566	$8,155,358
2053	$3,778,856	$4,621,163	$8,400,018
2054	$3,892,221	$4,759,798	$8,652,019
2055	$4,008,988	$4,902,591	$8,911,580
2056	$4,129,258	$5,049,669	$9,178,927
2057	$4,253,135	$5,201,159	$9,454,295
2058	$4,380,729	$5,357,194	$9,737,924
2059	$4,512,151	$5,517,910	$10,030,061
2060	$4,647,516	$5,683,447	$10,330,963
Total	$104.51 M	$127.80 M	$232.31 M

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State of Texas Fiscal Impacts During the Facility's Operations

Taxable Sales on Direct, Indirect and Induced Worker Spending

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

Table 38
Taxable Spending by Direct, Indirect, & Induced Workers

Year	Worker Salaries	Workers' Taxable Spending
2025	$3,671,453	$954,578
2026	$3,781,596	$983,215
2027	$3,895,044	$1,012,712
2028	$4,011,896	$1,043,093
2029	$4,132,252	$1,074,386
2030	$4,256,220	$1,106,617
2031	$4,383,907	$1,139,816
2032	$4,515,424	$1,174,010
2033	$4,650,887	$1,209,231
2034	$4,790,413	$1,245,507
2035	$4,934,126	$1,282,873
2036	$5,082,149	$1,321,359
2037	$5,234,614	$1,361,000
2038	$5,391,652	$1,401,830
2039	$5,553,402	$1,443,884
2040	$5,720,004	$1,487,201
2041	$5,891,604	$1,531,817
2042	$6,068,352	$1,577,772
2043	$6,250,403	$1,625,105
2044	$6,437,915	$1,673,858
2045	$6,631,052	$1,724,074
2046	$6,829,984	$1,775,796
2047	$7,034,883	$1,829,070
2048	$7,245,930	$1,883,942
2049	$7,463,308	$1,940,460
2050	$7,687,207	$1,998,674
2051	$7,917,823	$2,058,634
2052	$8,155,358	$2,120,393
2053	$8,400,018	$2,184,005
2054	$8,652,019	$2,249,525

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Table 38 - Continued
Taxable Spending by Direct, Indirect, & Induced Workers

Year	Worker Salaries	Workers' Taxable Spending
2055	$8,911,580	$2,317,011
2056	$9,178,927	$2,386,521
2057	$9,454,295	$2,458,117
2058	$9,737,924	$2,531,860
2059	$10,030,061	$2,607,816
2060	$10,330,963	$2,686,050
Total	$232.31 M	$60.40 M

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.

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Taxable Spending by the Facility and Indirect and Induced Companies

The facility's estimated taxable spending is shown below along with 2% of operating expenditures of indirect and induced companies which may be spent on taxable goods and services. If this is the case, the following taxable spending can be expected from the companies:

Table 39
Taxable Spending by the Facility and Indirect Companies

Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2025	$39,906	$92,653	$132,559
2026	$150,797	$350,120	$500,917
2027	$178,261	$413,886	$592,146
2028	$217,617	$505,263	$722,880
2029	$244,753	$568,267	$813,020
2030	$252,095	$585,315	$837,410
2031	$259,658	$602,874	$862,533
2032	$267,448	$620,961	$888,409
2033	$275,471	$639,589	$915,061
2034	$283,736	$658,777	$942,513
2035	$292,248	$678,540	$970,788
2036	$301,015	$698,897	$999,912
2037	$310,045	$719,864	$1,029,909
2038	$319,347	$741,459	$1,060,806
2039	$328,927	$763,703	$1,092,631
2040	$338,795	$786,614	$1,125,409
2041	$348,959	$810,213	$1,159,172
2042	$359,428	$834,519	$1,193,947
2043	$370,211	$859,555	$1,229,765
2044	$381,317	$885,341	$1,266,658
2045	$696,378	$1,616,851	$2,313,229
2046	$202,270	$469,629	$671,899
2047	$208,338	$483,718	$692,056
2048	$214,588	$498,230	$712,818
2049	$221,025	$513,177	$734,202
2050	$227,656	$528,572	$756,228
2051	$234,486	$544,429	$778,915
2052	$241,520	$560,762	$802,282

Table 39 continued on the next page

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Table 39 - Continued Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2053	$248,766	$577,585	$826,351
2054	$256,229	$594,912	$851,141
2055	$263,916	$612,760	$876,676
2056	$271,833	$631,143	$902,976
2057	$279,988	$650,077	$930,065
2058	$288,388	$669,579	$957,967
2059	$297,040	$689,667	$986,706
2060	$305,951	$710,357	$1,016,307
Total	$9.98 M	$23.17 M	$33.15 M

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

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

Table 40 Spending by a Typical Out-of-State Visitor	
Estimated number of out of town visitors	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%

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

Table 41
Spending by Out-of-Town Visitors

Year	Taxable Spending in the Community	Spending on Lodging in the Community
2025	$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

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Table 41 - Continued
Spending by Out-of-Town Visitors

Year	Taxable Spending in the Community	Spending on Lodging in the Community
2059	$178,200	$133,650
2060	$183,582	$137,686
Total	$4,116,746	$3,087,560

