

Project Overview

Affiliated School District

Sheldon ISD

Project in Multiple ISD

No

Company Information

Company Legal Name

E.R Squibb & Sons, L.L.C

Texas Taxpayer I.D.

11361219832

NAICS Code

325411

Property Activity

Manufacturing Facility

Form of Business

Limited Liability Company

Current on Tax Payment to the State of Texas?

Yes

Company Address

Street Address

Route 206 & Province Line Road

City

Princeton

State

New Jersey

Zip Code

08543

Parent Company Information

Legal Name

Bristol-Myers Squibb Company

Taxpayer I.D.

12207903506

Parent Company Address

Street Address

ROUTE 206 PROVINCE LINE ROAD

City

Princeton

State

New Jersey

Zip Code

08543

Authorized Company Representative

Full Name

Pay Ru Wu

Title		Organization	
Senior Director, Global Finance		E.R. Squibb & Sons, L.L.C.	
Phone Number		Email Address	
609-252-5030		payru.wu@bms.com	
Street Address			
3551 Lawrenceville Road			
City	State	Zip Code	
LawrenceTownship	New Jersey	08648	

2nd Authorized Company Representative

No Information provided

Authorized Company Consultant

Full Name

Stephanie Mercado

Title	Organization
Project Director	BLS & Company LLC
Phone Number	Email Address
609-924-9775	smercado@blsstrategies.com

Authorized School District Representative

Full Name

Demetrius McCall

Title	Organization
Superintendent	Sheldon ISD
Phone Number	Email Address
281-727-2006	demetriusmccall@sheldonisd.com

Authorized School District Consultant

Full Name

Sara Leon

Title	Organization
Partner	Leon Alcalá Morse & Reynolds
Phone Number	Email Address
512-637-4298	sleon@leoncalcala.com

Project Information

County Name	County Population
Harris	5,045,026

Minimum Investment Required	Required No. of New Jobs
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\$200 million

75 Jobs

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?

No

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

No

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

5,868,000

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	0.0615	100
Other	Harris County Flood Control	0.04897	100
Hospital District	Harris County Hospital	0.16348	100
Other	Harris County Education Department	0.004799	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	1.33	100

Tax Abatements

Entity Type	Tax Abatement Description	Percentage	Start Year	End Year
Other	Generation Park Management District Chapter 380	50	2030	2039

Project Timeline

Projected commencement year of construction *

2027

Projected completion year of construction *

2029

Projected commencement year of commercial operations

2030

First year of the incentive period
2030

Last year of the incentive period
2039

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
2027	\$ 105,000,000	\$ 245,000,000	\$ 350,000,000
2028	\$ 80,000,000	\$ 290,000,000	\$ 370,000,000
2029	\$ 35,000,000	\$ 245,000,000	\$ 280,000,000
		Total Investments	\$ 1,000,000,000

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	2027	\$46,800,000	\$219,100,000	\$265,900,000	\$46,800,000
2	2028	\$46,800,000	\$431,750,000	\$478,550,000	\$46,800,000
3	2029	\$46,800,000	\$577,049,000	\$623,849,000	\$46,800,000

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
4	2030	\$46,800,000	\$566,355,980	\$613,155,980	\$329,977,990
5	2031	\$46,800,000	\$555,022,100	\$601,822,100	\$324,311,050
6	2032	\$46,800,000	\$543,500,542	\$590,300,542	\$318,550,271
7	2033	\$46,800,000	\$531,094,552	\$577,894,552	\$312,347,276
8	2034	\$46,800,000	\$519,107,443	\$565,907,443	\$306,353,722
9	2035	\$46,800,000	\$510,892,592	\$557,692,592	\$302,246,296
10	2036	\$46,800,000	\$508,753,444	\$555,553,444	\$301,176,722
11	2037	\$46,800,000	\$512,343,513	\$559,143,513	\$302,971,757
12	2038	\$46,800,000	\$512,466,383	\$559,266,383	\$303,033,192
13	2039	\$46,800,000	\$516,025,711	\$562,825,711	\$304,812,856

