



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

July 16, 2025

Erik Orstead
Senior Director, Strategic Real Estate
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285

Re: Recommendation for Approval for Limitation on Taxable Value of Property for School District Maintenance and Operations Taxes by Eli Lilly and Company, Application J0016.

Dear Erik Orstead:

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 Medical and Botanical Manufacturing (NAICS Code 325411) 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.

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the information presented changes or the agreement deviates from the application, this recommendation for approval is rescinded, thereby rendering the prerequisite for a Comptroller recommendation, under Section 403.609, Government Code, as not attained.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


E450165D764443C...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Stephenie Mercado, BLS & Co
Abraham George, Sheldon ISD
Sara Leon, Leon Alcala

Attachment A - Summary

Applicant Name	Eli Lilly and Company
Eligibility Category (six digit NAICS code)	325411
School District	Sheldon ISD
County	Harris
Population in County	4,731,145
Minimum required jobs per Sec. 403.604	75
Projected commencement of construction	2025
Projected completion of construction	2030
First year of the incentive period	2031
Last year of the incentive period	2040
Project is located inside a qualified opportunity zone (yes or no)	No
Limitation percent (50% or 75%)	50%
110% of the average annual wage	\$102,502.40
Minimum wage required per Sec. 403.612(b)(6)	\$102,503.40
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	Yes
Estimated M&O levy without Limitation	\$295,897,751
Estimated M&O levy with Limitation	\$149,303,654
Estimated M&O gross tax benefit	\$146,594,097
Amount of performance bond	\$14,659,410

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	\$1,514,275	\$1,514,275	\$969,756	\$969,756	\$544,519	\$544,519
2026	\$1,968,989	\$3,483,264	\$969,756	\$1,939,513	\$999,233	\$1,543,751
2027	\$5,195,707	\$8,678,972	\$969,756	\$2,909,269	\$4,225,951	\$5,769,702
2028	\$12,721,278	\$21,400,249	\$969,756	\$3,879,026	\$11,751,522	\$17,521,224
2029	\$20,446,090	\$41,846,339	\$969,756	\$4,848,782	\$19,476,333	\$36,997,557
2030	\$24,831,074	\$66,677,414	\$969,756	\$5,818,539	\$23,861,318	\$60,858,875
2031	\$24,785,646	\$91,463,060	\$12,877,701	\$18,696,240	\$11,907,945	\$72,766,820
2032	\$23,099,695	\$114,562,755	\$12,034,726	\$30,730,966	\$11,064,969	\$83,831,789
2033	\$21,395,490	\$135,958,245	\$11,182,623	\$41,913,589	\$10,212,867	\$94,044,656
2034	\$19,680,395	\$155,638,640	\$10,325,076	\$52,238,665	\$9,355,319	\$103,399,975
2035	\$18,052,536	\$173,691,176	\$9,511,146	\$61,749,811	\$8,541,390	\$111,941,365
2036	\$16,663,134	\$190,354,310	\$8,816,445	\$70,566,256	\$7,846,689	\$119,788,054
2037	\$15,638,215	\$205,992,525	\$8,303,986	\$78,870,242	\$7,334,229	\$127,122,283
2038	\$14,809,159	\$220,801,683	\$7,889,458	\$86,759,699	\$6,919,701	\$134,041,984
2039	\$13,935,021	\$234,736,705	\$7,452,389	\$94,212,088	\$6,482,632	\$140,524,617
2040	\$13,108,717	\$247,845,422	\$7,039,237	\$101,251,325	\$6,069,480	\$146,594,097
2041	\$12,525,246	\$260,370,667	\$12,525,246	\$113,776,570	\$0	\$146,594,097
2042	\$12,139,253	\$272,509,920	\$12,139,253	\$125,915,823	\$0	\$146,594,097
2043	\$11,835,219	\$284,345,139	\$11,835,219	\$137,751,042	\$0	\$146,594,097
2044	\$11,552,613	\$295,897,751	\$11,552,613	\$149,303,654	\$0	\$146,594,097
		\$295,897,751		\$149,303,654		\$146,594,097
		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, Eli Lilly and Company

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

Attachment C – Estimated Direct Ad Valorem Taxes

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

Year of project	Year	Estimated Total Taxable Value	Estimated Total Taxable Value without M&O Limitation	Sheldon ISD I&S Tax Levy	Sheldon ISD M&O Tax Levy	Sheldon ISD Total Tax Rate	Harris County Tax Levy	Port of Houston Authority Tax Levy	Harris County Flood Control Tax Levy	Harris County Hospital Tax Levy	Harris County Education Department Tax Levy	San Jacinto Community College Tax Levy	Harris County ESD 60 Tax Levy	Harris County Emergency Services District 2 Tax Levy	Generation Park Management District Tax Levy	Estimated Total Property Taxes
				Tax Rate*	0.5000	0.7552	1.2552	0.3853	0.0662	0.0490	0.1635	0.0048	0.1549	0.0759	0.0300	1.3300
1	2025	\$200,513,123	\$200,513,123	\$1,802,566	\$1,514,275	\$2,516,841	\$772,557	\$12,332	\$98,191	\$327,799	\$9,623	\$310,531	\$152,189	\$60,154	\$2,666,825	\$4,047,873
2	2026	\$260,724,190	\$260,724,190	\$1,303,621	\$1,968,989	\$3,272,610	\$1,004,544	\$17,035	\$127,677	\$426,232	\$12,512	\$403,778	\$197,890	\$78,217	\$3,467,632	\$5,263,388
3	2027	\$687,990,907	\$687,990,907	\$3,439,955	\$5,195,707	\$8,635,662	\$2,650,760	\$42,311	\$336,909	\$1,124,728	\$33,017	\$1,065,478	\$522,185	\$206,397	\$9,150,279	\$13,888,865
4	2028	\$1,684,491,253	\$1,684,491,253	\$8,422,456	\$12,721,278	\$21,143,734	\$6,490,176	\$103,596	\$824,895	\$2,753,806	\$80,839	\$2,608,738	\$1,278,529	\$505,347	\$22,403,734	\$34,005,785
5	2029	\$2,707,374,173	\$2,707,374,173	\$13,536,071	\$20,446,090	\$33,982,161	\$10,431,242	\$166,504	\$1,325,801	\$4,426,015	\$129,927	\$4,192,856	\$2,054,897	\$812,212	\$36,008,077	\$54,655,306
6	2030	\$3,288,013,042	\$3,288,013,042	\$16,440,065	\$24,831,074	\$41,271,140	\$12,668,385	\$202,213	\$1,610,140	\$5,375,244	\$157,792	\$5,092,800	\$2,495,602	\$986,404	\$43,730,573	\$66,376,997
7	2031	\$3,281,997,622	\$3,281,997,622	\$16,409,988	\$24,785,646	\$41,195,634	\$12,645,209	\$201,843	\$1,607,194	\$5,365,410	\$157,503	\$5,082,764	\$2,491,036	\$984,599	\$43,650,568	\$66,255,557
8	2032	\$3,058,752,008	\$3,058,752,008	\$15,293,760	\$23,099,695	\$38,394,595	\$11,785,066	\$186,113	\$1,497,871	\$5,000,448	\$146,790	\$4,737,028	\$2,321,593	\$917,626	\$40,681,402	\$61,748,770
9	2033	\$2,833,089,242	\$2,833,089,242	\$14,165,446	\$21,395,490	\$35,560,936	\$10,915,610	\$174,235	\$1,387,364	\$4,631,534	\$135,960	\$4,387,549	\$2,150,315	\$849,927	\$37,680,087	\$57,193,187
10	2034	\$2,605,984,508	\$2,605,984,508	\$13,029,923	\$19,680,395	\$32,710,318	\$10,040,598	\$166,268	\$1,276,151	\$4,260,263	\$125,061	\$4,035,836	\$1,977,942	\$781,795	\$34,659,594	\$52,608,495
11	2035	\$2,390,431,132	\$2,390,431,132	\$11,952,156	\$18,052,536	\$30,004,692	\$9,210,092	\$147,012	\$1,170,594	\$3,907,877	\$114,717	\$3,702,013	\$1,814,337	\$717,129	\$31,792,734	\$48,256,996
12	2036	\$2,206,453,151	\$2,206,453,151	\$11,032,266	\$16,063,134	\$27,095,400	\$8,501,243	\$135,697	\$1,080,500	\$3,607,110	\$105,888	\$3,417,990	\$1,674,698	\$661,936	\$29,345,827	\$44,542,927
13	2037	\$2,070,738,188	\$2,070,738,188	\$10,353,691	\$15,630,215	\$25,991,906	\$7,978,347	\$123,350	\$1,014,040	\$3,385,243	\$99,375	\$3,206,911	\$1,571,690	\$621,221	\$27,540,818	\$41,803,172
14	2038	\$1,960,958,515	\$1,960,958,515	\$9,804,793	\$14,809,159	\$24,613,951	\$7,555,277	\$122,599	\$960,281	\$3,205,775	\$94,106	\$3,036,897	\$1,488,268	\$588,288	\$26,080,748	\$39,586,967
15	2039	\$1,845,209,384	\$1,845,209,384	\$9,226,407	\$13,935,021	\$23,161,068	\$7,109,407	\$113,480	\$903,599	\$3,016,548	\$88,552	\$2,857,639	\$1,400,514	\$553,563	\$24,541,285	\$37,250,294
16	2040	\$1,735,794,094	\$1,735,794,094	\$8,678,970	\$13,108,717	\$21,787,687	\$6,687,841	\$106,751	\$850,018	\$2,837,676	\$83,301	\$2,688,190	\$1,317,468	\$520,738	\$23,086,061	\$35,041,465
17	2041	\$1,658,533,572	\$1,658,533,572	\$8,292,668	\$12,525,246	\$20,817,913	\$6,390,164	\$102,000	\$812,184	\$2,711,371	\$79,593	\$2,568,538	\$1,258,827	\$497,560	\$22,058,497	\$33,481,763
18	2042	\$1,607,422,215	\$1,607,422,215	\$8,037,111	\$12,139,253	\$20,176,364	\$6,193,237	\$96,856	\$787,155	\$2,627,814	\$77,140	\$2,489,383	\$1,220,033	\$482,227	\$21,378,715	\$32,449,948
19	2043	\$1,567,163,495	\$1,567,163,495	\$7,835,817	\$11,835,219	\$19,671,036	\$6,038,124	\$96,381	\$767,440	\$2,561,999	\$75,208	\$2,427,035	\$1,189,477	\$470,149	\$20,843,274	\$31,637,223
20	2044	\$1,529,742,138	\$1,529,742,138	\$7,648,711	\$11,552,613	\$19,201,323	\$5,893,943	\$94,079	\$749,115	\$2,500,822	\$73,412	\$2,369,081	\$1,161,074	\$458,923	\$20,345,570	\$30,881,776
Total				\$195,906,880	\$295,897,751	\$491,804,631	\$150,961,923	\$2,409,655	\$19,187,120	\$64,053,713	\$1,880,314	\$60,679,413	\$29,738,664	\$11,754,413	\$521,112,300	\$790,976,770

Source: CPA, Eli Lilly and Company

*Tax Rate per \$100 Valuation

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Harris 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 and tax abatement with Generation Park Management District Tax Levy.

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

Year of project	Year	Estimated Total Taxable Value	Estimated Total Taxable Value with M&O Limitation	Sheldon ISD I&S Tax Levy	Sheldon ISD M&O Tax Levy	Sheldon ISD Total Tax Rate	Harris County Tax Levy	Port of Houston Authority Tax Levy	Harris County Flood Control Tax Levy	Harris County Hospital Tax Levy	Harris County Education Department Tax Levy	San Jacinto Community College Tax Levy	Harris County ESD 60 Tax Levy	Harris County Emergency Services District 2 Tax Levy	Generation Park Management District Tax Levy	Estimated Total Property Taxes
				Tax Rate*	0.5000	0.7552	1.2552	0.3853	0.0662	0.0490	0.1635	0.0048	0.1549	0.0759	0.0300	1.3300
1	2025	\$200,513,123	\$128,410,544	\$1,802,566	\$969,756	\$1,972,322	\$772,557	\$12,332	\$98,191	\$327,799	\$9,623	\$310,531	\$152,189	\$60,154	\$2,666,825	\$3,503,354
2	2026	\$260,724,190	\$128,410,544	\$1,303,621	\$969,756	\$2,273,377	\$1,004,544	\$16,035	\$127,677	\$426,232	\$12,512	\$403,778	\$197,890	\$78,217	\$3,467,632	\$4,264,155
3	2027	\$687,990,907	\$128,410,544	\$3,439,955	\$969,756	\$4,409,711	\$2,650,760	\$42,311	\$336,909	\$1,124,728	\$33,017	\$1,065,478	\$522,185	\$206,397	\$9,150,279	\$9,662,914
4	2028	\$1,684,491,253	\$128,410,544	\$8,422,456	\$969,756	\$9,392,213	\$6,490,176	\$103,596	\$824,895	\$2,753,806	\$80,839	\$2,608,738	\$1,278,529	\$505,347	\$22,403,734	\$22,254,264
5	2029	\$2,707,374,173	\$128,410,544	\$13,536,071	\$969,756	\$14,506,627	\$10,431,242	\$166,504	\$1,325,801	\$4,426,015	\$129,927	\$4,192,856	\$2,054,897	\$812,212	\$36,008,077	\$35,178,972
6	2030	\$3,288,013,042	\$128,410,544	\$16,440,065	\$969,756	\$17,409,821	\$12,668,385	\$202,213	\$1,610,140	\$5,375,244	\$157,792	\$5,092,800	\$2,495,602	\$986,404	\$43,730,573	\$42,515,673
7	2031	\$3,281,997,622	\$1,705,204,083	\$16,409,988	\$12,877,701	\$29,287,689	\$12,645,209	\$201,843	\$1,607,194	\$5,365,410	\$157,503	\$5,082,764	\$2,491,036	\$984,599	\$21,825,284	\$54,347,612
8	2032	\$3,058,752,008	\$1,593,581,276	\$15,293,760	\$12,034,726	\$27,328,486	\$11,785,066	\$186,113	\$1,497,871	\$5,000,448	\$146,790	\$4,737,028	\$2,321,593	\$917,626	\$20,340,701	\$50,683,801
9	2033	\$2,833,089,242	\$1,480,749,893	\$14,165,446	\$11,182,623	\$25,348,069	\$10,915,610	\$174,235	\$1,387,364	\$4,631,534	\$135,960	\$4,387,549	\$2,150,315	\$849,927	\$18,840,043	\$46,980,321
10	2034	\$2,605,984,508	\$1,367,197,526	\$13,029,923	\$10,325,076	\$23,354,998	\$10,040,598	\$166,268	\$1,276,151	\$4,260,263	\$125,061	\$4,035,836	\$1,977,942	\$781,795	\$17,329,797	\$43,253,175
11	2035	\$2,390,431,132	\$1,259,420,838	\$11,952,156	\$9,511,146	\$21,463,302	\$9,210,092	\$147,012	\$1,170,594	\$3,907,877	\$114,717	\$3,702,013	\$1,814,337	\$717,129	\$15,896,367	\$39,715,606
12	2036	\$2,206,453,151	\$1,167,431,848	\$11,032,266	\$8,816,445	\$19,848,711	\$8,501,243	\$135,697	\$1,080,500	\$3,607,110	\$105,888	\$3,417,990	\$1,674,698	\$661,936	\$14,672,913	\$36,696,239
13	2037	\$2,070,738,188	\$1,099,574,366	\$10,353,691	\$8,303,986	\$18,657,677	\$7,978,347	\$123,350	\$1,014,040	\$3,385,243	\$99,375	\$3,206,911	\$1,571,690	\$621,221	\$13,770,409	\$34,468,943
14	2038	\$1,960,958,515	\$1,044,684,530	\$9,804,793	\$7,889,458	\$17,694,250	\$7,555,277	\$122,599	\$960,281	\$3,205,775	\$94,106	\$3,036,897	\$1,488,268	\$588,288	\$13,040,374	\$32,667,286
15	2039	\$1,845,209,384	\$986,809,964	\$9,226,407	\$7,452,389	\$16,678,436	\$7,109,407	\$113,480	\$903,599	\$3,016,548	\$88,552	\$2,857,639	\$1,400,514	\$553,563	\$12,270,642	\$30,767,661
16	2040	\$1,735,794,094	\$932,102,319	\$8,678,970	\$7,039,237	\$15,718,207	\$6,687,841	\$106,751	\$850,018	\$2,837,676	\$83,301	\$2,688,190	\$1,317,468	\$520,738	\$11,543,031	\$28,971,984
17	2041	\$1,658,533,572	\$1,658,533,572	\$8,292,668	\$12,525,246	\$20,817,913	\$6,390,164	\$102,000	\$812,184	\$2,711,371	\$79,593	\$2,568,538	\$1,258,827	\$497,560	\$22,058,497	\$33,481,763
18	2042	\$1,607,422,215	\$1,607,422,215	\$8,037,111	\$12,139,253	\$20,176,364	\$6,193,237	\$96,856	\$787,155	\$2,627,814	\$77,140	\$2,489,383	\$1,220,033	\$482,227	\$21,378,715	\$32,449,948
19	2043	\$1,567,163,495	\$1,567,163,495	\$7,835,817	\$11,835,219	\$19,671,036	\$6,038,124	\$96,381	\$767,440	\$2,561,999	\$75,208	\$2,427,035	\$1,189,477	\$470,149	\$20,843,274	\$31,637,223
20	2044	\$1,529,742,138	\$1,529,742,138	\$7,648,711	\$11,552,613	\$19,201,323	\$5,893,943	\$94,079	\$749,115	\$2,500,822	\$73,412	\$2,369,081	\$1,161,074	\$458,923	\$20,345,570	\$30,881,776
Total				\$195,906,880	\$149,303,654	\$345,210,534	\$150,961,923	\$2,409,655	\$19,187,120	\$64,053,713	\$1,880,314	\$60,679,413	\$29,738,664	\$11,754,413	\$361,582,738	\$644,382,673
Diff				\$0	\$146,594,097	\$146,594,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$159,529,562	\$146,594,097

Source: CPA, Eli Lilly and Company

*Tax Rate per \$100 Valuation

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

Attachment D – Compelling Factor

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

Methodology

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

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

Specifically, the Comptroller notes the following:

- Per Applicant in the Project Description Tab of their Application for a Taxable Value Limitation on Eligible Property:
 - A. "Eli Lilly and Company requires additional US production capacity for active pharmaceutical ingredients ("APIs") used in its highest priority therapies. APIs produced in bulk at this proposed facility will be shipped to other facilities across the country operated by Applicant for further finishing and compounding into a final product."
 - B. "API's are the chemicals in medications that produce the intended therapeutic effects. They are the biologically active substances responsible for treating, curing, or preventing diseases."
 - C. "Eli Lilly is now considering a new greenfield site in Houston, Texas which is part of the larger Generation Park development owned by McCord Development, Inc. Eli Lilly would purchase approximately 236 acres from McCord as part of the transaction and construct the proposed API manufacturing facility, relying on the developer to deliver critical infrastructure to the site, which is a material condition."
- Per Applicant in the Limitation as Compelling Factor Tab of their Application for a Taxable Value Limitation on Eligible Property:
 - A. "The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process."
 - B. "The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process. Such operational competitiveness is a critical decision making

factor especially in light of the proposed significant large value of almost \$5.9B in taxable investment and the overall implication on ongoing obligations to taxing jurisdictions both in and outside of Texas. The proportionality of the limitation in context with other taxing jurisdictions- that being without the limitation the obligation is the second largest component of all local taxing jurisdictions – makes the limitation an even more critical component to the decision making process.”

- Confidential information was provided by applicant for alternative sites.
- Per a February 26, 2025, press release:
 - A. "Eli Lilly and Company today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in United States. This brings the company's total U.S. Capital expansion commitments to more than \$50 billion since 2020."
 - B. "Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies. "Lilly's optimism about the potential of our pipeline across therapeutic areas –cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out."
- Per an Indy Star article dated February 26, 2025:
 - A. "Lilly will invest \$27 billion in the four plants ... The company is in negotiations with several states and plans to announce the four locations later this year."
 - B. "Three of the sites will manufacture active pharmaceutical ingredients that the company says will strengthen the company's supply chain. The fourth will expand Lilly's global manufacturing network for injectable therapies. Lilly expects to create 3,000 highly skilled manufacturing jobs for engineers, scientists, operations personnel and lab technicians along with another 10,000 construction jobs during development of the sites."
- Per a May 12, 2025 USA Today article:
 - A. "The president signed an order on May 5 that directs the Food and Drug Administration to speed approvals and eliminate duplicate or unnecessary regulations that slow companies seeking to build pharmaceutical factories in the United States."
 - B. "The spotlight on domestic manufacturing comes as Trump said he will announce a "major tariff on pharmaceuticals" imported to the U.S. within two weeks."

Supporting Information

- a) Compelling Factor Section of the Application for a Taxable Value Limitation on Eligible Property
- b) Project Description of the Application for a Taxable Value Limitation on Eligible Property
- c) Limitation as Compelling Factor Tab of the Application for a Taxable Value Limitation on Eligible Property
- d) Press release provided by the applicant
- 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.

Attachment D – Limitation as a Compelling Factor

Supporting Information

**Compelling Factor Section of the
Application for a Taxable Value
Limitation on Eligible Property**

Compelling Factors

Has the applicant entered into any agreements, contracts or letters of intent related to this project?

Yes

Has the applicant made any publicly available statements regarding the proposed project?

Yes

Has the applicant applied for or received any federal, state or local permits for activities at the proposed project site?

No

Attachment D - Limitation as a Compelling Factor

Supporting Information

**Project Description of the
Application for a Taxable Value
Limitation on Eligible Property**

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Description of Project: Provide a detailed description of the proposed project

Project Description: Based on projected demand for a number of its existing portfolio and pipeline medications, Eli Lilly and Company requires additional US production capacity for active pharmaceutical ingredients ("APIs") used in its highest priority therapies. APIs produced in bulk at this proposed facility will be shipped to other facilities across the country operated by Applicant for further finishing and compounding into a final product. Given the scale of demand over the short-term and long-term for these therapies, the Company has undertaken a process to evaluate potential solutions to address these manufacturing needs.

As additional context, APIs are the chemicals in medications that produce the intended therapeutic effects. They are the biologically active substances responsible for treating, curing, or preventing diseases. The bulk production of APIs, the intended use of the proposed project, aligns with NAICS code 325411 because the code covers the manufacturing of medicinal chemicals and their derivatives primarily for use in pharmaceutical preparations. This NAICS category does not cover production of finished pharmaceutical products. As noted, this proposed facility would not produce finished pharmaceutical products but rather supply other facilities owned by the Applicant that produce finished pharmaceutical products.

As an integral part of component of this strategy, Applicant has undertaken a US greenfield site search which would offer long-term supply capacity as well as incorporating the latest generation of manufacturing equipment for increased productivity and quality. A new greenfield site would have the added benefit of further diversifying the Applicant's manufacturing footprint. Certain fast-growing life sciences clusters strong labor supply, both for construction and the specialized skills required for the Company's long-term production operations.

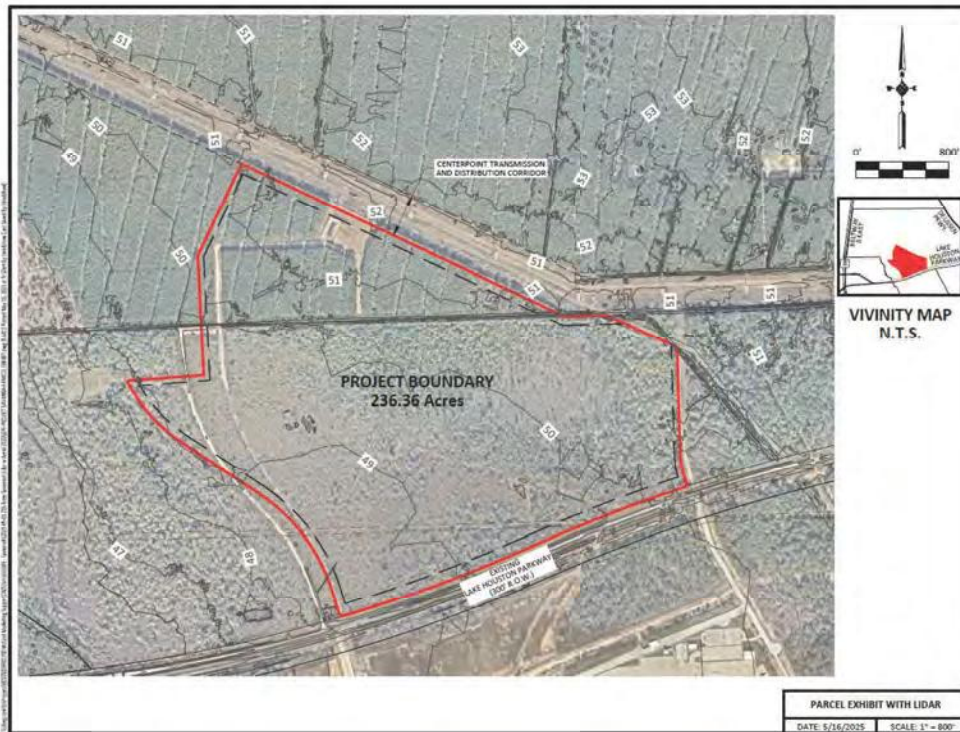
However, greenfield sites also entail challenges in satisfying the large-scale utility infrastructure needed and other site requirements (discussed later in this document). Further, the recent industrial land rush in the US has severely constrained the inventory of shovel-ready industrial sites in proximity to a regional life sciences workforce with sufficient skillsets to staff these specialized API production facilities. These multifaceted dynamics are the impetus for the proposed project such that Applicant is now seeking to implement this next addition to its US-based API production capacity.

As part of this strategy and as part of the February 2025 national site search announcement contained in this application, Eli Lilly is now considering a new greenfield site in Houston, Texas which is part of the larger Generation Park development owned by McCord Development, Inc. Eli Lilly would purchase approximately 236 acres from McCord as part of the transaction and construct the proposed API manufacturing facility, relying on the developer to deliver critical infrastructure to the site, which is a material condition. The proposed project will consist constructing multiple buildings and outdoor facilities, installation of machinery and equipment and construction of critical infrastructure.

Investment: The total capital investment in real and personal property improvements over the investment period is estimated to be approximately \$5.9 billion consisting of real property acquisition, building construction and machinery and equipment investments.

Job Creation: The project is projected to employ 604 full-time direct employees working at the site upon ramp-up completion. Positions include operations technicians, production specialists, maintenance support, quality control/assurance, engineering, administration, and management.

The proposed project location is included below:



Attachment D – Limitation as a Compelling Factor

Supporting Information

Limitation as Compelling Factor
Tab of the Application for a
Taxable Value Limitation on
Eligible Property

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Limitation as Compelling Factor: 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. Acceptable documents include detailed incentive letters from other state programs, shareholder presentations depicting alternate sites, internal comparative fiscal analysis of other locations, and provisional site information for locations outside of Texas.

On February 26, 2025, the Company issued the following press release:

Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \$50 billion

February 26, 2025

Company expects to begin building four more domestic manufacturing sites this year and add 13,000 high-wage manufacturing and construction jobs in America

The company's plans represent the largest pharmaceutical manufacturing investment in U.S. history

INDIANAPOLIS, Feb. 26, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.

Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies.

"Lilly's optimism about the potential of our pipeline across therapeutic areas – cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said David A. Ricks, Lilly chair and CEO. "This bold move reflects our commitment to stay ahead of anticipated demand for safe, high-quality, FDA-approved medicines of the future."

At these four new sites, Lilly expects to create more than 3,000 jobs for highly skilled workers, including engineers, scientists, operations personnel and lab technicians.

Additionally, the company anticipates that it could create nearly 10,000 construction jobs during the development of the sites.

"To deliver on our big bets on next-generation modalities like small molecules, biologics and nucleic acid therapies, Lilly is investing in the state-of-the-art manufacturing infrastructure needed to deliver tomorrow's safe and reliable medicines," said Edgardo Hernandez,

executive vice president and president of Lilly Manufacturing Operations. "We are not just building facilities. We are creating a future where American innovation leads the world in pharmaceutical manufacturing, requiring a highly skilled workforce prepared to shape the future of health care. This is a significant step for our company, our communities and the patients we serve."

Expected additional economic benefits of these new sites to the selected communities include increased local spending, tax revenue, economic diversification, improved infrastructure, population growth, and training and development opportunities.

Ricks added, "The Tax Cuts and Jobs Act legislation passed in 2017 during President Trump's first term in office has been foundational to Lilly's domestic manufacturing investments, and it is essential that these policies are extended this year. We believe that our investments in America and upskilling our nation's workforce will spark a significant ripple effect. For every job we create, many more will be generated, positively impacting the communities that host our innovative new sites."

The company's previous total domestic capital expansion commitments from 2020 to 2024 totaled \$23 billion and represented in today's \$50 billion announcement, included:

- New sites in Research Triangle Park and Concord, North Carolina
- New sites at the LEAP Innovation District in Lebanon, Indiana
- Expansions and updates to several different manufacturing facilities in Indianapolis
- Development of the new Lilly Medicine Foundry in Lebanon, Indiana
- Acquisition and expansion of Lilly's manufacturing site in Kenosha County, Wisconsin

State submissions

The company is currently in negotiations with several states and welcomes additional interest by March 12, 2025. Please visit www.lilly.com/manufacturing-2025 for more information, including how to respond and submit interest online. Lilly expects to announce all four future site locations in 2025 and anticipates facilities will begin making medicines for patients within five years.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#). C-LLY

Trademarks and Trade Names

All trademarks or trade names referred to in this press release are the property of the

company, or, to the extent trademarks or trade names belonging to other companies are references in this press release, the property of their respective owners. Solely for convenience, the trademarks and trade names in this press release are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) including about planned capital investments in new manufacturing capacity, production of medicines, hiring and related initiatives and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the manufacturing process, development and commercialization of pharmaceutical products any of which could impact the overall commercial success of our products, and as related to cost, completion timing, expected capacity, personnel, and other factors which could impact expected benefits of the capacity expansion and related initiatives. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

Additional Quote Options for Media Use

U.S. Senator Jim Banks: "I couldn't be prouder that Lilly is expanding facilities in the U.S. These new investments will create good jobs and make our supply chains more secure."

U.S. Senator Todd Young: "Lilly has long been a driver of economic growth and innovation in Indiana, and we are grateful for this further investment in America and our workers. Lilly is continuously striving to improve the lives of people everywhere, and today we celebrate the transformative impact of this announcement."

Refer to: Carla Cox; cox_carla@lilly.com; 317-750-3923 (Media)
Michael Czapar; czapar_michael_c@lilly.com; 317-617-0983 (Investors)

The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process. Such operational competitiveness is a critical decision making factor especially in light of the proposed significant large value of almost \$5.9B in taxable investment and the overall implication on ongoing obligations to taxing jurisdictions both in and outside of Texas. The proportionality of the limitation in context with other taxing jurisdictions- that being without the

limitation the obligation is the second largest component of all local taxing jurisdictions – makes the limitation an even more critical component to the decision making process.

Attachment D – Limitation as a Compelling Factor

Supporting Information

**Eli Lilly and Company
February 26, 2025 Press
Release**

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Compelling Factor Information for Public Statements Regarding Proposed Project:

Based on your previous indication, please provide details on any publicly available statements about the proposed project and explain how the limitation is a significant factor.

On February 26, 2025, the Company issued the following press release:

Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \$50 billion

February 26, 2025

*Company expects to begin building four more domestic manufacturing sites this year and add 13,000 high-wage manufacturing and construction jobs in America
The company's plans represent the largest pharmaceutical manufacturing investment in U.S. history*

INDIANAPOLIS, Feb. 26, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.

Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies.

"Lilly's optimism about the potential of our pipeline across therapeutic areas – cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said David A. Ricks, Lilly chair and CEO. "This bold move reflects our commitment to stay ahead of anticipated demand for safe, high-quality, FDA-approved medicines of the future."

At these four new sites, Lilly expects to create more than 3,000 jobs for highly skilled workers, including engineers, scientists, operations personnel and lab technicians.

Additionally, the company anticipates that it could create nearly 10,000 construction jobs during the development of the sites.

"To deliver on our big bets on next-generation modalities like small molecules, biologics and nucleic acid therapies, Lilly is investing in the state-of-the-art manufacturing infrastructure needed to deliver tomorrow's safe and reliable medicines," said Edgardo Hernandez, executive vice president and president of Lilly Manufacturing Operations. "We are not just building facilities. We are creating a future where American innovation leads the world in pharmaceutical manufacturing, requiring a highly skilled workforce prepared to shape the

future of health care. This is a significant step for our company, our communities and the patients we serve."

Expected additional economic benefits of these new sites to the selected communities include increased local spending, tax revenue, economic diversification, improved infrastructure, population growth, and training and development opportunities.

Ricks added, "The Tax Cuts and Jobs Act legislation passed in 2017 during President Trump's first term in office has been foundational to Lilly's domestic manufacturing investments, and it is essential that these policies are extended this year. We believe that our investments in America and upskilling our nation's workforce will spark a significant ripple effect. For every job we create, many more will be generated, positively impacting the communities that host our innovative new sites."

The company's previous total domestic capital expansion commitments from 2020 to 2024 totaled \$23 billion and represented in today's \$50 billion announcement, included:

- New sites in Research Triangle Park and Concord, North Carolina
- New sites at the LEAP Innovation District in Lebanon, Indiana
- Expansions and updates to several different manufacturing facilities in Indianapolis
- Development of the new Lilly Medicine Foundry in Lebanon, Indiana
- Acquisition and expansion of Lilly's manufacturing site in Kenosha County, Wisconsin

State submissions

The company is currently in negotiations with several states and welcomes additional interest by March 12, 2025. Please visit www.lilly.com/manufacturing-2025 for more information, including how to respond and submit interest online. Lilly expects to announce all four future site locations in 2025 and anticipates facilities will begin making medicines for patients within five years.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#). C-LLY

Trademarks and Trade Names

All trademarks or trade names referred to in this press release are the property of the company, or, to the extent trademarks or trade names belonging to other companies are references in this press release, the property of their respective owners. Solely for convenience, the trademarks and trade names in this press release are referred to without

the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) including about planned capital investments in new manufacturing capacity, production of medicines, hiring and related initiatives and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the manufacturing process, development and commercialization of pharmaceutical products any of which could impact the overall commercial success of our products, and as related to cost, completion timing, expected capacity, personnel, and other factors which could impact expected benefits of the capacity expansion and related initiatives. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

Additional Quote Options for Media Use

U.S. Senator Jim Banks: "I couldn't be prouder that Lilly is expanding facilities in the U.S. These new investments will create good jobs and make our supply chains more secure."

U.S. Senator Todd Young: "Lilly has long been a driver of economic growth and innovation in Indiana, and we are grateful for this further investment in America and our workers. Lilly is continuously striving to improve the lives of people everywhere, and today we celebrate the transformative impact of this announcement."

Refer to: Carla Cox; cox_carla@lilly.com; 317-750-3923 (Media)
Michael Czapar; czapar_michael_c@lilly.com; 317-617-0983 (Investors)

The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process.

Attachment D – Limitation as a Compelling Factor

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Press Release

Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \$50 billion

February 26, 2025



Company expects to begin building four more domestic manufacturing sites this year and add 13,000 high-wage manufacturing and construction jobs in America

The company's plans represent the largest pharmaceutical manufacturing investment in U.S. history

INDIANAPOLIS, Feb. 26, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.

Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies.

"Lilly's optimism about the potential of our pipeline across therapeutic areas – cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said David A. Ricks, Lilly chair and CEO. "This bold move reflects our commitment to stay ahead of anticipated demand for safe, high-quality, FDA-approved medicines of the future."

At these four new sites, Lilly expects to create more than 3,000 jobs for highly skilled workers, including engineers, scientists, operations personnel and lab technicians. Additionally, the company anticipates that it could create nearly 10,000 construction jobs during the development of the sites.

"To deliver on our big bets on next-generation modalities like small molecules, biologics and nucleic acid therapies, Lilly is investing in the state-of-the-art manufacturing infrastructure needed to deliver tomorrow's safe and reliable medicines," said Edgardo Hernandez, executive vice president and president of Lilly Manufacturing Operations. "We are not just building facilities. We are creating a future where American innovation leads the world in pharmaceutical manufacturing, requiring a highly skilled workforce prepared to shape the future of health care. This is a significant step for our company, our communities and the patients we serve."

Expected additional economic benefits of these new sites to the selected communities include increased local spending, tax revenue, economic diversification, improved infrastructure, population growth, and training and development opportunities.

Ricks added, "The Tax Cuts and Jobs Act legislation passed in 2017 during President Trump's first term in office has been foundational to Lilly's domestic manufacturing investments, and it is essential that these policies are extended this year. We believe that our investments in America and upskilling our nation's workforce will spark a significant ripple effect. For every job we create, many more will be generated, positively impacting the communities that host our innovative new sites."