Total Taxable Sales

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

Table 42
Estimated Total Taxable Sales

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2025	$954,578	$0	$39,906	$92,653	$64,800	$1,151,937
2026	$983,215	$0	$150,797	$350,120	$66,757	$1,550,889
2027	$1,012,712	$0	$178,261	$413,886	$68,773	$1,673,631
2028	$1,043,093	$0	$217,617	$505,263	$70,850	$1,836,823
2029	$1,074,386	$0	$244,753	$568,267	$72,990	$1,960,395
2030	$1,106,617	$0	$252,095	$585,315	$75,194	$2,019,221
2031	$1,139,816	$0	$259,658	$602,874	$77,465	$2,079,813
2032	$1,174,010	$0	$267,448	$620,961	$79,804	$2,142,223
2033	$1,209,231	$0	$275,471	$639,589	$82,214	$2,206,506
2034	$1,245,507	$0	$283,736	$658,777	$84,697	$2,272,717
2035	$1,282,873	$0	$292,248	$678,540	$87,255	$2,340,916
2036	$1,321,359	$0	$301,015	$698,897	$89,890	$2,411,161
2037	$1,361,000	$0	$310,045	$719,864	$92,605	$2,483,513
2038	$1,401,830	$0	$319,347	$741,459	$95,401	$2,558,037
2039	$1,443,884	$0	$328,927	$763,703	$98,283	$2,634,798
2040	$1,487,201	$0	$338,795	$786,614	$101,251	$2,713,861
2041	$1,531,817	$0	$348,959	$810,213	$104,309	$2,795,297
2042	$1,577,772	$0	$359,428	$834,519	$107,459	$2,879,177
2043	$1,625,105	$0	$370,211	$859,555	$110,704	$2,965,574
2044	$1,673,858	$0	$381,317	$885,341	$114,047	$3,054,563
2045	$1,724,074	$0	$696,378	$1,616,851	$117,491	$4,154,794

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Table 42 - Continued
Estimated Total Taxable Sales

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2046	$1,775,796	$0	$202,270	$469,629	$121,040	$2,568,734
2047	$1,829,070	$0	$208,338	$483,718	$124,695	$2,645,820
2048	$1,883,942	$0	$214,588	$498,230	$128,461	$2,725,220
2049	$1,940,460	$0	$221,025	$513,177	$132,340	$2,807,002
2050	$1,998,674	$0	$227,656	$528,572	$136,337	$2,891,239
2051	$2,058,634	$0	$234,486	$544,429	$140,454	$2,978,003
2052	$2,120,393	$0	$241,520	$560,762	$144,696	$3,067,371
2053	$2,184,005	$0	$248,766	$577,585	$149,066	$3,159,422
2054	$2,249,525	$0	$256,229	$594,912	$153,568	$3,254,234
2055	$2,317,011	$0	$263,916	$612,760	$158,205	$3,351,892
2056	$2,386,521	$0	$271,833	$631,143	$162,983	$3,452,480
2057	$2,458,117	$0	$279,988	$650,077	$167,905	$3,556,087
2058	$2,531,860	$0	$288,388	$669,579	$172,976	$3,662,803
2059	$2,607,816	$0	$297,040	$689,667	$178,200	$3,772,722
2060	$2,686,050	$0	$305,951	$710,357	$183,582	$3,885,939
Total	$60,401,807	$0	$9,978,404	$23,167,858	$4,116,746	$97,664,816

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Sales Tax Collections

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

Table 43
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	$59,661	$0	$2,494	$5,791	$4,050	$71,996
2026	$61,451	$0	$9,425	$21,883	$4,172	$96,931
2027	$63,294	$0	$11,141	$25,868	$4,298	$104,602
2028	$65,193	$0	$13,601	$31,579	$4,428	$114,801
2029	$67,149	$0	$15,297	$35,517	$4,562	$122,525
2030	$69,164	$0	$15,756	$36,582	$4,700	$126,201
2031	$71,238	$0	$16,229	$37,680	$4,842	$129,988
2032	$73,376	$0	$16,715	$38,810	$4,988	$133,889
2033	$75,577	$0	$17,217	$39,974	$5,138	$137,907
2034	$77,844	$0	$17,733	$41,174	$5,294	$142,045
2035	$80,180	$0	$18,265	$42,409	$5,453	$146,307
2036	$82,585	$0	$18,813	$43,681	$5,618	$150,698
2037	$85,062	$0	$19,378	$44,991	$5,788	$155,220
2038	$87,614	$0	$19,959	$46,341	$5,963	$159,877
2039	$90,243	$0	$20,558	$47,731	$6,143	$164,675
2040	$92,950	$0	$21,175	$49,163	$6,328	$169,616
2041	$95,739	$0	$21,810	$50,638	$6,519	$174,706
2042	$98,611	$0	$22,464	$52,157	$6,716	$179,949
2043	$101,569	$0	$23,138	$53,722	$6,919	$185,348
2044	$104,616	$0	$23,832	$55,334	$7,128	$190,910
2045	$107,755	$0	$43,524	$101,053	$7,343	$259,675
2046	$110,987	$0	$12,642	$29,352	$7,565	$160,546
2047	$114,317	$0	$13,021	$30,232	$7,793	$165,364
2048	$117,746	$0	$13,412	$31,139	$8,029	$170,326
2049	$121,279	$0	$13,814	$32,074	$8,271	$175,438
2050	$124,917	$0	$14,229	$33,036	$8,521	$180,702
2051	$128,665	$0	$14,655	$34,027	$8,778	$186,125
2052	$132,525	$0	$15,095	$35,048	$9,044	$191,711
2053	$136,500	$0	$15,548	$36,099	$9,317	$197,464
2054	$140,595	$0	$16,014	$37,182	$9,598	$203,390
2055	$144,813	$0	$16,495	$38,297	$9,888	$209,493
2056	$149,158	$0	$16,990	$39,446	$10,186	$215,780
2057	$153,632	$0	$17,499	$40,630	$10,494	$222,255
2058	$158,241	$0	$18,024	$41,849	$10,811	$228,925

Table 43 continued on the next page

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Table 43 - Continued
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	$162,988	$0	$18,565	$43,104	$11,137	$235,795
2060	$167,878	$0	$19,122	$44,397	$11,474	$242,871
Total	$3,775,113	$0	$623,650	$1,447,991	$257,297	$6,104,051

Hotel Occupancy Tax Collections

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

Table 44
Estimated Hotel Occupancy Tax Collections from Visitors

Year	*Spending on Lodging*	Total Hotel Occupancy Tax 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

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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
Total	*$3,087,560*	$185,254

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Franchise Tax Collections from the Company and Indirect and Induced Businesses

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

Estimated Taxable Margins of the Company and Indirect and Induced Companies

The facility's estimated taxable margins subject to Texas franchise tax may be 10% of its operating revenues and the estimated taxable margins of indirect companies may be 15% of revenues.
If this is the case, the estimated taxable margins of the company and indirect and induced companies that will be subject to corporate franchise taxes in the state of Texas are shown below.