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
14	2040	\$46,800,000	\$523,275,225	\$570,075,225	\$570,075,225
15	2041	\$46,800,000	\$533,168,730	\$579,968,730	\$579,968,730
16	2042	\$46,800,000	\$543,260,104	\$590,060,104	\$590,060,104
17	2043	\$46,800,000	\$553,553,306	\$600,353,306	\$600,353,306
18	2044	\$46,800,000	\$564,052,373	\$610,852,373	\$610,852,373
19	2045	\$46,800,000	\$574,761,420	\$621,561,420	\$621,561,420
20	2046	\$46,800,000	\$585,684,648	\$632,484,648	\$632,484,648

Wage Requirements

Wage NAICS Code

325411

Indicate the NAICS level used

Statewide

Texas Workforce Commission Quarterly Census of Employment and Wages Area

Texas

Annual Wages

Wage Reporting Year	Wage Reporting Quarter	Average Weekly Wage
2024	Q4	\$1,748.00
2025	Q1	\$1,870.00
2025	Q2	\$1,869.00
2025	Q3	\$1,731.00
Average Annual Wage: \$93,834		110% of Average Annual Wage: \$103,217

Authorized Company Representative (Applicant) Signature

Signature

Stephanie Mercado

Date

Fri May 01 2026

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)*

Project Argonaut

Jobs, Energy, Technology, and Innovation Act Application

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

Project Description:

The Applicant (part of a Fortune 100 pharmaceutical company) is considering locating a new, multi-modal pharmaceutical manufacturing campus in the Generation Park Management District in Texas. The proposed project reflects Applicant's enduring commitment to bringing innovative medicines to patients and ensuring the long-term supply reliability they depend on. The proposed project is purpose-built to support and manufacture medicines spanning multiple therapeutic areas and modalities, positioning the site as a long-term launch and commercial campus for decades to come. These medicines will provide therapies to the Applicant's patients located in markets both nationally and internationally.

The proposed project will demand a broad and skilled workforce, drawing on Texas's deep reservoir of GMP-experienced professionals alongside technical graduates, community college talent, and workers new to the industry.

The campus is designed from the ground up for growth. Its modular, expandable architecture enables new manufacturing capabilities to be added rapidly as the Applicant's pipeline and commercial needs evolve. The initial approximately 600,000 SF phase is a foundation, not a ceiling. The Applicant envisions this site growing in scale and capability well beyond its opening configuration.

The proposed project estimates that it will create 489 new jobs in the state. Positions include operations technicians, production specialists, maintenance support, quality control/assurance, engineering, product development, administration, and management. To support Applicant's pharmaceutical manufacturing operations, Applicant plans on sourcing the active pharmaceutical ingredients used as feedstock from external facilities (both Applicant owned and third party) located both in and outside of the US. The site will use primarily truck transportation for sourcing feed stock and delivering medicines to its patients in the US.

Texas's emergence as a dynamic and fast-growing life sciences destination makes it a compelling long-term home for this investment. The Houston region's growing base of GMP-capable talent, including professionals whose expertise in the petrochemical industry translates directly to small molecule pharmaceutical manufacturing, combined with the state's new partnership with the National Institute for Bioprocessing Research and Training (NIBRT), signals a maturing ecosystem that the Applicant is eager to help shape. The Applicant sees an opportunity not just to operate in Texas, but to grow with it, contributing to the development of the state's pharmaceutical manufacturing workforce and establishing a long-term presence in one of the country's most ambitious emerging life sciences markets.