The company's previous total domestic capital expansion commitments from 2020 to 2024 totaled \$23 billion and represented in today's \$50 billion announcement, included:

- New sites in Research Triangle Park and Concord, North Carolina
- New sites at the LEAP Innovation District in Lebanon, Indiana
- Expansions and updates to several different manufacturing facilities in Indianapolis
- Development of the new Lilly Medicine Foundry in Lebanon, Indiana
- Acquisition and expansion of Lilly's manufacturing site in Kenosha County, Wisconsin

State submissions

The company is currently in negotiations with several states and welcomes additional interest by March 12, 2025. Please visit www.lilly.com/manufacturing-2025 for more information, including how to respond and submit interest online. Lilly expects to announce all four future site locations in 2025 and anticipates facilities will begin making medicines for patients within five years.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#). C-LLY

Trademarks and Trade Names

All trademarks or trade names referred to in this press release are the property of the company, or, to the extent trademarks or trade names belonging to other companies are references in this press release, the property of their respective owners. Solely for convenience, the trademarks and trade names in this press release are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) including about planned capital investments in new manufacturing capacity, production of medicines, hiring and related initiatives and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the manufacturing process, development and commercialization of pharmaceutical products any of which could impact the overall commercial success of our products, and as related to cost, completion timing, expected capacity, personnel, and other factors which could impact expected benefits of the capacity expansion and related initiatives. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

Additional Quote Options for Media Use

U.S. Senator Jim Banks: "I couldn't be prouder that Lilly is expanding facilities in the U.S. These new investments will create good jobs and make our supply chains more secure."

U.S. Senator Todd Young: "Lilly has long been a driver of economic growth and innovation in Indiana, and we are grateful for this further investment in America and our workers. Lilly is continuously striving to improve the lives of people everywhere, and today we celebrate the transformative impact of this announcement."

Refer to: Carla Cox; cox_carla@lilly.com; 317-750-3923 (Media)
Michael Czapar; czapar_michael_c@lilly.com; 317-617-0983 (Investors)



SOURCE Eli Lilly and Company

[Diversity](#)

[Contact](#)

[Suppliers](#)

[Login](#)

[Terms of Use](#)

[Privacy Statement](#)

IndyStar.

BUSINESS

Eli Lilly will build 4 new manufacturing sites to increase domestic drug production



Alysa Guffey
Indianapolis Star

Feb. 26, 2025, 12:36 p.m. ET

Eli Lilly and Co. Wednesday announced plans to build four pharmaceutical manufacturing sites in the United States, significantly boosting domestic medicine production and adding around 13,000 manufacturing and construction jobs.

Lilly will invest \$27 billion in the four plants, the Indianapolis drugmaker announced at a press conference in Washington D.C. Wednesday.

The company is in negotiations with several states and plans to announce the four locations later this year. It's not clear if Indiana is under consideration for sites. The company said the facilities will make medicine for patients within five years.

Three of the sites will manufacture active pharmaceutical ingredients that the company says will strengthen the company's supply chain. The fourth will expand Lilly's global manufacturing network for injectable therapies. Lilly expects to create 3,000 highly skilled manufacturing jobs for engineers, scientists, operations

personnel and lab technicians along with another 10,000 construction jobs during development of the sites. Wednesday's expansion doubles the amount of money Lilly has invested since 2020, bringing the total to a whopping \$50 billion. Previously announced projects included new facilities at the LEAP Innovation District and the Lilly Medicine Foundry in Lebanon and expansions to existing facilities in Indianapolis alongside new sites in North Carolina and Wisconsin.

Need a break? Play the USA TODAY Daily Crossword Puzzle.

"Lilly's optimism about the potential of our pipeline across therapeutic areas — cardiometabolic health, oncology, immunology and neuroscience — drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said Lilly chair and CEO David A. Ricks in a statement.

More: Eli Lilly plans \$4.5 billion facility in LEAP District, bringing investment to \$13 billion

For the past few years, Lilly has made news by driving large-scale investments in the LEAP Innovation District, billed as a future manufacturing and tech mecca in Lebanon, Indiana. Lilly has said the company expects to increase production for its blockbuster weight loss and diabetes drugs at the 9,000 acre-district along the I-65 corridor in Boone County that's managed by the Indiana Economic Development Corporation

Alysa Guffey covers business and development for IndyStar. Contact her at amguffey@gannett.com.

**MONEY**

Prescription Drugs

Add Topic

Trump wants to bolster US drug manufacturing factories. Will this plan work?

**Ken Alltucker**

USA TODAY

Updated May 12, 2025, 11:13 a.m. ET

Amid a trade war that could strain imports of lifesaving pharmaceuticals, President Donald Trump wants to ease regulations and bolster domestic drug manufacturing.

The president signed an order on May 5 that directs the Food and Drug Administration to speed approvals and eliminate duplicate or unnecessary regulations that slow companies seeking to build pharmaceutical factories in the United States.

The order comes as the Trump administration plans to assess tariffs on drug imports and pushes proposals to tie drug prices to lower amounts paid by foreign nations.

While the pharmaceutical industry remains wary about tariffs and price setting, officials welcomed the push to revitalize domestic manufacturing because it seeks to reverse a long-term trend of drug companies moving factories overseas. While the global drug supply chain has allowed drug companies to make cheaper drugs with fewer regulatory barriers, experts said it has coincided with persistent challenges such as drug shortages.

CivicaRx is a nonprofit generic drug company formed by hospitals and philanthropic groups. The entity has built a U.S. facility to bolster supplies of drugs that have faced shortages.

Need a break? [Play the USA TODAY Daily Crossword Puzzle.](#)

"We've got a 30-year trend of this industry moving out of the U.S.," said Allan Coukell, CivicaRx's chief government affairs and public policy officer.

While shortages also occur at U.S. facilities such as Baxter's North Carolina factory, a [major supplier of IV fluids that temporarily closed](#) last year due to flooding following Hurricane Helene, Coukell cited shortages of drugs made overseas in low-cost countries with less oversight. The trend, in part, is driven by economic pressure to make cheap generics.

"So, making sure that we have a robust industry for domestic medicines is a good thing," Coukell said.

Trump touts new drug factories as tariffs loom

In a [fact sheet](#) distributed May 5 by the White House, Trump said building factories can take 5 to 10 years, "which is unacceptable from a national security standpoint."

The White House highlighted Gilead Sciences' plans announced May 7 to spend another \$11 billion on projects in the United States through this decade. In addition to \$21 billion in previously announced investments, Gilead said the spending will pay for three new facilities, upgrades to three existing sites, and new technology. The president also touted projects announced by 10 drug companies, including Abbott Laboratories' \$500 million at sites in Texas and Illinois and Eli Lilly's [plans to spend \\$27 billion](#) to build four new U.S. factories.

The spotlight on domestic manufacturing comes as Trump said he will announce a "major tariff on pharmaceuticals" imported to the U.S. within two weeks.

Drug industry experts warn [patients will likely eventually see higher prices](#) and possibly some shortages from tariffs.

While the drug industry trade group PhRMA lauded Trump's plans to accelerate domestic manufacturing, the group said drugmakers have historically been exempt from tariffs due to the potential for higher costs and drug shortages.

"Every dollar spent on tariffs is a dollar that cannot be invested in American manufacturing or the development of future treatments and cures for patients," said Alex Schriver, PhRMA's senior vice president of public affairs.

Schriver added that drug companies share Trump's goal of revitalizing U.S. manufacturing and have recently announced billions in domestic investment. But "placing tariffs on medicines would be counterproductive to these efforts," Schriver said.

In a [May 7 comment letter](#) to the Department of Commerce about potential tariffs, the American Cancer Society warned that the market for generic, sterile injectable cancer drugs is "multinational and fragile."

In 2023, a [shortage of the chemotherapy drug cisplatin](#) jeopardized access for patients. The [shortage happened](#) when a factory in India that supplied half of the U.S. market shut down to fix quality issues.

Assessing tariffs on drug imports risks damaging supply chains, "making shortages worse and endangering the health and safety of Americans with cancer," the cancer patient advocacy group said in the letter.

Other groups warned of potential disruptions should the Trump administration plan to tie drug prices for Medicaid to the same amount foreign nations pay for these drugs. The drug pricing proposal could cost drug companies as much as \$1 trillion over a decade, [Bloomberg reported](#).

The Alliance for Aging Research said the White House proposal and a [broader bill](#)

introduced on such pricing is a "scam for America's beneficiaries."

Overseas inspections to be overhauled

Trump's order on domestic manufacturing seeks to eliminate what FDA Commissioner Marty Makary said is a "double standard" – overseas drug factories get advanced warning before an inspection, "while American manufacturers are held to rigorous standards with no such warning."

The FDA [suspended most routine, on-site inspections](#) of overseas drug factories during the first two years of the COVID-19 pandemic. From October 2020 through April 2021, the agency completed 18 "high priority" overseas inspections of factories, mainly in China, according to a [2022 report](#) by the U.S. Government Accountability Office.

In a [May 6 statement](#), the FDA said it completes about 12,000 domestic inspections and 3,000 foreign inspections each year.

Even with the advanced notice, the FDA said it finds deficiencies twice as often in overseas facilities.

The FDA said it will review policies to improve the agency's foreign inspection program. Among the changes: The FDA said it will develop policies that specify FDA inspectors must refuse lodging and transportation from drug and device companies to "maintain the integrity of the oversight process."

The FDA said it is authorized to take action against any company that "seeks to delay, deny, or limit" an inspection or refuses FDA inspectors access to a site.

"This is a key step for the FDA as part of a broader strategy to get foreign inspections back on track," Makary said.

Some analysts question what authority the FDA would have if overseas drug manufacturers refused to allow inspectors on site.

"What if a trading partner simply refuses inspections? What leverage does FDA have? Zip. Zero," Rosemary Gibson, a senior advisor at the Hastings Center, said in a [social media post](#).

Gibson investigated China's growing role in the global pharmaceutical industry in her book, "China Rx: Exposing the Risks of America's Dependence on China for Medicine."

While she acknowledges the FDA might not have the authority to force an overseas inspection from a factory that refuses, she said drug purchasers could benefit in other ways.

The executive order directs the FDA to disclose inspections by country and manufacturer. Government agencies and U.S. companies that purchase drugs might want to know if overseas factories follow U.S. rules and standards, Gibson said.

"That information can be used to inform purchasing decisions," Gibson told USA TODAY. "And they can direct procurement of medicines from manufacturers that respect and comply with U.S. standards."

Attachment E - Application

Project Overview

Affiliated School District

Sheldon ISD

Project in Multiple ISD

Yes

Company Information

Company Legal Name

Eli Lilly and Company

Texas Taxpayer I.D.

13504709505

NAICS Code

325411

Form of Business

Publicly Traded Company

Current on Tax Payment to the State of Texas?

Yes

Company Address

Street Address

Lilly Corporate Center

City

Indianapolis

State

Indiana

Zip Code

46285

Parent Company Information

No Information provided

Parent Company Address

No Information provided

Authorized Company Representative

Full Name

Erik Orstead

Title

Senior Director, Strategic Real Estate

Organization

Eli Lilly & Company

Phone Number

317-625-5598

Email Address

orstead_erik_m@lilly.com

Street Address

Lilly Corporate Center

City

Indianapolis

State

Indiana

Zip Code

46285

2nd Authorized Company Representative

No Information provided

Authorized Company Consultant

Full Name

Stephanie Mercado

Title

Project Director

Organization

BLS & Co

Phone Number

440-864-3369

Email Address

smercado@blsstrategies.com

Authorized School District Representative

Full Name

Abraham George

Title

CFO

Organization

Sheldon ISD

Phone Number

281-727-2000

Email Address

abrahamgeorge@sheldonisd.com

Authorized School District Consultant

No Information provided

Project Information

County Name

Harris

County Population

4,731,145

Minimum Investment Required

\$200 million

Required No. of New Jobs

75 Jobs

Property Activity

Manufacturing Facility

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

Harris CAD

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

Reinvestment Zone under Tax Code Chapter 311/312

Zone Name

Reinvestment Zone Two (Established December 10, 2024)

Will any of the proposed required investment be leased under a capitalized lease?

No

Compelling Factors

Has the applicant entered into any agreements, contracts or letters of intent related to this project?

Yes

Has the applicant made any publicly available statements regarding the proposed project?

Yes

Has the applicant applied for or received any federal, state or local permits for activities at the proposed project site?

No

Grants and Loans

Program Name	Proposed/Requested Amount
Texas Enterprise Fund	5,400,000
Skills Development Fund	2,400,000

Taxing Entities

Entity Type	Entity Name	Tax Rate	Percentage
M&O (ISD)	SHELDON ISD	0.7552	100
I&S (ISD)	SHELDON ISD	0.5	100
County	Harris	0.38529	100
Other	Port of Houston Authority	0.00615	100
Other	Harris County Flood Control	0.04897	100
Hospital District	Harris County Hospital	0.16348	100
Other	Harris County Education Department	0.004739	100
Other	San Jacinto Community College	0.154868	100
Other	Harris County ESD 60	0.0759	100
Other	Harris County Emergency Services District 2	0.03	100
Other	Generation Park Management District M&O	0.615	100
Other	Generation Park Management District Debt	0.715	100

Tax Abatements

Entity Type	Tax Abatement Type	Percentage	Start Year	End Year
Other	Generation Park Management District Chapter 380	50	2031	2040

Project Timeline

Projected commencement year of construction *

2025

Projected completion year of construction *

2030

Projected commencement year of commercial operations

2031

First year of the incentive period

2031

Last year of the incentive period

2040

Opportunity Zone

Is the project located on a Qualified Opportunity Zone as designated by the United States Treasury?

No

Did the Applicant consider locating the proposed project in a Qualified Opportunity Zone?

No

Schedule A

Tax Year	Column A: Planned Investment	Column B: New Eligible Investment	Column C: Total investment
2025	\$ 37,500,000	\$ 75,205,158	\$ 112,705,158
2026	\$ 10,833,794	\$ 108,744,109	\$ 119,577,903
2027	\$ 279,533,435	\$ 353,376,115	\$ 632,909,550
2028	\$ 669,678,137	\$ 829,890,228	\$ 1,499,568,365
2029	\$ 612,882,149	\$ 1,118,945,224	\$ 1,731,827,373
2030	\$ 247,316,056	\$ 1,043,109,644	\$ 1,290,425,700
Total Investments			\$ 5,387,014,049

Schedule B - Construction Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
1	2025	\$128,410,544	\$72,102,579	\$200,513,123	\$128,410,544
2	2026	\$128,410,544	\$132,313,646	\$260,724,190	\$128,410,544
3	2027	\$128,410,544	\$559,580,363	\$687,990,907	\$128,410,544
4	2028	\$128,410,544	\$1,556,080,709	\$1,684,491,253	\$128,410,544
5	2029	\$128,410,544	\$2,578,963,629	\$2,707,374,173	\$128,410,544
6	2030	\$128,410,544	\$3,159,602,498	\$3,288,013,042	\$128,410,544

Schedule B - Incentive Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
7	2031	\$128,410,544	\$3,153,587,078	\$3,281,997,622	\$1,705,204,083
8	2032	\$128,410,544	\$2,930,341,464	\$3,058,752,008	\$1,593,581,276
9	2033	\$128,410,544	\$2,704,678,698	\$2,833,089,242	\$1,480,749,893
10	2034	\$128,410,544	\$2,477,573,964	\$2,605,984,508	\$1,367,197,526
11	2035	\$128,410,544	\$2,262,020,588	\$2,390,431,132	\$1,259,420,838
12	2036	\$128,410,544	\$2,078,042,607	\$2,206,453,151	\$1,167,431,848
13	2037	\$128,410,544	\$1,942,327,644	\$2,070,738,188	\$1,099,574,366
14	2038	\$128,410,544	\$1,832,547,971	\$1,960,958,515	\$1,044,684,530
15	2039	\$128,410,544	\$1,716,798,840	\$1,845,209,384	\$986,809,964
16	2040	\$128,410,544	\$1,607,383,550	\$1,735,794,094	\$932,102,319

Schedule B - Post Incentive Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
17	2041	\$128,410,544	\$1,530,123,028	\$1,658,533,572	\$1,658,533,572
18	2042	\$128,410,544	\$1,479,011,671	\$1,607,422,215	\$1,607,422,215
19	2043	\$128,410,544	\$1,438,752,951	\$1,567,163,495	\$1,567,163,495
20	2044	\$128,410,544	\$1,401,331,594	\$1,529,742,138	\$1,529,742,138

Wage Requirements

Wage NAICS Code
325411

Indicate the NAICS level used
County

Texas Workforce Commission Quarterly Census of Employment and Wages Area
Harris

Annual Wages

Wage Reporting Year	Wage Reporting Quarter	Average Weekly Wage
2024	Q1	\$1,792.00

2024	Q2	\$1,792.00
2024	Q3	\$1,792.00
2024	Q4	\$1,792.00
Average Annual Wage: \$93,184		110% of Average Annual Wage: \$102,502

Authorized Company Representative (Applicant) Signature

Signature

Erik Orstead

Date

Fri May 02 2025

Texas Workforce Commission

A Member of Texas Workforce Solutions

Bryan Daniel, Chairman
Commissioner Representing
the Public

Alberto Treviño III
Commissioner Representing
Labor

Joe Esparza
Commissioner Representing
Employers

Edward Serna
Executive Director

June 12, 2025

Korry Castillo
Associate Deputy Comptroller for Operations and Support
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Ms. Castillo:

I am writing in response to a recent inquiry to Texas Workforce Commission (TWC) Chairman Bryan Daniel regarding industry wage data reported for positions recorded under NAICS 325411 (Medicinal and Botanical Manufacturing).

It is my understanding the Comptroller's Office uses information from the Quarterly Census Employment Wage (QCEW) with a priority on 6-digit NAICS level, followed by 5-digit NAICS level and then 4-digit NAICS level to determine average wages during the most recent four quarters. The wage and employment data as of 2024 Q4 for NAICS 325411 is not sufficient at either the county or regional local workforce area to allow for a reasonable calculation of average annual wage. For NAICS 325411, Harris County has average employment of 89 while Gulf Coast local workforce area has average employment of 150 over the last four quarters ending 2024 Q4.

Due to insufficient data at the county and regional levels, Texas Workforce Commission recommends using QCEW statewide wage and employment data to calculate an average annual wage of \$93,184 (\$1,792 average weekly wage) for NAICS 325411 (Medicinal and Botanical Manufacturing). This amount is calculated using statewide wage and employment data during the most recent four quarters as 2024 Q4.

If you need additional information or we can be of further assistance, please feel free to contact my office at 512-305-9636 or Edward.Serna@twc.texas.gov.

Sincerely,



Edward Serna
Executive Director
Texas Workforce Commission

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)*

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Description of Project: Provide a detailed description of the proposed project

Project Description: Based on projected demand for a number of its existing portfolio and pipeline medications, Eli Lilly and Company requires additional US production capacity for active pharmaceutical ingredients ("APIs") used in its highest priority therapies. APIs produced in bulk at this proposed facility will be shipped to other facilities across the country operated by Applicant for further finishing and compounding into a final product. Given the scale of demand over the short-term and long-term for these therapies, the Company has undertaken a process to evaluate potential solutions to address these manufacturing needs.

As additional context, APIs are the chemicals in medications that produce the intended therapeutic effects. They are the biologically active substances responsible for treating, curing, or preventing diseases. The bulk production of APIs, the intended use of the proposed project, aligns with NAICS code 325411 because the code covers the manufacturing of medicinal chemicals and their derivatives primarily for use in pharmaceutical preparations. This NAICS category does not cover production of finished pharmaceutical products. As noted, this proposed facility would not produce finished pharmaceutical products but rather supply other facilities owned by the Applicant that produce finished pharmaceutical products.

As an integral part of component of this strategy, Applicant has undertaken a US greenfield site search which would offer long-term supply capacity as well as incorporating the latest generation of manufacturing equipment for increased productivity and quality. A new greenfield site would have the added benefit of further diversifying the Applicant's manufacturing footprint. Certain fast-growing life sciences clusters strong labor supply, both for construction and the specialized skills required for the Company's long-term production operations.

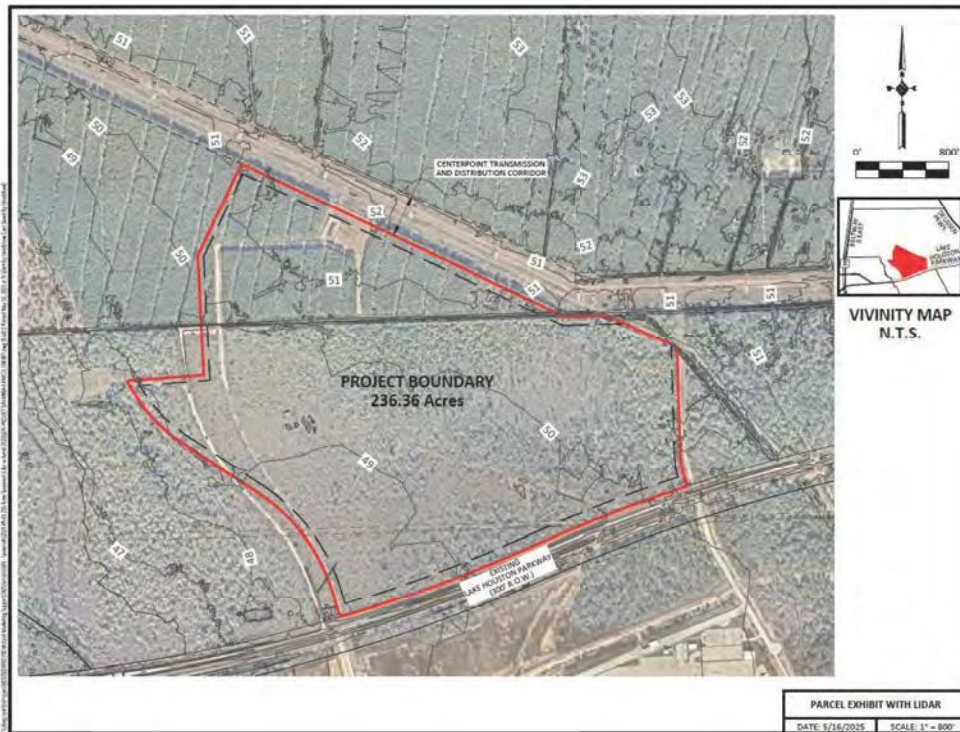
However, greenfield sites also entail challenges in satisfying the large-scale utility infrastructure needed and other site requirements (discussed later in this document). Further, the recent industrial land rush in the US has severely constrained the inventory of shovel-ready industrial sites in proximity to a regional life sciences workforce with sufficient skillsets to staff these specialized API production facilities. These multifaceted dynamics are the impetus for the proposed project such that Applicant is now seeking to implement this next addition to its US-based API production capacity.

As part of this strategy and as part of the February 2025 national site search announcement contained in this application, Eli Lilly is now considering a new greenfield site in Houston, Texas which is part of the larger Generation Park development owned by McCord Development, Inc. Eli Lilly would purchase approximately 236 acres from McCord as part of the transaction and construct the proposed API manufacturing facility, relying on the developer to deliver critical infrastructure to the site, which is a material condition. The proposed project will consist constructing multiple buildings and outdoor facilities, installation of machinery and equipment and construction of critical infrastructure.

Investment: The total capital investment in real and personal property improvements over the investment period is estimated to be approximately \$5.9 billion consisting of real property acquisition, building construction and machinery and equipment investments.

Job Creation: The project is projected to employ 604 full-time direct employees working at the site upon ramp-up completion. Positions include operations technicians, production specialists, maintenance support, quality control/assurance, engineering, administration, and management.

The proposed project location is included below:



Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

LEGAL DESCRIPTION OF THE REAL PROPERTY: Please provide a legal description of the real property on which the proposed project will be located and the address.

The full legal description has been submitted in the confidential section of the application.

Please note two issues related to the description of the real property:

- 1.) The real property currently does not have an assigned address as it is unimproved land. Applicant will provide an address once assigned should the project move forward in Texas.
- 2.) The real property which is subject to this application will be replated into a single plat during the development process should the project move forward in Texas. Once replated, Applicant will provide updated legal description and parcel number.

Jobs, Energy, Technology and Innovation Act Application

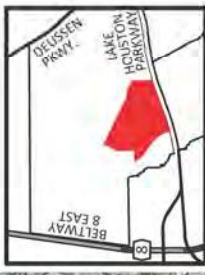
Eli Lilly and Company

Map of Project: Please provide a map of the entire project boundary within the ISD, County and Reinvestment/Enterprise Zone. Provide a map of the project boundary within the Opportunity zone if applicable. Also required:

- 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

The eligible property and project boundaries are located in Reinvestment Zone Number Two, Harris County, Texas which was created by resolution of the Commissioners Court of Harris County on December 10th, 2024. The resolution and supporting approval documents are included below the high resolution maps below.

Map #1: Zoomed in Map of Project Boundary with Vicinity Identification



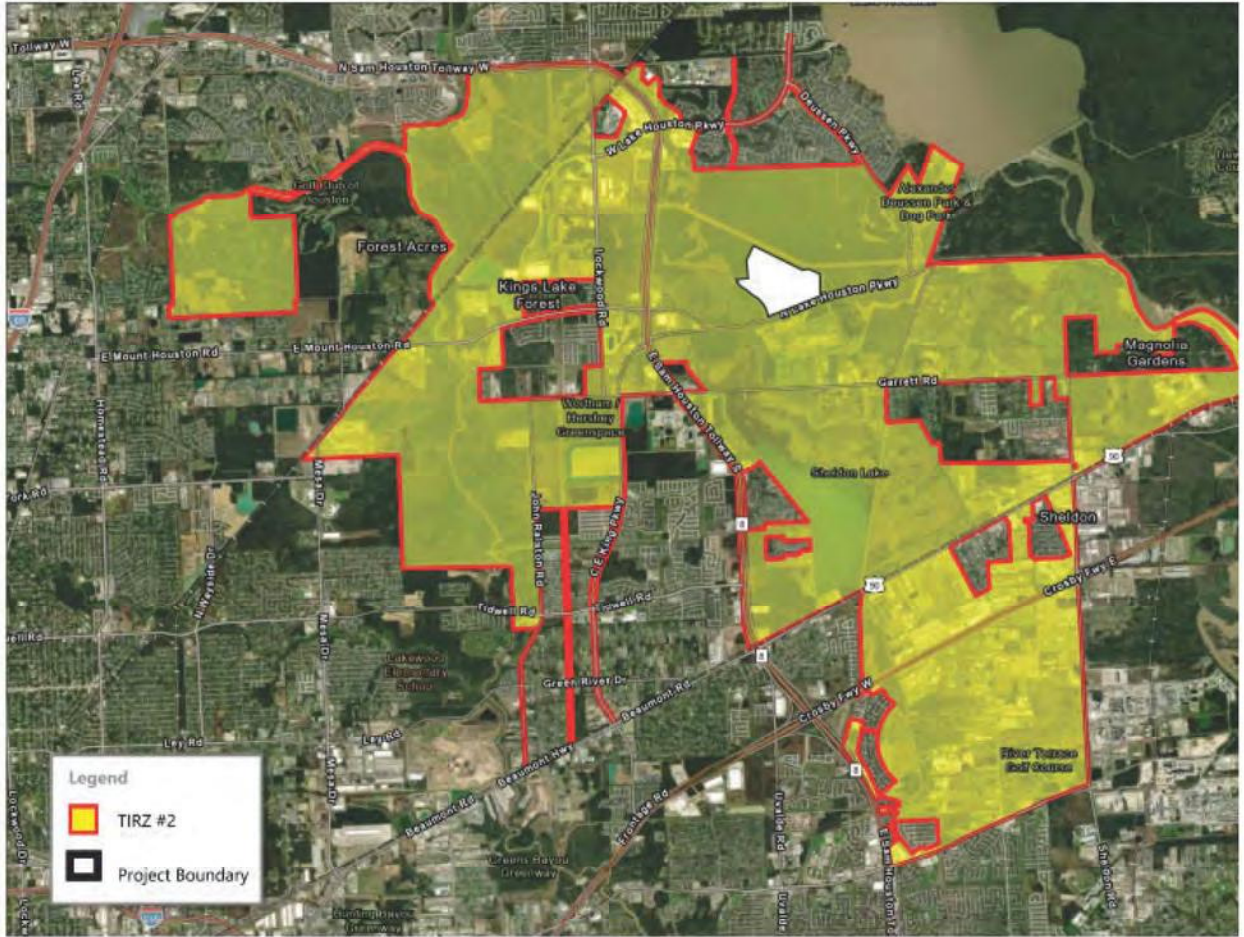
VIVILITY MAP
N.T.S.

PARCEL EXHIBIT WITH LIDAR

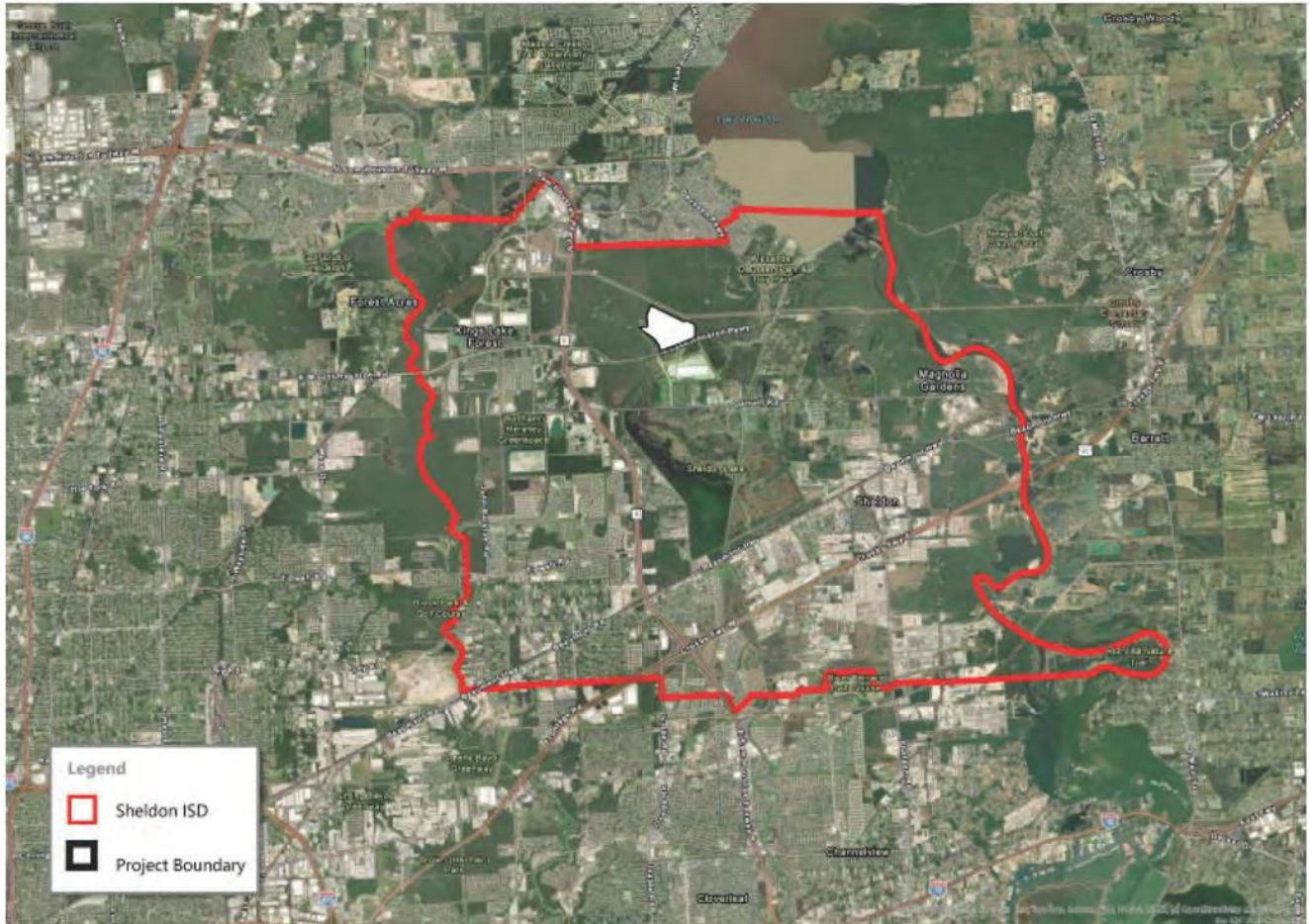
DATE: 5/16/2025

SCALE: 1" = 800'

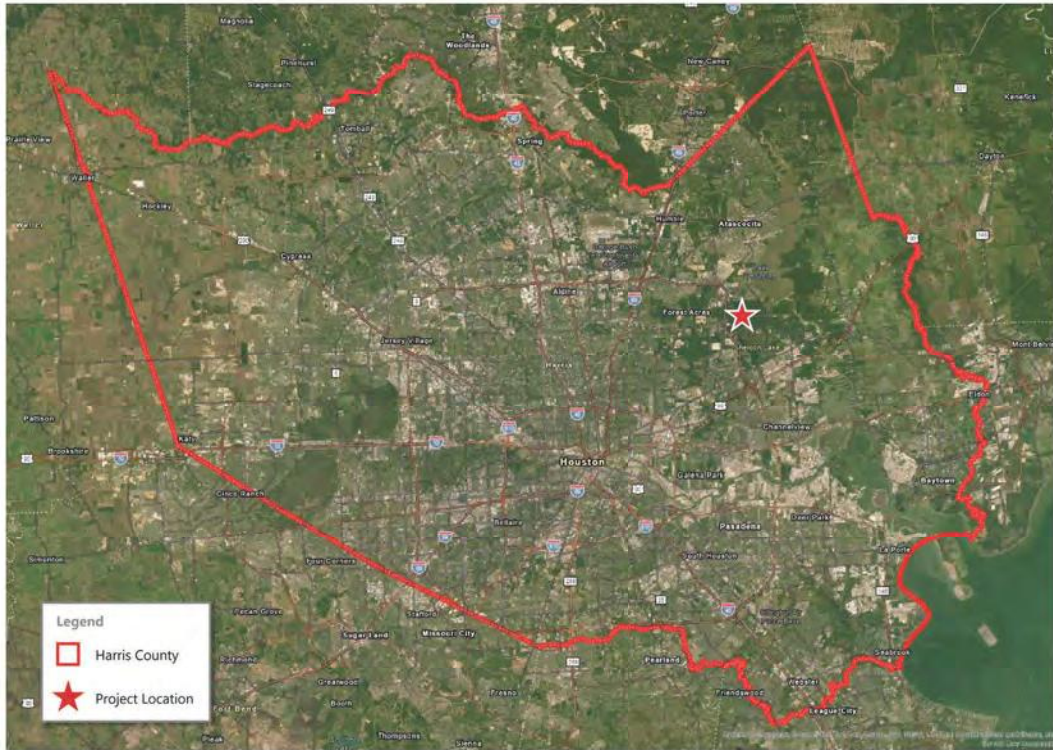
Map #2: Eligible property and project boundaries within Reinvestment Zone Number Two, Harris County



Map #3: Eligible property and project boundaries within Sheldon ISD



Map #4: Eligible property within Harris County





Harris County, Texas

1001 Preston St., 1st Floor
Houston, Texas 77002

Commissioners Court

Request for Court Action

File #: 24-7746

Agenda Date: 12/10/2024

Agenda #: 469.

Department: Commissioner, Precinct 1
Department Head/Elected Official: Rodney Ellis

Regular or Supplemental RCA: Regular RCA
Type of Request: Policy

Project ID (if applicable): N/A
Vendor/Entity Legal Name (if applicable): N/A

MWDBE Contracted Goal (if applicable): N/A
MWDBE Current Participation (if applicable): N/A
Justification for 0% MWDBE Participation Goal: N/A - Goal not applicable to request

Request Summary (Agenda Caption):
Request for approval of a resolution creating Reinvestment Zone Number Two, Harris County, Texas, for the purpose of tax increment financing, the establishment of the zone’s geographic boundaries, and the creation of a board of directors for the zone.

Background and Discussion:

N/A

Expected Impact:

N/A

Alternative Options:

N/A

Alignment with Goal(s):

- Justice and Safety
- Economic Opportunity
- Housing
- Public Health
- Transportation
- Flooding
- Environment
- Governance and Customer Service

Presented to Commissioners Court

December 10, 2024

Approve: E/G

File #: 24-7746

Agenda Date: 12/10/2024

Agenda #: 469.