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

Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2025	$399,059	$694,901	$1,093,959
2026	$1,507,968	$2,625,900	$4,133,868
2027	$1,782,607	$3,104,142	$4,886,748
2028	$2,176,169	$3,789,471	$5,965,640
2029	$2,447,528	$4,262,002	$6,709,530
2030	$2,520,953	$4,389,862	$6,910,816
2031	$2,596,582	$4,521,558	$7,118,140
2032	$2,674,480	$4,657,205	$7,331,684
2033	$2,754,714	$4,796,921	$7,551,635
2034	$2,837,355	$4,940,829	$7,778,184
2035	$2,922,476	$5,089,054	$8,011,530
2036	$3,010,150	$5,241,725	$8,251,875
2037	$3,100,455	$5,398,977	$8,499,432
2038	$3,193,468	$5,560,946	$8,754,415
2039	$3,289,272	$5,727,775	$9,017,047
2040	$3,387,951	$5,899,608	$9,287,558

Table 45 continued on the next page

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

Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2041	$3,489,589	$6,076,596	$9,566,185
2042	$3,594,277	$6,258,894	$9,853,171
2043	$3,702,105	$6,446,661	$10,148,766
2044	$3,813,168	$6,640,061	$10,453,229
2045	$6,963,782	$12,126,381	$19,090,163
2046	$2,022,695	$3,522,220	$5,544,915
2047	$2,083,376	$3,627,887	$5,711,263
2048	$2,145,877	$3,736,723	$5,882,601
2049	$2,210,254	$3,848,825	$6,059,079
2050	$2,276,561	$3,964,290	$6,240,851
2051	$2,344,858	$4,083,218	$6,428,077
2052	$2,415,204	$4,205,715	$6,620,919
2053	$2,487,660	$4,331,887	$6,819,546
2054	$2,562,290	$4,461,843	$7,024,133
2055	$2,639,158	$4,595,698	$7,234,857
2056	$2,718,333	$4,733,569	$7,451,902
2057	$2,799,883	$4,875,576	$7,675,460
2058	$2,883,880	$5,021,844	$7,905,723
2059	$2,970,396	$5,172,499	$8,142,895
2060	$3,059,508	$5,327,674	$8,387,182
Total	$99.78 M	$173.76 M	$273.54 M

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

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

Table 46
Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations

	The Facility	Indirect & Induced Businesses	Total
2025	$2,993	$5,212	$8,205
2026	$11,310	$19,694	$31,004
2027	$13,370	$23,281	$36,651
2028	$16,321	$28,421	$44,742
2029	$18,356	$31,965	$50,321
2030	$18,907	$32,924	$51,831
2031	$19,474	$33,912	$53,386
2032	$20,059	$34,929	$54,988
2033	$20,660	$35,977	$56,637
2034	$21,280	$37,056	$58,336
2035	$21,919	$38,168	$60,086
2036	$22,576	$39,313	$61,889
2037	$23,253	$40,492	$63,746
2038	$23,951	$41,707	$65,658
2039	$24,670	$42,958	$67,628
2040	$25,410	$44,247	$69,657
2041	$26,172	$45,574	$71,746
2042	$26,957	$46,942	$73,899
2043	$27,766	$48,350	$76,116
2044	$28,599	$49,800	$78,399
2045	$52,228	$90,948	$143,176
2046	$15,170	$26,417	$41,587
2047	$15,625	$27,209	$42,834
2048	$16,094	$28,025	$44,120
2049	$16,577	$28,866	$45,443
2050	$17,074	$29,732	$46,806
2051	$17,586	$30,624	$48,211
2052	$18,114	$31,543	$49,657
2053	$18,657	$32,489	$51,147
2054	$19,217	$33,464	$52,681

Table 46 continued on the next page

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Table 46 - Continued Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect & Induced Businesses	Total
2055	$19,794	$34,468	$54,261
2056	$20,387	$35,502	$55,889
2057	$20,999	$36,567	$57,566
2058	$21,629	$37,664	$59,293
2059	$22,278	$38,794	$61,072
2060	$22,946	$39,958	$62,904
Total	$748,380	$1,303,192	$2,051,572

Other Taxes and Revenues from Workers

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

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

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

Table 48
Other Revenues for the State from Workers During Operations

Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes and Revenues
2025	$1,873	$21,852	$5,494	$9,240	$15,084	$53,543
2026	$1,929	$22,507	$5,659	$9,517	$15,537	$55,149
2027	$1,987	$23,183	$5,829	$9,803	$16,003	$56,804
2028	$2,047	$23,878	$6,004	$10,097	$16,483	$58,508
2029	$2,108	$24,594	$6,184	$10,400	$16,977	$60,263
2030	$2,171	$25,332	$6,369	$10,712	$17,486	$62,071
2031	$2,236	$26,092	$6,560	$11,033	$18,011	$63,933
2032	$2,304	$26,875	$6,757	$11,364	$18,551	$65,851
2033	$2,373	$27,681	$6,960	$11,705	$19,108	$67,827
2034	$2,444	$28,512	$7,169	$12,056	$19,681	$69,862
2035	$2,517	$29,367	$7,384	$12,418	$20,272	$71,958
2036	$2,593	$30,248	$7,605	$12,791	$20,880	$74,116
2037	$2,670	$31,155	$7,833	$13,174	$21,506	$76,340
2038	$2,751	$32,090	$8,068	$13,570	$22,151	$78,630
2039	$2,833	$33,053	$8,310	$13,977	$22,816	$80,989
2040	$2,918	$34,044	$8,560	$14,396	$23,500	$83,419
2041	$3,006	$35,066	$8,817	$14,828	$24,205	$85,921
2042	$3,096	$36,118	$9,081	$15,273	$24,932	$88,499
2043	$3,189	$37,201	$9,353	$15,731	$25,679	$91,154
2044	$3,284	$38,317	$9,634	$16,203	$26,450	$93,888
2045	$3,383	$39,467	$9,923	$16,689	$27,243	$96,705
2046	$3,484	$40,651	$10,221	$17,189	$28,061	$99,606
2047	$3,589	$41,870	$10,527	$17,705	$28,902	$102,594
2048	$3,697	$43,126	$10,843	$18,236	$29,770	$105,672
2049	$3,807	$44,420	$11,169	$18,783	$30,663	$108,842
2050	$3,922	$45,753	$11,504	$19,347	$31,583	$112,108
2051	$4,039	$47,125	$11,849	$19,927	$32,530	$115,471
2052	$4,161	$48,539	$12,204	$20,525	$33,506	$118,935
2053	$4,285	$49,995	$12,570	$21,141	$34,511	$122,503
2054	$4,414	$51,495	$12,947	$21,775	$35,546	$126,178
2055	$4,546	$53,040	$13,336	$22,428	$36,613	$129,963
2056	$4,683	$54,631	$13,736	$23,101	$37,711	$133,862
2057	$4,823	$56,270	$14,148	$23,794	$38,843	$137,878
2058	$4,968	$57,958	$14,572	$24,508	$40,008	$142,014
2059	$5,117	$59,697	$15,010	$25,243	$41,208	$146,275
2060	$5,270	$61,488	$15,460	$26,001	$42,444	$150,663
Total	$118,517	$1,382,694	$347,649	$584,682	$954,454	$3,387,996