Texas Workforce Commission

A Member of Texas Workforce Solutions

Joe Esparza, Chairman
Commissioner Representing
Employers

Alberto Treviño III
Commissioner Representing
Labor

Brent Connett
Commissioner Representing
the Public

Steve Pier
Executive Director

May 1, 2026

Mr. Rob Coleman
Associate Deputy Comptroller for Operations and Support
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Coleman:

The Texas Workforce Commission (TWC) was asked by the Office of the Governor's Economic Development and Tourism Office (EDT) to review wage data for Project Argonaut, a prospective applicant for the Jobs, Energy, Technology, and Innovation (JETI) program. TWC appreciates the opportunity to support the JETI program, and we are committed to ensuring that wage determinations for proposed projects are grounded in objective, high-quality labor market data.

As referenced in the Comptroller's rule, TWC uses data from the Quarterly Census of Employment and Wages (QCEW) to calculate the wage requirement for submitted projects. The methodology prioritizes the use of local, industry-specific wage data wherever possible, beginning at the county level and progressing to broader geographies only when data at the local level does not meet minimum quality expectations. These expectations ensure the reliability and representativeness of wage information and are designed to align with Comptroller rules and the intent of the legislation.

TWC deems local data unavailable when there are insufficient businesses or employment where the average would be a reliable indicator of labor market trends or when the data is not consistent with statewide industry trends. In those cases, we apply a structured fallback process that considers regional, statewide, and sector-wide data. In all cases, the final selected wage reflects the most detailed and geographically relevant data that meets basic quality criteria. This approach helps ensure consistency and transparency across all project evaluations.

Due to county and regional level data that does not meet appropriate data quality standards, TWC recommends using QCEW statewide sector wage and employment data to calculate an average annual wage of \$96,551 for NAICS 31-33 (Manufacturing) when reviewing the Project Argonaut application. This amount is calculated using wage and employment data during the most recent four quarters ending with the 3rd Quarter of 2025. The annual number above is arrived at by adding the total wages for the four quarters as measured in the QCEW program and dividing by average monthly employment. It is our understanding that your office may also need quarterly numbers, which may introduce some minor rounding differences when annualized. If you need quarterly numbers, the four published quarterly Average Weekly Wage numbers

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Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities.
Relay Texas: 800-735-2989 (TTY) and 711 (Voice).



Mr. Rob Coleman

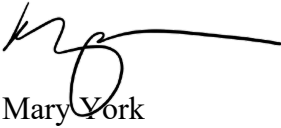
May 1, 2026

Page 2

from the 4th Quarter 2024 to the 3rd Quarter 2025 for NAICS 31-33 statewide respectively are as follows:
\$1,831; \$2,036; \$1,788, and \$1,772.

Please feel free to contact us if additional detail or clarification is needed regarding this methodology or its application to specific projects.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary York', with a long horizontal flourish extending to the right.

Mary York

Division Director

Workforce Development

cc: Steve Pier, Executive Director, Texas Workforce Commission
Adriana Cruz, Executive Director, Economic Development & Tourism, Office of the Governor

Project Argonaut

Jobs, Energy, Technology, and Innovation Act Application

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.

Please note the following 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 legal description has been submitted confidentially.

Project Argonaut

Maps of Project, ISD, County, and Zones

MAPS OF PROJECT, ISD, COUNTY, AND ZONES: Provide a high-resolution map depicting the eligible property and project boundary. The project boundary should be a labeled, contiguous line that completely encompasses the entirety of the proposed project. Provide additional maps that show the proposed project boundary being located within the ISD, County, and Reinvestment or Enterprise Zone. Provide a map of the project boundary within the Opportunity Zone if applicable. Note, a reinvestment zone must be ratified by agreement execution.