Prior Court Action (if any): N/A

Date	Agenda Item #	Action Taken

Location:

Address (if applicable): N/A

Precinct(s): Countywide

Fiscal and Personnel Summary				
Service Name	Current Fiscal Year Cost			Annual Fiscal Cost
	Labor	Non-Labor	Total	Recurring Expenses
Funding Sources				
Existing Budget				
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Total Current Budget	\$	\$	\$	\$
Additional Budget Request (Requires Fiscal Review Request Form)				
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Choose an item.	\$	\$	\$	\$
Total Additional Budget Request	\$	\$	\$	\$
Total Funding Request	\$	\$	\$	\$
Personnel (Fill out section only if requesting new PCNs)				
Current Position Count for Service	-	-	-	-
Additional Positions Request	-	-	-	-
Total Personnel	-	-	-	-

Anticipated Court Date: December 10, 2024

Anticipated Implementation Date (if different from Court date): N/A

Emergency/Disaster Recovery Note: Not an emergency, disaster, or COVID-19 related item

Contact(s) name, title, department: Sophie Elsner, Policy Director, Precinct One

Attachments (if applicable): To be submitted separately.

ORDER OF COMMISSIONERS COURT

The Commissioners Court of Harris County, Texas, convened at a meeting of said Court at the Harris County Administration Building in the City of Houston, Texas, on the 10th day of December, 2024 with all members present except Judge Hidalgo.

A quorum was present. Among other business, the following was transacted:

A RESOLUTION DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN HARRIS COUNTY AS REINVESTMENT ZONE NUMBER TWO, HARRIS COUNTY, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; ESTABLISHING THE BOUNDARIES THEREOF; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING AN EFFECTIVE DATE

Commissioner Ellis introduced an order and moved that Commissioners Court adopt the order. Commissioner Garcia seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Yes	No	Abstain
Judge Lina Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Rodney Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Adrian Garcia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Tom S. Ramsey, P.E.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Lesley Briones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

~~The County Judge~~ Commissioner Ellis thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

Presented to Commissioners Court

December 10, 2024

Approve: E/G

A RESOLUTION DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN HARRIS COUNTY AS REINVESTMENT ZONE NUMBER TWO, HARRIS COUNTY, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; ESTABLISHING THE BOUNDARIES THEREOF; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the County of Harris, Texas (the "County") may designate a contiguous geographic area within the County as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the County determines that the creation of a tax increment reinvestment zone is necessary to promote the development or redevelopment of the area generally located in Northeast Harris County, near Beltway 8 and Lake Houston Parkway, including the land surrounding Deussen Park; and

WHEREAS, the County has prepared a Preliminary Reinvestment Zone Financing Plan (the "Preliminary Plan"), which provides that certain Harris County ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS, the County provided written notice of the public hearing on the creation of the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing body of all taxing units levying taxes on property in the proposed zone; and

WHEREAS, a notice of the December 10, 2024, public hearing on the creation of the proposed zone was published on November 29, 2024, in the *Houston Chronicle*, a newspaper of general circulation in the County; and

WHEREAS, at the public hearing on December 10, 2024, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of their property in the proposed zone; and

WHEREAS, the County has provided all information, and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, the total appraised value of taxable real property in the proposed zone as of January 1, 2024 is approximately \$2,256,911,084; and

WHEREAS, the County hereby determines that the Preliminary Plan must be prepared as required by law for the proposed zone, with the Preliminary Plan being included as **Exhibit A** attached to and incorporated in this Resolution for all purposes; and

WHEREAS, the total area within the proposed zone is approximately 23,683 acres;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSIONERS COURT OF THE COUNTY OF HARRIS COUNTY, TEXAS:

Section 1. Findings.

(a) That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are adopted as part of this Resolution for all purposes.

(b) That the County Commissioners' Court further finds and declares that the proposed improvements in the proposed zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the County.

(c) That the County Commissioners' Court further finds and declares that the proposed zone meets the criteria and requirements of Code Section 311.005 because the proposed zone contains substantial areas that are predominantly open and underdeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the County and that the proposed zone substantially arrests and impairs the sound growth of the County, retards the provision of housing accommodations and constitutes an economic and social liability, and is a menace to the public health, safety, morals and welfare in its present condition and use because of the presence of:

- (1) The predominance of defective or inadequate sidewalk or street layout;

- (2) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and
- (3) Unsanitary and unsafe conditions.

(d) That the County Commissioners' Court, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within Harris County; and
- (2) That the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Designation of the Zone

That the County, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area described in **Exhibit A** and depicted in the map attached thereto as **Exhibit 3** to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Two, Harris County, Texas, (the "Zone"). The County Commissioners' Court specifically declares that the Zone is designated pursuant to Section 311.005(a)(1) and (2) of the Texas Tax Code.

Section 3. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of five (5) members. The County Commissioner, Precinct 1, is hereby authorized to nominate and appoint, subject to County Commissioners' Court approval, the directors to Positions One through Five of the Board of Directors and the Chair of the Board of Directors of the Zone.

The directors appointed to odd-numbered positions shall be appointed for two-year terms, beginning on the effective date of this Resolution, while the directors appointed to even-numbered positions shall be appointed to a one-year term, beginning on the effective date of this positions. All subsequent appointments shall be for two-year terms. The County Commissioners' Court authorizes the Board of Directors to elect from its members a vice-chairman, secretary, and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the County Commissioners' Court concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone

financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the County Commissioners' Court for its approval. The County hereby delegates to the Board of Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the County Commissioners' Court, including the power to employ any consultants, to enter into any agreements with local government corporation or political subdivision of the State of Texas related to the allocated of Zone revenues, or enter into any reimbursement agreements payable solely from the Tax Increment Fund established pursuant to Section 6 of this Resolution, subject to the approval of the County Commissioner of Precinct 1, that may be reasonably necessary or convenient to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations. Notwithstanding the foregoing, the County reserves the right to rescind, alter or amend such delegation of authority to the Board of Directors as it deems necessary or advisable from time to time by giving the Board written notice.

Section 4. Duration of the Zone

That the Zone shall take effect immediately upon passage of this Resolution, provided however, that the deposit of tax increments into the Tax Increment Fund established pursuant to Section 6 of this Resolution shall not commence until January 1, 2025, and termination of the operation of the Zone shall occur on January 1, 2056, or at an earlier time designated by subsequent resolution, or at such time that all project costs, notes, and other obligations of the Zone, and the interest thereon, have been paid in full. The County and the Zone shall use their best efforts to provide for the payment of all project costs, in order to minimize the life of the Zone. Upon termination of the Zone, any residual funds within the Tax Increment Fund will be returned to the participating jurisdictions on a pro rata basis according to their levels of participation.

Section 5. Tax Increment Base

That the Tax Increment Base of the County or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the County or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 2024, the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base").

Section 6. Tax Increment Fund

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent resolutions. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the County and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied by the County and any

other taxing unit participating in the Zone for that year on the captured appraised value, as defined by Chapter 311 of the Texas Tax Code, of real property located in Zone that is taxable by the County or any other taxing unit participating in the Zone and less any amounts that are to be allocated from the Tax Increment pursuant to Chapter 311 of the Texas Tax Code. All revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

The Tax Increment Fund shall consist of one hundred percent (100%) of the County's portion of the tax increment from the Zone, as defined by Section 311.012(a) of the Code.

Section 7. Severability

If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of same to any person to set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Resolution or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the County Commissioners' Court in adopting this Resolution that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Resolution are declared severable for that purpose.

Should the County, by change in law or through a successful challenge of its legal authority to institute and implement the Zone, be prohibited from proceeding with the Zone, the Zone shall automatically terminate.

Section 8. Open Meetings

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the County Commissioners' Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the County Commissioners' Court of the County for the Time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, Ch. 551, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter hereof has been discussed, considered and formally acted upon. The County Commissioners' Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 9. Notices

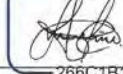
The contents of the notice of the public hearing, which hearing was held before the County Commissioners' Court on December 10, 2024, and the publication of said notice, are hereby ratified, and confirmed.

[EXECUTION PAGE FOLLOWS]

PASSED AND ADOPTED this 10th day of December, 2024.

HARRIS COUNTY, TEXAS

DocuSigned by:

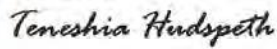


266C1B1FCB5A4DC...
Lina Hidalgo, County Judge

Date: December 10, 2024

ATTEST:

Signed by:



By: 5DTAD64BD06E423...
Teneshia Hudspeth, County Clerk

Exhibit A

(See attached)

**REINVESTMENT ZONE NUMBER TWO
HARRIS COUNTY, TEXAS**

Project Plan and Reinvestment Zone Financing Plan

December 10, 2024

REINVESTMENT ZONE NUMBER TWO, HARRIS COUNTY, TEXAS
Project Plan and Reinvestment Zone Financing Plan

Table of Contents

Introduction	2
Location.....	2
Redevelopment Plan Concept and Goals	2
Project Plan	6
Reinvestment Zone Finance Plan.....	7
Exhibit 1 – Estimated Project Costs	
Exhibit 2 – Page 1 Projected Assessed Valuations and Projected Zone Revenues (Inflation Growth Only)	
Exhibit 2 – Page 2 Projected Assessed Valuations and Projected Zone Revenues (Conservative Growth)	
Exhibit 3 – Zone 2 Area Map	
Exhibit 4 – Boundary Description of Zone	
Map 1 – Zone Boundaries	
Table 1 - Existing Land Use/Property Classification of Property in the Zone	

Introduction

This document constitutes the Project Plan and Reinvestment Zone Financing Plan (the “Project and Financing Plan”) for **Tax Increment Reinvestment Zone Number 2**, Harris County, Texas as required by Chapter 311, Texas Tax Code. The 37.005 square miles in size or +/- 23,683-acre tax increment reinvestment Zone (the “Zone”) was created by the Harris County Commissioners on December 10, 2024.

The purpose of the Zone is to finance construction of public infrastructure necessary to facilitate residential and commercial development and redevelopment within the Zone boundaries. Harris County aims to create community benefits for residents and businesses within the Zone, and surrounding areas to include, but not limited to: expanding access to safe and affordable housing; advancing equitable and effective economic opportunities through creating high-quality jobs for workers that include living wages, safety precautions, fair hiring, workforce development, and the support and scaling of disadvantaged, minority-owned, and women-owned businesses; promoting equitable and safe multimodal transportation; increasing community access to quality parks and open greenspace, developing drainage and public infrastructure, public facilities, and public art to foster environmentally safe, resilient, sustainable communities while mitigating the displacement of underserved and low-income residents within the Zone boundary.

Expenditures associated with the design and construction of public infrastructure, as well as other specific project related costs, will be funded by tax increment revenues derived from increases in property values following the new residential and commercial development.

Location

The reinvestment Zone is in the Northeast portion of Harris County within Precinct One. As shown in **Map 1**, the Zone is generally bounded by Beltway 8 to the north, Lake Houston and the San Jacinto River to the east, Greens Bayou and the Union Pacific Railway to the west, and Wallisville Road at its farthest point south. A boundary description is included within this Project and Financing Plan.

Redevelopment Plan Concept and Goals

The concept of the Zone is to construct the necessary public infrastructure that will lead to private capital investment in the area that respects the character and culture of the area, offers a corresponding increase in the local tax base, and creates economic opportunity for Harris County. Zone Reinvestment in the area is intended to achieve the following goals:

Goal 1: Improve and enhance corridors, mobility and connectivity throughout the Zone. Roadway corridors that meet current and anticipated needs, provide the capacity necessary to safely move traffic, and improve visual quality of the community are critical to development and redevelopment potential within the Zone. Roadways, stormwater management in the right-of-way, sidewalks, intersection improvements, lighting, signage, monumentation, managed access, trails, trailheads, landscaping enhancements, and associated on or off-street parking are all among the elements related to corridor improvement. Corridor construction, reconstruction and enhancement is necessary at strategic areas in

the Zone to create an environment that will stimulate private investment in retail, commercial and mixed-use developments. All improvements will be coordinated with the mobility, corridor and connectivity construction/reconstruction programs of the other public entities within the area. Attention will be placed on leveraging Zone monies through the funding of elements by partnering and complimenting CIP programs of sister agencies.

All design and construction projects shall provide safe vehicular circulation and promote safe alternative modes of transportation such as bicycles, pedestrians, and transit. When developing and investing in mobility projects, the Zone will focus on six key project goals to improve mobility:

1. **Equity:** Expand mobility options in the transportation system, especially for those most in need of improved access or in areas or historical under-investment.
2. **Safety:** Improve safe travel for all users of the mobility network, especially those most vulnerable including people walking, biking, or traveling with a mobility challenge.
3. **Access:** Expand access to important destinations in the Zone such as schools, parks, transit stations, and other public services.
4. **Choice:** Increase mobility options in the transportation system, especially for those with limited access to a personal vehicle or who choose not to drive.
5. **Health:** Increase active transportation options to support a healthy community.
6. **Climate:** Prioritize infrastructure that will support a more resilient Precinct, ensure all are free from environmental harms, support preparation for a changing climate and disasters, and facilitates affordable, reliable, and sustainable transportation options.

Goal 2: Enhance public infrastructure, facilities and services throughout the Zone. Storm water management, as well as water and wastewater services are equally critical to spur investment or reinvestment in the Zone. Improvements to the infrastructure network will be achieved through the installation, repair and replacement of drainage, water and wastewater systems where needed.

A. To provide orderly and healthful development of land, the Zone shall promote the health, safety, and general welfare of the community by minimizing public and private losses due to flood conditions. To carry out this purpose, all new development projects within the Zone Project and Financing Plan, shall follow detention requirements of Harris County and implement the following guidelines:

1. Prepare Drainage master plan with anticipated future land use as guide to developers to follow and implement Zone-wide drainage mitigation strategies.
2. Consider both new and currently developed properties and anticipated development of property in the future.

3. Utilize more permeable soils, topography, wildlife, vegetation, and other amenities as part of the drainage mitigation.
4. Construction and Design Standards
 - a) All buildings, roadways, and parks designed and constructed under the Zone Project and Financing Plan shall meet the latest versions of all Harris County regulations and standards with associated permitting requirements. In addition, to the minimum design and construction standards, Harris County Precinct One requires the Zone board to assure that all projects utilize and implement the following forward-thinking design and construction standard.
 - b) Leadership in Energy and Environmental Design (LEED) Building Standards. At minimum, the City of Houston's Silver level LEED certification policy for new construction, replacement facilities and major renovations for buildings with more than 10,000 sq. ft. of occupied space unless determined by a feasibility study that Gold or Platinum LEED standards can be met. If such standards are determined feasible, Gold or Platinum LEED standards must be met, with certification preferred, but optional. The contractor shall submit a copy of LEED certification and/or chosen design standards and long-term efficiency maintenance plans.
 - c) Low-Impact Development/Green Infrastructure. The County shall require every planning phase report for infrastructure projects planned for the Zone to include at least one option for the use of low-impact development/green infrastructure (LID/GI) with maintenance plan. If the use of LID/GI cannot be applied to the specific project, instead, the planning phase report must include a justification for why. If it is an option and the option is chosen, the project must be designed with low-impact development/green infrastructure techniques in accordance with Harris County's Low Impact Development & Green Infrastructure Design Criteria for Storm Water Management and/or is rated and verified using the Envision Sustainable Rating System.
 - d) Envision™ Rating System (ERS). Depending on the level of effort required and the value that would be added to a project, consider following the Envision system for project development by a certified Envision Sustainability Professional ("ESP") to track the project and collect all data related to the ERS credit categories.
 - e) Additional Design Goals. All projects should ensure providing a safe, comfortable, accessible, and attractive user experience. The Zone board shall determine the applicable standard(s) during the design of each project.

Goal 3: Access to Affordable Housing.

A. Affordable Housing Contribution. Maintaining a level of diversity among the housing stock within the Zone is critical for attracting and retaining the workforce and mixed-income economic activity that Harris County is built upon. The need for quality affordable housing is expected to increase as new commercial and retail development takes place within the Zone area. Tax increment may be leveraged against the private, public, and non-profit resources to support affordable housing in the Zone, including the integration of affordable housing into ongoing and proposed redevelopment projects within the Zone and partnerships with government entities and non-profits. The Zone intends to use tax increment to support housing initiatives that are (i) permissible under Chapter 311 of the Texas Tax Code, and (ii) consistent with Harris County policies and practices and developed within (or within a five (5) mile radius of) the Zone boundaries.

Goal 4: Promote Economic Opportunity and Private Investment and Reinvestment in the Zone.

A. The opportunity for the Zone area to reach the full economic potential is based in part on the ability to construct critical infrastructure, minimize risk for investors and customers, build upon local assets and recognize or enhance market demand. The Zone will facilitate economic growth through capital improvements that make sites more attractive and projects feasible, land acquisition and assembly, development of facilities that draw visitors into the Zone, and use of incentivized development agreements.

1. MWBE Procurement Standards: All procurement undertaken for Zone improvements or administration will apply the Harris County's Minority and Women Owned Business Enterprise program, must follow the County's MWBE's policy.
2. Living Wage Standards Conditions: All procurement undertaken for Zone improvements or administration will apply Harris County's Living Wage at the rate approved at the time of the procurement as well as any other countywide policies regarding the working terms and conditions of contracted and temporary workers (including but not limited to safety standards, training, wage theft enforcement, health insurance coverage, local and low income hiring/training, fair chance hiring, and non-discriminatory hiring).
3. Tax Abatement and Economic Development policies. All projects taken under the Zone Project and Financing Plan seeking tax abatements must follow the Harris County's Tax Abatement Program, and basic qualifications as outlined in the Harris County Department of Economic Equity policy.
4. Fair Chance Hiring: All procurement undertaken for the Zone and its related contractors must comply with Harris County's Fair Chance hiring policy adopted in January 2022.
5. Worker Safety Standards: All procurement undertaken for Zone and related contractors must follow the Harris County Contractor Safety Record Policy (the "Safety Record Policy") adopted by Harris County Commissioners Court to ensure that Harris County

engages prime contractors and subcontractors that prioritize the health and safety of their workers.

Goal 5: Develop and enhance green spaces, gathering places, trails, recreational or public facilities, and cultural amenities. Recreational amenities, play areas, trail systems, entertainment/cultural facilities and other enhancements to area parks and other public open green space will attract and support redevelopment and improve the quality of life of area neighborhoods and visitors by increasing the attractiveness of the area. Green space also provides the benefit of increasing the visual appeal and perception of the area while also potentially providing an added role as enhancements to the stormwater management network or connectivity between neighborhoods. Public facilities such as police and fire stations, libraries, and community centers enhance local quality of life and further increase the private investment potential of the community.

Goal 6: Promote and support community heritage, culture, character, and affordability for current residents. The Zone enjoys a heritage and character unique to the community that, if promoted and incorporated as new development and redevelopment occurs, will make the area more attractive to investment with an interest in long-term social and economic sustainability. The Zone is also intended to recognize and respect the positive impact of investment by members of the local community, in addition to large-scale development from outside of the area. Zone resources may be used to promote affordability, so that existing residents of the Zone can remain, small business development and expansion, development that is sensitive to community context, as well as development of assets that improve quality of life and economic opportunity.

Goal 7: Recreational and Public Facilities.

The Zone desires to promote the development of all lawful eligible public improvements, including places of public assembly, for the economic development of the Zone under Chapter 311 of the Texas Tax Code. The Zone and the County may use any available legal authority to facilitate the purchase and assembly of property to accomplish the development of such public facilities and economic development in the area surrounding such facilities.

Goal 8: Water Resources and Subsidence.

The Zone desires to promote the use of storm water to be treated and used as graywater for the purpose of landscape irrigation. The Zone can promote and partner in the design and construction of detention ponds to mitigate flooding and treatment of graywater including a separate distribution system for landscape irrigation use. In addition, the Zone desires to promote the use of surface water for the use of potable water instead of groundwater to contribute to the regional goal of Harris-Galveston Subsidence District reducing groundwater water source which is the primary cause of subsidence in the region.

Project Plan

A. Authorized Projects and Project Costs

Improvements in the Zone will consist of mobility, drainage and redevelopment improvements, including roadways, sidewalks, sewer, drainage infrastructure and parks and open spaces. The

proposed Zone improvements (Project Costs) are listed in **Exhibit 1**. The project categories describe generally the kind of improvements contemplated in this Project and Financing Plan.

B. Existing and Proposed Uses of Land (Texas Tax Code § 311.011(b)(1)):

Existing Conditions: The property comprising the Zone consists of older, distressed residential and commercial development with a significant amount of vacant land. The area lacks adequate infrastructure including sanitary sewers, roadways, sidewalks and drainage infrastructure.

Surrounding Land Uses: Land surrounding the Zone ranges from vacant to developed residential and commercial/industrial tracts.

Proposed Land Use: Proposed land uses shall include enhanced multi-family and single-family residential, commercial, retail, industrial, and parks and open spaces with increasingly diminished undeveloped land over time.

C. Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code § 311.011(b)(2)):

All construction will be done in conformance with existing building code regulations. There are no proposed changes to any development ordinances, master plans, or building codes.

D. Estimated Non-Project Costs (Texas Tax Code § 311.011(b)(3)):

The project costs referenced in **Exhibit 1** are inclusive of project costs to be incurred by the Zone only. The costs that would otherwise be project costs but are derived from other parties, such as the Texas Department of Transportation or private sources, are non-project costs. Funding identified in **Exhibit 1** for improvements will be leveraged to acquire non-project funding.

E. Method of Relocating Persons to be Displaced, if any, because of implementing the Plan (Texas Tax Code § 311.011(b)(4)):

There will be no persons displaced because of implementing the Project and Financing Plan.

Reinvestment Zone Finance Plan

A. Estimated Project Costs (Texas Tax Code § 311.011(c)(1)):

Exhibit 1 lists the estimated project costs for the Zone including administrative expenses. As set forth in this Plan, the dollar amounts are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the Commissioners Court. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on **Exhibit 1**.

B. Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Texas Tax Code § 311.011(c)(2)):

These details are described throughout the Project and Financing Plan, including but not limited to roadway construction/reconstruction, stormwater conveyance and management systems, water, wastewater improvements, sidewalks, intersection improvements, lighting, signage, street furniture, monumentation, managed access, trails, trailheads, park and greenspace improvements, landscaping enhancements, cultural and recreational amenities, and associated on or off-street parking. The general number and location of proposed improvements are contained in **Exhibit 1**.

C. Economic Feasibility (Texas Tax Code § 311.011(c)(3)):

Exhibit 2 constitutes incremental revenue estimates for this Project and Financing Plan. The cost of proposed improvements exceeds future anticipated revenues without additional consideration for growth in economic activity, reinvestment and subsequent property values, and therefore projects will be implemented based on available funding.

D. Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code § 311.011(c)(4), § 311.011(c)(5)):

Issuance of any notes and bonds by the Zone will occur as the Commissioners Court approves and tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in **Exhibit 1** and **Exhibit 2**, as well as actual market conditions for the issue and sale of such notes and bonds.

E. Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code § 311.011(c)(6)):

Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax increment associated will consist of contributions from Harris County. This figure is calculated using a Harris County contribution of \$0.35/\$100 of assessed valuation for properties within the Zone boundaries.

F. Current Total Appraised Value of Taxable Real Property (Texas Tax Code § 311.011(c)(7)):

As of January 1, 2024, the current combined appraised value of taxable real property in the Zone is \$2,256,911,084. See **Exhibit 2** for calculations.

G. **Estimated Captured Appraised Value of Zone During Each Year of Existence** (Texas Tax Code § 311.011(c)(8)):

It is projected that taxable property values in the Zone will increase to approximately \$7,320,059,790 by 2054. **Exhibit 2** shows the annual captured value of these increases in property value during the existence of the Zone.

H. **Zone Duration** (Texas Tax Code § 311.011(c)(9)):

The Zone took effect December 10, 2024 and will terminate on January 1, 2056. The Zone may terminate at an earlier time designated by subsequent action of Harris County Commissioners Court, or at such time, after the issuance of proposed revenue bonds, notes or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

EXHIBIT 1 - Estimated Project Costs

Category	Project Title	Description	Estimated Cost (millions)
Affordable Housing	TBD	Harris County-led projects and initiatives to provide affordable housing to residents with a household income at or below 80% of the AMI.	1/3 of TIRZ revenue
Drainage	TBD	Infrastructure projects and initiatives that improve the Harris County drainage systems in neighborhoods and other areas within the Zone to reduce the risks of flooding.	\$29
Mobility	TBD	Transportation initiatives that aim to improve the safety, accessibility, and efficiency of the Harris County's transportation system within Precinct One.	\$329
Parks and Open Space	TBD	Various elements of Precinct One parks to be upgraded to encourage park usage. This may include picnic tables, play grounds, barbecue pits, trails, dog park, BMX skate facility, etc.	\$132
Public Art	TBD	Streetscape/landscape and public art along Major Thoroughfares in areas outside of the Generation Park boundaries.	\$50
Resilience	TBD	Infrastructure projects that help Precinct One to prepare for and respond to potential threats and hazards.	\$10
Water & Wastewater	Deussen Park Water and Wastewater Service	Generation Park Management District to provide water and wastewater service from the proposed realignment of Deussen Parkway.	\$10
TOTAL in millions			\$550

Exhibit 2 – Page 1 Projected Assessed Valuations and Projected Zone Revenues (Inflation Growth Only)

Year	Tax Year	Base Year Valuation	Projected Valuation*	Projected Valuation (Increment)	Tax Year	Coll. Year	Participation	Cumulative Revenue
0	2024	2,256,911,084	2,256,911,084		2024	2023	-	-
1	2025	2,256,911,084	2,347,187,527	90,276,443	2025	2024	316,031	316,031
2	2026	2,256,911,084	2,441,075,028	184,163,944	2026	2025	644,703	960,733
3	2027	2,256,911,084	2,538,718,030	281,806,946	2027	2026	986,522	1,947,255
4	2028	2,256,911,084	2,640,266,751	383,355,667	2028	2027	1,342,013	3,289,268
5	2029	2,256,911,084	2,745,877,421	488,966,337	2029	2028	1,711,724	5,000,993
6	2030	2,256,911,084	2,855,712,518	598,801,434	2030	2029	2,096,224	7,097,217
7	2031	2,256,911,084	2,969,941,018	713,029,934	2031	2030	2,496,104	9,593,321
8	2032	2,256,911,084	3,088,738,659	831,827,575	2032	2031	2,911,979	12,505,300
9	2033	2,256,911,084	3,212,288,205	955,377,121	2033	2032	3,344,489	15,849,788
10	2034	2,256,911,084	3,340,779,734	1,083,868,650	2034	2033	3,794,299	19,644,087
11	2035	2,256,911,084	3,474,410,923	1,217,499,839	2035	2034	4,262,102	23,906,189
12	2036	2,256,911,084	3,613,387,360	1,356,476,276	2036	2035	4,748,616	28,654,805
13	2037	2,256,911,084	3,757,922,854	1,501,011,770	2037	2036	5,254,592	33,909,397
14	2038	2,256,911,084	3,908,239,768	1,651,328,684	2038	2037	5,780,806	39,690,204
15	2039	2,256,911,084	4,064,569,359	1,807,658,275	2039	2038	6,328,069	46,018,273
16	2040	2,256,911,084	4,227,152,134	1,970,241,050	2040	2039	6,897,223	52,915,496
17	2041	2,256,911,084	4,396,238,219	2,139,327,135	2041	2040	7,489,143	60,404,638
18	2042	2,256,911,084	4,572,087,748	2,315,176,664	2042	2041	8,104,739	68,509,377
19	2043	2,256,911,084	4,754,971,258	2,498,060,174	2043	2042	8,744,959	77,254,336
20	2044	2,256,911,084	4,945,170,108	2,688,259,024	2044	2043	9,410,788	86,665,125
21	2045	2,256,911,084	5,142,976,912	2,886,065,828	2045	2044	10,103,251	96,768,376
22	2046	2,256,911,084	5,348,695,989	3,091,784,905	2046	2045	10,823,411	107,591,787
23	2047	2,256,911,084	5,562,643,828	3,305,732,744	2047	2046	11,572,379	119,164,166
24	2048	2,256,911,084	5,785,149,581	3,528,238,497	2048	2047	12,351,305	131,515,470
25	2049	2,256,911,084	6,016,555,565	3,759,644,481	2049	2048	13,161,387	144,676,857
26	2050	2,256,911,084	6,257,217,787	4,000,306,703	2050	2049	14,003,874	158,680,731
27	2051	2,256,911,084	6,507,506,499	4,250,595,415	2051	2050	14,880,059	173,560,791
28	2052	2,256,911,084	6,767,806,759	4,510,895,675	2052	2051	15,791,292	189,352,083
29	2053	2,256,911,084	7,038,519,029	4,781,607,945	2053	2052	16,738,975	206,091,058
30	2054	2,256,911,084	7,320,059,790	5,063,148,706	2054	2053	17,724,565	223,815,623

Growth Rate	4.00%
Tax Rate Assumpt	0.35%

Exhibit 2 – Page 2 Projected Assessed Valuations and Projected Zone Revenues (Conservative Growth)

Year	Tax Year	Base Year Valuation	Projected Valuation	Projected Valuation (Increment)	Tax Year	Coll. Year	Participation	Cumulative Revenue
0	2024	2,256,911,084	2,256,911,084		2024	2023	-	-
1	2025	2,256,911,084	2,388,563,420	131,652,336	2025	2024	460,875	460,875
2	2026	2,256,911,084	2,527,895,429	270,984,345	2026	2025	948,635	1,409,510
3	2027	2,256,911,084	2,675,355,087	418,444,003	2027	2026	1,464,847	2,874,357
4	2028	2,256,911,084	2,831,416,507	574,505,423	2028	2027	2,011,171	4,885,528
5	2029	2,256,911,084	2,996,581,453	739,670,369	2029	2028	2,589,364	7,474,892
6	2030	2,256,911,084	3,171,380,962	914,469,878	2030	2029	3,201,285	10,676,177
7	2031	2,256,911,084	3,356,377,045	1,099,465,961	2031	2030	3,848,900	14,525,078
8	2032	2,256,911,084	3,552,164,501	1,295,253,417	2032	2031	4,534,294	19,059,371
9	2033	2,256,911,084	3,759,372,821	1,502,461,737	2033	2032	5,259,668	24,319,039
10	2034	2,256,911,084	3,978,668,219	1,721,757,135	2034	2033	6,027,355	30,346,394
11	2035	2,256,911,084	4,210,755,770	1,953,844,686	2035	2034	6,839,824	37,186,218
12	2036	2,256,911,084	4,456,381,678	2,199,470,594	2036	2035	7,699,687	44,885,905
13	2037	2,256,911,084	4,716,335,675	2,459,424,591	2037	2036	8,609,708	53,495,613
14	2038	2,256,911,084	4,991,453,563	2,734,542,479	2038	2037	9,572,813	63,068,426
15	2039	2,256,911,084	5,282,619,895	3,025,708,811	2039	2038	10,592,099	73,660,524
16	2040	2,256,911,084	5,590,770,825	3,333,859,741	2040	2039	11,670,843	85,331,367
17	2041	2,256,911,084	5,916,897,116	3,659,986,032	2041	2040	12,812,513	98,143,880
18	2042	2,256,911,084	6,262,047,323	4,005,136,239	2042	2041	14,020,780	112,164,661
19	2043	2,256,911,084	6,627,331,168	4,370,420,084	2043	2042	15,299,530	127,464,190
20	2044	2,256,911,084	7,013,923,106	4,757,012,022	2044	2043	16,652,872	144,117,062
21	2045	2,256,911,084	7,423,066,102	5,166,155,018	2045	2044	18,085,159	162,202,221
22	2046	2,256,911,084	7,856,075,625	5,599,164,541	2046	2045	19,600,995	181,803,216
23	2047	2,256,911,084	8,314,343,882	6,057,432,798	2047	2046	21,205,255	203,008,471
24	2048	2,256,911,084	8,799,344,290	6,542,433,206	2048	2047	22,903,096	225,911,567
25	2049	2,256,911,084	9,312,636,213	7,055,725,129	2049	2048	24,699,977	250,611,544
26	2050	2,256,911,084	9,855,869,982	7,598,958,898	2050	2049	26,601,675	277,213,220
27	2051	2,256,911,084	10,430,792,191	8,173,881,107	2051	2050	28,614,306	305,827,525
28	2052	2,256,911,084	11,039,251,323	8,782,340,239	2052	2051	30,744,338	336,571,864
29	2053	2,256,911,084	11,683,203,686	9,426,292,602	2053	2052	32,998,623	369,570,486
30	2054	2,256,911,084	12,364,719,706	10,107,808,622	2054	2053	35,384,406	404,954,892

Growth Rate	5.83%	5 Year Avg
Tax Rate Assumpt	0.35%	

EXHIBIT 4 – Boundary Description of the Zone

**Tax Increment Reinvestment Zone No. 2
Harris County Commissioner Precinct No. 1**

COMMENCING at the intersection of the centerline right-of-way of Wallisville Road and centerline right-of-way of Sheldon Road (77049);

THENCE north along the centerline right-of-way of Sheldon Rd to its intersection with the northern right-of-way of the Union Pacific Railroad;

THENCE generally northeast along the northern right-of-way of the Union Pacific Railroad to its intersection with the center line of the San Jacinto River;

THENCE moving in a northwesterly direction following the center line of the San Jacinto River to its intersection with a projected point at the southeastern boundary of Dwight D. Eisenhower State Park and the eastern bank of the San Jacinto River, same being southeast corner of TRS 26 & 75 ABST 2 V BLANCO;

THENCE west along the southern boundary of Dwight D. Eisenhower State Park, same being TRS 26 & 75 ABST 2 V BLANCO, and LTS 31 THRU 36 & RES PARKWOOD ESTATES SEC 3 U/R ABST 2 V BLANCO to southwest corner of said LTS 31 THRU 36, same being east right-of-way of Aqueduct Rd and City of Houston Municipal Limits;

THENCE west by south across right-of-way of Aqueduct Rd and Coastal Water Authority Main Canal to southeast corner of TR 37 & LAKE HOUSTON (PT NM) ABST 2 V BLANCO, same being eastern boundary of Alexander Deussen Park;

THENCE moving in a northerly direction along the eastern boundary of Alexander Deussen Park to its intersection with the western shore of Lake Houston;

THENCE generally northwest along the western shore of Lake Houston to north corner of TR 38 & LAKE HOUSTON (PT NM) ABST 2 V BLANCO;

THENCE south by west along west boundary of said TR 38 & LAKE HOUSTON (PT NM) ABST 2 V BLANCO, and TR 37 & LAKE HOUSTON (PT NM) ABST 2 V BLANCO to interior corner of said Tr 37, same being south corner of TR 10B-1ABST 2 V BLANCO;

THENCE northwesterly along boundary of TR 37 & LAKE HOUSTON (PT NM) ABST 2 V BLANCO to north corner of said TR 37, same being east corner of TR 10B-10 ABST 2 V BLANCO and City of Houston Municipal Limits;

THENCE southwesterly along boundary said TR 37 to west corner of said TR 37, same being northeast right-of-way of Deussen Pkwy;

THENCE northwest along the northeastern right-of-way of Deussen Pkwy to its intersection with the eastern right-of-way of W Lake Houston Pkwy;

THENCE northeast along the eastern right-of-way of W Lake Houston Pkwy to its intersection with the southern right-of-way of Summer Lake Ranch Dr;

THENCE west across West Lake Houston Pkwy to the intersection of its western right-of-way with the southern right-of-way of Summer Lake Ranch Dr;

THENCE moving southerly along the western right-of-way of West Lake Houston Pkwy to its eventual intersection with the eastern right-of-way of Timber Forest Dr;

THENCE north along the eastern right-of-way of Timber Forest Dr to its intersection with the southern right-of-way of Water Works Blvd;

THENCE west across the Timber Forest Dr to the intersection of its western right-of-way with the southern right-of-way of Water Works Blvd;

THENCE south along the western right-of-way of Timber Forest Dr to its intersection with the northern right-of-way of W Lake Houston Pkwy;

THENCE west along the northern right-of-way of W Lake Houston Pkwy to its intersection with the eastern right-of-way of Woodson Park Dr;

THENCE north along the eastern right-of-way of Woodson Park Dr to its intersection with the south corner of the parcel described as RES A BLK 1 SOUTH LAKE HOUSTON YMCA;

THENCE northerly along the boundary of RES A BLK 1 SOUTH LAKE HOUSTON YMCA to northeast corner of said RES A BLK 1;

THENCE northwest along boundary of RES A BLK 1 SOUTH LAKE HOUSTON YMCA to north corner of said RES A BLK 1;

THENCE south southwest along boundary of RES A BLK 1 SOUTH LAKE HOUSTON YMCA to west corner of said RES A BLK 1 and the eastern right-of-way of Woodson Park Dr;

THENCE northwesterly along the eastern right-of-way of Woodson Park Dr to its intersection with the parcel described as RES A BLK 1 WOODSON PARK APTS;

THENCE north following the east boundary of RES A BLK 1 WOODSON PARK APTS, across TRS 10M 10P & 10S ABST 2 V BLANCO to the centerline of Water Works Blvd;