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

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

Table 49
General Fund Revenues for the State During Operations

Year	Sales Tax Collections	Hotel Occupancy Taxes	Franchise Tax Collections	Other Taxes and Revenues	Total State Revenues
2025	$71,996	$2,916	$8,205	$53,543	$136,660
2026	$96,931	$3,004	$31,004	$55,149	$186,088
2027	$104,602	$3,095	$36,651	$56,804	$201,151
2028	$114,801	$3,188	$44,742	$58,508	$221,240
2029	$122,525	$3,285	$50,321	$60,263	$236,394
2030	$126,201	$3,384	$51,831	$62,071	$243,487
2031	$129,988	$3,486	$53,386	$63,933	$250,794
2032	$133,889	$3,591	$54,988	$65,851	$258,319
2033	$137,907	$3,700	$56,637	$67,827	$266,070
2034	$142,045	$3,811	$58,336	$69,862	$274,054
2035	$146,307	$3,926	$60,086	$71,958	$282,278
2036	$150,698	$4,045	$61,889	$74,116	$290,748
2037	$155,220	$4,167	$63,746	$76,340	$299,472
2038	$159,877	$4,293	$65,658	$78,630	$308,458
2039	$164,675	$4,423	$67,628	$80,989	$317,714
2040	$169,616	$4,556	$69,657	$83,419	$327,248
2041	$174,706	$4,694	$71,746	$85,921	$337,067
2042	$179,949	$4,836	$73,899	$88,499	$347,182
2043	$185,348	$4,982	$76,116	$91,154	$357,599
2044	$190,910	$5,132	$78,399	$93,888	$368,330
2045	$259,675	$5,287	$143,176	$96,705	$504,843
2046	$160,546	$5,447	$41,587	$99,606	$307,186
2047	$165,364	$5,611	$42,834	$102,594	$316,404
2048	$170,326	$5,781	$44,120	$105,672	$325,899
2049	$175,438	$5,955	$45,443	$108,842	$335,678
2050	$180,702	$6,135	$46,806	$112,108	$345,752
2051	$186,125	$6,320	$48,211	$115,471	$356,127
2052	$191,711	$6,511	$49,657	$118,935	$366,814
2053	$197,464	$6,708	$51,147	$122,503	$377,821
2054	$203,390	$6,911	$52,681	$126,178	$389,159
2055	$209,493	$7,119	$54,261	$129,963	$400,837
2056	$215,780	$7,334	$55,889	$133,862	$412,866
2057	$222,255	$7,556	$57,566	$137,878	$425,255

Table 49 continued on the next page

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Table 49 - Continued
General Fund Revenues for the State During Operations

Year	Sales Tax Collections	Hotel Occupancy Taxes	Franchise Tax Collections	Other Taxes and Revenues	Total State Revenues
2058	$228,925	$7,784	$59,293	$142,014	$438,017
2059	$235,795	$8,019	$61,072	$146,275	$451,161
2060	$242,871	$8,261	$62,904	$150,663	$464,699
Total	$6,104,051	$185,254	$2,051,572	$3,387,996	$11,728,872

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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	$131,173	$136,660
2026	$20,735	$165,354	$186,088
2027	$24,511	$176,640	$201,151
2028	$29,922	$191,318	$221,240
2029	$33,654	$202,741	$236,394
2030	$34,663	$208,824	$243,487
2031	$35,703	$215,091	$250,794
2032	$36,774	$221,545	$258,319
2033	$37,877	$228,193	$266,070
2034	$39,014	$235,041	$274,054
2035	$40,184	$242,094	$282,278
2036	$41,390	$249,358	$290,748
2037	$42,631	$256,841	$299,472
2038	$43,910	$264,548	$308,458
2039	$45,227	$272,487	$317,714
2040	$46,584	$280,664	$327,248
2041	$47,982	$289,086	$337,067
2042	$49,421	$297,760	$347,182
2043	$50,904	$306,696	$357,599
2044	$52,431	$315,899	$368,330
2045	$95,752	$409,091	$504,843
2046	$27,812	$279,374	$307,186
2047	$28,646	$287,757	$316,404
2048	$29,506	$296,393	$325,899
2049	$30,391	$305,287	$335,678
2050	$31,303	$314,449	$345,752
2051	$32,242	$323,885	$356,127
2052	$33,209	$333,605	$366,814
2053	$34,205	$343,616	$377,821
2054	$35,231	$353,928	$389,159
2055	$36,288	$364,549	$400,837
2056	$37,377	$375,489	$412,866