Also required:

1. Evidence that the area qualifies as an Enterprise Zone as defined by the Governor's Office;
2. Order, resolution, or ordinance establishing the Reinvestment Zone;
3. Evidence that the Qualified Opportunity Zone has been designated by the Secretary of the United States Treasury

The eligible property and project boundary 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 as follows:

Map 1: Eligible Property and Project Boundary Map

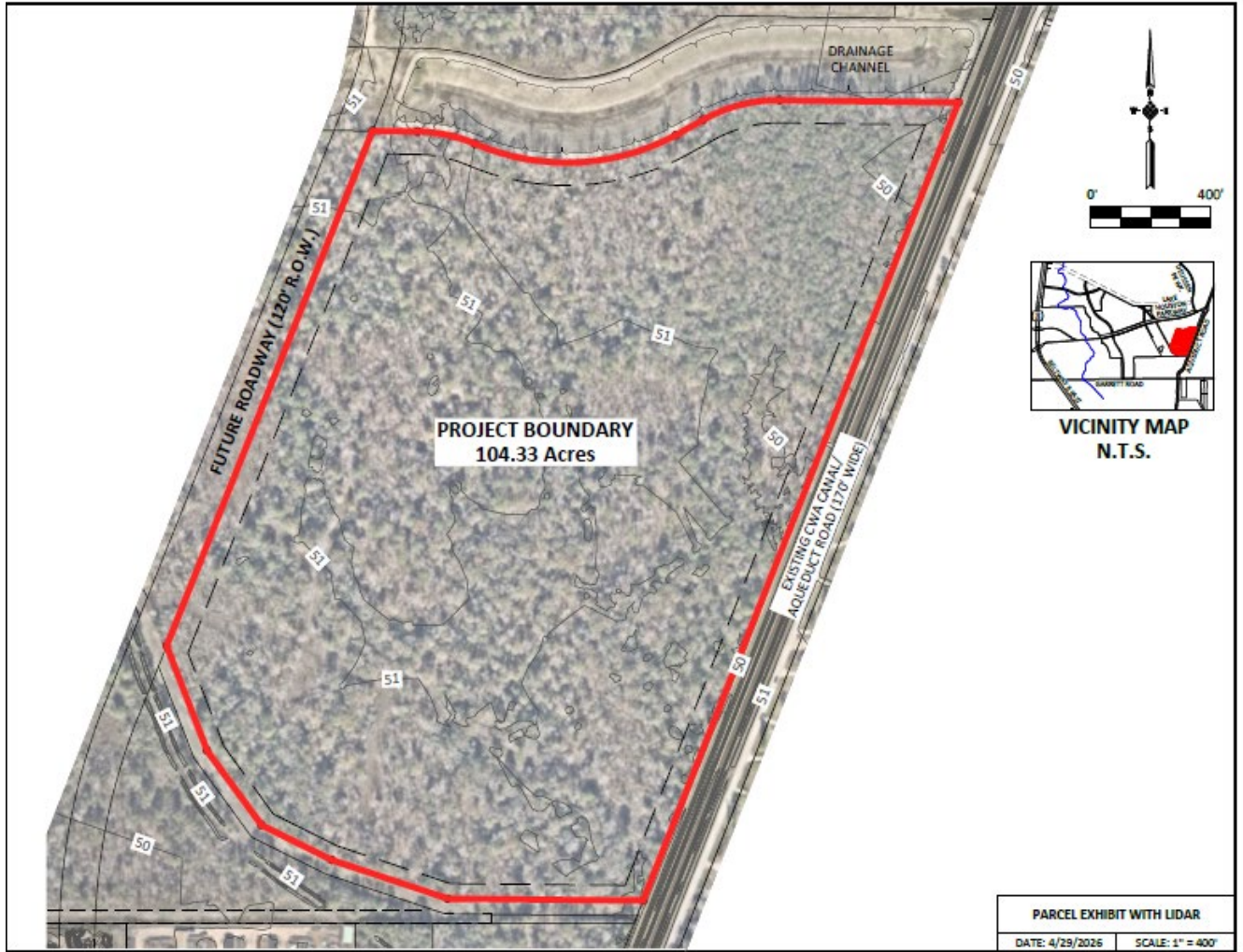
Map 2: Project Boundary within Sheldon ISD