THENCE west along centerline of Water Works Blvd to east boundary of TRS R100 & R101 ML (BSL&W) HOU TO ANCH ABST 2 V BLANCO;

THENCE southwest along east boundary of said TRS R100 & R101 ML (BSL&W) HOU TO ANCH ABST 2 V BLANCO to intersection with the northeast right-of-way of North Sam Houston Pkwy East access road;

THENCE northwesterly along the northeast right-of-way of North Sam Houston Pkwy East access road to the west bank of Greens Bayou, at a point south of southeast corner of RES A BLK 1 SUNSET RIDGE DETENTION POND;

THENCE south southeast crossing the right-of-way of N Sam Houston Pkwy at that projected point and following the western boundary of the TR 10J ABST 2 V BLANCO in a southerly direction to its intersection with the parcel described as TR 6 ABST 504 J KARCHER;

THENCE west southwest along north boundary of TR 6 ABST 504 J KARCHER to north boundary of TRS 2D 3A 5 7A & 8 ABST 504 J KARCHER;

THENCE west, south and west following the boundary of TRS 2D 3A 5 7A & 8 ABST 504 J KARCHER to its intersection with TRS 1E 1A-1 & 3A ABST 250 S EVERETT;

THENCE west and south along boundary of TRS 1E 1A-1 & 3A ABST 250 S EVERETT to northeast corner of TR 11A & TR 1A (GREENS BAYOU) ABST 250 S EVERETT;

THENCE west along the northern bank of Greens Bayou to northwest corner of TR 11A & TR 1A (GREENS BAYOU) ABST 250 S EVERETT and east boundary of LT 261 BLK 6 OAK KNOLL ESTATES;

THENCE north along east boundary of LT 261 BLK 6 OAK KNOLL ESTATES to centerline right-of-way of Ackley Dr;

THENCE westerly along centerline right-of-way of Ackley Dr to a point north of northwest corner of PT TR 4B ABST 694 A SMITH;

THENCE southerly along west boundary of PT TR 4B ABST 694 A SMITH, across Greens Bayou and along west boundary of TR 5 TRS 1 1A & 2 ABST 117 W BRITTON TRS 4 5 & 6 ABST 694 A SMITH ABST 115 F BELL to interior corner of TR 5 TRS 1 1A & 2 ABST 117 W BRITTON TRS 4 5 & 6 ABST 694 A SMITH ABST 115 F BELL, same being south right-of-way of Winfield Rd;

THENCE west along south right-of-way of Winfield Rd to east right-of-way of Suburban Rd;

THENCE south along east right-of-way of Suburban Rd to northwest corner of TRS 9E & 9F BLK 9;

THENCE east along north boundary of said TRS 9E & 9F BLK 9, and BLK 9 HOUSTON SUBURBAN HEIGHTS, and SHADOWLAKE ESTATES SEC 1 to interior corner of LTS 5 6 7 8 & 12 THRU 16 BLK 13 HOUSTON SUBURBAN HEIGHTS;

THENCE north and east along boundary of said LTS 5 6 7 8 & 12 THRU 16 BLK 13 HOUSTON SUBURBAN HEIGHTS to corner of said TR 5 TRS 1 1A & 2 ABST 117 W BRITTON TRS 4 5 & 6 ABST 694 A SMITH ABST 115 F BELL, same being south right-of-way of Winfield Rd;

THENCE north and west along boundary of said TR 5 TRS 1 1A & 2 ABST 117 W BRITTON TRS 4 5 & 6 ABST 694 A SMITH ABST 115 F BELL to south bank of Greens Bayou;

THENCE east along south bank of Greens Bayou to corner of TRS 2D 3A 5 7A & 8 ABST 504 J KARCHER;

THENCE southerly along west boundary of said TRS 2D 3A 5 7A & 8 ABST 504 J KARCHER (west easement of Greens Bayou) to northeast corner of FOREST ACRES subdivision;

THENCE southerly along east boundary of FOREST ACRES subdivision to southeast corner of said subdivision, same being intersection with north right-of-way of Winfield Rd;

THENCE southerly across TR 3B BLK 21 HOUSTON SUBURBAN HEIGHTS, and RR ROW ML (BSL&W) HOU TO ANCH ABST 117 W BRITTON along west easement of Greens Bayou to north corner of PT TRS 11 & 12 BLK 21 R/S PT LTS 4 8 & 9 BLK 21 & PT LTS 1A & 2A BLK 22 (HOMESITE) HOUSTON SUBURBAN HEIGHTS (southern right-of-way of the Union Pacific Railroad);

THENCE southwesterly along the southern right-of-way of the Union Pacific Railroad track to its intersection with the southwestern corner of the parcel described as TR 2E ABST 119 J E BUNDICK, same being City of Houston Municipal Limits;

THENCE east along the southern boundary of TR 2E ABST 119 J E BUNDICK, across right-of-way of Mesa Drive and along north boundary of RES A BLK 1 MESA DRIVE IOV to northeast corner of RES A BLK 1 MESA DRIVE IOV, same being City of Houston Municipal Limits;

THENCE south along City of Houston Municipal Limits to southwest corner of TR 4A ABST 714 W H STEELE;

THENCE east along south boundary of TR 4A ABST 714 W H STEELE to southeast corner of said TR 4A same being boundary of PT TR 2D ABST 714 W H STEELE;

THENCE southeasterly to south corner of said PT TR 2D ABST 714 W H STEELE, and west corner of TR 1A (GREENS BAYOU) ABST 322 A J HOLDER;

THENCE east along north boundary of said TR 1A (GREENS BAYOU) ABST 322 A J HOLDER to northeast corner of said TR 1A, same being centerline of Greens Bayou, and City of Houston Municipal Limits;

THENCE south along east boundary of said TR 1A, same being centerline of Greens Bayou and City of Houston Municipal Limits to southeast corner of said TR 1A, same being southwest corner of the parcel described as TR 1B (GREENS BAYOU) ABST 322 A J HOLDER;

THENCE east along the southern boundary of said TR 1B, and TR 2C-1 ABST 322 A J HOLDER, and City of Houston Municipal Limits, to the western right-of-way of John Ralston Rd;

THENCE south along the western right-of-way of John Ralston Rd to its intersection with the centerline of PT TR R40 ABST 59 REELS & TROBOUGH (SPRR) north of intersection with Beaumont Highway;

THENCE east by north along centerline of said PT TR R40 ABST 59 REELS & TROBOUGH (SPRR) to east right-of-way of John Ralston Rd;

THENCE north along the eastern right-of-way of John Ralston Rd to southwest corner of TR 1E ABST 714 W H STEELE (9911 C E KING PKY);

THENCE east approx. 483 feet along the southern boundary of said TR 1E ABST 714 W H STEELE to its intersection with the western boundary of the CenterPoint Energy Transmission Corridor right-of-way;

THENCE south across TR 1C ABST 714 W H STEELE and along the CenterPoint Energy Transmission Corridor western right-of-way to southwest corner of TR 2M ABST 322 A J HOLDER, same being north right-of-way of Tidwell Rd;

THENCE south by east across right-of-way of Tidwell Rd to northwest corner of TR 2D ABST 322 A J HOLDER;

THENCE south along west boundary of said TR 2D ABST 322 A J HOLDER, and TRS 2D-2 2K-1 & 2K-2 ABST 322 A J HOLDER to southwest corner of said TRS 2D-2 2K-1 & 2K-2, same being north boundary of LTS 21 & 22 & TRS 20 & 23 BLK 17 HOUMONT PARK SEC 1;

THENCE west along north boundary of said LTS 21 & 22 & TRS 20 & 23 BLK 17 HOUMONT PARK SEC 1 to northwest corner;

THENCE south along west boundary of said LTS 21 & 22 & TRS 20 & 23 BLK 17 HOUMONT PARK SEC 1, LTS 35 & 36 & PT LTS 34 & 37 BLK 14 HOUMONT PARK SEC 1, across LTS 19 THRU 25 & E 1/2 OF LT 26 BLK 14 HOUMONT PARK SEC 1, and along west boundary LTS 35 & 36 & PT TRS 34 & 37 BLK 7 HOUMONT PARK SEC 1 to southwest corner of said LTS 35 & 36 & PT TRS 34 & 37 BLK 7 HOUMONT PARK SEC 1, same being north boundary TR 58 BLK 7 LT 22 PT LTS 21 & 23 HOUMONT PARK SEC 1;

THENCE west along north boundary of said TR 58 BLK 7 LT 22 PT LTS 21 & 23 HOUMONT PARK SEC 1 to northwest corner of said TR 58 BLK 7 LT 22 PT LTS 21 & 23;

THENCE south along west boundary of said TR 58 BLK 7 LT 22 PT LTS 21 & 23, across right-of-way of Green River Dr and along east right-of-way of Heather Row Ln to the centerline of SPRR easement TR R60 ABST 546 J W MOODY (BEAUMONT HWY);

THENCE east by north along centerline of SPRR easement TR R60 ABST 546 J W MOODY to a point due south of LTS 122-130 & 132-134 & TR 136 RES TR 136 ABST 546 J W MOODY RALSTON ACRES;

THENCE north across TR R60 ABST 546 J W MOODY and along the eastern boundary of LTS 122-130 & 132-134 & TR 136 RES TR 136 ABST 546 J W MOODY RALSTON ACRES (CenterPoint Energy easement), and east boundary of W 150 FT OF LTS 119 120 & 121 RALSTON ACRES to northeast corner of said W 150 FT OF LTS 119 120 & 121 and south boundary of LTS 22 & 23 & TR 21B BLK 4 HOUMONT PARK SEC 1;

THENCE east along south boundary of said LTS 22 & 23 & TR 21B BLK 4 to southeast corner of said LTS;

THENCE north along east boundary of said LTS 22 & 23 & TR 21B BLK 4, across right-of-way of Green River Dr and continuing along east boundary of TR 21A BLK 7 PT LTS 20 & 21 HOUMONT PARK SEC 1, and LTS 35 & 36 & PT TRS 34 & 37 BLK 7 HOUMONT PARK SEC 1, across right-of-way of Robert E Lee Rd and LTS 19 THRU 25 & E 1/2 OF LT 26 BLK 14 HOUMONT PARK SEC 1, and along east boundary of LTS 35 & 36 & PT LTS 34 & 37 BLK 14 HOUMONT PARK SEC 1, across right-of-way of Ticonderoga Rd, and along east boundary of LTS 21 & 22 & TRS 20 & 23 BLK 17 HOUMONT PARK SEC 1 to northeast corner of said LTS 21 & 22 & TRS 20 & 23 BLK 17;

THENCE northeast by north across TRS 2D-2 2K-1 & 2K-2 ABST 322 A J HOLDER (HCFCD) to interior corner of said TRS 2D-2 2K-1 & 2K-2, same being southwest corner of TR 2G ABST 322 AJ HOLDER;

THENCE north along west boundary of TR 2G ABST 322 AJ HOLDER, across right-of-way of Tidwell Rd, along east boundary of TR 2M ABST 322 A J HOLDER to southeast corner of TR 2N-1B ABST 322 A J HOLDER;

THENCE west along south boundary of said TR 2N-1B ABST 322 A J HOLDER to southwest corner of said tract TR 2N-1B;

THENCE north along west boundary of said TR 2N-1B, and TR 2P ABST 322 A J HOLDER to northwest corner of said TR 2P, same being south boundary of TR 2N-7 ABST 322 A J HOLDER;

THENCE west along south boundary of said TR 2N-7 to southwest corner of said TR 2N-7;

THENCE north along west boundary of said TR 2N-7, and TR 3M ABST 714 W H STEELE to northwest corner of said TR 3M;

THENCE east along north boundary of said TR 3M to northeast corner of said TR 3M, same being west boundary of TRS 3A & 3B ABST 714 W H STEELE;

THENCE north along west boundary of said TRS 3A & 3B, across right-of-way of Pia Dr, and along west boundary of TR 3A-1 and TR 1B ABST 714 W H STEELE to northwest corner of said TR 1B, same being south corner of TR 1A ABST 714 W H STEELE;

THENCE east along south boundary of said TR 1A, and TR 1E ABST 714 W H STEELE to southeast corner of said TR 1E, same being west right-of-way of C.E. King Pkwy;

THENCE south along the western right-of-way of C.E. King Pkwy to the centerline of TR R60 ABST 546 J W MOODY (SPRR easement), along northern right-of-way of the Beaumont Highway;

THENCE east along centerline of TR R60 ABST 546 J W MOODY (SPRR easement), to the eastern boundary of the C.E. King Pkwy right-of-way;

THENCE north along the eastern right-of-way of the C.E. King Pkwy to its intersection with the southern right-of-way of Garrett Rd;

THENCE east along the southern right-of-way of Garrett Rd to its intersection with the western right-of-way of Texas 8 Beltway;

THENCE southerly along the western right-of-way of Texas 8 Beltway southbound access road to centerline of SPRR easement (BEAUMONT HWY);

THENCE east by north along centerline of SPRR easement to east boundary of the West Canal drainage easement, and City of Houston Municipal Limits;

THENCE south along the east boundary of West Canal drainage easement and City of Houston Municipal Limits until its intersection with the southern right-of-way of the Crosby Fwy eastbound access road;

THENCE east along the southern right-of-way of the Crosby Fwy eastbound access road to its intersection with the west right-of-way of Liberty River Drive;

THENCE southeasterly along the west right-of-way of Liberty River Drive to its intersection with the north corner of RES A BLK 1 (LANDSCAPE/OPEN SPACE) LIBERTY LAKES SEC 9;

THENCE northeast by east across right-of-way of Liberty River Drive to south corner of the parcel described as RES D BLK 4 BELTWAY 8/US 90 COMMERCIAL;

THENCE northeast by east along the southern boundary of RES D BLK 4 BELTWAY 8/US 90 COMMERCIAL to its intersection with the north corner of LIBERTY LAKES SEC 9;

THENCE following southerly along the eastern boundary of LIBERTY LAKES SEC 9 and SEC 10 to east corner of LT 60 BLK 2 LIBERTY LAKES SEC 10;

THENCE southerly along the eastern boundary of LIBERTY LAKES SEC 10 and SEC 5 to southeast corner LT 18 BLK 2 LIBERTY LAKES SEC 5;

THENCE west northwest along south boundary of LIBERTY LAKES SEC 5 to southwest corner of said RES B BLK 1 (LANDSCAPE) LIBERTY LAKES SEC 5, same being east boundary of RES C4 BLK 3 BELTWAY 8/US 90 COMMERCIAL;

THENCE north by east along east boundary of said RES C4 BLK 3 BELTWAY 8/US 90 COMMERCIAL to northeast corner of said RES C4;

THENCE west by north along north boundary of said RES C4 BLK 3 BELTWAY 8/US 90 COMMERCIAL to northwest corner of said RES C4;

THENCE south by west along west boundary of said RES C4 BLK 3 BELTWAY 8/US 90 COMMERCIAL, and RES C BLK 3 BELTWAY 8/US 90 COMMERCIAL to west corner of said RES C, same being east right-of-way of E Sam Houston Pkwy N northbound access road;

THENCE southeast by south along east right-of-way of E Sam Houston Pkwy N northbound access road to northwest corner of RES A BLK 1 ALTA CROSSING APTS;

THENCE generally east along north boundary of said RES A BLK 1 ALTA CROSSING APTS to east corner of said RES A BLK 1;

THENCE generally west along south boundary of said RES A BLK 1 ALTA CROSSING APTS to southwest corner of said RES A BLK 1, same being east right-of-way of E Sam Houston Pkwy N northbound access road;

THENCE south along east right-of-way of E Sam Houston Pkwy N northbound access road to its intersection with southwest corner of the parcel described as TR 1E-8 ABST 704 S SINGLETON;

THENCE generally east along the southern boundary of said TR 1E-8 ABST 704 S SINGLETON, and TR 1E9 ABST 704 S SINGLETON to east corner of BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2;

THENCE generally southwest along east boundary of said BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2 to west corner of TR 1E-10 ABST 704 S SINGLETON;

THENCE west by south across BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2 along north drainage easement to east right-of-way of E Sam Houston Pkwy N northbound access road;

THENCE south along east right-of-way of E Sam Houston Pkwy N northbound access road to southwest corner of said BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2;

THENCE east by north along south boundary of said BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2 (south drainage easement) to southeast corner of said BLDGS 1 THRU 21 BLK 1 STONE PARK APTS SEC 2, same being north corner of RESERVE BLK 1 (BLDGS 1 THRU 16) STONE PARK APTS;

THENCE generally south along east boundary of said RESERVE BLK 1 (BLDGS 1 THRU 16) STONE PARK APTS to southeast corner of said RESERVE BLK 1 (BLDGS 1 THRU 16) STONE PARK APTS;

THENCE west southwest along south boundary of said RESERVE BLK 1 (BLDGS 1 THRU 16) STONE PARK APTS to southwest corner of said RESERVE BLK 1, same being east right-of-way of E Sam Houston Pkwy N northbound access road;

THENCE south along the east right-of-way of E Sam Houston Pkwy N northbound access road to its intersection with the centerline right-of-way of Wallisville Rd;

THENCE east by north along the centerline right-of-way of Wallisville Rd to the centerline right-of-way of Sheldon Rd, and POINT OF BEGINNING and within these calls +/- 27,146 acres of land.

LESS AND EXCEPT THE EXCLUDED PARCELS OR TRACTS OF LAND DESCRIBED BELOW:

EXCLUSION #1 (SHELDON WOODS)

+/- 128-acre tract COMMENCING at the intersection of the western right-of-way of Lamkin Rd and the southern right-of-way of Beaumont Hwy, same being north corner of TR 30A-1 ABST 483 J JONES (16902 BEAUMONT HWY);

THENCE east northeast along the southern right-of-way of Beaumont Hwy to its intersection with the north corner of the parcel described as TR 13B ABST 483 J JONES;

THENCE southeasterly along the eastern boundary of said TR 13 B to its southeast corner, same being northwest corner of TR 19D HOUSTON FARMS;

THENCE west along southern boundary of said TR 13B ABST 483 J JONES to northeast corner of TR 19A HOUSTON FARMS;

THENCE southeasterly along the eastern boundary of said TR 19A HOUSTON FARMS to its southeast corner, same being north right-of-way of Hall Sheppard Rd;

THENCE southeasterly across right-of-way of Hall Sheppard Rd to northwest corner of 19E-1 HOUSTON FARMS;

THENCE southeasterly along western boundary of 19E-1 HOUSTON FARMS, and RES A BLK 1 URBAN COMPANIES SHELDON ROAD, across right-of-way of Blairwood Dr, continuing along west boundary of RES A BLK 1 STRIPES ON SHELDON R/P & EXTN to interior corner of said RES A BLK 1;

THENCE west along the northern boundary of said RES A BLK 1 STRIPES ON SHELDON R/P & EXTN, and TR 23F HOUSTON FARMS, same being south boundary of SHELDON WOODS 4 subdivision to southwest corner of LT 1 BLK 12 SHELDON WOODS SEC 4, same being east right-of-way of Lamkin Dr;

THENCE south along east right-of-way of Lamkin Dr to interior corner of TRS 19 23J-1 & 23L-1 HOUSTON FARMS;

THENCE west along the northern boundary of TRS 19 23J-1 & 23L-1 HOUSTON FARMS to its intersection with the southeastern boundary of the parcel described as RES A BLK 1 JOHNS ROAD;

THENCE north along the eastern boundary and west along the northern boundary of RES A BLK 1 JOHNS ROAD to its intersection with the western right-of-way of Johns Rd;

THENCE north along the western right-of-way of Johns Rd to its intersection with the northeastern boundary of the parcel described as TR 20M-5 HOUSTON FARMS;

THENCE west, north, and east following the along boundary of TRS 20N & 20P HOUSTON FARMS returning to its intersection with the eastern right-of-way of Johns Rd, and western boundary of the parcel described as TR 20C-1 HOUSTON FARMS;

THENCE south along eastern right-of-way of Johns Rd, and western boundary of said TR 20C-1 HOUSTON FARMS to southwest corner of said TR 20C-1 and northern boundary of TR 20C HOUSTON FARMS;

THENCE east along the northern boundary of TR 20C HOUSTON FARMS to its northeast corner and intersection with the western boundary of the parcel described as TR 20E HOUSTON FARMS;

THENCE south and east along the boundary of TR 20E HOUSTON FARMS to southeast corner of said TR 20E, same being western right-of-way of Lamkin Rd;

THENCE north returning to the POINT OF BEGINNING at the intersection of the western right-of-way of Lamkin Rd and the southern right-of-way of Beaumont Hwy.

EXCLUSION #2 (BEAUMONT HWY AND MILLER RD)

+/- 180.7-acre tract COMMENCING at the intersection of the northwest corner of the parcel described as TRS 20H-1 20J-1 20K-1 20L-1 20M-6 20V & 20W & 20X HOUSTON FARMS and the southern right-of-way of Beaumont Hwy (16602 BEAUMONT HWY);

THENCE south along the western boundary of the parcel described as TRS 20H-1 20J-1 20K-1 20L-1 20M-6 20V & 20W & 20X HOUSTON FARMS to its intersection with the southeastern corner of the parcel described as LT 6 BLK 4 SHELDON ACRES, same being northern boundary of the parcel described as TRS 22B & 22A-1 HOUSTON FARMS;

THENCE west along the northern boundary of TRS 22B & 22A-1 HOUSTON FARMS to northwest corner and east right-of-way line of Miller Rd No. 2;

THENCE west by south across right-of-way of Miller Rd No. 2 to northeast corner of LT 6 BLK 5 SHELDON PARK;

THENCE south along eastern boundary of SHELDON PARK ADDITION to southeast corner of TR 23 BLK 3 SHELDON PARK;

THENCE generally west southwest along southern boundary of SHELDON PARK ADDITION to southwest corner of LT 20 BLK 3 SHELDON PARK;

THENCE north northwest along western boundary of SHELDON PARK ADDITION to south corner of LT 1 BLK 3 SHELDON PARK;

THENCE east by north along south boundary of LT 1 BLK 3 SHELDON PARK to east corner of said lot;

THENCE north by west along east boundary of LT 1 BLK 3 SHELDON PARK to north corner of said lot, same being southern right-of-way of Beaumont Hwy;

THENCE east by north along the southern right-of-way of Beaumont Hwy returning to the POINT OF BEGINNING at the intersection of the northwest corner of the parcel described as TRS 20H-1 20J-1 20K-1 20L-1 20M-6 20V & 20W & 20X HOUSTON FARMS and the southern right-of-way of Beaumont Hwy.

EXCLUSION #3 (SWC OF SHELDON RD AND GARRETT RD)

+/- 891-acre tract COMMENCING at the intersection of the southern right-of-way of Garrett Rd and the northeast corner of the parcel described as LT 21 (J'S ESTATE U/R) ABST 231 J DUNMAN (11518 BRANDY LN);

THENCE south along the eastern boundary J ESTATE U/R subdivision to northwest corner of ROLLING HILLS subdivision;

THENCE east along the northern boundary of ROLLINGS HILLS subdivision to its intersection with the southwest corner of TR 3G-2 ABST 231 J DUNMAN;

THENCE north along the western boundary of said TR 3G-2 ABST 231 J DUNMAN to northwest corner of said TR 3G-2, and south right-of-way of Garrett Rd;

THENCE east along the northern boundary of said TR 3G-2 ABST 231 J DUNMAN, and TR 3G-3 to northeast corner of said TR 3G-3;

THENCE south along eastern boundary of said TR 3G-3 ABST 231 J DUNMAN, and TR 3G-3A ABST 231 J DUNMAN to southeast corner of said TR 3G-3A, same being north boundary of ROLLING HILLS subdivision;

THENCE east along the northern boundary of ROLLING HILLS subdivision to its intersection with the western right-of-way of Sheldon Rd;

THENCE south along the western right-of-way of Sheldon Rd to its intersection with the northeast corner of the parcel described as TRS 11B 13E-1 13F 21A & PT TR 13H ABST 483 J JONES;

THENCE west along the northern boundary of TRS 11B 13E-1 13F 21A & PT TR 13H ABST 483 J JONES, TR 11E and TRS 2A 3A 3B 11A 12A 13A 21B & 26 ABST 483 J JONES to interior corner of said TRS 2A 3A 3B 11A 12A 13A 21B & 26 ABST 483 J JONES;

THENCE north along eastern boundary said TRS 2A 3A 3B 11A 12A 13A 21B & 26 ABST 483 J JONES to northeast corner of said TRS;

THENCE west along northern boundary said TRS 2A 3A 3B 11A 12A 13A 21B & 26 ABST 483 J JONES to southeast corner of TRS 1A 2A & 3A SHELDON RESERVOIR ABST 525 W LEWIS;

THENCE northwest along eastern boundary of said TRS 1A 2A & 3A SHELDON RESERVOIR ABST 525 W LEWIS to northeast corner of said TRS;

THENCE west along northern boundary of said TRS 1A 2A & 3A SHELDON RESERVOIR ABST 525 W LEWIS to northwest corner of said TRS, same being southwest corner of LT 35 JACINTO PARK U/R ABST 525 W LEWIS;

THENCE north along the western boundary of JACINTO PARK U/R subdivision to its intersection with the northwest corner of TR 1A JACINTO PARK U/R ABST 525 W LEWIS, and the southern right-of-way of Garrett Rd;

THENCE east along the southern right-of-way of Garrett Rd to the POINT OF BEGINNING at intersection of the southern right-of-way of Garrett Rd and the northeast corner of the parcel described as LT 21 (J'S ESTATE U/R) ABST 231 J DUNMAN.

EXCLUSION #4 (MAGNOLIA GARDENS)

+/- 440-acre tract COMMENCING at the east right-of-way line Riverside Street and the southeast corner MAGNOLIA GARDENS U/R;

THENCE north and northwest along the eastern right-of-way of Riverside Street to its intersection with the projection of the western right-of-way of Eight Street, and interior corner of LTS 10 THRU 14 BLK A MAGNOLIA GARDENS U/R ABST 2 V BLANCO;

THENCE south along the western right-of-way of Eight Street to its intersection with the northern boundary of LT 26 & TRS 27 & 27A BLK 22 MAGNOLIA GARDENS U/R ABST 2 V BLANCO and the southern right-of-way of Gil Avenue;

THENCE east to northeast corner of said to the intersection LT 26 & TRS 27 & 27A BLK 22 MAGNOLIA GARDENS U/R ABST 2 V BLANCO;

THENCE south, west and south along east boundary of said LT 26 & TRS 27 & 27A BLK 22 MAGNOLIA GARDENS U/R ABST 2 V BLANCO to southeast corner of said LT26 & TRS 27 & 27A BLK 22, and north right-of-way of Grape Ave;

THENCE west along north right-of-way of Grape Ave to west right-of-way of 8th St to its intersection with the northern right-of-way of Guinn Avenue;

THENCE west along the northern right-of-way of Guinn Avenue to its intersection with the eastern right-of-way of Seventh Street;

THENCE north along the eastern right-of-way of Seventh Street to its intersection with the southwest corner of the parcel described as TR 2A MAGNOLIA GARDENS U/R ABST 2 V BLANCO;

THENCE east along southern boundary of TR 2A MAGNOLIA GARDENS U/R ABST 2 V BLANCO to southeast corner of said TR 2A;

THENCE north along eastern boundary of TR 2A MAGNOLIA GARDENS U/R ABST 2 V BLANCO to northeast corner of said TR 2A;

THENCE west along northern boundary of TR 2A MAGNOLIA GARDENS U/R ABST 2 V BLANCO to northwest corner of said TR 2A, same being east right-of-way of 7th St;

THENCE west by south across right-of-way of 7th St to southeast corner of TR 18B ABST 2 V BLANCO;

THENCE west along the southern boundary of TR 18B ABST 2 V BLANCO, and TRS 1C THRU 8C & 18 ABST 2 V BLANCO to interior corner of said TRS 1C THRU 8C & 18;

THENCE south along boundary of said TRS 1C THRU 8C & 18 ABST 2 V BLANCO to corner of said tract, same being northeast corner of LTS 6 THRU 10 & 11 THRU 15 BLK 77 MAGNOLIA GARDENS U/R ABST 2 V BLANCO;

THENCE westerly along the southern boundary of TRS 1C THRU 8C & 18 ABST 2 V BLANCO to its intersection with the eastern right-of-way of Gold Canyon Rd;

THENCE south along the eastern right-of-way of Gold Canyon Rd to its intersection with the west boundary of LT 11 RED BUD ACRES R/P U/R Subdivision;

THENCE north along east boundary of RED BUD ACRES R/P U/R Subdivision to northeast corner LTS 30 31 & 32 RED BUD ACRES R/P U/R;

THENCE west along north boundary of RED BUD ACRES R/P U/R Subdivision to northwest corner LTS 90 RED BUD ACRES R/P U/R;

THENCE south along west boundary of RED BUD ACRES R/P U/R Subdivision and eastern boundary of LINCOLN PARKS FARMS to southwest corner of TR 1 ABST 2 V BLANCO (16420 GARRETT RD), and north right-of-way of Garrett Rd;

THENCE east along the northern right-of-way of Garrett Rd to southeast corner of LT A RED BUD ACRES R/P U/R;

THENCE east across right-of-way of First St and along southern boundary of MAGNOLIA GARDENS U/R to the POINT OF BEGINNING at the east right-of-way line Riverside Street and the southeast corner MAGNOLIA GARDENS U/R.

EXCLUSION #5 (NEC OF SAM HOUSTON TOLLWAY AND GARRETT RD)

+/- 50-acre tract Less and Except the parcel described as RES A BLK 1 SHELDON ISD SUPPORT SERVICES AND OPERATIONS SITE (13011 GARRETT RD).

EXCLUSION #6 (SUMMER CREEK HIGH SCHOOL)

+/- 66.8-acre tract Less and Except the parcel described as RES A BLK 1 HUMBLE ISD HIGH SCHOOL NO 6 (14000 WECKFORD BLVD, HOUSTON, TX 77044).

EXCLUSION #7 (NWC OF N LAKE HOUSTON PKWY AND LOCKWOOD RD)

+/- 159.3-acre tract COMMENCING at the intersection of the western right-of-way of Lockwood Rd and the northern right-of-way of North Lake Houston Pkwy;

THENCE north along the western right-of-way of Lockwood Rd to its intersection with the southeast corner of the parcel described as RES A BLK 1 GENERATION PARK WEST SEC 7;

THENCE west along the southern boundary of RES A BLK 1 GENERATION PARK WEST SEC 7 to its intersection with the eastern right-of-way of West Lake Houston Pkwy;

THENCE south along the eastern right-of-way of West Lake Houston Pkwy to its intersection with the northern right-of-way of North Lake Houston Pkwy;

THENCE east along the northern right-of-way of North Lake Houston Pkwy to the POINT OF BEGINNING at the intersection of the western right-of-way of Lockwood Rd and the northern right-of-way of North Lake Houston Pkwy.

EXCLUSION #8 (SWC OF N LAKE HOUSTON PKWY AND LOCKWOOD RD)

+/- 636.1-acre tract COMMENCING at the intersection of the northern right-of-way of Garrett Rd and the southeast corner of the parcel described as RES C BLK 3 SHELDON EDUCATIONAL COMPLEX;

THENCE north along the eastern boundary of RES C BLK 3 SHELDON EDUCATIONAL COMPLEX to its intersection with the drainage canal described as RES F BLK 1 (DRAINAGE) GREENSBROOK PLACE SEC 1;

THENCE east along the drainage canal described as RES F BLK 1 (DRAINAGE) GREENSBROOK PLACE SEC 1 to its intersection with the western right-of-way of Lockwood Rd;

THENCE north along the western right-of-way of Lockwood Rd to its intersection with the southern right-of-way of North Lake Houston Pkwy;

THENCE west along the southern right-of-way of North Lake Houston Pkwy to its intersection with the northeast corner of the parcel described as TRS 69D & 69D-2 ABST 2 V BLANCO;

THENCE south along the eastern boundary of TRS 69D & 69D-2 ABST 2 V BLANCO to intersection with the northern boundary of the Harris County Flood Control drainage canal described as TRS 67C 69C & 69D-1 ABST 2 V BLANCO;

THENCE west along the northern boundary of TRS 67C 69C & 69D-1 ABST 2 V BLANCO to its intersection with the eastern boundary of the parcel described as TR 52 IN LTS 23 24 & 25 BLK F PT LTS 23 THRU 27 (NM) LINCOLN PARK FARMS;

THENCE south along the eastern boundary of TR 52 IN LTS 23 24 & 25 BLK F PT LTS 23 THRU 27 (NM) LINCOLN PARK FARMS to its intersection with the northern right-of-way of Garrett Rd;

THENCE east along the northern right-of-way of Garrett Rd to the POINT OF BEGINNING at the intersection of the northern right-of-way of Garrett Rd and the southeast corner of the parcel described as RES C BLK 3 SHELDON EDUCATIONAL COMPLEX.

EXCLUSION #9 (SEC OF SAM HOUSTON TOLLWAY AND LITTLE YORK RD)

+/- 181.3-acre tract COMMENCING at the intersection of the western right-of-way of Pineland Rd and the east corner of the parcel described as LT 176 FAUNA MOBILE ESTATES SEC 5 U/R (9507 PINELAND RD);

THENCE northerly along the western right-of-way of Pineland Rd to its intersection with the southern right-of-way of Little York Rd;

THENCE west along the southern right-of-way of Little York Rd to its intersection with the eastern right-of-way of Texas 8 Beltway northbound access road;

THENCE south along the eastern right-of-way of Texas 8 Beltway northbound access road to its intersection with the northwest corner of the parcel described as TR 10B ABST 263 J FLANDERS;

THENCE east along the northern boundary of TR 10B ABST 263 J FLANDERS to northeast corner of said TR 10B ABST 263 J FLANDERS, and west boundary of the parcel described as LT 1-10 GREENWOOD;

THENCE north along western boundary of said LT 1-10 GREENWOOD to northwest corner of said LIT 1-10;

THENCE east along the northern boundary of LT 1-10 GREENWOOD, and TRS 11 THRU 25 GREENWOOD to northeast corner of said TRS 11 THRU 25, same being east corner of LT 176 FAUNA MOBILE ESTATES SEC 5 U/R and POINT OF BEGINNING at the intersection of the western right-of-way of Pineland Rd.

EXCLUSION #10 (PORTIONS OF PINELAND, GREENWOOD, HOUSTON FARMS)

+/- 50.8-acre tract COMMENCING at the intersection of the northern right-of-way of Murray Rd and the western right-of-way of Pineland Rd (LT 93 PINELAND U/R);

THENCE northerly along the western right-of-way of Pineland Rd to its intersection with the northeast corner of the parcel described as LTS 24 25 26 & 27 PINELAND U/R;

THENCE west along the northern boundary of PINELAND U/R to northwest corner of LTS 1 2 & 3 PINELAND U/R, same being east boundary of LT 59 & 60 GREENWOOD;

THENCE along east boundary of LT 59 & 60 GREENWOOD to northeast corner of said LT 59 & 60 to northwest corner of LT 51,52,53 GREENWOOD, same being east boundary TR 10A ABST 263 J FLANDERS;

THENCE south along the eastern boundary of TR 10A ABST 263 J FLANDERS to its intersection with the southwest corner of the parcel described as TR 83L-3 HOUSTON FARMS;

THENCE east along the southern boundary of TR 83L-3 HOUSTON FARMS to its intersection with the southeast corner of the parcel described as TR 83K HOUSTON FARMS;

THENCE north along the eastern boundary of TR 83K HOUSTON FARMS to its intersection with the northwest corner of TR 83K-3 HOUSTON FARMS, same being southern right-of-way of Beard Rd;

THENCE east along the southern right-of-way of Beard Rd to its intersection with west boundary of TR 86A PINELAND U/R;

THENCE north along west boundary of TR 86A PINELAND U/R to southwest corner of TR 86B PINELAND U/R;

THENCE east along south boundary of TR 86A PINELAND U/R to southeast corner of TR 86A PINELAND U/R;

THENCE north along east boundary of TR 86A PINELAND U/R, and LT 85 PINELAND U/R to northeast corner of said LT 85 PINELAND U/R, and the southern right-of-way of Murray Rd;

THENCE east along the southern right-of-way of Murray Rd to the POINT OF BEGINNING at the intersection of the northern right-of-way of Murray Rd and the western right-of-way of Pineland Rd (LT 93 PINELAND U/R).