Table 50 continued on the next page

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Table 50 - Continued
Direct vs. Indirect: General Fund Revenues for the State During Operations

Year	Direct Taxes	Indirect Taxes	Total State Revenues
2057	$38,498	$386,757	$425,255
2058	$39,653	$398,363	$438,017
2059	$40,843	$410,318	$451,161
2060	$42,068	$422,631	$464,699
Total	$1,372,031	$10,356,842	$11,728,872

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Local Area Benefits
Economic Impact & Tax Revenue

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

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

Local Economic Impacts During Construction

Construction Economic Output/Increase in Gross Area Product

The facility's construction project will provide direct, indirect and induced economic output/increase in gross area product in 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
Economic Output/Increase in Gross Area Product in Martin County During Construction

Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	$2,390,000	$329,342	$2,719,342
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$2.39 M	$0.33 M	$2.72 M

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

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Construction Employment

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

Table 52
Direct, Indirect and Induced Employment
in Martin County During Construction

Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	15	5	20
2026	0	0	0
2027	0	0	0
2028	0	0	0
Annual Avg.	15	5	20

Construction Payroll

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

Table 53
Direct, Indirect and Induced Payroll
in Martin County During Construction

Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	$956,000	$287,756	$1,243,756
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$956,000	$287,756	$1,243,756

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.

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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
Local Estimated Taxable Sales During Construction

Year	Estimated Taxable Machinery and Equipment	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable 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
Total	$911,700	$107,550	$49,585	$1,068,835

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
Estimated Sales Tax Collections During Construction

Year	On Taxable Machinery & Equipment	On Construction Materials	On Taxable Worker Spending	Total Sales Tax Collections	*Direct Sales Tax Collections*	*Total Sales Tax Collections*
2025	$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*
Total	$18,234	$2,151	$992	$21,377	*$20,385*	*$992*

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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
Tax Revenues for the City During Construction

Year	City Sales Tax Collections	County Sales Tax Collections	Total Revenues
2025	$21,377	$0	$21,377
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
Total	$21,377	$0	$21,377

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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.

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

Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	$3,990,586	$948,961	$4,939,547
2026	$15,079,681	$3,585,948	$18,665,629
2027	$17,826,065	$4,239,038	$22,065,104
2028	$21,761,687	$5,174,929	$26,936,617
2029	$24,475,276	$5,820,221	$30,295,497
2030	$25,209,535	$5,994,827	$31,204,362
2031	$25,965,821	$6,174,672	$32,140,493
2032	$26,744,795	$6,359,912	$33,104,707
2033	$27,547,139	$6,550,710	$34,097,849
2034	$28,373,553	$6,747,231	$35,120,784
2035	$29,224,760	$6,949,648	$36,174,408
2036	$30,101,503	$7,158,137	$37,259,640
2037	$31,004,548	$7,372,881	$38,377,429
2038	$31,934,684	$7,594,068	$39,528,752
2039	$32,892,725	$7,821,890	$40,714,615
2040	$33,879,506	$8,056,547	$41,936,053
2041	$34,895,892	$8,298,243	$43,194,135
2042	$35,942,768	$8,547,190	$44,489,959
2043	$37,021,051	$8,803,606	$45,824,657
2044	$38,131,683	$9,067,714	$47,199,397
2045	$69,637,817	$16,559,873	$86,197,690
2046	$20,226,951	$4,809,969	$25,036,920
2047	$20,833,760	$4,954,268	$25,788,028
2048	$21,458,773	$5,102,896	$26,561,669
2049	$22,102,536	$5,255,983	$27,358,519
2050	$22,765,612	$5,413,662	$28,179,274

Table 57 continued on the next page

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

Year	Direct Operations Output	Indirect & Induced Output	Total Output
2051	$23,448,580	$5,576,072	$29,024,652
2052	$24,152,038	$5,743,355	$29,895,392
2053	$24,876,599	$5,915,655	$30,792,254
2054	$25,622,897	$6,093,125	$31,716,021
2055	$26,391,584	$6,275,919	$32,667,502
2056	$27,183,331	$6,464,196	$33,647,527
2057	$27,998,831	$6,658,122	$34,656,953
2058	$28,838,796	$6,857,866	$35,696,662
2059	$29,703,960	$7,063,602	$36,767,561
2060	$30,595,079	$7,275,510	$37,870,588
Total	$997.84 M	$237.29 M	$1,235.13 M

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Employment during Operations

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

Table 58
Direct, Indirect & Induced Employment
in Martin County During Operations

Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	10	6	16
2026	10	6	16
2027	10	6	16
2028	10	6	16
2029	10	6	16
2030	10	6	16
2031	10	6	16
2032	10	6	16
2033	10	6	16
2034	10	6	16
2035	10	6	16
2036	10	6	16
2037	10	6	16
2038	10	6	16
2039	10	6	16
2040	10	6	16
2041	10	6	16
2042	10	6	16
2043	10	6	16
2044	10	6	16
2045	10	6	16
2046	10	6	16
2047	10	6	16
2048	10	6	16
2049	10	6	16
2050	10	6	16
2051	10	6	16
2052	10	6	16
2053	10	6	16
2054	10	6	16
2055	10	6	16

Table 58 continued on the next page

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Table 58 - Continued
Direct, Indirect & Induced Employment
in Martin County During Operations

Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2056	10	6	16
2057	10	6	16
2058	10	6	16
2059	10	6	16
2060	10	6	16

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

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

Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	$1,651,650	$435,210	$2,086,860
2026	$1,701,200	$448,266	$2,149,466
2027	$1,752,235	$461,714	$2,213,950
2028	$1,804,803	$475,565	$2,280,368
2029	$1,858,947	$489,832	$2,348,779
2030	$1,914,715	$504,527	$2,419,242
2031	$1,972,156	$519,663	$2,491,820
2032	$2,031,321	$535,253	$2,566,574
2033	$2,092,261	$551,311	$2,643,572
2034	$2,155,029	$567,850	$2,722,879
2035	$2,219,679	$584,886	$2,804,565
2036	$2,286,270	$602,432	$2,888,702
2037	$2,354,858	$620,505	$2,975,363
2038	$2,425,504	$639,120	$3,064,624
2039	$2,498,269	$658,294	$3,156,563
2040	$2,573,217	$678,043	$3,251,260
2041	$2,650,413	$698,384	$3,348,797
2042	$2,729,926	$719,335	$3,449,261