Map 3: Project Boundary within Harris County

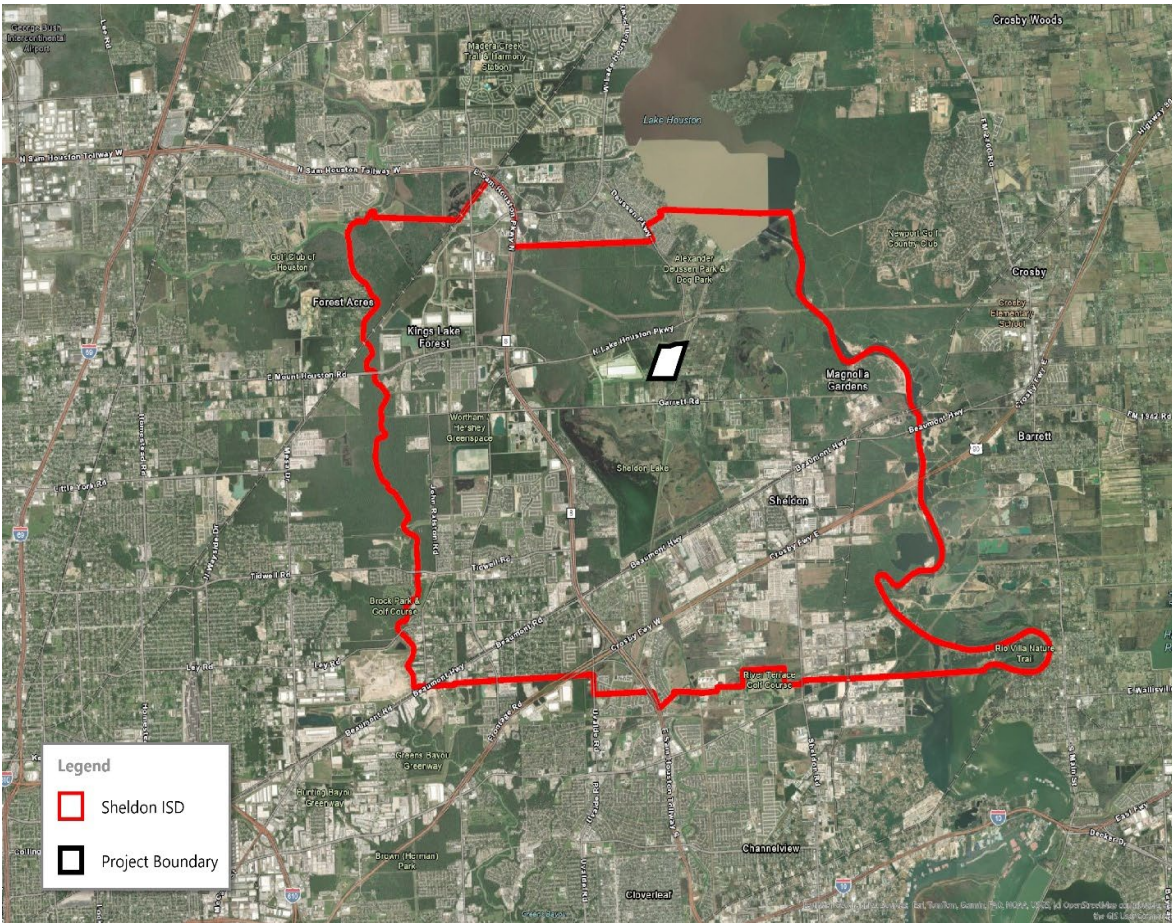
Map 4: Project Boundary within TIRZ #2 (Reinvestment Zone)