EXCLUSION #11 (CARPENTERS LANDING)

+/- 78-acre tract COMMENCING at northeast corner of LT 27 BLK 1 CARPENTERS LANDING SEC 1 (6150 HYACINTH PATHWAY);

THENCE south along east boundary of CARPENTERS LANDING SEC 1 and SEC 2 to southeast corner of LT 18 BLK 4 CARPENTERS LANDING SEC 2;

THENCE west southwest along south boundary of CARPENTERS LANDING SEC 2 LT 18 BLK 4 and CARPENTERS LANDING SEC 3 to southwest corner of LT 13 BLK 2 CARPENTERS LANDING SEC 3 same being east boundary of TR 14E ABST 704 S SINGLETON;

THENCE north by west along east boundary of TR 14E ABST 704 S SINGLETON to northeast corner of said TR 14E ABST 704 S SINGLETON;

THENCE west southwest along north boundary of TR 14E ABST 704 S SINGLETON to northwest corner of said TR 14E ABST 704 S SINGLETON;

THENCE southwest across right-of-way of Carpenters Landing Way to northeast corner of RES A BLK 1 CARPENTERS LANDING SEC 7;

THENCE generally southwest along north boundary of RES A BLK 1 CARPENTERS LANDING SEC 7 to interior corner of RES A BLK 1 CARPENTERS LANDING SEC 7;

THENCE northwest along north boundary of RES A BLK 1 CARPENTERS LANDING SEC 7 to boundary of LT 3 BLK 1 CARPENTERS LANDING SEC 7;

THENCE generally southwest along north boundary of RES A BLK 1 CARPENTERS LANDING SEC 7 to west corner of RES A BLK 1 CARPENTERS LANDING SEC 7 and south corner of LT 6 BLK 1 CARPENTERS LANDING SEC 7;

THENCE northwest and north along west boundary of CARPENTERS LANDING SEC 7, SEC 8 and SEC 4 to northwest corner CARPENTERS LANDING SEC 4 LT 4 BLK 1;

THENCE east along north boundary of CARPENTERS LANDING SEC 4 and SEC 1 to northeast corner of LT 27 BLK 1 CARPENTERS LANDING SEC 1 and point of beginning.

EXCLUSION #12 (LIBERTY LAKES)

+/- 80.8-acre tract COMMENCING at northeast corner of LT 40 BLK 1 LIBERTY LAKES SEC 3 (7022 FALLING CHERRY PL);

THENCE generally south along east boundary of LIBERTY LAKES SEC 3, SEC 4 and SEC 8 to east corner of RES A BLK 1 (OPEN SPACE) LIBERTY LAKES SEC 8;

THENCE southwest along south boundary of RES A BLK 1 (OPEN SPACE) LIBERTY LAKES SEC 8 to south corner of said RES A BLK1;

THENCE generally north along boundary of said RES A BLK 1 and west boundary of LIBERTY LAKES 6 across right-of-way of Liberty Lakes Dr and along west boundary of LIBERTY LAKES SEC 4, SEC 2, across right-of-way of Auburn Knoll Ave to west corner of RES A BLK 2 (OPEN SPACE) LIBERTY LAKES SEC 1;

THENCE north by east along west boundary of LIBERTY LAKES SEC 1 to northwest corner of LT 40 BLK 2 LIBERTY LAKES SEC 1;

THENCE east by south along north boundary of LIBERTY LAKES SEC 1 and SEC 3 to northeast corner of LT 40 BLK 1 LIBERTY LAKES SEC 3 and point of beginning.

EXCLUSION #13 (SUMMERWOOD @ SWC OF W LAKE HOUSTON PWKY AND TIMBER FOREST)

+/- 111.4-acre tract COMMENCING at northeast corner of RES D BLK 1 SUMMERWOOD SEC 32 AMEND (13176 W LAKE HOUSTON PKY) at west right-of-way of Timber Forest Dr;

THENCE generally south along west right-of-way of Timber Forest Dr to southeast corner of RES G BLK 4 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 30;

THENCE west along south boundary of RES G BLK 4, SUMMERWOOD SEC 30 to southwest corner of LT 7 BLK 3 SUMMERWOOD SEC 30;

THENCE north along west boundary of SUMMERWOOD SEC 30 to interior corner of RES D BLK 3 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 30;

THENCE generally west northwest along southwest boundary of SUMMERWOOD SEC 30 to west corner of RES D BLK 3 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 30;

THENCE generally north northeast along west boundary of SUMMER WOOD SEC 30, SEC 29 and SEC 31 AMEND NO 1 to northwest corner of RES C BLK 1 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 31 AMEND NO 1 and south right-of-way of W Lake Houston Pkwy;

THENCE generally east along south right-of-way of W Lake Houston Pkwy to northeast corner of RES D BLK 1SUMMERWOOD SEC 32 AMEND at west right-of-way of Timber Forest Dr and point of beginning.

EXCLUSION #14 (SUMMERWOOD @ SEC OF W LAKE HOUSTON PWKY AND TIMBER FOREST)

+/- 409.1-acre tract COMMENCING at intersection of south right-of-way of W Lake Houston Pkwy and east right-of-way of Timber Forest Dr, and northwest corner of RES B BLK 1 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 20;

THENCE generally east and northeast along south right-of-way of W Lake Houston Pkwy to north corner of TR 10A-21 ABST V BLANCO and west right-of-way of Deussen Pkwy;

THENCE generally southeast along west right-of-way of Deussen Pkwy to east corner of RES A1 BLK 1 SUMMERWOOD SEC 18;

THENCE generally west along south boundary of said RES A1 BLK 1 to northeast corner of RES A BLK 1 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 28;

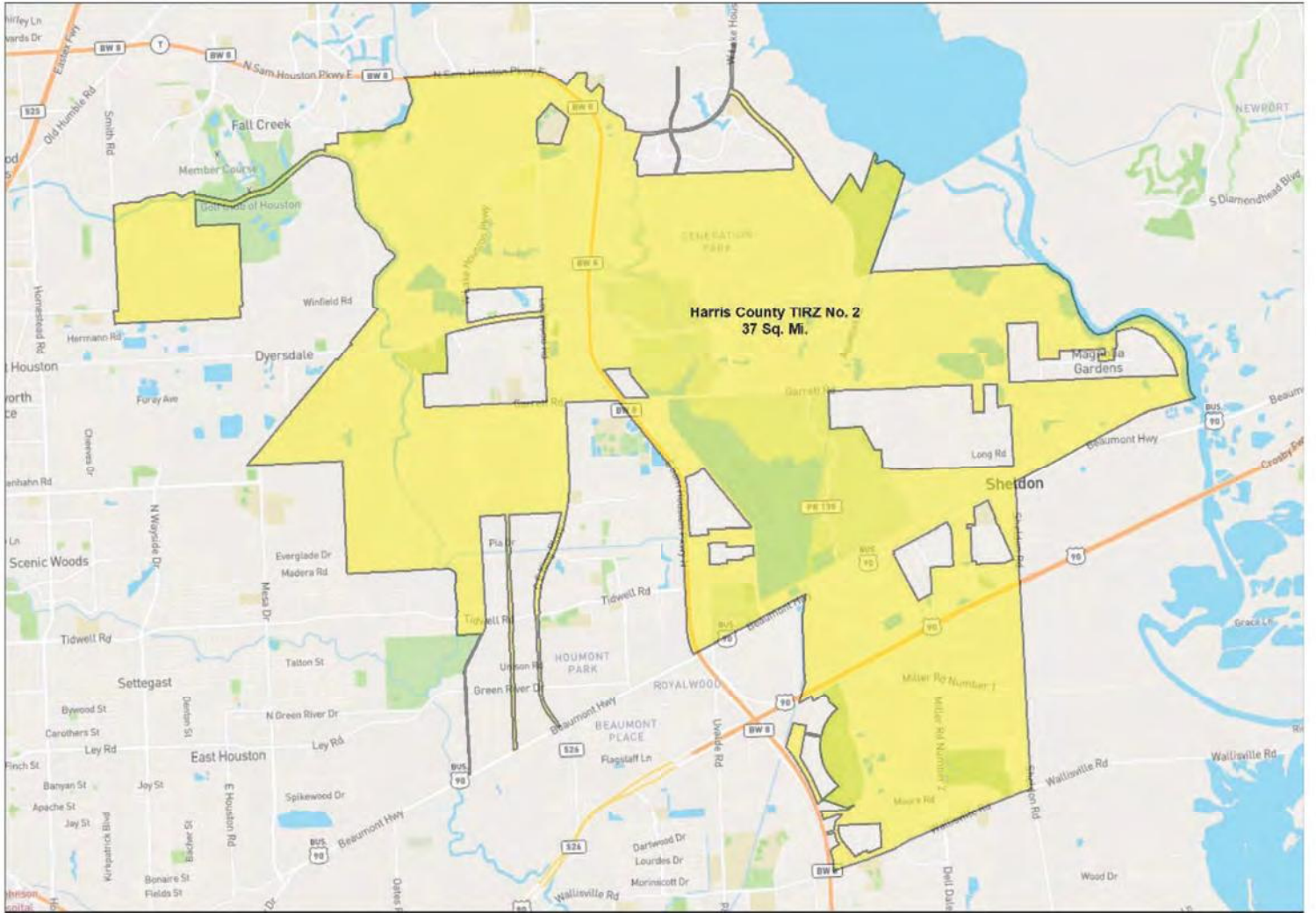
THENCE south along east boundary of SUMMERWOOD SEC 28 to southeast corner of LT 7 BLK 1 SUMMERWOOD SEC 28;

THENCE southwest along boundary of said LT 7 BLK 1, and LT 8 BLK 1 SUMMERWOOD SEC 28 to southeast corner of SUMMERWOOD SEC 28;

THENCE west along south boundary of SUMMERWOOD SEC 28, SEC 33, SEC 19, SEC 25 to southwest corner of RES A BLK 1 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 25, and east right-of-way of Timber Forest Dr;

THENCE generally north along east right-of-way of Timber Forest Dr to south right-of-way of W Lake Houston Pkwy at northwest corner of RES B BLK 1 (LANDSCAPE/OPEN SPACE) SUMMERWOOD SEC 20 and point of beginning.

MAP 1 – ZONE BOUNDARIES



Date: 10/30/2024

TABLE 1

EXISTING LAND USE/PROPERTY CLASSIFICATION OF PROPERTY IN THE ZONE

Property Class	Parcel Count	GIS Acreage	Assessable Value 2024	% of Total HC TIRZ #2
Agric. Land	96	4,368	\$ 62,358,985	2.70%
Aux. Building	45	74	\$ 4,735,986	0.15%
Commercial	275	4,153	\$ 1,001,389,735	45.58%
Commercial Vacant	252	1,104	\$ 88,300,847	3.54%
Commercial, Multi-Family	7	60	\$ 189,795,905	8.89%
Exempt	253	8,158	\$ -	0.05%
Farm and Ranch	1	11	\$ 291,802	0.01%
Industrial	40	1,882	\$ 805,662,573	35.80%
Mobile Home	75	160	\$ 9,386,988	0.31%
Single Family Residential	215	434	\$ 75,722,984	2.04%
Timber	12	467	\$ 1,351,719	0.06%
Two or more Family	1	2	\$ 892,996	0.04%
Unknown	5	83	\$ -	0.00%
Utility	47	364	\$ 9,695,705	0.49%
Vacant Lot	108	181	\$ 7,324,859	0.33%
	1,432	21,501	\$ 2,256,911,084	100.00%

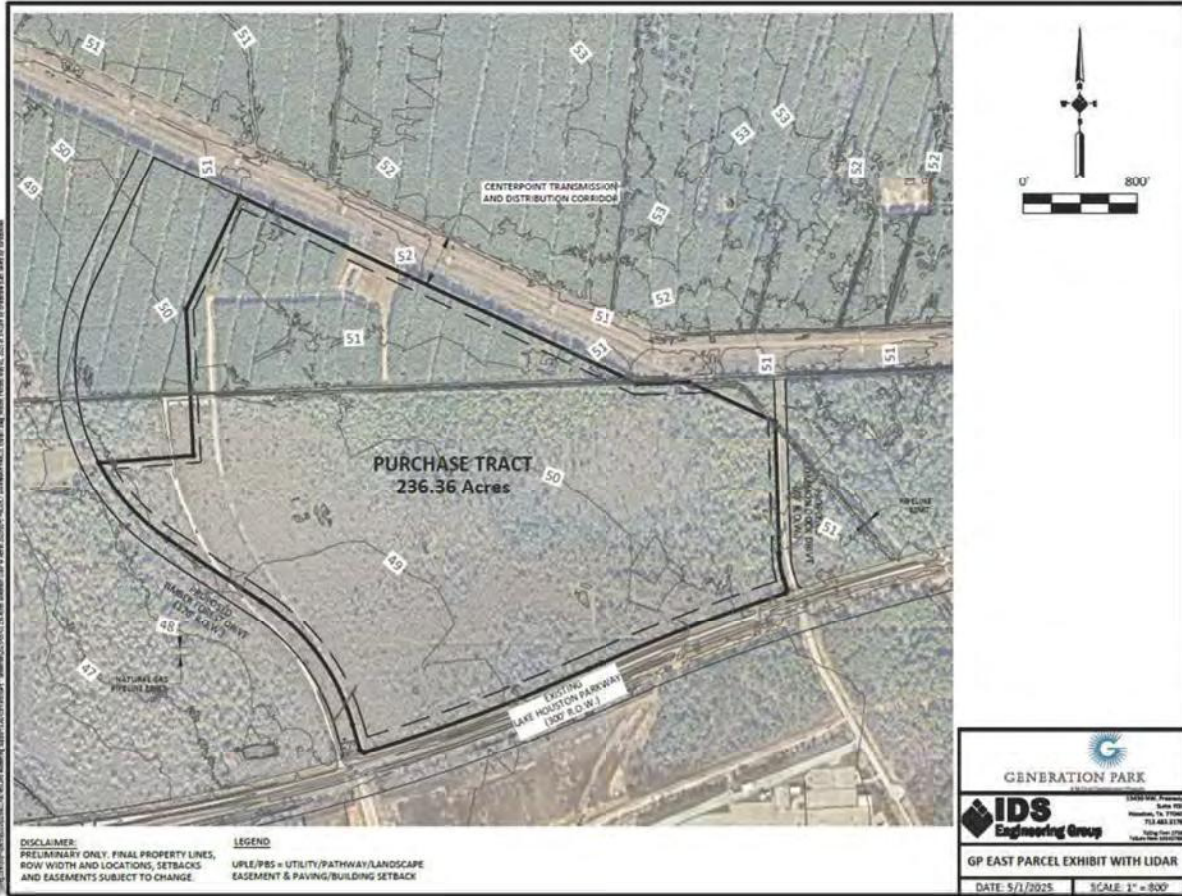
Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Description of Eligible Property: Please provide a detailed list and description of the eligible property for which you are requesting a limitation.

This application covers all eligible real and personal property for the construction and operation of the API production facility. All such investment for this project falls within the project boundary. The property to be built and/or installed includes but is not limited to multiple structures and site components further described as follows :

- Foundations
- Roadways
- Utility Infrastructure & equipment
- Wastewater treatment facilities
- Administrative offices & equipment
- Production Facilities & equipment
- Tank Farm & equipment
- Oligomerization facilities & equipment



Jobs, Energy, Technology and Innovation Act Application

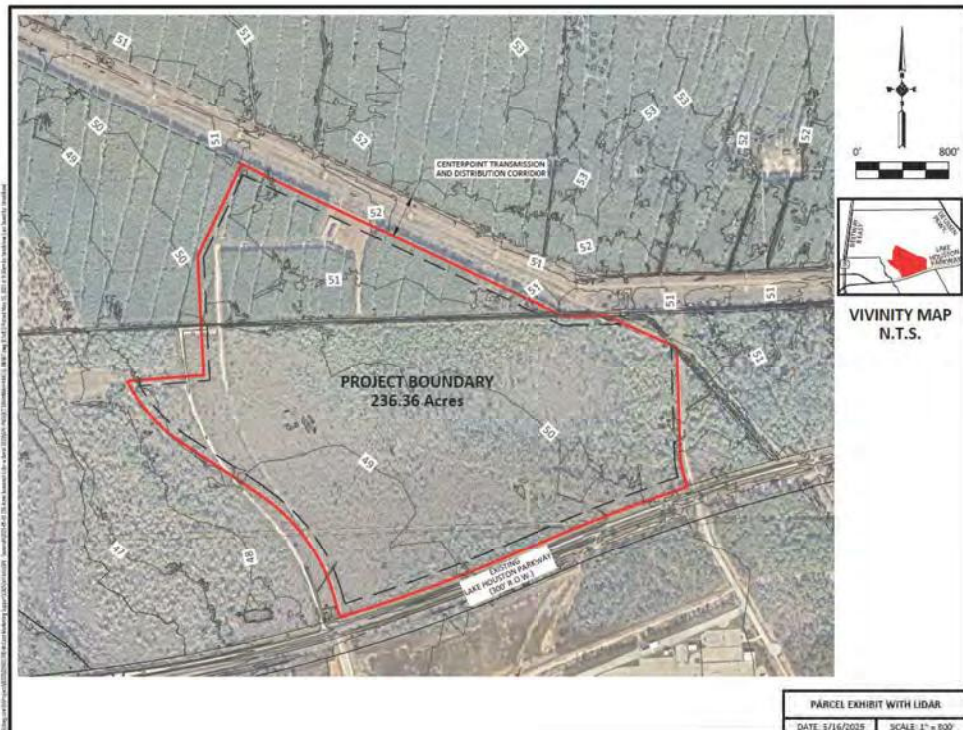
Eli Lilly and Company

Description of Ineligible Property:

1. 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. Sufficient detail to distinguish existing property from future proposed property is required.
2. 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. Sufficient information to distinguish existing property from proposed new property that is or is not eligible for the limitation is required.

Existing Property:

The following map depicts all existing property within the project's proposed boundaries. The property currently consists of only unimproved land. There is no existing property inside the project boundary. As such, all proposed new buildings and improvements will be eligible for the limitation but for a contemplated solar installation.



Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Compelling Factor Information for Related Agreements, Contracts, or Intent Letters

Based on your previous indication, please provide details about any agreements, contracts, or letters of intent related to this project.

Any related agreement, contract or intent letters that may be executed with regards to the contemplated project will only be executed with the provision that such agreement is subject to the final approval of all incentives, including the limitation.

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Compelling Factor Information for Public Statements Regarding Proposed Project:

Based on your previous indication, please provide details on any publicly available statements about the proposed project and explain how the limitation is a significant factor.

On February 26, 2025, the Company issued the following press release:

Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \$50 billion

February 26, 2025

*Company expects to begin building four more domestic manufacturing sites this year and add 13,000 high-wage manufacturing and construction jobs in America
The company's plans represent the largest pharmaceutical manufacturing investment in U.S. history*

INDIANAPOLIS, Feb. 26, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.

Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies.

"Lilly's optimism about the potential of our pipeline across therapeutic areas – cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said David A. Ricks, Lilly chair and CEO. "This bold move reflects our commitment to stay ahead of anticipated demand for safe, high-quality, FDA-approved medicines of the future."

At these four new sites, Lilly expects to create more than 3,000 jobs for highly skilled workers, including engineers, scientists, operations personnel and lab technicians. Additionally, the company anticipates that it could create nearly 10,000 construction jobs during the development of the sites.

"To deliver on our big bets on next-generation modalities like small molecules, biologics and nucleic acid therapies, Lilly is investing in the state-of-the-art manufacturing infrastructure needed to deliver tomorrow's safe and reliable medicines," said Edgardo Hernandez, executive vice president and president of Lilly Manufacturing Operations. "We are not just building facilities. We are creating a future where American innovation leads the world in pharmaceutical manufacturing, requiring a highly skilled workforce prepared to shape the

future of health care. This is a significant step for our company, our communities and the patients we serve."

Expected additional economic benefits of these new sites to the selected communities include increased local spending, tax revenue, economic diversification, improved infrastructure, population growth, and training and development opportunities.

Ricks added, "The Tax Cuts and Jobs Act legislation passed in 2017 during President Trump's first term in office has been foundational to Lilly's domestic manufacturing investments, and it is essential that these policies are extended this year. We believe that our investments in America and upskilling our nation's workforce will spark a significant ripple effect. For every job we create, many more will be generated, positively impacting the communities that host our innovative new sites."

The company's previous total domestic capital expansion commitments from 2020 to 2024 totaled \$23 billion and represented in today's \$50 billion announcement, included:

- New sites in Research Triangle Park and Concord, North Carolina
- New sites at the LEAP Innovation District in Lebanon, Indiana
- Expansions and updates to several different manufacturing facilities in Indianapolis
- Development of the new Lilly Medicine Foundry in Lebanon, Indiana
- Acquisition and expansion of Lilly's manufacturing site in Kenosha County, Wisconsin

State submissions

The company is currently in negotiations with several states and welcomes additional interest by March 12, 2025. Please visit www.lilly.com/manufacturing-2025 for more information, including how to respond and submit interest online. Lilly expects to announce all four future site locations in 2025 and anticipates facilities will begin making medicines for patients within five years.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#). C-LLY

Trademarks and Trade Names

All trademarks or trade names referred to in this press release are the property of the company, or, to the extent trademarks or trade names belonging to other companies are references in this press release, the property of their respective owners. Solely for convenience, the trademarks and trade names in this press release are referred to without

the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) including about planned capital investments in new manufacturing capacity, production of medicines, hiring and related initiatives and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the manufacturing process, development and commercialization of pharmaceutical products any of which could impact the overall commercial success of our products, and as related to cost, completion timing, expected capacity, personnel, and other factors which could impact expected benefits of the capacity expansion and related initiatives. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

Additional Quote Options for Media Use

U.S. Senator Jim Banks: "I couldn't be prouder that Lilly is expanding facilities in the U.S. These new investments will create good jobs and make our supply chains more secure."

U.S. Senator Todd Young: "Lilly has long been a driver of economic growth and innovation in Indiana, and we are grateful for this further investment in America and our workers. Lilly is continuously striving to improve the lives of people everywhere, and today we celebrate the transformative impact of this announcement."

Refer to: Carla Cox; cox_carla@lilly.com; 317-750-3923 (Media)
Michael Czapar; czapar_michael_c@lilly.com; 317-617-0983 (Investors)

The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process.

Jobs, Energy, Technology and Innovation Act Application

Eli Lilly and Company

Limitation as Compelling Factor: 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. Acceptable documents include detailed incentive letters from other state programs, shareholder presentations depicting alternate sites, internal comparative fiscal analysis of other locations, and provisional site information for locations outside of Texas.

On February 26, 2025, the Company issued the following press release:

Lilly plans to more than double U.S. manufacturing investment since 2020 exceeding \$50 billion

February 26, 2025

Company expects to begin building four more domestic manufacturing sites this year and add 13,000 high-wage manufacturing and construction jobs in America

The company's plans represent the largest pharmaceutical manufacturing investment in U.S. history

INDIANAPOLIS, Feb. 26, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced at a press conference in Washington, D.C., plans to bolster its domestic medicine production across therapeutic areas by building four new pharmaceutical manufacturing sites in the United States. This brings the company's total U.S. capital expansion commitments to more than \$50 billion since 2020.

Three of the future U.S. sites announced today will focus on manufacturing active pharmaceutical ingredients (API), reshoring critical capabilities of small molecule chemical synthesis and further strengthening Lilly's supply chain. The fourth location will extend the company's global parenteral manufacturing network for future injectable therapies.

"Lilly's optimism about the potential of our pipeline across therapeutic areas – cardiometabolic health, oncology, immunology and neuroscience – drives our unprecedented commitment to our domestic manufacturing build-out. Our confidence positions us to help reinvigorate domestic manufacturing, which will benefit hard-working American families and increase exports of medicines made in the U.S.A.," said David A. Ricks, Lilly chair and CEO. "This bold move reflects our commitment to stay ahead of anticipated demand for safe, high-quality, FDA-approved medicines of the future."

At these four new sites, Lilly expects to create more than 3,000 jobs for highly skilled workers, including engineers, scientists, operations personnel and lab technicians. Additionally, the company anticipates that it could create nearly 10,000 construction jobs during the development of the sites.

"To deliver on our big bets on next-generation modalities like small molecules, biologics and nucleic acid therapies, Lilly is investing in the state-of-the-art manufacturing infrastructure needed to deliver tomorrow's safe and reliable medicines," said Edgardo Hernandez,

executive vice president and president of Lilly Manufacturing Operations. "We are not just building facilities. We are creating a future where American innovation leads the world in pharmaceutical manufacturing, requiring a highly skilled workforce prepared to shape the future of health care. This is a significant step for our company, our communities and the patients we serve."

Expected additional economic benefits of these new sites to the selected communities include increased local spending, tax revenue, economic diversification, improved infrastructure, population growth, and training and development opportunities.

Ricks added, "The Tax Cuts and Jobs Act legislation passed in 2017 during President Trump's first term in office has been foundational to Lilly's domestic manufacturing investments, and it is essential that these policies are extended this year. We believe that our investments in America and upskilling our nation's workforce will spark a significant ripple effect. For every job we create, many more will be generated, positively impacting the communities that host our innovative new sites."

The company's previous total domestic capital expansion commitments from 2020 to 2024 totaled \$23 billion and represented in today's \$50 billion announcement, included:

- New sites in Research Triangle Park and Concord, North Carolina
- New sites at the LEAP Innovation District in Lebanon, Indiana
- Expansions and updates to several different manufacturing facilities in Indianapolis
- Development of the new Lilly Medicine Foundry in Lebanon, Indiana
- Acquisition and expansion of Lilly's manufacturing site in Kenosha County, Wisconsin

State submissions

The company is currently in negotiations with several states and welcomes additional interest by March 12, 2025. Please visit www.lilly.com/manufacturing-2025 for more information, including how to respond and submit interest online. Lilly expects to announce all four future site locations in 2025 and anticipates facilities will begin making medicines for patients within five years.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#). C-LLY

Trademarks and Trade Names

All trademarks or trade names referred to in this press release are the property of the

company, or, to the extent trademarks or trade names belonging to other companies are references in this press release, the property of their respective owners. Solely for convenience, the trademarks and trade names in this press release are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that the company or, to the extent applicable, their respective owners will not assert, to the fullest extent under applicable law, the company's or their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) including about planned capital investments in new manufacturing capacity, production of medicines, hiring and related initiatives and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the manufacturing process, development and commercialization of pharmaceutical products any of which could impact the overall commercial success of our products, and as related to cost, completion timing, expected capacity, personnel, and other factors which could impact expected benefits of the capacity expansion and related initiatives. For further discussion of risks and uncertainties relevant to Lilly's business that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

Additional Quote Options for Media Use

U.S. Senator Jim Banks: "I couldn't be prouder that Lilly is expanding facilities in the U.S. These new investments will create good jobs and make our supply chains more secure."

U.S. Senator Todd Young: "Lilly has long been a driver of economic growth and innovation in Indiana, and we are grateful for this further investment in America and our workers. Lilly is continuously striving to improve the lives of people everywhere, and today we celebrate the transformative impact of this announcement."

Refer to: Carla Cox; cox_carla@lilly.com; 317-750-3923 (Media)
Michael Czapar; czapar_michael_c@lilly.com; 317-617-0983 (Investors)

The project that is described in this application is one of the four nationally competitive projects announced in the February 2025 press release. Approval of the limitation is a significant factor in the decision making process of the Applicant to move forward with the project in Texas because it helps make the operational cost of locating in Texas competitive with alternative locations identified outside of Texas as part of the aforementioned publicly announced site selection process. Such operational competitiveness is a critical decision making factor especially in light of the proposed significant large value of almost \$5.9B in taxable investment and the overall implication on ongoing obligations to taxing jurisdictions both in and outside of Texas. The proportionality of the limitation in context with other taxing jurisdictions- that being without the

limitation the obligation is the second largest component of all local taxing jurisdictions – makes the limitation an even more critical component to the decision making process.

Economic Benefit Statement for Project Savannah in Harris County, TX

May 2, 2025

Prepared by:

Impact DataSource, LLC
7500 Rialto Blvd
Building 1 Suite 250
Austin, Texas 78735
(512) 524-0892
www.impactdatasource.com



Table of Contents

Introduction	3
A Description of the Facility and Its Operations	3
Timeline for Permanent Employment and Investment	4
Total Capital Investment and Total Employment	5
Estimated Increase in Appraised Value of Property Attributable to the Project	6
Estimated Ad Valorem Taxes Imposed by Each Taxing Unit on the Investment	7
Total Impact on Gross Domestic Product and Personal Income in the State	12
Impact on Gross Revenues and Employment of Local Businesses	14
The State and Local Tax Revenues Generated as a Result of the Project	16
Direct vs. Indirect Tax Revenues Generated as a Result of the Project	17
Development of Complementary Businesses or Industries in the State	18
State of Texas Benefits: Economic Impact & Tax Revenue	
State of Texas Economic Impacts During Construction	20
State of Texas Fiscal Impacts During Construction	24
State of Texas Economic Impacts During the Facility's Operations	29
State of Texas Fiscal Impacts During the Facility's Operations	37
Local Area Benefits: Economic Impact & Tax Revenue	
Local vs. State Economic Impacts	57
Local Economic Impacts During Construction	57
Local Fiscal Impacts During Construction	59
Local Economic Impacts During the Facility's Operations	61
Local Fiscal Impacts During the Facility's Operations	66
Discussion of Indirect and Induced Impacts	78
About Impact DataSource	79
Some Rates and Assumptions Used in this Analysis	79

An Economic Benefit Statement for Project Savannah

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 Project Savannah in Harris 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 41-year period beginning with 6 years of building construction, a 10-year incentive period, and an additional period of 25 years as required by Tex. Gov't Code § 403.608 (b).

<u>Years</u>	<u>Period</u>
2025-2030	Construction
2031-2040	Incentive Period
2041-2065	Additional 25 Years

The company will begin operations while continuing construction at the site. As a result, economic impacts related to construction will extend for an additional year, totaling a six-year construction period.

A Description of the Facility and Its Operations

Eli Lilly and Company is considering a new greenfield site in Houston, Texas which is part of the larger Generation Park development owned by McCord Development, Inc. Eli Lilly would purchase approximately 236 acres from McCord as part of the transaction and construct the proposed API manufacturing facility, relying on the developer to deliver critical infrastructure to the site, which is a material condition.

Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 41 years will be as follows:

Table 1 Timeline for Permanent Employment and Investment					
Year	Number of New Workers to be Hired Each Year		Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2025	0	<i>Construction</i>	\$75,205,158	\$37,500,000	\$112,705,158
2026	60	<i>Construction</i>	\$108,744,109	\$10,833,794	\$119,577,903
2027	130	<i>Construction</i>	\$353,376,115	\$279,533,435	\$632,909,550
2028	168	<i>Construction</i>	\$829,890,228	\$669,678,137	\$1,499,568,365
2029	149	<i>Construction</i>	\$1,118,945,224	\$612,882,149	\$1,731,827,373
2030	97	<i>Construction</i>	\$1,043,109,644	\$247,316,056	\$1,290,425,700
2031	0	<i>Incentive Year 1</i>	\$304,650,000	\$56,000,000	\$360,650,000
2032	0	<i>Incentive Year 2</i>	\$0	\$0	\$0
2033	0	<i>Incentive Year 3</i>	\$0	\$0	\$0
2034	0	<i>Incentive Year 4</i>	\$0	\$0	\$0
2035	0	<i>Incentive Year 5</i>	\$0	\$0	\$0
2036	0	<i>Incentive Year 6</i>	\$0	\$0	\$0
2037	0	<i>Incentive Year 7</i>	\$0	\$0	\$0
2038	0	<i>Incentive Year 8</i>	\$0	\$0	\$0
2039	0	<i>Incentive Year 9</i>	\$0	\$0	\$0
2040	0	<i>Incentive Year 10</i>	\$0	\$0	\$0
2041	0		\$0	\$0	\$0
2042	0		\$0	\$0	\$0
2043	0		\$0	\$0	\$0
2044	0		\$0	\$0	\$0
2045	0		\$0	\$0	\$0
2046	0		\$0	\$0	\$0
2047	0		\$0	\$0	\$0
2048	0		\$0	\$0	\$0
2049	0		\$0	\$0	\$0
2050	0		\$0	\$0	\$0
2051	0		\$0	\$0	\$0
2052	0		\$0	\$0	\$0
2053	0		\$0	\$0	\$0
2054	0		\$0	\$0	\$0
2055	0		\$0	\$0	\$0

Table 1 continued on the next page

Table 1 - Continued				
Timeline for Permanent Employment and Investment				
Year	Number of New Workers to be Hired Each Year	Buildings and Other Real Property Improvements	Machinery & Equipment	Total JETI Investment
2056	0	\$0	\$0	\$0
2057	0	\$0	\$0	\$0
2058	0	\$0	\$0	\$0
2059	0	\$0	\$0	\$0
2060	0	\$0	\$0	\$0
2061	0	\$0	\$0	\$0
2062	0	\$0	\$0	\$0
2063	0	\$0	\$0	\$0
2064	0	\$0	\$0	\$0
2065	0	\$0	\$0	\$0
<u>Total</u>	<u>604</u>	<u>\$3,833,920,477</u>	<u>\$1,913,743,571</u>	<u>\$5,747,664,048</u>

Total Capital Investment and Total Employment

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

Table 2	
Total Capital Investment and Employment	
Total Capital Investment	\$5,747,664,048
Total Employment	604

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 41 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	Buildings and Other Real Property Improvements	Machinery & Equipment	Total Appraised Value of Investment
2025	\$37,602,579	\$34,500,000	\$72,102,579
2026	\$90,846,556	\$41,467,090	\$132,313,646
2027	\$264,809,217	\$294,771,147	\$559,580,364
2028	\$671,810,054	\$884,270,655	\$1,556,080,709
2029	\$1,211,128,365	\$1,367,835,265	\$2,578,963,629
2030	\$1,696,349,336	\$1,463,253,163	\$3,159,602,498
2031	\$1,797,783,856	\$1,355,803,223	\$3,153,587,079
2032	\$1,743,850,340	\$1,186,491,124	\$2,930,341,464
2033	\$1,691,534,830	\$1,013,143,869	\$2,704,678,698
2034	\$1,640,788,785	\$836,785,180	\$2,477,573,965
2035	\$1,591,565,121	\$670,455,468	\$2,262,020,589
2036	\$1,543,818,168	\$534,224,439	\$2,078,042,607
2037	\$1,497,503,623	\$444,824,021	\$1,942,327,644
2038	\$1,452,578,514	\$379,969,458	\$1,832,547,972
2039	\$1,409,001,158	\$307,797,682	\$1,716,798,841
2040	\$1,366,731,124	\$240,652,427	\$1,607,383,551
2041	\$1,325,729,190	\$204,393,839	\$1,530,123,029
2042	\$1,285,957,314	\$193,054,357	\$1,479,011,671
2043	\$1,247,378,595	\$191,374,357	\$1,438,752,952
2044	\$1,209,957,237	\$191,374,357	\$1,401,331,594
2045	\$1,173,658,520	\$191,374,357	\$1,365,032,877
2046	\$1,138,448,764	\$191,374,357	\$1,329,823,121
2047	\$1,104,295,301	\$191,374,357	\$1,295,669,658
2048	\$1,071,166,442	\$191,374,357	\$1,262,540,799
2049	\$1,039,031,449	\$191,374,357	\$1,230,405,806
2050	\$1,007,860,506	\$191,374,357	\$1,199,234,863
2051	\$977,624,690	\$191,374,357	\$1,168,999,048
2052	\$948,295,950	\$191,374,357	\$1,139,670,307
2053	\$919,847,071	\$191,374,357	\$1,111,221,428
2054	\$892,251,659	\$191,374,357	\$1,083,626,016

Table 3 continued on the next page

Table 3 - Continued			
Appraised Value of the Facility's Investment			
Year	Buildings and Other Real Property Improvements	Machinery & Equipment	Total Appraised Value of Investment
2055	\$865,484,109	\$191,374,357	\$1,056,858,466
2056	\$839,519,586	\$191,374,357	\$1,030,893,943
2057	\$814,333,998	\$191,374,357	\$1,005,708,356
2058	\$789,903,979	\$191,374,357	\$981,278,336
2059	\$766,206,859	\$191,374,357	\$957,581,216
2060	\$743,220,653	\$191,374,357	\$934,595,010
2061	\$720,924,034	\$191,374,357	\$912,298,391
2062	\$699,296,313	\$191,374,357	\$890,670,670
2063	\$678,317,423	\$191,374,357	\$869,691,780
2064	\$657,967,901	\$191,374,357	\$849,342,258
2065	\$638,228,864	\$191,374,357	\$829,603,221

Appraised Value Assumptions:

Buildings and Other Real Property Improvements Value: Assumed to be 50% of the building investments, with a 3% annual depreciation applied.

Machinery & Equipment Value: Depreciated according to the county's depreciation schedule for machinery and equipment, assuming a 10-year useful life.