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

Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2043	$2,811,824	$740,916	$3,552,739
2044	$2,896,178	$763,143	$3,659,321
2045	$2,983,064	$786,037	$3,769,101
2046	$3,072,556	$809,618	$3,882,174
2047	$3,164,732	$833,907	$3,998,639
2048	$3,259,674	$858,924	$4,118,598
2049	$3,357,464	$884,692	$4,242,156
2050	$3,458,188	$911,233	$4,369,421
2051	$3,561,934	$938,570	$4,500,504
2052	$3,668,792	$966,727	$4,635,519
2053	$3,778,856	$995,728	$4,774,584
2054	$3,892,221	$1,025,600	$4,917,822
2055	$4,008,988	$1,056,368	$5,065,356
2056	$4,129,258	$1,088,059	$5,217,317
2057	$4,253,135	$1,120,701	$5,373,837
2058	$4,380,729	$1,154,322	$5,535,052
2059	$4,512,151	$1,188,952	$5,701,103
2060	$4,647,516	$1,224,620	$5,872,136
Total	$104,509,713	$27,538,309	$132,048,023

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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
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	$95,458	$0	$3,991	$9,265	$6,480	$115,194
2026	$98,322	$0	$15,080	$35,012	$6,676	$155,089
2027	$101,271	$0	$17,826	$41,389	$6,877	$167,363
2028	$104,309	$0	$21,762	$50,526	$7,085	$183,682
2029	$107,439	$0	$24,475	$56,827	$7,299	$196,039
2030	$110,662	$0	$25,210	$58,531	$7,519	$201,922
2031	$113,982	$0	$25,966	$60,287	$7,746	$207,981
2032	$117,401	$0	$26,745	$62,096	$7,980	$214,222
2033	$120,923	$0	$27,547	$63,959	$8,221	$220,651
2034	$124,551	$0	$28,374	$65,878	$8,470	$227,272
2035	$128,287	$0	$29,225	$67,854	$8,726	$234,092
2036	$132,136	$0	$30,102	$69,890	$8,989	$241,116
2037	$136,100	$0	$31,005	$71,986	$9,260	$248,351
2038	$140,183	$0	$31,935	$74,146	$9,540	$255,804
2039	$144,388	$0	$32,893	$76,370	$9,828	$263,480
2040	$148,720	$0	$33,880	$78,661	$10,125	$271,386
2041	$153,182	$0	$34,896	$81,021	$10,431	$279,530
2042	$157,777	$0	$35,943	$83,452	$10,746	$287,918
2043	$162,510	$0	$37,021	$85,955	$11,070	$296,557
2044	$167,386	$0	$38,132	$88,534	$11,405	$305,456
2045	$172,407	$0	$69,638	$161,685	$11,749	$415,479
2046	$177,580	$0	$20,227	$46,963	$12,104	$256,873
2047	$182,907	$0	$20,834	$48,372	$12,469	$264,582
2048	$188,394	$0	$21,459	$49,823	$12,846	$272,522
2049	$194,046	$0	$22,103	$51,318	$13,234	$280,700
2050	$199,867	$0	$22,766	$52,857	$13,634	$289,124
2051	$205,863	$0	$23,449	$54,443	$14,045	$297,800
2052	$212,039	$0	$24,152	$56,076	$14,470	$306,737
2053	$218,400	$0	$24,877	$57,758	$14,907	$315,942
2054	$224,952	$0	$25,623	$59,491	$15,357	$325,423
2055	$231,701	$0	$26,392	$61,276	$15,821	$335,189
2056	$238,652	$0	$27,183	$63,114	$16,298	$345,248

Table 60 continued on the next page

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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	$245,812	$0	$27,999	$65,008	$16,791	$355,609
2058	$253,186	$0	$28,839	$66,958	$17,298	$366,280
2059	$260,782	$0	$29,704	$68,967	$17,820	$377,272
2060	$268,605	$0	$30,595	$71,036	$18,358	$388,594
Total	$6,040,181	$0	$997,840	$2,316,786	$411,675	$9,766,482

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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
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	$1,909	$0	$80	$185	$130	$2,304
2026	$1,966	$0	$302	$700	$134	$3,102
2027	$2,025	$0	$357	$828	$138	$3,347
2028	$2,086	$0	$435	$1,011	$142	$3,674
2029	$2,149	$0	$490	$1,137	$146	$3,921
2030	$2,213	$0	$504	$1,171	$150	$4,038
2031	$2,280	$0	$519	$1,206	$155	$4,160
2032	$2,348	$0	$535	$1,242	$160	$4,284
2033	$2,418	$0	$551	$1,279	$164	$4,413
2034	$2,491	$0	$567	$1,318	$169	$4,545
2035	$2,566	$0	$584	$1,357	$175	$4,682
2036	$2,643	$0	$602	$1,398	$180	$4,822
2037	$2,722	$0	$620	$1,440	$185	$4,967
2038	$2,804	$0	$639	$1,483	$191	$5,116
2039	$2,888	$0	$658	$1,527	$197	$5,270
2040	$2,974	$0	$678	$1,573	$203	$5,428
2041	$3,064	$0	$698	$1,620	$209	$5,591
2042	$3,156	$0	$719	$1,669	$215	$5,758
2043	$3,250	$0	$740	$1,719	$221	$5,931
2044	$3,348	$0	$763	$1,771	$228	$6,109
2045	$3,448	$0	$1,393	$3,234	$235	$8,310
2046	$3,552	$0	$405	$939	$242	$5,137
2047	$3,658	$0	$417	$967	$249	$5,292
2048	$3,768	$0	$429	$996	$257	$5,450
2049	$3,881	$0	$442	$1,026	$265	$5,614
2050	$3,997	$0	$455	$1,057	$273	$5,782
2051	$4,117	$0	$469	$1,089	$281	$5,956
2052	$4,241	$0	$483	$1,122	$289	$6,135
2053	$4,368	$0	$498	$1,155	$298	$6,319
2054	$4,499	$0	$512	$1,190	$307	$6,508
2055	$4,634	$0	$528	$1,226	$316	$6,704
2056	$4,773	$0	$544	$1,262	$326	$6,905
2057	$4,916	$0	$560	$1,300	$336	$7,112
2058	$5,064	$0	$577	$1,339	$346	$7,326