Reinvestment Zone Number Two, Harris County, Texas Establishment Documents

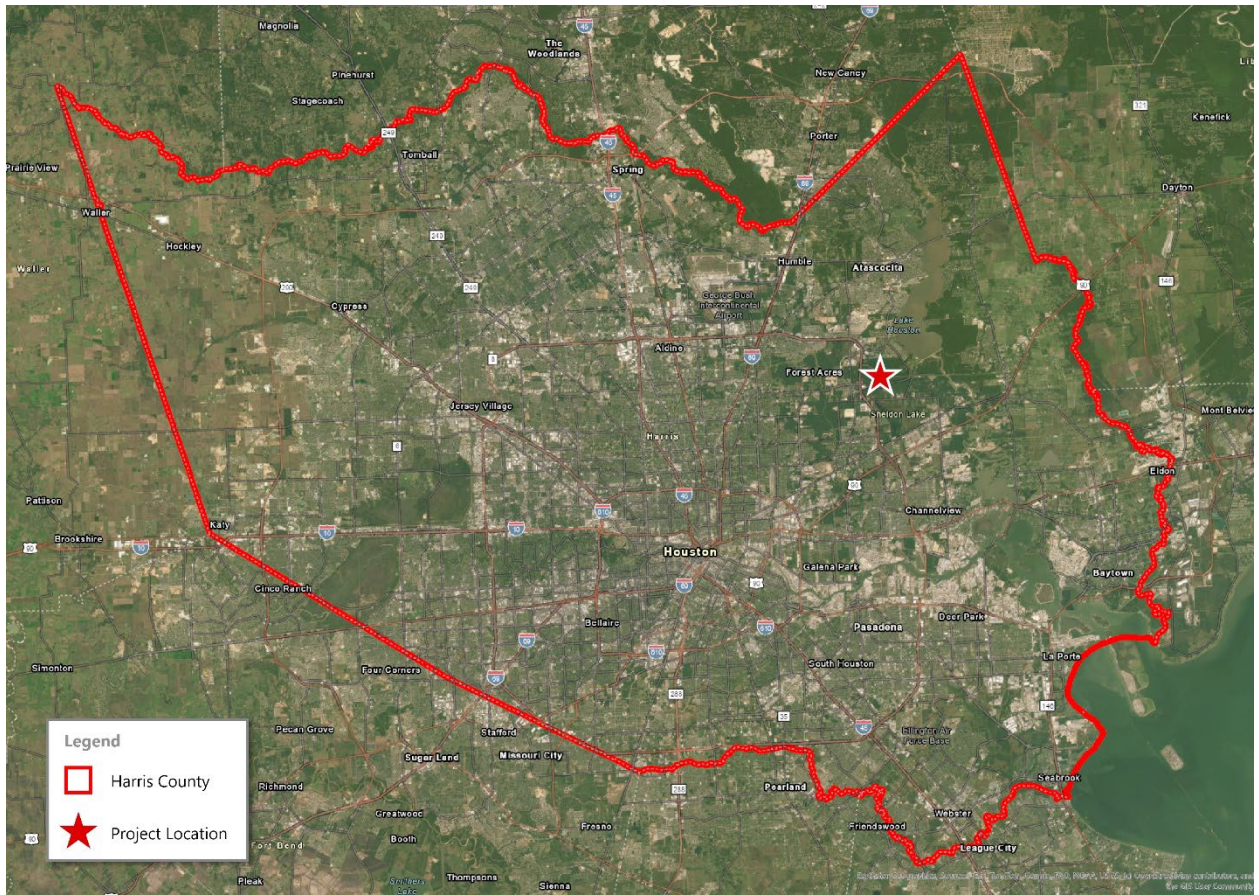
Map 1: Eligible Property and Project Boundary Map