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

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

Table 4		
Taxing Units and Tax Rates (Per \$100 of Taxable Value) at Proposed Site		
City:	N/A	0.000000
County:	Harris County	0.385290
School:	Sheldon ISD	1.255200
	<i>M&O Rate:</i>	<i>0.75520</i>
	<i>I&S Rate:</i>	<i>0.50000</i>
Spec Dist #1:	Port of Houston Authority	0.006150
Spec Dist #2:	Harris County Flood Control	0.048970
Spec Dist #3:	Harris County Hospital	0.163480
Spec Dist #4:	Harris County Education Department	0.004799
Spec Dist #5:	San Jacinto Community College	0.154868
Spec Dist #6:	Harris County ESD 60	0.075900
Spec Dist #7:	Harris County ESD 2	0.030000
Spec Dist #8:	Generation Park Mgmt Dist	1.330000
<u>Total Rate</u>		<u>3.454657</u>

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

Table 5		
Ad Valorem Taxes for Each Taxing Unit on the Investment Over the Next 41 Years		
City:	N/A	\$0
County:	Harris County	\$227,775,398
School:	Sheldon ISD	\$595,453,917
	<i>M&O Taxes:</i>	<i>\$299,864,364</i>
	<i>I&S Taxes:</i>	<i>\$295,589,553</i>
Spec Dist #1:	Port of Houston Authority	\$3,635,752
Spec Dist #2:	Harris County Flood Control	\$28,950,041
Spec Dist #3:	Harris County Hospital	\$96,645,960
Spec Dist #4:	Harris County Education Department	\$2,837,069
Spec Dist #5:	San Jacinto Community College	\$91,554,726
Spec Dist #6:	Harris County ESD 60	\$44,870,494
Spec Dist #7:	Harris County ESD 2	\$17,735,373
Spec Dist #8:	Generation Park Mgmt Dist	\$786,268,212
<u>Total</u>		<u>\$1,895,726,942</u>

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

Table 6
Ad Valorem Taxes for School District on Investment: Sheldon 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	0.75520	\$0	\$72,102,579	0.50000	\$360,513	\$360,513
2026	\$0	0.75520	\$0	\$132,313,646	0.50000	\$661,568	\$661,568
2027	\$0	0.75520	\$0	\$559,580,364	0.50000	\$2,797,902	\$2,797,902
2028	\$0	0.75520	\$0	\$1,556,080,709	0.50000	\$7,780,404	\$7,780,404
2029	\$0	0.75520	\$0	\$2,578,963,629	0.50000	\$12,894,818	\$12,894,818
2030	\$0	0.75520	\$0	\$3,159,602,498	0.50000	\$15,798,012	\$15,798,012
2031	\$1,576,793,539	0.75520	\$11,907,945	\$3,153,587,079	0.50000	\$15,767,935	\$27,675,880
2032	\$1,465,170,732	0.75520	\$11,064,969	\$2,930,341,464	0.50000	\$14,651,707	\$25,716,677
2033	\$1,352,339,349	0.75520	\$10,212,867	\$2,704,678,698	0.50000	\$13,523,393	\$23,736,260
2034	\$1,238,786,982	0.75520	\$9,355,319	\$2,477,573,965	0.50000	\$12,387,870	\$21,743,189
2035	\$1,131,010,294	0.75520	\$8,541,390	\$2,262,020,589	0.50000	\$11,310,103	\$19,851,493
2036	\$1,039,021,304	0.75520	\$7,846,689	\$2,078,042,607	0.50000	\$10,390,213	\$18,236,902
2037	\$971,163,822	0.75520	\$7,334,229	\$1,942,327,644	0.50000	\$9,711,638	\$17,045,867
2038	\$916,273,986	0.75520	\$6,919,701	\$1,832,547,972	0.50000	\$9,162,740	\$16,082,441
2039	\$858,399,420	0.75520	\$6,482,632	\$1,716,798,841	0.50000	\$8,583,994	\$15,066,627
2040	\$803,691,775	0.75520	\$6,069,480	\$1,607,383,551	0.50000	\$8,036,918	\$14,106,398
2041	\$1,530,123,029	0.75520	\$11,555,489	\$1,530,123,029	0.50000	\$7,650,615	\$19,206,104
2042	\$1,479,011,671	0.75520	\$11,169,496	\$1,479,011,671	0.50000	\$7,395,058	\$18,564,554
2043	\$1,438,752,952	0.75520	\$10,865,462	\$1,438,752,952	0.50000	\$7,193,765	\$18,059,227
2044	\$1,401,331,594	0.75520	\$10,582,856	\$1,401,331,594	0.50000	\$7,006,658	\$17,589,514
2045	\$1,365,032,877	0.75520	\$10,308,728	\$1,365,032,877	0.50000	\$6,825,164	\$17,133,893
2046	\$1,329,823,121	0.75520	\$10,042,824	\$1,329,823,121	0.50000	\$6,649,116	\$16,691,940
2047	\$1,295,669,658	0.75520	\$9,784,897	\$1,295,669,658	0.50000	\$6,478,348	\$16,263,246
2048	\$1,262,540,799	0.75520	\$9,534,708	\$1,262,540,799	0.50000	\$6,312,704	\$15,847,412
2049	\$1,230,405,806	0.75520	\$9,292,025	\$1,230,405,806	0.50000	\$6,152,029	\$15,444,054
2050	\$1,199,234,863	0.75520	\$9,056,622	\$1,199,234,863	0.50000	\$5,996,174	\$15,052,796
2051	\$1,168,999,048	0.75520	\$8,828,281	\$1,168,999,048	0.50000	\$5,844,995	\$14,673,276
2052	\$1,139,670,307	0.75520	\$8,606,790	\$1,139,670,307	0.50000	\$5,698,352	\$14,305,142
2053	\$1,111,221,428	0.75520	\$8,391,944	\$1,111,221,428	0.50000	\$5,556,107	\$13,948,051
2054	\$1,083,626,016	0.75520	\$8,183,544	\$1,083,626,016	0.50000	\$5,418,130	\$13,601,674
2055	\$1,056,858,466	0.75520	\$7,981,395	\$1,056,858,466	0.50000	\$5,284,292	\$13,265,687
2056	\$1,030,893,943	0.75520	\$7,785,311	\$1,030,893,943	0.50000	\$5,154,470	\$12,939,781
2057	\$1,005,708,356	0.75520	\$7,595,110	\$1,005,708,356	0.50000	\$5,028,542	\$12,623,651
2058	\$981,278,336	0.75520	\$7,410,614	\$981,278,336	0.50000	\$4,906,392	\$12,317,006
2059	\$957,581,216	0.75520	\$7,231,653	\$957,581,216	0.50000	\$4,787,906	\$12,019,559
2060	\$934,595,010	0.75520	\$7,058,062	\$934,595,010	0.50000	\$4,672,975	\$11,731,037
2061	\$912,298,391	0.75520	\$6,889,677	\$912,298,391	0.50000	\$4,561,492	\$11,451,169

Table 6 continued on the next page

Table 6 - Continued							
Ad Valorem Taxes for School District on Investment: Sheldon 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
2062	\$890,670,670	0.75520	\$6,726,345	\$890,670,670	0.50000	\$4,453,353	\$11,179,698
2063	\$869,691,780	0.75520	\$6,567,912	\$869,691,780	0.50000	\$4,348,459	\$10,916,371
2064	\$849,342,258	0.75520	\$6,414,233	\$849,342,258	0.50000	\$4,246,711	\$10,660,944
2065	\$829,603,221	0.75520	\$6,265,164	\$829,603,221	0.50000	\$4,148,016	\$10,413,180
Total			\$299,864,364			\$295,589,553	\$595,453,917

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

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

Table 7				
Ad Valorem Taxes for Other Taxing Units on Investment				
Year	N/A	Harris County	Other Local Districts	Total
	0.000000	0.385290	1.814167	
2025	\$0	\$277,804	\$1,308,061	\$1,585,865
2026	\$0	\$509,791	\$2,400,391	\$2,910,182
2027	\$0	\$2,156,007	\$10,151,722	\$12,307,729
2028	\$0	\$5,995,423	\$28,229,903	\$34,225,326
2029	\$0	\$9,936,489	\$46,786,707	\$56,723,196
2030	\$0	\$12,173,632	\$57,320,466	\$69,494,098
2031	\$0	\$12,150,456	\$57,211,336	\$69,361,792
2032	\$0	\$11,290,313	\$53,161,288	\$64,451,600
2033	\$0	\$10,420,857	\$49,067,388	\$59,488,245
2034	\$0	\$9,545,845	\$44,947,329	\$54,493,174
2035	\$0	\$8,715,339	\$41,036,831	\$49,752,170
2036	\$0	\$8,006,490	\$37,699,163	\$45,705,654
2037	\$0	\$7,483,594	\$35,237,067	\$42,720,661
2038	\$0	\$7,060,624	\$33,245,481	\$40,306,105
2039	\$0	\$6,614,654	\$31,145,598	\$37,760,252
2040	\$0	\$6,193,088	\$29,160,622	\$35,353,710
2041	\$0	\$5,895,411	\$27,758,987	\$33,654,398

Table 7 continued on the next page

Table 7 - Continued				
Ad Valorem Taxes for Other Taxing Units on Investment				
Year	N/A 0.000000	Harris County 0.385290	Other Local Districts 1.814167	Total
2042	\$0	\$5,698,484	\$26,831,742	\$32,530,226
2043	\$0	\$5,543,371	\$26,101,381	\$31,644,753
2044	\$0	\$5,399,190	\$25,422,495	\$30,821,686
2045	\$0	\$5,259,335	\$24,763,976	\$30,023,311
2046	\$0	\$5,123,676	\$24,125,212	\$29,248,888
2047	\$0	\$4,992,086	\$23,505,611	\$28,497,697
2048	\$0	\$4,864,443	\$22,904,599	\$27,769,042
2049	\$0	\$4,740,631	\$22,321,616	\$27,062,247
2050	\$0	\$4,620,532	\$21,756,123	\$26,376,655
2051	\$0	\$4,504,036	\$21,207,595	\$25,711,631
2052	\$0	\$4,391,036	\$20,675,523	\$25,066,558
2053	\$0	\$4,281,425	\$20,159,412	\$24,440,837
2054	\$0	\$4,175,103	\$19,658,786	\$23,833,888
2055	\$0	\$4,071,970	\$19,173,178	\$23,245,148
2056	\$0	\$3,971,931	\$18,702,138	\$22,674,069
2057	\$0	\$3,874,894	\$18,245,229	\$22,120,123
2058	\$0	\$3,780,767	\$17,802,028	\$21,582,795
2059	\$0	\$3,689,465	\$17,372,122	\$21,061,587
2060	\$0	\$3,600,901	\$16,955,114	\$20,556,015
2061	\$0	\$3,514,994	\$16,550,616	\$20,065,611
2062	\$0	\$3,431,665	\$16,158,253	\$19,589,918
2063	\$0	\$3,350,835	\$15,777,661	\$19,128,497
2064	\$0	\$3,272,431	\$15,408,487	\$18,680,918
2065	\$0	\$3,196,378	\$15,050,388	\$18,246,766
Total	\$0	\$227,775,398	\$1,072,497,626	\$1,300,273,024

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

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

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

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

State Economic Output During Construction

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

Table 8			
Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$2.49 B	\$3.57 B	\$6.07 B
Construction employment (annual average)	2,107	2,652	4,758
Payroll / increase in state personal income	\$1.00 B	\$0.99 B	\$1.99 B

State Economic Impacts During the Facility's Operations

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

Table 9			
Total Economic Impact During the Facility's Operations in the State of Texas			
		Annually at Full Operations in 2031	41-Year Total
Economic output / increase in gross state product:			
	Direct	\$233.20 M	\$10.36 B
	Indirect & Induced	\$232.36 M	\$10.33 B
	<u>Total</u>	<u>\$465.55 M</u>	<u>\$20.69 B</u>
Employment:			
	Direct	604	604
	Indirect & Induced	1,188	1,188
	<u>Total</u>	<u>1,792</u>	<u>1,792</u>
Payroll / increase in state personal income:			
	Direct	\$82.94 M	\$3.70 B
	Indirect & Induced	\$101.51 M	\$4.52 B
	<u>Total</u>	<u>\$184.45 M</u>	<u>\$8.22 B</u>

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

Impact on Gross Revenues and Employment of Local Businesses

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

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

Local Economic Output During Construction

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

Table 10 Local Economic Impact of Construction at the Firm's Facility			
	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$2.49 B	\$2.30 B	\$4.79 B
Construction employment (annual average)	2,107	1,749	3,856
Payroll / increase in county personal income	\$1.00 B	\$0.66 B	\$1.66 B

Local Economic Impacts During the Facility's Operations

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

Table 11			
Total Economic Impact During the Facility's Operations in Harris County			
		Annually at Full Operations in 2031	41-Year Total
Economic output / increase in gross area product:			
	Direct	\$233.20 M	\$10.36 B
	Indirect & Induced	\$158.92 M	\$7.06 B
	<u>Total</u>	<u>\$392.12 M</u>	<u>\$17.43 B</u>
Employment:			
	Direct	604	604
	Indirect & Induced	873	873
	<u>Total</u>	<u>1,477</u>	<u>1,477</u>
Payroll/Personal Income:			
	Direct	\$82.94 M	\$3.70 B
	Indirect & Induced	\$77.26 M	\$3.44 B
	<u>Total</u>	<u>\$160.20 M</u>	<u>\$7.14 B</u>

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

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

During construction, the State of Texas and 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	\$52,312,237	\$4,549,234	\$38,462,249	\$95,323,720
Nearby Cities	\$4,184,979	\$0	\$0	\$4,184,979
Harris County	\$0	\$0	\$0	\$0
Total	\$56,497,216	\$4,549,234	\$38,462,249	\$99,508,699

The state and local tax revenues from the facility's operations over the 41-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	\$182,009,180	\$0	\$31,023,409	\$125,599,762	\$0	\$338,632,351
Nearby Cities	\$14,560,734	\$0	\$0	\$0	\$0	\$14,560,734
Harris County	\$0	\$0	\$0	\$0	\$248,060,270	\$248,060,270
Sheldon ISD	\$0	\$0	\$0	\$0	\$661,538,093	\$661,538,093
Port of Houston Authority	\$0	\$0	\$0	\$0	\$3,959,539	\$3,959,539
Harris County Flood Control	\$0	\$0	\$0	\$0	\$31,528,229	\$31,528,229
Harris County Hospital	\$0	\$0	\$0	\$0	\$105,252,908	\$105,252,908
Harris County Education Departm	\$0	\$0	\$0	\$0	\$3,089,728	\$3,089,728
San Jacinto Community College	\$0	\$0	\$0	\$0	\$99,708,266	\$99,708,266
Harris County ESD 60	\$0	\$0	\$0	\$0	\$48,866,502	\$48,866,502
Generation Park Mgmt Dist	\$0	\$0	\$0	\$0	\$856,290,481	\$856,290,481
Total	\$196,569,915	\$0	\$31,023,409	\$125,599,762	\$2,058,294,016	\$2,411,487,102

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

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

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

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

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

	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$19,998,220	\$75,325,500	\$95,323,720
Local Districts	\$1,599,858	\$2,585,121	\$4,184,979
<u>Total</u>	<u>\$21,598,078</u>	<u>\$77,910,621</u>	<u>\$99,508,699</u>

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

	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$27,854,476	\$310,777,874	\$338,632,351
Local Districts	\$2,078,904,396	\$13,265,177	\$2,092,169,574
<u>Total</u>	<u>\$2,106,758,873</u>	<u>\$324,043,052</u>	<u>\$2,430,801,924</u>

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

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

Development of Complementary Businesses or Industries in the State

The company's operations will draw on suppliers throughout the state and drive expansion in complementary businesses. Although the specific businesses are not known at this time, the expansion of industries affected by the company and its employees is 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	\$1,725,647	0.7%
Mining, quarrying, and oil and gas extraction	\$1,912,204	0.8%
Utilities	\$6,646,075	2.9%
Construction	\$2,471,873	1.1%
Durable goods manufacturing	\$4,477,355	1.9%
Nondurable goods manufacturing	\$22,340,138	9.6%
Wholesale trade	\$30,991,695	13.3%
Retail trade	\$13,595,303	5.9%
Transportation and warehousing	\$10,144,009	4.4%
Information	\$8,185,165	3.5%
Finance and insurance	\$24,975,249	10.7%
Real estate and rental and leasing	\$30,968,375	13.3%
Professional, scientific, and technical services	\$18,399,133	7.9%
Management of companies and enterprises	\$9,910,813	4.3%
Administrative & support & waste mgmt & remediation svcs	\$9,654,298	4.2%
Educational services	\$2,378,595	1.0%
Health care and social assistance	\$16,300,372	7.0%
Arts, entertainment, and recreation	\$1,585,730	0.7%
Accommodation	\$1,539,091	0.7%
Food services and drinking places	\$6,599,435	2.8%
Other services	\$7,555,537	3.3%
Total	\$232,356,094	100.0%

The industries most affected by the project will include:

1. Wholesale trade
2. Real estate and rental and leasing
3. Finance and insurance
4. Nondurable goods manufacturing
5. Professional, scientific, and technical services

State of Texas Benefits Economic Impact & Tax Revenue

State of Texas Economic Impacts During Construction

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

Table 17 Construction Costs	
Year	Construction Costs
2025	\$48,883,353
2026	\$70,683,671
2027	\$229,694,475
2028	\$539,428,648
2029	\$727,314,395
2030	\$678,021,269
2031	\$198,022,500
<u>Total</u>	<u>\$2,492,048,310</u>

Construction Economic Output/Increase in Gross State Product

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

Table 18 Economic Output/Increase in Gross State Product During Construction			
Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	\$48,883,353	\$70,098,728	\$118,982,080
2026	\$70,683,671	\$101,360,384	\$172,044,054
2027	\$229,694,475	\$329,381,877	\$559,076,352
2028	\$539,428,648	\$773,540,682	\$1,312,969,330
2029	\$727,314,395	\$1,042,968,843	\$1,770,283,239
2030	\$678,021,269	\$972,282,499	\$1,650,303,768
2031	\$198,022,500	\$283,964,265	\$481,986,765
<u>Total</u>	<u>\$2,492,048,310</u>	<u>\$3,573,597,277</u>	<u>\$6,065,645,587</u>

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

Construction Employment

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

Table 19 Number of Construction Workers for a Hypothetical \$1 Million Construction Project	
Total estimated construction	\$1,000,000
Estimated on-site labor costs as a percentage of construction costs	40%
Estimated annual construction worker's salary	\$67,600
Estimated number of construction workers for a \$1 million construction project	5.92

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	\$48,883,353	289
2026	\$70,683,671	418
2027	\$229,694,475	1,359
2028	\$539,428,648	3,192
2029	\$727,314,395	4,304
2030	\$678,021,269	4,012
2031	\$198,022,500	1,172
<u>Total</u>	<u>\$2,492,048,310</u>	
<u>Average construction jobs per year</u>		<u>2,107</u>

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

Table 21			
Direct, Indirect and Induced Employment During Construction			
Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	289	364	653
2026	418	527	945
2027	1,359	1,711	3,070
2028	3,192	4,018	7,210
2029	4,304	5,418	9,721
2030	4,012	5,051	9,063
2031	1,172	1,475	2,647
<u>Annual Avg.</u>	<u>2,107</u>	<u>2,652</u>	<u>4,758</u>

Construction Payroll

Construction workers will have the following payrolls:

Table 22		
Direct Construction Payroll		
Year	Construction Costs	Total Construction Payroll
2025	\$48,883,353	\$19,553,341
2026	\$70,683,671	\$28,273,468
2027	\$229,694,475	\$91,877,790
2028	\$539,428,648	\$215,771,459
2029	\$727,314,395	\$290,925,758
2030	\$678,021,269	\$271,208,507
2031	\$198,022,500	\$79,209,000
<u>Total</u>	<u>\$2,492,048,310</u>	<u>\$996,819,324</u>

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

Table 23			
Direct, Indirect and Induced Payroll During Construction			
Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$19,553,341	\$19,453,619	\$39,006,960
2026	\$28,273,468	\$28,129,274	\$56,402,742
2027	\$91,877,790	\$91,409,213	\$183,287,003
2028	\$215,771,459	\$214,671,025	\$430,442,484
2029	\$290,925,758	\$289,442,037	\$580,367,795
2030	\$271,208,507	\$269,825,344	\$541,033,852
2031	\$79,209,000	\$78,805,034	\$158,014,034
Total	\$996,819,324	\$991,735,546	\$1,988,554,870

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	15%
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	\$1,875,000	\$29,330,012	\$4,399,502	\$10,141,810	\$16,416,311
2026	\$541,690	\$42,410,202	\$6,361,530	\$14,664,713	\$21,567,933
2027	\$13,976,672	\$137,816,685	\$20,672,503	\$47,654,621	\$82,303,795
2028	\$33,483,907	\$323,657,189	\$48,548,578	\$111,915,046	\$193,947,531
2029	\$30,644,107	\$436,388,637	\$65,458,296	\$150,895,627	\$246,998,030
2030	\$12,365,803	\$406,812,761	\$61,021,914	\$140,668,801	\$214,056,518
2031	\$2,800,000	\$118,813,500	\$17,822,025	\$41,083,649	\$61,705,674
Total	\$95,687,179	\$1,495,228,986	\$224,284,348	\$517,024,266	\$836,995,793

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	\$117,188	\$274,969	\$633,863	\$1,026,019	\$392,156	\$633,863
2026	\$33,856	\$397,596	\$916,545	\$1,347,996	\$431,451	\$916,545
2027	\$873,542	\$1,292,031	\$2,978,414	\$5,143,987	\$2,165,573	\$2,978,414
2028	\$2,092,744	\$3,034,286	\$6,994,690	\$12,121,721	\$5,127,030	\$6,994,690
2029	\$1,915,257	\$4,091,143	\$9,430,977	\$15,437,377	\$6,006,400	\$9,430,977
2030	\$772,863	\$3,813,870	\$8,791,800	\$13,378,532	\$4,586,732	\$8,791,800
2031	\$175,000	\$1,113,877	\$2,567,728	\$3,856,605	\$1,288,877	\$2,567,728
Total	\$5,980,449	\$14,017,772	\$32,314,017	\$52,312,237	\$19,998,220	\$32,314,017

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	\$4,888,335	\$7,009,873	\$11,898,208
2026	\$7,068,367	\$10,136,038	\$17,204,405
2027	\$22,969,447	\$32,938,188	\$55,907,635
2028	\$53,942,865	\$77,354,068	\$131,296,933
2029	\$72,731,440	\$104,296,884	\$177,028,324
2030	\$67,802,127	\$97,228,250	\$165,030,377
2031	\$19,802,250	\$28,396,427	\$48,198,677
Total	\$249,204,831	\$357,359,728	\$606,564,559

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	\$11,898,208	\$89,237
2026	\$17,204,405	\$129,033
2027	\$55,907,635	\$419,307
2028	\$131,296,933	\$984,727
2029	\$177,028,324	\$1,327,712
2030	\$165,030,377	\$1,237,728
2031	\$48,198,677	\$361,490
<u>Total</u>	<u>\$606,564,559</u>	<u>\$4,549,234</u>

Other Taxes and Revenues from Workers

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

Table 29 Other Revenues for the State from Each Worker During Construction	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$95
Alcohol beverage taxes	\$182
Net lottery proceeds	\$297
<u>Total</u>	<u>\$1,049</u>

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

Table 30						
Other Revenues for the State from Workers During Construction						
Year	Gasoline Taxes	Motor Vehicle Sales and Use Taxes	Cigarette and Tobacco Taxes	Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes & Revenues
2025	\$24,502	\$285,857	\$62,072	\$118,917	\$194,056	\$685,404
2026	\$36,315	\$423,674	\$91,998	\$176,248	\$287,614	\$1,015,848
2027	\$120,959	\$1,411,194	\$306,431	\$587,057	\$957,999	\$3,383,639
2028	\$291,170	\$3,396,988	\$737,632	\$1,413,147	\$2,306,069	\$8,145,006
2029	\$402,401	\$4,694,680	\$1,019,416	\$1,952,987	\$3,187,017	\$11,256,502
2030	\$384,507	\$4,485,915	\$974,084	\$1,866,140	\$3,045,295	\$10,755,942
2031	\$115,106	\$1,342,907	\$291,603	\$558,650	\$911,642	\$3,219,908
Total	\$1,374,961	\$16,041,214	\$3,483,235	\$6,673,145	\$10,889,693	\$38,462,249

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	\$1,026,019	\$89,237	\$685,404	\$1,800,660
2026	\$1,347,996	\$129,033	\$1,015,848	\$2,492,877
2027	\$5,143,987	\$419,307	\$3,383,639	\$8,946,934
2028	\$12,121,721	\$984,727	\$8,145,006	\$21,251,453
2029	\$15,437,377	\$1,327,712	\$11,256,502	\$28,021,591
2030	\$13,378,532	\$1,237,728	\$10,755,942	\$25,372,202
2031	\$3,856,605	\$361,490	\$3,219,908	\$7,438,003
Total	\$52,312,237	\$4,549,234	\$38,462,249	\$95,323,720

State of Texas Economic Impacts During the Facility's Operations

The facility's estimated annual revenues during the first 41 years are shown below:

Table 32		
Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2025	Year 1	\$0
2026	Year 2	\$22,040,822
2027	Year 3	\$70,493,896
2028	Year 4	\$134,153,595
2029	Year 5	\$191,888,355
2030	Year 6	\$230,886,730
2031	Year 7	\$233,195,598
2032	Year 8	\$235,527,554
2033	Year 9	\$237,882,829
2034	Year 10	\$240,261,658
2035	Year 11	\$242,664,274
2036	Year 12	\$245,090,917
2037	Year 13	\$247,541,826
2038	Year 14	\$250,017,244
2039	Year 15	\$252,517,417
2040	Year 16	\$255,042,591
2041	Year 17	\$257,593,017
2042	Year 18	\$260,168,947
2043	Year 19	\$262,770,637
2044	Year 20	\$265,398,343
2045	Year 21	\$268,052,326
2046	Year 22	\$270,732,850
2047	Year 23	\$273,440,178
2048	Year 24	\$276,174,580
2049	Year 25	\$278,936,326
2050	Year 26	\$281,725,689
2051	Year 27	\$284,542,946
2052	Year 28	\$287,388,375
2053	Year 29	\$290,262,259
2054	Year 30	\$293,164,882
2055	Year 31	\$296,096,530
2056	Year 32	\$299,057,496
2057	Year 33	\$302,048,071
2058	Year 34	\$305,068,551

Table 32 continued on the next page

Table 32 - Continued		
Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2059	Year 35	\$308,119,237
2060	Year 36	\$311,200,429
2061	Year 37	\$314,312,434
2062	Year 38	\$317,455,558
2063	Year 39	\$320,630,113
2064	Year 40	\$323,836,415
2065	Year 41	\$327,074,779
<u>Total</u>		<u>\$10,364,456,272</u>

Economic Output During Operations

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

Table 33			
Output During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	\$0	\$0	\$0
2026	\$22,040,822	\$21,961,475	\$44,002,297
2027	\$70,493,896	\$70,240,118	\$140,734,014
2028	\$134,153,595	\$133,670,642	\$267,824,237
2029	\$191,888,355	\$191,197,557	\$383,085,913
2030	\$230,886,730	\$230,055,538	\$460,942,269
2031	\$233,195,598	\$232,356,094	\$465,551,691
2032	\$235,527,554	\$234,679,655	\$470,207,208
2033	\$237,882,829	\$237,026,451	\$474,909,280
2034	\$240,261,658	\$239,396,716	\$479,658,373
2035	\$242,664,274	\$241,790,683	\$484,454,957
2036	\$245,090,917	\$244,208,590	\$489,299,507
2037	\$247,541,826	\$246,650,676	\$494,192,502
2038	\$250,017,244	\$249,117,182	\$499,134,427
2039	\$252,517,417	\$251,608,354	\$504,125,771
2040	\$255,042,591	\$254,124,438	\$509,167,029
2041	\$257,593,017	\$256,665,682	\$514,258,699

Table 33 continued on the next page

Table 33 - Continued			
Output During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2042	\$260,168,947	\$259,232,339	\$519,401,286
2043	\$262,770,637	\$261,824,662	\$524,595,299
2044	\$265,398,343	\$264,442,909	\$529,841,252
2045	\$268,052,326	\$267,087,338	\$535,139,664
2046	\$270,732,850	\$269,758,211	\$540,491,061
2047	\$273,440,178	\$272,455,793	\$545,895,971
2048	\$276,174,580	\$275,180,351	\$551,354,931
2049	\$278,936,326	\$277,932,155	\$556,868,481
2050	\$281,725,689	\$280,711,476	\$562,437,165
2051	\$284,542,946	\$283,518,591	\$568,061,537
2052	\$287,388,375	\$286,353,777	\$573,742,152
2053	\$290,262,259	\$289,217,315	\$579,479,574
2054	\$293,164,882	\$292,109,488	\$585,274,370
2055	\$296,096,530	\$295,030,583	\$591,127,113
2056	\$299,057,496	\$297,980,889	\$597,038,384
2057	\$302,048,071	\$300,960,698	\$603,008,768
2058	\$305,068,551	\$303,970,305	\$609,038,856
2059	\$308,119,237	\$307,010,008	\$615,129,245
2060	\$311,200,429	\$310,080,108	\$621,280,537
2061	\$314,312,434	\$313,180,909	\$627,493,342
2062	\$317,455,558	\$316,312,718	\$633,768,276
2063	\$320,630,113	\$319,475,845	\$640,105,959
2064	\$323,836,415	\$322,670,603	\$646,507,018
2065	\$327,074,779	\$325,897,310	\$652,972,088
Total	\$10.36 B	\$10.33 B	\$20.69 B

Employment during Operations

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

Table 34 Number of Jobs to be Created		
Year	Number of New Jobs to be Created	Cumulative Number of New Jobs
2025	0	0
2026	60	60
2027	130	190
2028	168	358
2029	149	507
2030	97	604
2031	0	604
2032	0	604
2033	0	604
2034	0	604
Total	604	

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

Table 35 Direct, Indirect & Induced Employment During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	0	0	0
2026	60	118	178
2027	190	374	564
2028	358	704	1,062
2029	507	997	1,504
2030	604	1,188	1,792
2031	604	1,188	1,792
2032	604	1,188	1,792
2033	604	1,188	1,792

Table 35 continued on the next page

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

Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2034	604	1,188	1,792
2035	604	1,188	1,792
2036	604	1,188	1,792
2037	604	1,188	1,792
2038	604	1,188	1,792
2039	604	1,188	1,792
2040	604	1,188	1,792
2041	604	1,188	1,792
2042	604	1,188	1,792
2043	604	1,188	1,792
2044	604	1,188	1,792
2045	604	1,188	1,792
2046	604	1,188	1,792
2047	604	1,188	1,792
2048	604	1,188	1,792
2049	604	1,188	1,792
2050	604	1,188	1,792
2051	604	1,188	1,792
2052	604	1,188	1,792
2053	604	1,188	1,792
2054	604	1,188	1,792
2055	604	1,188	1,792
2056	604	1,188	1,792
2057	604	1,188	1,792
2058	604	1,188	1,792
2059	604	1,188	1,792
2060	604	1,188	1,792
2061	604	1,188	1,792
2062	604	1,188	1,792
2063	604	1,188	1,792
2064	604	1,188	1,792
2065	604	1,188	1,792

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

Table 36			
Estimated Annual Payroll			
Percent of annual increase after Yr. 6			1.0%
Year		Average Annual Salaries	Annual Payroll
Year 1	2025	\$0	\$0
Year 2	2026	\$173,126	\$10,387,550
Year 3	2027	\$149,592	\$28,422,572
Year 4	2028	\$139,262	\$49,855,669
Year 5	2029	\$136,599	\$69,255,934
Year 6	2030	\$135,963	\$82,121,816
Year 7	2031	\$137,323	\$82,943,034
Year 8	2032	\$138,696	\$83,772,465
Year 9	2033	\$140,083	\$84,610,189
Year 10	2034	\$141,484	\$85,456,291
Year 11	2035	\$142,899	\$86,310,854
Year 12	2036	\$144,328	\$87,173,963
Year 13	2037	\$145,771	\$88,045,702
Year 14	2038	\$147,229	\$88,926,159
Year 15	2039	\$148,701	\$89,815,421
Year 16	2040	\$150,188	\$90,713,575
Year 17	2041	\$151,690	\$91,620,711
Year 18	2042	\$153,207	\$92,536,918
Year 19	2043	\$154,739	\$93,462,287
Year 20	2044	\$156,286	\$94,396,910
Year 21	2045	\$157,849	\$95,340,879
Year 22	2046	\$159,428	\$96,294,288
Year 23	2047	\$161,022	\$97,257,231
Year 24	2048	\$162,632	\$98,229,803
Year 25	2049	\$164,258	\$99,212,101
Year 26	2050	\$165,901	\$100,204,222
Year 27	2051	\$167,560	\$101,206,264
Year 28	2052	\$169,236	\$102,218,327
Year 29	2053	\$170,928	\$103,240,510
Year 30	2054	\$172,637	\$104,272,915
Year 31	2055	\$174,364	\$105,315,645
Year 32	2056	\$176,107	\$106,368,801
Year 33	2057	\$177,868	\$107,432,489

Table 36 continued on the next page

Table 36 - Continued			
Estimated Annual Payroll			
	Year	Average Annual Salaries	Annual Payroll
Year 34	2058	\$179,647	\$108,506,814
Year 35	2059	\$181,444	\$109,591,882
Year 36	2060	\$183,258	\$110,687,801
Year 37	2061	\$185,091	\$111,794,679
Year 38	2062	\$186,941	\$112,912,626
Year 39	2063	\$188,811	\$114,041,752
Year 40	2064	\$190,699	\$115,182,169
Year 41	2065	\$192,606	\$116,333,991

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

Table 37			
Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$0	\$0	\$0
2026	\$10,387,550	\$12,712,284	\$23,099,834
2027	\$28,422,572	\$34,783,544	\$63,206,116
2028	\$49,855,669	\$61,013,368	\$110,869,037
2029	\$69,255,934	\$84,755,412	\$154,011,346
2030	\$82,121,816	\$100,500,678	\$182,622,494
2031	\$82,943,034	\$101,505,685	\$184,448,719
2032	\$83,772,465	\$102,520,743	\$186,293,208
2033	\$84,610,189	\$103,545,949	\$188,156,138
2034	\$85,456,291	\$104,581,409	\$190,037,700
2035	\$86,310,854	\$105,627,223	\$191,938,077
2036	\$87,173,963	\$106,683,496	\$193,857,459
2037	\$88,045,702	\$107,750,330	\$195,796,032
2038	\$88,926,159	\$108,827,833	\$197,753,992
2039	\$89,815,421	\$109,916,112	\$199,731,533
2040	\$90,713,575	\$111,015,273	\$201,728,848
2041	\$91,620,711	\$112,125,426	\$203,746,137
2042	\$92,536,918	\$113,246,680	\$205,783,598
2043	\$93,462,287	\$114,379,147	\$207,841,434

Table 37 continued on the next page

Table 37 - Continued			
Direct, Indirect and Induced Payroll During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2044	\$94,396,910	\$115,522,938	\$209,919,848
2045	\$95,340,879	\$116,678,168	\$212,019,047
2046	\$96,294,288	\$117,844,950	\$214,139,238
2047	\$97,257,231	\$119,023,399	\$216,280,630
2048	\$98,229,803	\$120,213,633	\$218,443,436
2049	\$99,212,101	\$121,415,769	\$220,627,870
2050	\$100,204,222	\$122,629,927	\$222,834,149
2051	\$101,206,264	\$123,856,226	\$225,062,490
2052	\$102,218,327	\$125,094,789	\$227,313,116
2053	\$103,240,510	\$126,345,736	\$229,586,246
2054	\$104,272,915	\$127,609,193	\$231,882,108
2055	\$105,315,645	\$128,885,286	\$234,200,931
2056	\$106,368,801	\$130,174,139	\$236,542,940
2057	\$107,432,489	\$131,475,880	\$238,908,369
2058	\$108,506,814	\$132,790,639	\$241,297,453
2059	\$109,591,882	\$134,118,545	\$243,710,427
2060	\$110,687,801	\$135,459,731	\$246,147,532
2061	\$111,794,679	\$136,814,328	\$248,609,007
2062	\$112,912,626	\$138,182,471	\$251,095,097
2063	\$114,041,752	\$139,564,296	\$253,606,048
2064	\$115,182,169	\$140,959,939	\$256,142,108
2065	\$116,333,991	\$142,369,538	\$258,703,529
<u>Total</u>	<u>\$3.70 B</u>	<u>\$4.52 B</u>	<u>\$8.22 B</u>