Table 61 continued on the next page

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Table 61 - Continued
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	$5,216	$0	$594	$1,379	$356	$7,545
2060	$5,372	$0	$612	$1,421	$367	$7,772
Total	$120,804	$0	$19,957	$46,336	$8,233	$195,330

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	*Spending on Lodging*	City Hotel Occupancy Tax 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

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Table 62 - Continued
Estimated Hotel Occupancy Tax Collections from Visitors

Year	*Spending on Lodging*	City Hotel Occupancy Tax 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
Total	*$3,087,560*	$216,129

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Property Tax Collections - JETI Investment

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

Table 63
Ad Valorem Tax Collections for Local Taxing Units on Investment

Year	N/A	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
Total	$0	$6,399,614	$17,278,493	$4,708,838	$28,386,944

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Property Tax Collections - Land and Inventories

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

Table 64
Appraised Value of the Facility's Land & Inventories

Year	Land	Inventories	Total Appraised Value of Land & Inventories
2025	$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

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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 ***0.0000000***	Martin County ***0.2023000***	Stanton ISD ***0.7182940***	Other Local Jurisdictions ***0.1488524***	Total ***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

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

Year	*Taxable Value of Land & Inventories*	N/A	Martin County	Stanton ISD	Other Local Jurisdictions	Total
		0.0000000	***0.2023000***	***0.7182940***	***0.1488524***	***1.0694464***
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
Total		$0	$0	$0	$0	$0

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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

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

Table 66
Tax Revenues for Local Taxing Units During Operations by Year

Year	City Sales Tax Collections	County Sales Tax Collections	City Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
2025	$2,304	$0	$3,402	$0	$0	$5,706
2026	$3,102	$0	$3,505	$1,302,728	$0	$1,309,335
2027	$3,347	$0	$3,611	$1,271,295	$0	$1,278,253
2028	$3,674	$0	$3,720	$1,237,465	$0	$1,244,858
2029	$3,921	$0	$3,832	$1,200,705	$0	$1,208,458
2030	$4,038	$0	$3,948	$1,161,147	$0	$1,169,134
2031	$4,160	$0	$4,067	$1,118,394	$0	$1,126,620
2032	$4,284	$0	$4,190	$1,072,177	$0	$1,080,651
2033	$4,413	$0	$4,316	$1,022,364	$0	$1,031,093
2034	$4,545	$0	$4,447	$968,422	$0	$977,414
2035	$4,682	$0	$4,581	$910,218	$0	$919,481
2036	$4,822	$0	$4,719	$1,257,067	$0	$1,266,608
2037	$4,967	$0	$4,862	$1,156,312	$0	$1,166,141
2038	$5,116	$0	$5,009	$1,047,654	$0	$1,057,779
2039	$5,270	$0	$5,160	$930,305	$0	$940,734
2040	$5,428	$0	$5,316	$803,472	$0	$814,215
2041	$5,591	$0	$5,476	$666,366	$0	$677,433
2042	$5,758	$0	$5,642	$592,677	$0	$604,076
2043	$5,931	$0	$5,812	$592,677	$0	$604,420
2044	$6,109	$0	$5,987	$592,677	$0	$604,773
2045	$8,310	$0	$6,168	$592,677	$0	$607,154
2046	$5,137	$0	$6,355	$592,677	$0	$604,169
2047	$5,292	$0	$6,546	$592,677	$0	$604,515
2048	$5,450	$0	$6,744	$592,677	$0	$604,871
2049	$5,614	$0	$6,948	$592,677	$0	$605,238
2050	$5,782	$0	$7,158	$592,677	$0	$605,617
2051	$5,956	$0	$7,374	$592,677	$0	$606,006
2052	$6,135	$0	$7,597	$592,677	$0	$606,408
2053	$6,319	$0	$7,826	$592,677	$0	$606,821
2054	$6,508	$0	$8,062	$592,677	$0	$607,247
2055	$6,704	$0	$8,306	$592,677	$0	$607,686
2056	$6,905	$0	$8,557	$592,677	$0	$608,138
2057	$7,112	$0	$8,815	$592,677	$0	$608,604
2058	$7,326	$0	$9,081	$592,677	$0	$609,083
2059	$7,545	$0	$9,355	$592,677	$0	$609,577
2060	$7,772	$0	$9,638	$592,677	$0	$610,086
Total	$195,330	$0	$216,129	$28,386,944	$0	$28,798,403

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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	$5,626	$5,706
2026	$1,303,030	$6,305	$1,309,335
2027	$1,271,652	$6,601	$1,278,253
2028	$1,237,900	$6,958	$1,244,858
2029	$1,201,194	$7,263	$1,208,458
2030	$1,161,652	$7,482	$1,169,134
2031	$1,118,913	$7,707	$1,126,620
2032	$1,072,712	$7,939	$1,080,651
2033	$1,022,915	$8,178	$1,031,093
2034	$968,990	$8,425	$977,414
2035	$910,803	$8,678	$919,481
2036	$1,257,669	$8,940	$1,266,608
2037	$1,156,932	$9,209	$1,166,141
2038	$1,048,293	$9,486	$1,057,779
2039	$930,962	$9,772	$940,734
2040	$804,149	$10,066	$814,215
2041	$667,064	$10,369	$677,433
2042	$593,395	$10,681	$604,076
2043	$593,417	$11,003	$604,420
2044	$593,439	$11,334	$604,773
2045	$594,069	$13,085	$607,154
2046	$593,081	$11,088	$604,169
2047	$593,093	$11,421	$604,515
2048	$593,106	$11,765	$604,871
2049	$593,119	$12,120	$605,238
2050	$593,132	$12,485	$605,617
2051	$593,145	$12,861	$606,006
2052	$593,160	$13,248	$606,408
2053	$593,174	$13,647	$606,821
2054	$593,189	$14,058	$607,247
2055	$593,204	$14,482	$607,686
2056	$593,220	$14,918	$608,138
2057	$593,236	$15,367	$608,604
2058	$593,253	$15,830	$609,083
2059	$593,271	$16,307	$609,577
2060	$593,288	$16,798	$610,086
Total	$28,406,901	$391,502	$28,798,403