State of Texas Fiscal Impacts During the Facility's Operations

Taxable Sales on Direct, Indirect and Induced Worker Spending

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

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

Year	Worker Salaries	Workers' Taxable Spending
2025	\$0	\$0
2026	\$23,099,834	\$6,005,957
2027	\$63,206,116	\$16,433,590
2028	\$110,869,037	\$28,825,950
2029	\$154,011,346	\$40,042,950
2030	\$182,622,494	\$47,481,849
2031	\$184,448,719	\$47,956,667
2032	\$186,293,208	\$48,436,234
2033	\$188,156,138	\$48,920,596
2034	\$190,037,700	\$49,409,802
2035	\$191,938,077	\$49,903,900
2036	\$193,857,459	\$50,402,939
2037	\$195,796,032	\$50,906,968
2038	\$197,753,992	\$51,416,038
2039	\$199,731,533	\$51,930,199
2040	\$201,728,848	\$52,449,501
2041	\$203,746,137	\$52,973,996
2042	\$205,783,598	\$53,503,736
2043	\$207,841,434	\$54,038,773
2044	\$209,919,848	\$54,579,161
2045	\$212,019,047	\$55,124,952
2046	\$214,139,238	\$55,676,202
2047	\$216,280,630	\$56,232,964
2048	\$218,443,436	\$56,795,293
2049	\$220,627,870	\$57,363,246
2050	\$222,834,149	\$57,936,879
2051	\$225,062,490	\$58,516,247
2052	\$227,313,116	\$59,101,410
2053	\$229,586,246	\$59,692,424
2054	\$231,882,108	\$60,289,348

Table 38 continued on the next page

Table 38 - Continued		
Taxable Spending by Direct, Indirect, & Induced Workers		
Year	Worker Salaries	Workers' Taxable Spending
2055	\$234,200,931	\$60,892,242
2056	\$236,542,940	\$61,501,164
2057	\$238,908,369	\$62,116,176
2058	\$241,297,453	\$62,737,338
2059	\$243,710,427	\$63,364,711
2060	\$246,147,532	\$63,998,358
2061	\$248,609,007	\$64,638,342
2062	\$251,095,097	\$65,284,725
2063	\$253,606,048	\$65,937,572
2064	\$256,142,108	\$66,596,948
2065	\$258,703,529	\$67,262,918
<u>Total</u>	<u>\$8.22 B</u>	<u>\$2.14 B</u>

The Facility's Taxable Sales

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

Taxable Spending by the Facility and Indirect and Induced Companies

The facility's estimated taxable spending is shown below along with 5% of operating expenditures of indirect and induced companies which may be spent on taxable goods and services. If this is the case, the following taxable spending can be expected from the companies:

Table 39			
Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2025	\$0	\$0	\$0
2026	\$551,021	\$1,098,074	\$1,649,094
2027	\$1,762,347	\$3,512,006	\$5,274,353
2028	\$3,353,840	\$6,683,532	\$10,037,372
2029	\$4,797,209	\$9,559,878	\$14,357,087
2030	\$5,772,168	\$11,502,777	\$17,274,945
2031	\$5,829,890	\$11,617,805	\$17,447,695
2032	\$5,888,189	\$11,733,983	\$17,622,172
2033	\$5,947,071	\$11,851,323	\$17,798,393
2034	\$6,006,541	\$11,969,836	\$17,976,377
2035	\$6,066,607	\$12,089,534	\$18,156,141
2036	\$6,127,273	\$12,210,429	\$18,337,702
2037	\$6,188,546	\$12,332,534	\$18,521,079
2038	\$6,250,431	\$12,455,859	\$18,706,290
2039	\$6,312,935	\$12,580,418	\$18,893,353
2040	\$6,376,065	\$12,706,222	\$19,082,287
2041	\$6,439,825	\$12,833,284	\$19,273,110
2042	\$6,504,224	\$12,961,617	\$19,465,841
2043	\$6,569,266	\$13,091,233	\$19,660,499
2044	\$6,634,959	\$13,222,145	\$19,857,104
2045	\$6,701,308	\$13,354,367	\$20,055,675
2046	\$6,768,321	\$13,487,911	\$20,256,232
2047	\$6,836,004	\$13,622,790	\$20,458,794
2048	\$6,904,364	\$13,759,018	\$20,663,382
2049	\$6,973,408	\$13,896,608	\$20,870,016
2050	\$7,043,142	\$14,035,574	\$21,078,716
2051	\$7,113,574	\$14,175,930	\$21,289,503
2052	\$7,184,709	\$14,317,689	\$21,502,398

Table 39 continued on the next page

Table 39 - Continued			
Taxable Spending by the Facility and Indirect Companies			
		Estimated	
	The Facility's	Taxable	Total
	Estimated	Spending by	Facility and
	Taxable	Indirect &	Companies'
	Spending	Induced	Taxable
Year	Spending	Companies	Spending
2053	\$7,256,556	\$14,460,866	\$21,717,422
2054	\$7,329,122	\$14,605,474	\$21,934,596
2055	\$7,402,413	\$14,751,529	\$22,153,942
2056	\$7,476,437	\$14,899,044	\$22,375,482
2057	\$7,551,202	\$15,048,035	\$22,599,237
2058	\$7,626,714	\$15,198,515	\$22,825,229
2059	\$7,702,981	\$15,350,500	\$23,053,481
2060	\$7,780,011	\$15,504,005	\$23,284,016
2061	\$7,857,811	\$15,659,045	\$23,516,856
2062	\$7,936,389	\$15,815,636	\$23,752,025
2063	\$8,015,753	\$15,973,792	\$23,989,545
2064	\$8,095,910	\$16,133,530	\$24,229,441
2065	\$8,176,869	\$16,294,865	\$24,471,735
Total	\$259.11 M	\$516.36 M	\$775.47 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	0
Annual increase in the number of out of town visitors after year 1	0.0%
Estimated average number of days spent visiting the facility	0
Average daily spending in the community subject to sales tax	\$0
Estimated number of nights in a local motel	0
Average nightly room rate at a local motel	\$0
Average annual increase in nightly room rate	2.0%
Average annual increase in daily taxable spending in the community	2.0%

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

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

Table 41 continued on the next page

Table 41 - Continued Spending by Out-of-Town Visitors		
Year	Taxable Spending in the Community	Spending on Lodging in the Community
2059	\$0	\$0
2060	\$0	\$0
2061	\$0	\$0
2062	\$0	\$0
2063	\$0	\$0
2064	\$0	\$0
2065	\$0	\$0
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Total Taxable Sales

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

Table 42 Estimated Total Taxable Sales						
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$6,005,957	\$0	\$551,021	\$1,098,074	\$0	\$7,655,051
2027	\$16,433,590	\$0	\$1,762,347	\$3,512,006	\$0	\$21,707,943
2028	\$28,825,950	\$0	\$3,353,840	\$6,683,532	\$0	\$38,863,322
2029	\$40,042,950	\$0	\$4,797,209	\$9,559,878	\$0	\$54,400,037
2030	\$47,481,849	\$0	\$5,772,168	\$11,502,777	\$0	\$64,756,794
2031	\$47,956,667	\$0	\$5,829,890	\$11,617,805	\$0	\$65,404,362
2032	\$48,436,234	\$0	\$5,888,189	\$11,733,983	\$0	\$66,058,406
2033	\$48,920,596	\$0	\$5,947,071	\$11,851,323	\$0	\$66,718,989
2034	\$49,409,802	\$0	\$6,006,541	\$11,969,836	\$0	\$67,386,179
2035	\$49,903,900	\$0	\$6,066,607	\$12,089,534	\$0	\$68,060,041
2036	\$50,402,939	\$0	\$6,127,273	\$12,210,429	\$0	\$68,740,642
2037	\$50,906,968	\$0	\$6,188,546	\$12,332,534	\$0	\$69,428,048
2038	\$51,416,038	\$0	\$6,250,431	\$12,455,859	\$0	\$70,122,328
2039	\$51,930,199	\$0	\$6,312,935	\$12,580,418	\$0	\$70,823,552

Table 42 continued on the next page

Table 42 - Continued
Estimated Total Taxable Sales

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2040	\$52,449,501	\$0	\$6,376,065	\$12,706,222	\$0	\$71,531,787
2041	\$52,973,996	\$0	\$6,439,825	\$12,833,284	\$0	\$72,247,105
2042	\$53,503,736	\$0	\$6,504,224	\$12,961,617	\$0	\$72,969,576
2043	\$54,038,773	\$0	\$6,569,266	\$13,091,233	\$0	\$73,699,272
2044	\$54,579,161	\$0	\$6,634,959	\$13,222,145	\$0	\$74,436,265
2045	\$55,124,952	\$0	\$6,701,308	\$13,354,367	\$0	\$75,180,627
2046	\$55,676,202	\$0	\$6,768,321	\$13,487,911	\$0	\$75,932,434
2047	\$56,232,964	\$0	\$6,836,004	\$13,622,790	\$0	\$76,691,758
2048	\$56,795,293	\$0	\$6,904,364	\$13,759,018	\$0	\$77,458,675
2049	\$57,363,246	\$0	\$6,973,408	\$13,896,608	\$0	\$78,233,262
2050	\$57,936,879	\$0	\$7,043,142	\$14,035,574	\$0	\$79,015,595
2051	\$58,516,247	\$0	\$7,113,574	\$14,175,930	\$0	\$79,805,751
2052	\$59,101,410	\$0	\$7,184,709	\$14,317,689	\$0	\$80,603,808
2053	\$59,692,424	\$0	\$7,256,556	\$14,460,866	\$0	\$81,409,846
2054	\$60,289,348	\$0	\$7,329,122	\$14,605,474	\$0	\$82,223,945
2055	\$60,892,242	\$0	\$7,402,413	\$14,751,529	\$0	\$83,046,185
2056	\$61,501,164	\$0	\$7,476,437	\$14,899,044	\$0	\$83,876,646
2057	\$62,116,176	\$0	\$7,551,202	\$15,048,035	\$0	\$84,715,413
2058	\$62,737,338	\$0	\$7,626,714	\$15,198,515	\$0	\$85,562,567
2059	\$63,364,711	\$0	\$7,702,981	\$15,350,500	\$0	\$86,418,192
2060	\$63,998,358	\$0	\$7,780,011	\$15,504,005	\$0	\$87,282,374
2061	\$64,638,342	\$0	\$7,857,811	\$15,659,045	\$0	\$88,155,198
2062	\$65,284,725	\$0	\$7,936,389	\$15,815,636	\$0	\$89,036,750
2063	\$65,937,572	\$0	\$8,015,753	\$15,973,792	\$0	\$89,927,118
2064	\$66,596,948	\$0	\$8,095,910	\$16,133,530	\$0	\$90,826,389
2065	\$67,262,918	\$0	\$8,176,869	\$16,294,865	\$0	\$91,734,653
Total	\$2,136,678,264	\$0	\$259,111,407	\$516,357,211	\$0	\$2,912,146,882

Sales Tax Collections

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

Table 43 Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$375,372	\$0	\$34,439	\$68,630	\$0	\$478,441
2027	\$1,027,099	\$0	\$110,147	\$219,500	\$0	\$1,356,746
2028	\$1,801,622	\$0	\$209,615	\$417,721	\$0	\$2,428,958
2029	\$2,502,684	\$0	\$299,826	\$597,492	\$0	\$3,400,002
2030	\$2,967,616	\$0	\$360,761	\$718,924	\$0	\$4,047,300
2031	\$2,997,292	\$0	\$364,368	\$726,113	\$0	\$4,087,773
2032	\$3,027,265	\$0	\$368,012	\$733,374	\$0	\$4,128,650
2033	\$3,057,537	\$0	\$371,692	\$740,708	\$0	\$4,169,937
2034	\$3,088,113	\$0	\$375,409	\$748,115	\$0	\$4,211,636
2035	\$3,118,994	\$0	\$379,163	\$755,596	\$0	\$4,253,753
2036	\$3,150,184	\$0	\$382,955	\$763,152	\$0	\$4,296,290
2037	\$3,181,686	\$0	\$386,784	\$770,783	\$0	\$4,339,253
2038	\$3,213,502	\$0	\$390,652	\$778,491	\$0	\$4,382,646
2039	\$3,245,637	\$0	\$394,558	\$786,276	\$0	\$4,426,472
2040	\$3,278,094	\$0	\$398,504	\$794,139	\$0	\$4,470,737
2041	\$3,310,875	\$0	\$402,489	\$802,080	\$0	\$4,515,444
2042	\$3,343,983	\$0	\$406,514	\$810,101	\$0	\$4,560,599
2043	\$3,377,423	\$0	\$410,579	\$818,202	\$0	\$4,606,204
2044	\$3,411,198	\$0	\$414,685	\$826,384	\$0	\$4,652,267
2045	\$3,445,310	\$0	\$418,832	\$834,648	\$0	\$4,698,789
2046	\$3,479,763	\$0	\$423,020	\$842,994	\$0	\$4,745,777
2047	\$3,514,560	\$0	\$427,250	\$851,424	\$0	\$4,793,235
2048	\$3,549,706	\$0	\$431,523	\$859,939	\$0	\$4,841,167
2049	\$3,585,203	\$0	\$435,838	\$868,538	\$0	\$4,889,579
2050	\$3,621,055	\$0	\$440,196	\$877,223	\$0	\$4,938,475
2051	\$3,657,265	\$0	\$444,598	\$885,996	\$0	\$4,987,859
2052	\$3,693,838	\$0	\$449,044	\$894,856	\$0	\$5,037,738
2053	\$3,730,776	\$0	\$453,535	\$903,804	\$0	\$5,088,115
2054	\$3,768,084	\$0	\$458,070	\$912,842	\$0	\$5,138,997
2055	\$3,805,765	\$0	\$462,651	\$921,971	\$0	\$5,190,387
2056	\$3,843,823	\$0	\$467,277	\$931,190	\$0	\$5,242,290
2057	\$3,882,261	\$0	\$471,950	\$940,502	\$0	\$5,294,713
2058	\$3,921,084	\$0	\$476,670	\$949,907	\$0	\$5,347,660

Table 43 continued on the next page

Table 43 - Continued						
Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	\$3,960,294	\$0	\$481,436	\$959,406	\$0	\$5,401,137
2060	\$3,999,897	\$0	\$486,251	\$969,000	\$0	\$5,455,148
2061	\$4,039,896	\$0	\$491,113	\$978,690	\$0	\$5,509,700
2062	\$4,080,295	\$0	\$496,024	\$988,477	\$0	\$5,564,797
2063	\$4,121,098	\$0	\$500,985	\$998,362	\$0	\$5,620,445
2064	\$4,162,309	\$0	\$505,994	\$1,008,346	\$0	\$5,676,649
2065	\$4,203,932	\$0	\$511,054	\$1,018,429	\$0	\$5,733,416
Total	\$133,542,391	\$0	\$16,194,463	\$32,272,326	\$0	\$182,009,180

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	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0

Table 44 continued on the next page

Table 44 - Continued Estimated Hotel Occupancy Tax Collections from Visitors		
Year	<i>Spending on</i> <i>Lodging</i>	Total Hotel Occupancy Tax Collections
2040	\$0	\$0
2041	\$0	\$0
2042	\$0	\$0
2043	\$0	\$0
2044	\$0	\$0
2045	\$0	\$0
2046	\$0	\$0
2047	\$0	\$0
2048	\$0	\$0
2049	\$0	\$0
2050	\$0	\$0
2051	\$0	\$0
2052	\$0	\$0
2053	\$0	\$0
2054	\$0	\$0
2055	\$0	\$0
2056	\$0	\$0
2057	\$0	\$0
2058	\$0	\$0
2059	\$0	\$0
2060	\$0	\$0
2061	\$0	\$0
2062	\$0	\$0
2063	\$0	\$0
2064	\$0	\$0
2065	\$0	\$0
Total	\$0	\$0

Franchise Tax Collections from the Company and Indirect and Induced Businesses

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

Estimated Taxable Margins of the Company and Indirect and Induced Companies

The facility's estimated taxable margins subject to Texas franchise tax may be 15% of its operating revenues and the estimated taxable margins of indirect companies may be 25% of revenues. If this is the case, the estimated taxable margins of the company and indirect and induced companies that will be subject to corporate franchise taxes in the state of Texas are shown below.

Table 45 Revenues of the Company Subject to Franchise Taxes & Taxable Margins of Indirect and Induced Companies During Operations			
Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2025	\$0	\$0	\$0
2026	\$3,306,123	\$5,490,369	\$8,796,492
2027	\$10,574,084	\$17,560,030	\$28,134,114
2028	\$20,123,039	\$33,417,660	\$53,540,700
2029	\$28,783,253	\$47,799,389	\$76,582,643
2030	\$34,633,010	\$57,513,885	\$92,146,894
2031	\$34,979,340	\$58,089,023	\$93,068,363
2032	\$35,329,133	\$58,669,914	\$93,999,047
2033	\$35,682,424	\$59,256,613	\$94,939,037
2034	\$36,039,249	\$59,849,179	\$95,888,428
2035	\$36,399,641	\$60,447,671	\$96,847,312
2036	\$36,763,638	\$61,052,147	\$97,815,785
2037	\$37,131,274	\$61,662,669	\$98,793,943
2038	\$37,502,587	\$62,279,296	\$99,781,882
2039	\$37,877,613	\$62,902,089	\$100,779,701
2040	\$38,256,389	\$63,531,109	\$101,787,498

Table 45 continued on the next page

Table 45 - Continued			
Revenues of the Company Subject to Franchise Taxes & Taxable Margins of Indirect and Induced Companies During Operations			
Year	Direct Taxable Margins	Indirect & Induced Taxable Margins	Total Revenues Subject to Franchise Taxes
2041	\$38,638,953	\$64,166,421	\$102,805,373
2042	\$39,025,342	\$64,808,085	\$103,833,427
2043	\$39,415,595	\$65,456,166	\$104,871,761
2044	\$39,809,751	\$66,110,727	\$105,920,479
2045	\$40,207,849	\$66,771,834	\$106,979,683
2046	\$40,609,927	\$67,439,553	\$108,049,480
2047	\$41,016,027	\$68,113,948	\$109,129,975
2048	\$41,426,187	\$68,795,088	\$110,221,275
2049	\$41,840,449	\$69,483,039	\$111,323,488
2050	\$42,258,853	\$70,177,869	\$112,436,722
2051	\$42,681,442	\$70,879,648	\$113,561,090
2052	\$43,108,256	\$71,588,444	\$114,696,701
2053	\$43,539,339	\$72,304,329	\$115,843,668
2054	\$43,974,732	\$73,027,372	\$117,002,104
2055	\$44,414,480	\$73,757,646	\$118,172,125
2056	\$44,858,624	\$74,495,222	\$119,353,847
2057	\$45,307,211	\$75,240,174	\$120,547,385
2058	\$45,760,283	\$75,992,576	\$121,752,859
2059	\$46,217,886	\$76,752,502	\$122,970,387
2060	\$46,680,064	\$77,520,027	\$124,200,091
2061	\$47,146,865	\$78,295,227	\$125,442,092
2062	\$47,618,334	\$79,078,179	\$126,696,513
2063	\$48,094,517	\$79,868,961	\$127,963,478
2064	\$48,575,462	\$80,667,651	\$129,243,113
2065	\$49,061,217	\$81,474,327	\$130,535,544
Total	\$1.55 B	\$2.58 B	\$4.14 B

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

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

Table 46			
Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect & Induced Businesses	Total
2025	\$0	\$0	\$0
2026	\$24,796	\$41,178	\$65,974
2027	\$79,306	\$131,700	\$211,006
2028	\$150,923	\$250,632	\$401,555
2029	\$215,874	\$358,495	\$574,370
2030	\$259,748	\$431,354	\$691,102
2031	\$262,345	\$435,668	\$698,013
2032	\$264,968	\$440,024	\$704,993
2033	\$267,618	\$444,425	\$712,043
2034	\$270,294	\$448,869	\$719,163
2035	\$272,997	\$453,358	\$726,355
2036	\$275,727	\$457,891	\$733,618
2037	\$278,485	\$462,470	\$740,955
2038	\$281,269	\$467,095	\$748,364
2039	\$284,082	\$471,766	\$755,848
2040	\$286,923	\$476,483	\$763,406
2041	\$289,792	\$481,248	\$771,040
2042	\$292,690	\$486,061	\$778,751
2043	\$295,617	\$490,921	\$786,538
2044	\$298,573	\$495,830	\$794,404
2045	\$301,559	\$500,789	\$802,348
2046	\$304,574	\$505,797	\$810,371
2047	\$307,620	\$510,855	\$818,475
2048	\$310,696	\$515,963	\$826,660
2049	\$313,803	\$521,123	\$834,926
2050	\$316,941	\$526,334	\$843,275
2051	\$320,111	\$531,597	\$851,708
2052	\$323,312	\$536,913	\$860,225
2053	\$326,545	\$542,282	\$868,828
2054	\$329,810	\$547,705	\$877,516

Table 46 continued on the next page

Table 46 - Continued			
Estimated Franchise Tax Collections from the Facility and Indirect and Induced Businesses During Operations			
	The Facility	Indirect & Induced Businesses	Total
2055	\$333,109	\$553,182	\$886,291
2056	\$336,440	\$558,714	\$895,154
2057	\$339,804	\$564,301	\$904,105
2058	\$343,202	\$569,944	\$913,146
2059	\$346,634	\$575,644	\$922,278
2060	\$350,100	\$581,400	\$931,501
2061	\$353,601	\$587,214	\$940,816
2062	\$357,138	\$593,086	\$950,224
2063	\$360,709	\$599,017	\$959,726
2064	\$364,316	\$605,007	\$969,323
2065	\$367,959	\$611,057	\$979,017
Total	\$11,660,013	\$19,363,395	\$31,023,409

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	\$95
Alcoholic beverage taxes	\$182
Net lottery proceeds	\$297
Total	\$1,049

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	Motor Vehicle			Alcoholic	Net Lottery Proceeds	Total Other Taxes and Revenues
	Gasoline Taxes	Sales and Use Taxes	Cigarette and Tobacco Taxes	Beverage Taxes		
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$6,841	\$79,812	\$17,331	\$33,202	\$54,181	\$191,366
2027	\$22,205	\$259,056	\$56,252	\$107,767	\$175,862	\$621,143
2028	\$42,885	\$500,320	\$108,641	\$208,133	\$339,646	\$1,199,624
2029	\$62,251	\$726,267	\$157,704	\$302,127	\$493,032	\$1,741,382
2030	\$76,016	\$886,848	\$192,573	\$368,929	\$602,043	\$2,126,409
2031	\$77,916	\$909,020	\$197,387	\$378,152	\$617,094	\$2,179,569
2032	\$79,864	\$931,745	\$202,322	\$387,606	\$632,522	\$2,234,059
2033	\$81,860	\$955,039	\$207,380	\$397,296	\$648,335	\$2,289,910
2034	\$83,907	\$978,915	\$212,564	\$407,229	\$664,543	\$2,347,158
2035	\$86,005	\$1,003,388	\$217,878	\$417,409	\$681,157	\$2,405,837
2036	\$88,155	\$1,028,472	\$223,325	\$427,844	\$698,186	\$2,465,983
2037	\$90,359	\$1,054,184	\$228,909	\$438,541	\$715,640	\$2,527,632
2038	\$92,618	\$1,080,539	\$234,631	\$449,504	\$733,531	\$2,590,823
2039	\$94,933	\$1,107,552	\$240,497	\$460,742	\$751,870	\$2,655,594
2040	\$97,306	\$1,135,241	\$246,509	\$472,260	\$770,666	\$2,721,983
2041	\$99,739	\$1,163,622	\$252,672	\$484,067	\$789,933	\$2,790,033
2042	\$102,233	\$1,192,713	\$258,989	\$496,168	\$809,681	\$2,859,784
2043	\$104,788	\$1,222,530	\$265,464	\$508,573	\$829,923	\$2,931,278
2044	\$107,408	\$1,253,094	\$272,100	\$521,287	\$850,672	\$3,004,560
2045	\$110,093	\$1,284,421	\$278,903	\$534,319	\$871,938	\$3,079,674
2046	\$112,846	\$1,316,531	\$285,875	\$547,677	\$893,737	\$3,156,666
2047	\$115,667	\$1,349,445	\$293,022	\$561,369	\$916,080	\$3,235,583
2048	\$118,558	\$1,383,181	\$300,348	\$575,403	\$938,982	\$3,316,473
2049	\$121,522	\$1,417,760	\$307,857	\$589,788	\$962,457	\$3,399,384
2050	\$124,560	\$1,453,204	\$315,553	\$604,533	\$986,518	\$3,484,369
2051	\$127,674	\$1,489,535	\$323,442	\$619,646	\$1,011,181	\$3,571,478
2052	\$130,866	\$1,526,773	\$331,528	\$635,138	\$1,036,461	\$3,660,765
2053	\$134,138	\$1,564,942	\$339,816	\$651,016	\$1,062,372	\$3,752,284
2054	\$137,491	\$1,604,066	\$348,311	\$667,291	\$1,088,931	\$3,846,091
2055	\$140,929	\$1,644,167	\$357,019	\$683,974	\$1,116,155	\$3,942,244
2056	\$144,452	\$1,685,272	\$365,945	\$701,073	\$1,144,059	\$4,040,800
2057	\$148,063	\$1,727,403	\$375,093	\$718,600	\$1,172,660	\$4,141,820
2058	\$151,765	\$1,770,588	\$384,471	\$736,565	\$1,201,977	\$4,245,365
2059	\$155,559	\$1,814,853	\$394,082	\$754,979	\$1,232,026	\$4,351,499
2060	\$159,448	\$1,860,224	\$403,934	\$773,853	\$1,262,827	\$4,460,287
2061	\$163,434	\$1,906,730	\$414,033	\$793,200	\$1,294,397	\$4,571,794
2062	\$167,520	\$1,954,398	\$424,384	\$813,030	\$1,326,757	\$4,686,089
2063	\$171,708	\$2,003,258	\$434,993	\$833,355	\$1,359,926	\$4,803,241
2064	\$176,001	\$2,053,340	\$445,868	\$854,189	\$1,393,924	\$4,923,322
2065	\$180,401	\$2,104,673	\$457,015	\$875,544	\$1,428,772	\$5,046,405
Total	\$4,489,982	\$52,383,123	\$11,374,621	\$21,791,379	\$35,560,657	\$125,599,762

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

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

Table 49					
General Fund Revenues for the State During Operations					
Year	Sales Tax Collections	Hotel Occupancy Taxes	Franchise Tax Collections	Other Taxes and Revenues	Total State Revenues
2025	\$0	\$0	\$0	\$0	\$0
2026	\$178,111	\$0	\$65,974	\$191,366	\$735,781
2027	\$1,356,746	\$0	\$211,006	\$621,143	\$2,188,896
2028	\$2,428,958	\$0	\$401,555	\$1,199,624	\$4,030,137
2029	\$3,400,002	\$0	\$574,370	\$1,741,382	\$5,715,754
2030	\$4,047,300	\$0	\$691,102	\$2,126,409	\$6,864,810
2031	\$4,087,773	\$0	\$698,013	\$2,179,569	\$6,965,355
2032	\$4,128,650	\$0	\$704,993	\$2,234,059	\$7,067,702
2033	\$4,169,937	\$0	\$712,043	\$2,289,910	\$7,171,890
2034	\$4,211,636	\$0	\$719,163	\$2,347,158	\$7,277,957
2035	\$4,253,753	\$0	\$726,355	\$2,405,837	\$7,385,944
2036	\$4,296,290	\$0	\$733,618	\$2,465,983	\$7,495,891
2037	\$4,339,253	\$0	\$740,955	\$2,527,632	\$7,607,840
2038	\$4,382,646	\$0	\$748,364	\$2,590,823	\$7,721,833
2039	\$4,426,472	\$0	\$755,848	\$2,655,594	\$7,837,913
2040	\$4,470,737	\$0	\$763,406	\$2,721,983	\$7,956,126
2041	\$4,515,444	\$0	\$771,040	\$2,790,033	\$8,076,517
2042	\$4,560,599	\$0	\$778,751	\$2,859,784	\$8,199,133
2043	\$4,606,204	\$0	\$786,538	\$2,931,278	\$8,324,021
2044	\$4,652,267	\$0	\$794,404	\$3,004,560	\$8,451,231
2045	\$4,698,789	\$0	\$802,348	\$3,079,674	\$8,580,811
2046	\$4,745,777	\$0	\$810,371	\$3,156,666	\$8,712,814
2047	\$4,793,235	\$0	\$818,475	\$3,235,583	\$8,847,293
2048	\$4,841,167	\$0	\$826,660	\$3,316,473	\$8,984,299
2049	\$4,889,579	\$0	\$834,926	\$3,399,384	\$9,123,889
2050	\$4,938,475	\$0	\$843,275	\$3,484,369	\$9,266,119
2051	\$4,987,859	\$0	\$851,708	\$3,571,478	\$9,411,046
2052	\$5,037,738	\$0	\$860,225	\$3,660,765	\$9,558,728
2053	\$5,088,115	\$0	\$868,828	\$3,752,284	\$9,709,227
2054	\$5,138,997	\$0	\$877,516	\$3,846,091	\$9,862,604
2055	\$5,190,387	\$0	\$886,291	\$3,942,244	\$10,018,921
2056	\$5,242,290	\$0	\$895,154	\$4,040,800	\$10,178,244
2057	\$5,294,713	\$0	\$904,105	\$4,141,820	\$10,340,638

Table 49 continued on the next page

Table 49 - Continued					
General Fund Revenues for the State During Operations					
Year	Sales Tax Collections	Hotel		Other Taxes and Revenues	Total State Revenues
		Occupancy Taxes	Franchise Tax Collections		
2058	\$5,347,660	\$0	\$913,146	\$4,245,365	\$10,506,172
2059	\$5,401,137	\$0	\$922,278	\$4,351,499	\$10,674,914
2060	\$5,455,148	\$0	\$931,501	\$4,460,287	\$10,846,936
2061	\$5,509,700	\$0	\$940,816	\$4,571,794	\$11,022,310
2062	\$5,564,797	\$0	\$950,224	\$4,686,089	\$11,201,110
2063	\$5,620,445	\$0	\$959,726	\$4,803,241	\$11,383,412
2064	\$5,676,649	\$0	\$969,323	\$4,923,322	\$11,569,295
2065	\$5,733,416	\$0	\$979,017	\$5,046,405	\$11,758,838
Total	\$182,009,180	\$0	\$31,023,409	\$125,599,762	\$338,632,351

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

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

Table 50			
Direct vs. Indirect: General Fund Revenues for the State During Operations			
Year	Direct Taxes	Indirect Taxes	Total State Revenues
2025	\$0	\$0	\$0
2026	\$59,235	\$676,546	\$735,781
2027	\$189,452	\$1,999,443	\$2,188,896
2028	\$360,538	\$3,669,599	\$4,030,137
2029	\$515,700	\$5,200,054	\$5,715,754
2030	\$620,508	\$6,244,302	\$6,864,810
2031	\$626,713	\$6,338,641	\$6,965,355
2032	\$632,980	\$6,434,721	\$7,067,702
2033	\$639,310	\$6,532,580	\$7,171,890
2034	\$645,703	\$6,632,254	\$7,277,957
2035	\$652,160	\$6,733,784	\$7,385,944
2036	\$658,682	\$6,837,209	\$7,495,891
2037	\$665,269	\$6,942,571	\$7,607,840
2038	\$671,921	\$7,049,911	\$7,721,833
2039	\$678,641	\$7,159,273	\$7,837,913
2040	\$685,427	\$7,270,699	\$7,956,126
2041	\$692,281	\$7,384,236	\$8,076,517
2042	\$699,204	\$7,499,929	\$8,199,133
2043	\$706,196	\$7,617,825	\$8,324,021
2044	\$713,258	\$7,737,972	\$8,451,231
2045	\$720,391	\$7,860,421	\$8,580,811
2046	\$727,595	\$7,985,220	\$8,712,814
2047	\$734,870	\$8,112,422	\$8,847,293
2048	\$742,219	\$8,242,080	\$8,984,299
2049	\$749,641	\$8,374,248	\$9,123,889
2050	\$757,138	\$8,508,981	\$9,266,119
2051	\$764,709	\$8,646,337	\$9,411,046
2052	\$772,356	\$8,786,372	\$9,558,728
2053	\$780,080	\$8,929,147	\$9,709,227
2054	\$787,881	\$9,074,723	\$9,862,604
2055	\$795,759	\$9,223,162	\$10,018,921
2056	\$803,717	\$9,374,527	\$10,178,244

Table 50 continued on the next page

Table 50 - Continued			
Direct vs. Indirect: General Fund Revenues for the State During Operations			
Year	Direct Taxes	Indirect Taxes	Total State Revenues
2057	\$811,754	\$9,528,884	\$10,340,638
2058	\$819,872	\$9,686,300	\$10,506,172
2059	\$828,070	\$9,846,844	\$10,674,914
2060	\$836,351	\$10,010,585	\$10,846,936
2061	\$844,715	\$10,177,595	\$11,022,310
2062	\$853,162	\$10,347,948	\$11,201,110
2063	\$861,693	\$10,521,719	\$11,383,412
2064	\$870,310	\$10,698,984	\$11,569,295
2065	\$879,013	\$10,879,824	\$11,758,838
Total	\$27,854,476	\$310,777,874	\$338,632,351

Local Area Benefits Economic Impact & Tax Revenue

Local vs. State Economic Impacts

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

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

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

Local Economic Impacts During Construction

Construction Economic Output/Increase in Gross Area Product

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

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

Year	Direct Construction Output	Indirect & Induced Output	Total Output
2025	\$48,883,353	\$45,109,558	\$93,992,911
2026	\$70,683,671	\$65,226,891	\$135,910,562
2027	\$229,694,475	\$211,962,061	\$441,656,536
2028	\$539,428,648	\$497,784,757	\$1,037,213,405
2029	\$727,314,395	\$671,165,724	\$1,398,480,120
2030	\$678,021,269	\$625,678,027	\$1,303,699,295
2031	\$198,022,500	\$182,735,163	\$380,757,663
Total	\$2.49 B	\$2.30 B	\$4.79 B

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

Construction Employment

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

Table 52			
Direct, Indirect and Induced Employment in Harris County During Construction			
Year	Direct Construction Employment	Indirect & Induced Employment	Total Employment
2025	289	240	529
2026	418	347	766
2027	1,359	1,129	2,488
2028	3,192	2,651	5,843
2029	4,304	3,574	7,878
2030	4,012	3,332	7,344
2031	1,172	973	2,145
<u>Annual Avg.</u>	<u>2,107</u>	<u>1,749</u>	<u>3,856</u>

Construction Payroll

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

Table 53			
Direct, Indirect and Induced Payroll in Harris County During Construction			
Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$19,553,341	\$12,999,061	\$32,552,402
2026	\$28,273,468	\$18,796,202	\$47,069,670
2027	\$91,877,790	\$61,080,355	\$152,958,145
2028	\$215,771,459	\$143,444,866	\$359,216,325
2029	\$290,925,758	\$193,407,444	\$484,333,202
2030	\$271,208,507	\$180,299,416	\$451,507,923
2031	\$79,209,000	\$52,658,143	\$131,867,143
<u>Total</u>	<u>\$1.00 B</u>	<u>\$0.66 B</u>	<u>\$1.66 B</u>

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

Local Fiscal Impacts During Construction

Taxable Sales

A significant amount of taxable sales or spending during construction can be expected to take place within Harris County and nearby cities. If 25% 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	\$468,750	\$1,099,875	\$2,535,452	\$4,104,078
2026	\$135,422	\$1,590,383	\$3,666,178	\$5,391,983
2027	\$3,494,168	\$5,168,126	\$11,913,655	\$20,575,949
2028	\$8,370,977	\$12,137,145	\$27,978,761	\$48,486,883
2029	\$7,661,027	\$16,364,574	\$37,723,907	\$61,749,507
2030	\$3,091,451	\$15,255,479	\$35,167,200	\$53,514,130
2031	\$700,000	\$4,455,506	\$10,270,912	\$15,426,418
Total	\$23,921,795	\$56,071,087	\$129,256,067	\$209,248,948

Sales Tax Collections

With a combined 2.00% local sales tax, Harris 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	\$9,375	\$21,998	\$50,709	\$82,082	\$31,373	\$50,709
2026	\$2,708	\$31,808	\$73,324	\$107,840	\$34,516	\$73,324
2027	\$69,883	\$103,363	\$238,273	\$411,519	\$173,246	\$238,273
2028	\$167,420	\$242,743	\$559,575	\$969,738	\$410,162	\$559,575
2029	\$153,221	\$327,291	\$754,478	\$1,234,990	\$480,512	\$754,478
2030	\$61,829	\$305,110	\$703,344	\$1,070,283	\$366,939	\$703,344
2031	\$14,000	\$89,110	\$205,418	\$308,528	\$103,110	\$205,418
Total	\$478,436	\$1,121,422	\$2,585,121	\$4,184,979	\$1,599,858	\$2,585,121

Summary of Local Taxes During Construction

During the facility's construction project, Harris 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	\$82,082	\$0	\$82,082
2026	\$107,840	\$0	\$107,840
2027	\$411,519	\$0	\$411,519
2028	\$969,738	\$0	\$969,738
2029	\$1,234,990	\$0	\$1,234,990
2030	\$1,070,283	\$0	\$1,070,283
2031	\$308,528	\$0	\$308,528
Total	\$4,184,979	\$0	\$4,184,979

Local Economic Impacts During the Facility's Operations

Economic Output During Operations

The facility's estimated annual revenues during the first 41 years again serve as the direct economic output during operations.

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

Table 57			
Direct, Indirect & Induced Output in Harris County During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2025	\$0	\$0	\$0
2026	\$22,040,822	\$15,020,820	\$37,061,642
2027	\$70,493,896	\$48,041,590	\$118,535,487
2028	\$134,153,595	\$91,425,675	\$225,579,270
2029	\$191,888,355	\$130,771,914	\$322,660,270
2030	\$230,886,730	\$157,349,307	\$388,236,037
2031	\$233,195,598	\$158,922,800	\$392,118,398
2032	\$235,527,554	\$160,512,028	\$396,039,582
2033	\$237,882,829	\$162,117,148	\$399,999,977
2034	\$240,261,658	\$163,738,320	\$403,999,977
2035	\$242,664,274	\$165,375,703	\$408,039,977
2036	\$245,090,917	\$167,029,460	\$412,120,377
2037	\$247,541,826	\$168,699,754	\$416,241,581
2038	\$250,017,244	\$170,386,752	\$420,403,996
2039	\$252,517,417	\$172,090,620	\$424,608,036
2040	\$255,042,591	\$173,811,526	\$428,854,117
2041	\$257,593,017	\$175,549,641	\$433,142,658
2042	\$260,168,947	\$177,305,137	\$437,474,084
2043	\$262,770,637	\$179,078,189	\$441,848,825
2044	\$265,398,343	\$180,868,971	\$446,267,314
2045	\$268,052,326	\$182,677,660	\$450,729,987
2046	\$270,732,850	\$184,504,437	\$455,237,287
2047	\$273,440,178	\$186,349,481	\$459,789,659
2048	\$276,174,580	\$188,212,976	\$464,387,556
2049	\$278,936,326	\$190,095,106	\$469,031,432
2050	\$281,725,689	\$191,996,057	\$473,721,746

Table 57 continued on the next page

Table 57 - Continued			
Direct, Indirect & Induced Output in Harris County During Operations			
Year	Direct Operations Output	Indirect & Induced Output	Total Output
2051	\$284,542,946	\$193,916,018	\$478,458,963
2052	\$287,388,375	\$195,855,178	\$483,243,553
2053	\$290,262,259	\$197,813,730	\$488,075,988
2054	\$293,164,882	\$199,791,867	\$492,956,748
2055	\$296,096,530	\$201,789,785	\$497,886,316
2056	\$299,057,496	\$203,807,683	\$502,865,179
2057	\$302,048,071	\$205,845,760	\$507,893,831
2058	\$305,068,551	\$207,904,218	\$512,972,769
2059	\$308,119,237	\$209,983,260	\$518,102,497
2060	\$311,200,429	\$212,083,093	\$523,283,522
2061	\$314,312,434	\$214,203,923	\$528,516,357
2062	\$317,455,558	\$216,345,963	\$533,801,521
2063	\$320,630,113	\$218,509,422	\$539,139,536
2064	\$323,836,415	\$220,694,517	\$544,530,931
2065	\$327,074,779	\$222,901,462	\$549,976,240
Total	\$10.36 B	\$7.06 B	\$17.43 B

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 Harris County During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2025	0	0	0
2026	60	87	147
2027	190	275	465
2028	358	517	875
2029	507	733	1,240
2030	604	873	1,477
2031	604	873	1,477
2032	604	873	1,477
2033	604	873	1,477
2034	604	873	1,477
2035	604	873	1,477
2036	604	873	1,477
2037	604	873	1,477
2038	604	873	1,477
2039	604	873	1,477
2040	604	873	1,477
2041	604	873	1,477
2042	604	873	1,477
2043	604	873	1,477
2044	604	873	1,477
2045	604	873	1,477
2046	604	873	1,477
2047	604	873	1,477
2048	604	873	1,477
2049	604	873	1,477
2050	604	873	1,477
2051	604	873	1,477
2052	604	873	1,477
2053	604	873	1,477
2054	604	873	1,477
2055	604	873	1,477

Table 58 continued on the next page

Table 58 - Continued			
Direct, Indirect & Induced Employment in Harris County During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2056	604	873	1,477
2057	604	873	1,477
2058	604	873	1,477
2059	604	873	1,477
2060	604	873	1,477
2061	604	873	1,477
2062	604	873	1,477
2063	604	873	1,477
2064	604	873	1,477
2065	604	873	1,477

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

Table 59			
Direct, Indirect and Induced Payroll in Harris County During Operations			
Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2025	\$0	\$0	\$0
2026	\$10,387,550	\$9,676,003	\$20,063,553
2027	\$28,422,572	\$26,475,626	\$54,898,198
2028	\$49,855,669	\$46,440,556	\$96,296,225
2029	\$69,255,934	\$64,511,903	\$133,767,837
2030	\$82,121,816	\$76,496,472	\$158,618,288
2031	\$82,943,034	\$77,261,436	\$160,204,470
2032	\$83,772,465	\$78,034,051	\$161,806,516
2033	\$84,610,189	\$78,814,391	\$163,424,580
2034	\$85,456,291	\$79,602,535	\$165,058,826
2035	\$86,310,854	\$80,398,561	\$166,709,415
2036	\$87,173,963	\$81,202,547	\$168,376,510
2037	\$88,045,702	\$82,014,571	\$170,060,273

Table 59 continued on the next page

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

Year	Direct Operations Payroll	Indirect & Induced Payroll	Total Payroll
2038	\$88,926,159	\$82,834,717	\$171,760,876
2039	\$89,815,421	\$83,663,065	\$173,478,486
2040	\$90,713,575	\$84,499,695	\$175,213,270
2041	\$91,620,711	\$85,344,692	\$176,965,403
2042	\$92,536,918	\$86,198,139	\$178,735,057
2043	\$93,462,287	\$87,060,120	\$180,522,407
2044	\$94,396,910	\$87,930,722	\$182,327,632
2045	\$95,340,879	\$88,810,029	\$184,150,908
2046	\$96,294,288	\$89,698,129	\$185,992,417
2047	\$97,257,231	\$90,595,111	\$187,852,342
2048	\$98,229,803	\$91,501,061	\$189,730,864
2049	\$99,212,101	\$92,416,072	\$191,628,173
2050	\$100,204,222	\$93,340,233	\$193,544,455
2051	\$101,206,264	\$94,273,635	\$195,479,899
2052	\$102,218,327	\$95,216,372	\$197,434,699
2053	\$103,240,510	\$96,168,535	\$199,409,045
2054	\$104,272,915	\$97,130,220	\$201,403,135
2055	\$105,315,645	\$98,101,523	\$203,417,168
2056	\$106,368,801	\$99,082,538	\$205,451,339
2057	\$107,432,489	\$100,073,364	\$207,505,853
2058	\$108,506,814	\$101,074,097	\$209,580,911
2059	\$109,591,882	\$102,084,838	\$211,676,720
2060	\$110,687,801	\$103,105,686	\$213,793,487
2061	\$111,794,679	\$104,136,743	\$215,931,422
2062	\$112,912,626	\$105,178,111	\$218,090,736
2063	\$114,041,752	\$106,229,892	\$220,271,644
2064	\$115,182,169	\$107,292,191	\$222,474,360
2065	\$116,333,991	\$108,365,113	\$224,699,104
Total	\$3.70 B	\$3.44 B	\$7.14 B

Local Fiscal Impacts During the Facility's Operations

Local Taxable Sales

A significant amount of taxable sales or spending can be expected to take place within Harris County and nearby cities. If 25% of the statewide taxable spending by workers, the company, indirect businesses, and visitors during operations occurs locally, the project will result in the following taxable sales:

Table 60 Local Estimated Total Taxable Sales During Operations						
Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$1,501,489	\$0	\$137,755	\$274,518	\$0	\$1,913,763
2027	\$4,108,398	\$0	\$440,587	\$878,001	\$0	\$5,426,986
2028	\$7,206,487	\$0	\$838,460	\$1,670,883	\$0	\$9,715,830
2029	\$10,010,737	\$0	\$1,199,302	\$2,389,969	\$0	\$13,600,009
2030	\$11,870,462	\$0	\$1,443,042	\$2,875,694	\$0	\$16,189,198
2031	\$11,989,167	\$0	\$1,457,472	\$2,904,451	\$0	\$16,351,090
2032	\$12,109,058	\$0	\$1,472,047	\$2,933,496	\$0	\$16,514,601
2033	\$12,230,149	\$0	\$1,486,768	\$2,962,831	\$0	\$16,679,747
2034	\$12,352,450	\$0	\$1,501,635	\$2,992,459	\$0	\$16,846,545
2035	\$12,475,975	\$0	\$1,516,652	\$3,022,384	\$0	\$17,015,010
2036	\$12,600,735	\$0	\$1,531,818	\$3,052,607	\$0	\$17,185,160
2037	\$12,726,742	\$0	\$1,547,136	\$3,083,133	\$0	\$17,357,012
2038	\$12,854,010	\$0	\$1,562,608	\$3,113,965	\$0	\$17,530,582
2039	\$12,982,550	\$0	\$1,578,234	\$3,145,104	\$0	\$17,705,888
2040	\$13,112,375	\$0	\$1,594,016	\$3,176,555	\$0	\$17,882,947
2041	\$13,243,499	\$0	\$1,609,956	\$3,208,321	\$0	\$18,061,776
2042	\$13,375,934	\$0	\$1,626,056	\$3,240,404	\$0	\$18,242,394
2043	\$13,509,693	\$0	\$1,642,316	\$3,272,808	\$0	\$18,424,818
2044	\$13,644,790	\$0	\$1,658,740	\$3,305,536	\$0	\$18,609,066
2045	\$13,781,238	\$0	\$1,675,327	\$3,338,592	\$0	\$18,795,157
2046	\$13,919,050	\$0	\$1,692,080	\$3,371,978	\$0	\$18,983,108
2047	\$14,058,241	\$0	\$1,709,001	\$3,405,697	\$0	\$19,172,939
2048	\$14,198,823	\$0	\$1,726,091	\$3,439,754	\$0	\$19,364,669
2049	\$14,340,812	\$0	\$1,743,352	\$3,474,152	\$0	\$19,558,316
2050	\$14,484,220	\$0	\$1,760,786	\$3,508,893	\$0	\$19,753,899
2051	\$14,629,062	\$0	\$1,778,393	\$3,543,982	\$0	\$19,951,438
2052	\$14,775,353	\$0	\$1,796,177	\$3,579,422	\$0	\$20,150,952
2053	\$14,923,106	\$0	\$1,814,139	\$3,615,216	\$0	\$20,352,462
2054	\$15,072,337	\$0	\$1,832,281	\$3,651,369	\$0	\$20,555,986
2055	\$15,223,061	\$0	\$1,850,603	\$3,687,882	\$0	\$20,761,546
2056	\$15,375,291	\$0	\$1,869,109	\$3,724,761	\$0	\$20,969,162

Table 60 continued on the next page

Table 60 - Continued
Local Estimated Total Taxable Sales or Spending

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2057	\$15,529,044	\$0	\$1,887,800	\$3,762,009	\$0	\$21,178,853
2058	\$15,684,334	\$0	\$1,906,678	\$3,799,629	\$0	\$21,390,642
2059	\$15,841,178	\$0	\$1,925,745	\$3,837,625	\$0	\$21,604,548
2060	\$15,999,590	\$0	\$1,945,003	\$3,876,001	\$0	\$21,820,594
2061	\$16,159,585	\$0	\$1,964,453	\$3,914,761	\$0	\$22,038,800
2062	\$16,321,181	\$0	\$1,984,097	\$3,953,909	\$0	\$22,259,188
2063	\$16,484,393	\$0	\$2,003,938	\$3,993,448	\$0	\$22,481,779
2064	\$16,649,237	\$0	\$2,023,978	\$4,033,383	\$0	\$22,706,597
2065	\$16,815,729	\$0	\$2,044,217	\$4,073,716	\$0	\$22,933,663
Total	\$534,169,566	\$0	\$64,777,852	\$129,089,303	\$0	\$728,036,720

Sales Tax Collections

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

Table 61 Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$30,030	\$0	\$2,755	\$5,490	\$0	\$38,275
2027	\$82,168	\$0	\$8,812	\$17,560	\$0	\$108,540
2028	\$144,130	\$0	\$16,769	\$33,418	\$0	\$194,317
2029	\$200,215	\$0	\$23,986	\$47,799	\$0	\$272,000
2030	\$237,409	\$0	\$28,861	\$57,514	\$0	\$323,784
2031	\$239,783	\$0	\$29,149	\$58,089	\$0	\$327,022
2032	\$242,181	\$0	\$29,441	\$58,670	\$0	\$330,292
2033	\$244,603	\$0	\$29,735	\$59,257	\$0	\$333,595
2034	\$247,049	\$0	\$30,033	\$59,849	\$0	\$336,931
2035	\$249,520	\$0	\$30,333	\$60,448	\$0	\$340,300
2036	\$252,015	\$0	\$30,636	\$61,052	\$0	\$343,703
2037	\$254,535	\$0	\$30,943	\$61,663	\$0	\$347,140
2038	\$257,080	\$0	\$31,252	\$62,279	\$0	\$350,612
2039	\$259,651	\$0	\$31,565	\$62,902	\$0	\$354,118
2040	\$262,248	\$0	\$31,880	\$63,531	\$0	\$357,659
2041	\$264,870	\$0	\$32,199	\$64,166	\$0	\$361,236
2042	\$267,519	\$0	\$32,521	\$64,808	\$0	\$364,848
2043	\$270,194	\$0	\$32,846	\$65,456	\$0	\$368,496
2044	\$272,896	\$0	\$33,175	\$66,111	\$0	\$372,181
2045	\$275,625	\$0	\$33,507	\$66,772	\$0	\$375,903
2046	\$278,381	\$0	\$33,842	\$67,440	\$0	\$379,662
2047	\$281,165	\$0	\$34,180	\$68,114	\$0	\$383,459
2048	\$283,976	\$0	\$34,522	\$68,795	\$0	\$387,293
2049	\$286,816	\$0	\$34,867	\$69,483	\$0	\$391,166
2050	\$289,684	\$0	\$35,216	\$70,178	\$0	\$395,078
2051	\$292,581	\$0	\$35,568	\$70,880	\$0	\$399,029
2052	\$295,507	\$0	\$35,924	\$71,588	\$0	\$403,019
2053	\$298,462	\$0	\$36,283	\$72,304	\$0	\$407,049
2054	\$301,447	\$0	\$36,646	\$73,027	\$0	\$411,120
2055	\$304,461	\$0	\$37,012	\$73,758	\$0	\$415,231
2056	\$307,506	\$0	\$37,382	\$74,495	\$0	\$419,383
2057	\$310,581	\$0	\$37,756	\$75,240	\$0	\$423,577
2058	\$313,687	\$0	\$38,134	\$75,993	\$0	\$427,813

Table 61 continued on the next page

Table 61 - Continued
Estimated Sales Tax Collections During Operations

Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2059	\$316,824	\$0	\$38,515	\$76,753	\$0	\$432,091
2060	\$319,992	\$0	\$38,900	\$77,520	\$0	\$436,412
2061	\$323,192	\$0	\$39,289	\$78,295	\$0	\$440,776
2062	\$326,424	\$0	\$39,682	\$79,078	\$0	\$445,184
2063	\$329,688	\$0	\$40,079	\$79,869	\$0	\$449,636
2064	\$332,985	\$0	\$40,480	\$80,668	\$0	\$454,132
2065	\$336,315	\$0	\$40,884	\$81,474	\$0	\$458,673
Total	\$10,683,391	\$0	\$1,295,557	\$2,581,786	\$0	\$14,560,734

Hotel Occupancy Tax Collections

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

Table 62
Estimated Hotel Occupancy Tax Collections from Visitors

Year	City Hotel Occupancy Tax Collections	County Hotel Occupancy Tax Collections
2025	\$0	\$0
2026	\$0	\$0
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0

Table 62 continued on the next page

Table 62 - Continued			
Estimated Hotel Occupancy Tax Collections from Visitors			
Year	Spending on Lodging	City Hotel Occupancy Tax Collections	City Hotel Occupancy Tax Collections
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
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
2061	\$0	\$0	\$0
2062	\$0	\$0	\$0
2063	\$0	\$0	\$0
2064	\$0	\$0	\$0
2065	\$0	\$0	\$0
Total	\$0	\$0	\$0

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	Harris County	Sheldon ISD	Other Local Jurisdictions	Total
2025	\$0	\$277,804	\$360,513	\$1,308,061	\$1,946,378
2026	\$0	\$509,791	\$661,568	\$2,400,391	\$3,571,750
2027	\$0	\$2,156,007	\$2,797,902	\$10,151,722	\$15,105,631
2028	\$0	\$5,995,423	\$7,780,404	\$28,229,903	\$42,005,730
2029	\$0	\$9,936,489	\$12,894,818	\$46,786,707	\$69,618,014
2030	\$0	\$12,173,632	\$15,798,012	\$57,320,466	\$85,292,111
2031	\$0	\$12,150,456	\$27,675,880	\$57,211,336	\$97,037,672
2032	\$0	\$11,290,313	\$25,716,677	\$53,161,288	\$90,168,277
2033	\$0	\$10,420,857	\$23,736,260	\$49,067,388	\$83,224,505
2034	\$0	\$9,545,845	\$21,743,189	\$44,947,329	\$76,236,363
2035	\$0	\$8,715,339	\$19,851,493	\$41,036,831	\$69,603,663
2036	\$0	\$8,006,490	\$18,236,902	\$37,699,163	\$63,942,556
2037	\$0	\$7,483,594	\$17,045,867	\$35,237,067	\$59,766,529
2038	\$0	\$7,060,624	\$16,082,441	\$33,245,481	\$56,388,546
2039	\$0	\$6,614,654	\$15,066,627	\$31,145,598	\$52,826,879
2040	\$0	\$6,193,088	\$14,106,398	\$29,160,622	\$49,460,108
2041	\$0	\$5,895,411	\$19,206,104	\$27,758,987	\$52,860,502
2042	\$0	\$5,698,484	\$18,564,554	\$26,831,742	\$51,094,780
2043	\$0	\$5,543,371	\$18,059,227	\$26,101,381	\$49,703,980
2044	\$0	\$5,399,190	\$17,589,514	\$25,422,495	\$48,411,200
2045	\$0	\$5,259,335	\$17,133,893	\$24,763,976	\$47,157,204
2046	\$0	\$5,123,676	\$16,691,940	\$24,125,212	\$45,940,828
2047	\$0	\$4,992,086	\$16,263,246	\$23,505,611	\$44,760,943
2048	\$0	\$4,864,443	\$15,847,412	\$22,904,599	\$43,616,454
2049	\$0	\$4,740,631	\$15,444,054	\$22,321,616	\$42,506,300
2050	\$0	\$4,620,532	\$15,052,796	\$21,756,123	\$41,429,451
2051	\$0	\$4,504,036	\$14,673,276	\$21,207,595	\$40,384,907
2052	\$0	\$4,391,036	\$14,305,142	\$20,675,523	\$39,371,700
2053	\$0	\$4,281,425	\$13,948,051	\$20,159,412	\$38,388,889
2054	\$0	\$4,175,103	\$13,601,674	\$19,658,786	\$37,435,562
2055	\$0	\$4,071,970	\$13,265,687	\$19,173,178	\$36,510,835
2056	\$0	\$3,971,931	\$12,939,781	\$18,702,138	\$35,613,850
2057	\$0	\$3,874,894	\$12,623,651	\$18,245,229	\$34,743,774
2058	\$0	\$3,780,767	\$12,317,006	\$17,802,028	\$33,899,801
2059	\$0	\$3,689,465	\$12,019,559	\$17,372,122	\$33,081,147
2060	\$0	\$3,600,901	\$11,731,037	\$16,955,114	\$32,287,052
2061	\$0	\$3,514,994	\$11,451,169	\$16,550,616	\$31,516,780
2062	\$0	\$3,431,665	\$11,179,698	\$16,158,253	\$30,769,617

Table 63 continued on the next page

Table 63 - Continued					
Ad Valorem Tax Collections for Local Taxing Units on Investment					
Year	N/A	Harris County	Sheldon ISD	Other Local Jurisdictions	Total
2063	\$0	\$3,350,835	\$10,916,371	\$15,777,661	\$30,044,868
2064	\$0	\$3,272,431	\$10,660,944	\$15,408,487	\$29,341,862
2065	\$0	\$3,196,378	\$10,413,180	\$15,050,388	\$28,659,946
<u>Total</u>	<u>\$0</u>	<u>\$227,775,398</u>	<u>\$595,453,917</u>	<u>\$1,072,497,626</u>	<u>\$1,895,726,942</u>

Property Tax Collections - Land and Inventories

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

Table 64			
Appraised Value of the Facility's Land & Inventories			
Year	Land	Inventories	Total Appraised Value of Land & Inventories
2025	\$128,410,544	\$0	\$128,410,544
2026	\$128,410,544	\$0	\$128,410,544
2027	\$128,410,544	\$0	\$128,410,544
2028	\$128,410,544	\$0	\$128,410,544
2029	\$128,410,544	\$0	\$128,410,544
2030	\$128,410,544	\$0	\$128,410,544
2031	\$128,410,544	\$0	\$128,410,544
2032	\$128,410,544	\$0	\$128,410,544
2033	\$128,410,544	\$0	\$128,410,544
2034	\$128,410,544	\$0	\$128,410,544
2035	\$128,410,544	\$0	\$128,410,544
2036	\$128,410,544	\$0	\$128,410,544
2037	\$128,410,544	\$0	\$128,410,544
2038	\$128,410,544	\$0	\$128,410,544
2039	\$128,410,544	\$0	\$128,410,544
2040	\$128,410,544	\$0	\$128,410,544
2041	\$128,410,544	\$0	\$128,410,544
2042	\$128,410,544	\$0	\$128,410,544
2043	\$128,410,544	\$0	\$128,410,544

Table 64 continued on the next page

Table 64 - Continued			
Appraised Value of the Facility's Land & Inventories			
			Total Appraised Value of Land & Inventories
Year	Land	Inventories	Inventories
2044	\$128,410,544	\$0	\$128,410,544
2045	\$128,410,544	\$0	\$128,410,544
2046	\$128,410,544	\$0	\$128,410,544
2047	\$128,410,544	\$0	\$128,410,544
2048	\$128,410,544	\$0	\$128,410,544
2049	\$128,410,544	\$0	\$128,410,544
2050	\$128,410,544	\$0	\$128,410,544
2051	\$128,410,544	\$0	\$128,410,544
2052	\$128,410,544	\$0	\$128,410,544
2053	\$128,410,544	\$0	\$128,410,544
2054	\$128,410,544	\$0	\$128,410,544
2055	\$128,410,544	\$0	\$128,410,544
2056	\$128,410,544	\$0	\$128,410,544
2057	\$128,410,544	\$0	\$128,410,544
2058	\$128,410,544	\$0	\$128,410,544
2059	\$128,410,544	\$0	\$128,410,544
2060	\$128,410,544	\$0	\$128,410,544
2061	\$128,410,544	\$0	\$128,410,544
2062	\$128,410,544	\$0	\$128,410,544
2063	\$128,410,544	\$0	\$128,410,544
2064	\$128,410,544	\$0	\$128,410,544
2065	\$128,410,544	\$0	\$128,410,544

*Appraised Value Assumptions:
 Land Value: No annual appreciation.
 Inventories: None*

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

Year	Taxable Value of Land & Inventories	N/A 0.000000	Harris County 0.385290	Sheldon ISD 1.255200	Other Local Jurisdictions 1.814167	Total 3.454657
2025	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2026	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2027	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2028	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2029	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2030	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2031	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2032	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2033	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2034	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2035	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2036	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2037	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2038	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2039	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2040	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2041	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2042	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2043	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2044	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2045	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2046	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2047	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2048	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2049	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2050	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2051	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2052	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2053	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2054	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2055	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2056	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2057	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2058	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2059	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2060	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2061	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2062	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2063	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2064	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
2065	\$128,410,544	\$0	\$494,753	\$1,611,809	\$2,329,582	\$4,436,144
Total		\$0	\$20,284,872	\$66,084,175	\$95,512,850	\$181,881,898

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	County Hotel Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
2025	\$0	\$0	\$0	\$0	\$1,946,378	\$4,436,144	\$6,382,522
2026	\$38,275	\$0	\$0	\$0	\$3,571,750	\$4,436,144	\$8,046,169
2027	\$108,540	\$0	\$0	\$0	\$15,105,631	\$4,436,144	\$19,650,315
2028	\$194,317	\$0	\$0	\$0	\$42,005,730	\$4,436,144	\$46,636,190
2029	\$272,000	\$0	\$0	\$0	\$69,618,014	\$4,436,144	\$74,326,158
2030	\$323,784	\$0	\$0	\$0	\$85,292,111	\$4,436,144	\$90,052,039
2031	\$327,022	\$0	\$0	\$0	\$97,037,672	\$4,436,144	\$101,800,838
2032	\$330,292	\$0	\$0	\$0	\$90,168,277	\$4,436,144	\$94,934,713
2033	\$333,595	\$0	\$0	\$0	\$83,224,505	\$4,436,144	\$87,994,244
2034	\$336,931	\$0	\$0	\$0	\$76,236,363	\$4,436,144	\$81,009,438
2035	\$340,300	\$0	\$0	\$0	\$69,603,663	\$4,436,144	\$74,380,107
2036	\$343,703	\$0	\$0	\$0	\$63,942,556	\$4,436,144	\$68,722,403
2037	\$347,140	\$0	\$0	\$0	\$59,766,529	\$4,436,144	\$64,549,813
2038	\$350,612	\$0	\$0	\$0	\$56,388,546	\$4,436,144	\$61,175,301
2039	\$354,118	\$0	\$0	\$0	\$52,826,879	\$4,436,144	\$57,617,141
2040	\$357,659	\$0	\$0	\$0	\$49,460,108	\$4,436,144	\$54,253,911
2041	\$361,236	\$0	\$0	\$0	\$52,860,502	\$4,436,144	\$57,657,882
2042	\$364,848	\$0	\$0	\$0	\$51,094,780	\$4,436,144	\$55,895,772
2043	\$368,496	\$0	\$0	\$0	\$49,703,980	\$4,436,144	\$54,508,620
2044	\$372,181	\$0	\$0	\$0	\$48,411,200	\$4,436,144	\$53,219,525
2045	\$375,903	\$0	\$0	\$0	\$47,157,204	\$4,436,144	\$51,969,251
2046	\$379,662	\$0	\$0	\$0	\$45,940,828	\$4,436,144	\$50,756,634
2047	\$383,459	\$0	\$0	\$0	\$44,760,943	\$4,436,144	\$49,580,545
2048	\$387,293	\$0	\$0	\$0	\$43,616,454	\$4,436,144	\$48,439,891
2049	\$391,166	\$0	\$0	\$0	\$42,506,300	\$4,436,144	\$47,333,610
2050	\$395,078	\$0	\$0	\$0	\$41,429,451	\$4,436,144	\$46,260,673
2051	\$399,029	\$0	\$0	\$0	\$40,384,907	\$4,436,144	\$45,220,080
2052	\$403,019	\$0	\$0	\$0	\$39,371,700	\$4,436,144	\$44,210,863
2053	\$407,049	\$0	\$0	\$0	\$38,388,889	\$4,436,144	\$43,232,082
2054	\$411,120	\$0	\$0	\$0	\$37,435,562	\$4,436,144	\$42,282,826
2055	\$415,231	\$0	\$0	\$0	\$36,510,835	\$4,436,144	\$41,362,210
2056	\$419,383	\$0	\$0	\$0	\$35,613,850	\$4,436,144	\$40,469,377
2057	\$423,577	\$0	\$0	\$0	\$34,743,774	\$4,436,144	\$39,603,495
2058	\$427,813	\$0	\$0	\$0	\$33,899,801	\$4,436,144	\$38,763,757
2059	\$432,091	\$0	\$0	\$0	\$33,081,147	\$4,436,144	\$37,949,381
2060	\$436,412	\$0	\$0	\$0	\$32,287,052	\$4,436,144	\$37,159,608
2061	\$440,776	\$0	\$0	\$0	\$31,516,780	\$4,436,144	\$36,393,700
2062	\$445,184	\$0	\$0	\$0	\$30,769,617	\$4,436,144	\$35,650,944
2063	\$449,636	\$0	\$0	\$0	\$30,044,868	\$4,436,144	\$34,930,647

Table 66 continued on the next page

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

Year	City Sales Tax Collections	County Sales Tax Collections	City Hotel Occupancy Taxes	0 Occupancy Taxes	Property Taxes JETI Investment	Property Taxes Land & Inventories	Total Local Revenues
2064	\$454,132	\$0	\$0	\$0	\$29,341,862	\$4,436,144	\$34,232,138
2065	\$458,673	\$0	\$0	\$0	\$28,659,946	\$4,436,144	\$33,554,763
Total	\$14,560,734	\$0	\$0	\$0	\$1,895,726,942	\$181,881,898	\$2,092,169,574

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	\$6,382,522	\$0	\$6,382,522
2026	\$8,010,649	\$35,520	\$8,046,169
2027	\$19,550,587	\$99,728	\$19,650,315
2028	\$46,458,643	\$177,547	\$46,636,190
2029	\$74,078,144	\$248,014	\$74,326,158
2030	\$89,757,115	\$294,923	\$90,052,039
2031	\$101,502,965	\$297,872	\$101,800,838
2032	\$94,633,862	\$300,851	\$94,934,713
2033	\$87,690,384	\$303,860	\$87,994,244
2034	\$80,702,540	\$306,898	\$81,009,438
2035	\$74,070,140	\$309,967	\$74,380,107
2036	\$68,409,336	\$313,067	\$68,722,403
2037	\$64,233,615	\$316,198	\$64,549,813
2038	\$60,855,942	\$319,359	\$61,175,301
2039	\$57,294,587	\$322,553	\$57,617,141
2040	\$53,928,132	\$325,779	\$54,253,911
2041	\$57,328,845	\$329,036	\$57,657,882
2042	\$55,563,445	\$332,327	\$55,895,772
2043	\$54,172,970	\$335,650	\$54,508,620
2044	\$52,880,519	\$339,007	\$53,219,525
2045	\$51,626,854	\$342,397	\$51,969,251
2046	\$50,410,813	\$345,821	\$50,756,634
2047	\$49,231,266	\$349,279	\$49,580,545
2048	\$48,087,120	\$352,772	\$48,439,891
2049	\$46,977,311	\$356,299	\$47,333,610
2050	\$45,900,811	\$359,862	\$46,260,673
2051	\$44,856,619	\$363,461	\$45,220,080

Table 67 continued on the next page

Table 67 - Continued			
Direct vs. Indirect: Tax Revenues for Local Taxing Units During Operations by Year			
Year	Direct Taxes	Indirect Taxes	Total Local Revenues
2052	\$43,843,767	\$367,095	\$44,210,863
2053	\$42,861,315	\$370,766	\$43,232,082
2054	\$41,908,351	\$374,474	\$42,282,826
2055	\$40,983,991	\$378,219	\$41,362,210
2056	\$40,087,376	\$382,001	\$40,469,377
2057	\$39,217,674	\$385,821	\$39,603,495
2058	\$38,374,078	\$389,679	\$38,763,757
2059	\$37,555,805	\$393,576	\$37,949,381
2060	\$36,762,096	\$397,512	\$37,159,608
2061	\$35,992,213	\$401,487	\$36,393,700
2062	\$35,245,442	\$405,502	\$35,650,944
2063	\$34,521,091	\$409,557	\$34,930,647
2064	\$33,818,485	\$413,652	\$34,232,138
2065	\$33,136,974	\$417,789	\$33,554,763
Total	\$2,078,904,396	\$13,265,177	\$2,092,169,574

Table 68					
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	\$14,560,734	\$0	\$0	\$0	\$14,560,734
Harris County	\$0	\$0	\$227,775,398	\$20,284,872	\$248,060,270
Sheldon ISD	\$0	\$0	\$595,453,917	\$66,084,175	\$661,538,093
Port of Houston Authority	\$0	\$0	\$3,635,752	\$323,787	\$3,959,539
Harris County Flood Control	\$0	\$0	\$28,950,041	\$2,578,188	\$31,528,229
Harris County Hospital	\$0	\$0	\$96,645,960	\$8,606,948	\$105,252,908
Harris County Education Department	\$0	\$0	\$2,837,069	\$252,659	\$3,089,728
San Jacinto Community College	\$0	\$0	\$91,554,726	\$8,153,540	\$99,708,266
Harris County ESD 60	\$0	\$0	\$44,870,494	\$3,996,008	\$48,866,502
Harris County ESD 2	\$0	\$0	\$17,735,373	\$1,579,450	\$19,314,823
Generation Park Mgmt Dist	\$0	\$0	\$786,268,212	\$70,022,270	\$856,290,481
Total	\$14,560,734	\$0	\$1,895,726,942	\$181,881,898	\$2,092,169,574

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 69		
State of Texas RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	2.4340	1.9964
Employment multiplier	2.2589	2.9663
Earnings multiplier	1.9949	2.2238

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

Table 70		
Harris County RIMS II Multipliers Used in this Analysis		
Type II (Direct + Indirect + Induced) Multipliers		
	During Construction	During Operations
Output multiplier	1.9228	1.6815
Employment multiplier	1.8305	2.4450
Earnings multiplier	1.6648	1.9315

About Impact DataSource

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

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

Some Rates and Assumptions Used in this Analysis

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

Texas business franchise tax:

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

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

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

	Total Collections in 2024	Number of Households in the State (2023 ACS)	Amount of Annual Collections Per Worker Household
Cigarette and tobacco taxes	\$1.070 B	11,260,645	\$95
Alcoholic beverage taxes	\$2.049 B	11,260,645	\$182
Net lottery proceeds	\$3.350 B	11,260,645	\$297
Total			\$574.00

Some assumptions used in this analysis:

Annual state gasoline tax collections per worker:

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

Annual motor vehicle sales and use tax collections per worker:

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

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

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

Gasoline taxes	\$37.50
Motor vehicle sales and use taxes	\$437.50
Cigarette and tobacco taxes	\$95.00
Alcoholic beverage taxes	\$182.00
Net lottery proceeds	\$297.00
Total	\$1,049.00

Estimated annual increase in the above taxes per worker over each of the next 41 years 2.50%

Local tax rates used in this analysis:

Local Sales Tax Rates

Nearby Cities	<i>(includes MTA)</i>	2.00%
Harris County		0.00%
<u>Total Local Sales Tax Rate</u>		<u>2.00%</u>

Local Hotel Occupancy Tax Rates

Nearby Cities	7.00%
Harris County	2.00%

Local Property Tax Rates

City: N/A	0.000000
County: Harris County	0.385290
School: Sheldon ISD	1.255200
M&O Rate:	0.755200
I&S Rate:	0.500000
Spec Dist #1: Port of Houston Authority	0.006150
Spec Dist #2: Harris County Flood Control	0.048970
Spec Dist #3: Harris County Hospital	0.163480
Spec Dist #4: Harris County Education Department	0.004799
Spec Dist #5: San Jacinto Community College	0.154868
Spec Dist #6: Harris County ESD 60	0.075900
Spec Dist #7: Harris County ESD 2	0.030000
Spec Dist #8: Generation Park Mgmt Dist	1.330000
Total Rate	3.454657

Jobs, Energy, Technology and Innovation Act Application

Form AP-243 - TAB 9

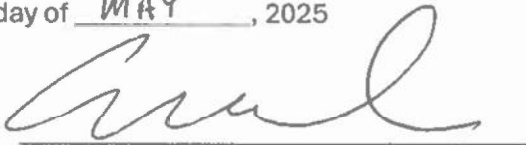
Eli Lilly and Company

AFFIDAVIT OF ELI LILLY AND COMPANY

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

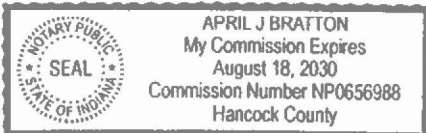
"My name is Erik Orstead. I am over 18 years of age, of sound mind, and have never been convicted of felony or crime of moral turpitude. I have personal knowledge of the facts stated in this affidavit and all the facts stated herein are true and correct. I am the Senior Director of Strategic Real Estate of the Eli Lilly and Company and I am authorized to make this affidavit on behalf of Eli Lilly and Company. Eli Lilly 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 Eli Lilly and Company has thoroughly reviewed the ineligibility criteria outlined in Section 403.606 and Eli Lilly and Company 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 2 day of MAY, 2025



Erik Orstead

SUBSCRIBED AND SWORN TO BEFORE ME on May 2nd 2025 to certify which witness my hand and official seal.



Notary Public