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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

	Sales Tax Collections	Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
Nearby Cities	$195,330	$216,129	$0	$0	$411,459
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
Total	$195,330	$216,129	$28,386,944	$0	$28,798,403

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Discussion of Indirect and Induced Impacts

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

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

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

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

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

Table 68
State of Texas RIMS II Multipliers Used in this Analysis
Type II (Direct + Indirect + Induced) Multipliers

	During Construction	During Operations
Output multiplier	2.4340	2.1609
Employment multiplier	2.2589	4.9947
Earnings multiplier	1.9949	2.2229

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

Table 69
Martin County RIMS II Multipliers Used in this Analysis
Type II (Direct + Indirect + Induced) Multipliers

	During Construction	During Operations
Output multiplier	1.1378	1.2378
Employment multiplier	1.3594	1.5830
Earnings multiplier	1.3010	1.2635

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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%

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

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

Some assumptions used in this analysis:

Annual state gasoline tax collections per worker:

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

Annual motor vehicle sales and use tax collections per worker:

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

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

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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%
Total Local Sales Tax Rate	2.00%

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

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Brazos Midstream

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

Tab 9 – Sworn Affidavit

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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.

HOLLY HERRELL NOTARY PUBLIC STATE OF TEXAS ID 13203927 EXP. 06-05-2027

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 (Fill in actual tax year below) YYYY	New Eligible investment made during this year for tangible personal property as defined in Section (403.602(9)(B)) placed into service after the date the agreement was entered into	New eligible investment as defined in Section 403.602(13) made during this year and after the date the agreement was entered into.	Total Investment (for this year only)
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

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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 Reall Property	Final taxable value for I&S after all reductions (land plus reall property)	Final taxable value for M&O after all reductions (land plus real property)
Construction Period *Insert as many rows as necessary*	1		2025-2026	2025		-	-	-
Incentive Period (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) Must total at least 20 years with construction, Incentive, and additional years *Insert as many rows as necessary*	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.

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

Amended

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	211130	Natural Gas Extraction	6	123	100	1,782	3,994	92,518,943	1,776	1,779	1,790	148
2023	02	Permian Basin	000011	Total All	211130	Natural Gas Extraction	6	129	103	1,825	2,185	51,837,125	1,821	1,869	1,784	148
2023	03	Permian Basin	000011	Total All	211130	Natural Gas Extraction	6	124	101	1,688	2,293	50,337,818	1,729	1,697	1,639	148
2023	04	Permian Basin	000011	Total All	211130	Natural Gas Extraction	6	123	102	1,556	2,460	49,759,709	1,536	1,548	1,584	148
2024	01	Permian Basin	000011	Total All	211130	Natural Gas Extraction	6	139	103	2,260	4,231	124,291,426	2,240	2,260	2,279	148
2024	02	Permian Basin	000011	Total All	211130	Natural Gas Extraction	6	136	101	2,294	2,566	76,505,936	2,289	2,297	2,295	148

Avg Weekly	2,888
Avg Annual	150,150
110% of Avg Annual	**165,165**

County: Martin County	6 Digit NAICS	211130	No results
	5 Digit NAICS	21113	No results
	4 Digit NAICS	2111	No results
WDA: Permian Basin	6 Digit NAICS	211130	Data for 4 consecutive quarters
	5 Digit NAICS	21113	
	4 Digit NAICS	2111	
State: Texas	6 Digit NAICS	211130	
	5 Digit NAICS	21113	
	4 Digit NAICS	2111	

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

jeti_application_instructions.pdf

Docusign Envelope ID: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7

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 (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 (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

Certificate Of Completion

Envelope Id: 1BEAE95E-83CD-4CF0-BF56-491ED8DE2BA7
Status: Completed
Subject: Complete with Docusign: J0013-brazosmidland-stantonisd-recpcktrouting-tc-dc-wc-kc.pdf
Source Envelope:
Document Pages: 161
Signatures: 1
Certificate Pages: 1
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Tabita Collazo
111 E 17th Street
Austin, TX 78701
Tabita.Collazo@cpa.texas.gov
IP Address: 204.64.147.235

Record Tracking

Status: Original
3/5/2025 1:31:11 PM
Holder: Tabita Collazo
Tabita.Collazo@cpa.texas.gov
Location: DocuSign

Security Appliance Status: Connected
Pool: FedRamp

Storage Appliance Status: Connected
Pool: Texas Comptroller of Public Accounts
Location: Docusign

Signer Events	Signature	Timestamp
Lisa Craven Lisa.Craven@cpa.texas.gov Deputy Comptroller Security Level: Email, Account Authentication (None)	DocuSigned by: Lisa Craven E450165D764443C... Signature Adoption: Pre-selected Style Using IP Address: 204.64.147.249	Sent: 3/5/2025 1:34:20 PM Viewed: 3/5/2025 2:07:14 PM Signed: 3/5/2025 2:08:01 PM

Electronic Record and Signature Disclosure:
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/5/2025 1:34:20 PM
Certified Delivered	Security Checked	3/5/2025 2:07:14 PM
Signing Complete	Security Checked	3/5/2025 2:08:01 PM
Completed	Security Checked	3/5/2025 2:08:01 PM

Payment Events	Status	Timestamps