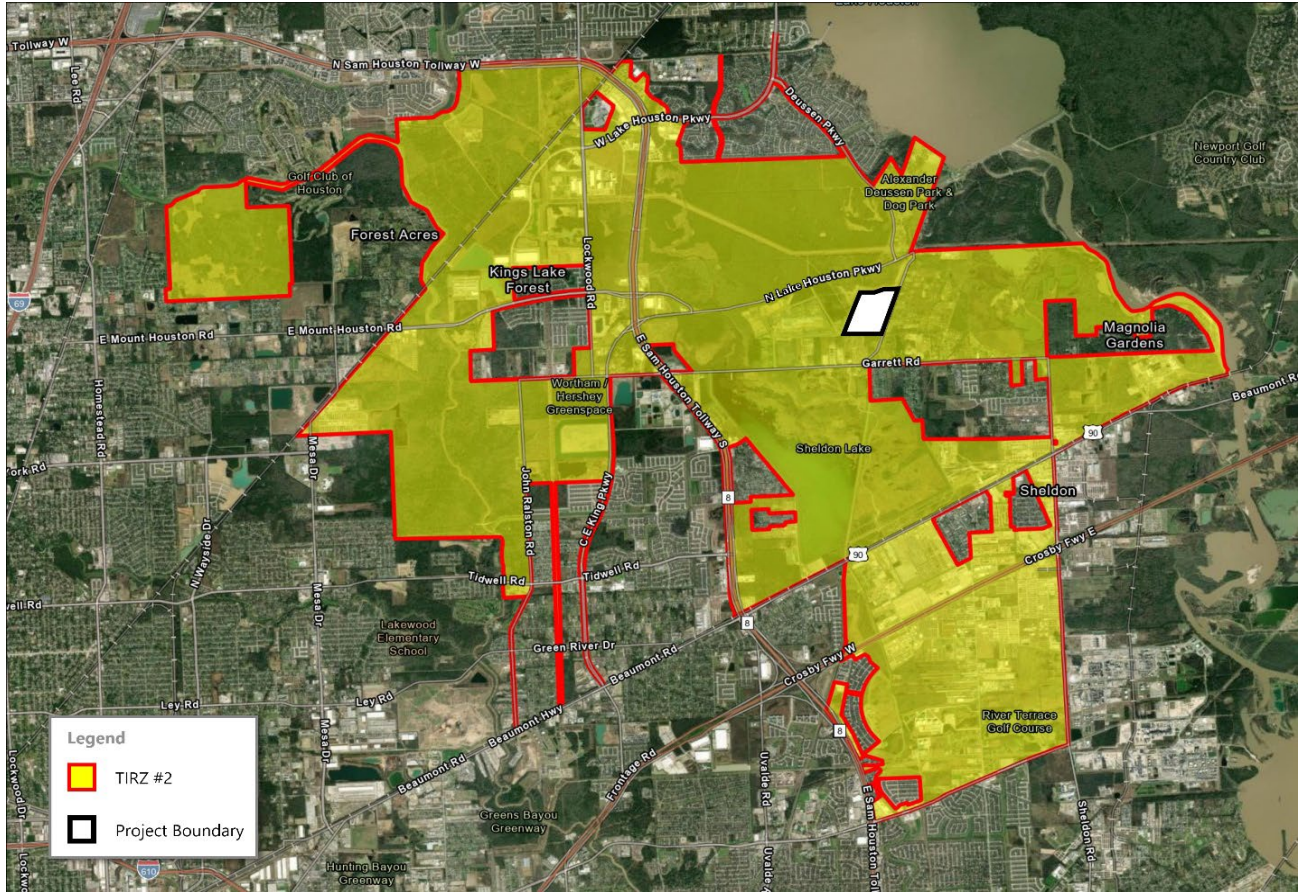
Map 2: Project Boundary within Sheldon ISD



Map 3: Project Boundary within Harris County



Map 4: Project Boundary within TIRZ #2 (Reinvestment Zone)





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.

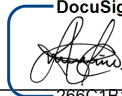
Section 9. Notices

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:
Teneshia Hudspeth

By: 5D1AD64BD06E423...
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

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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

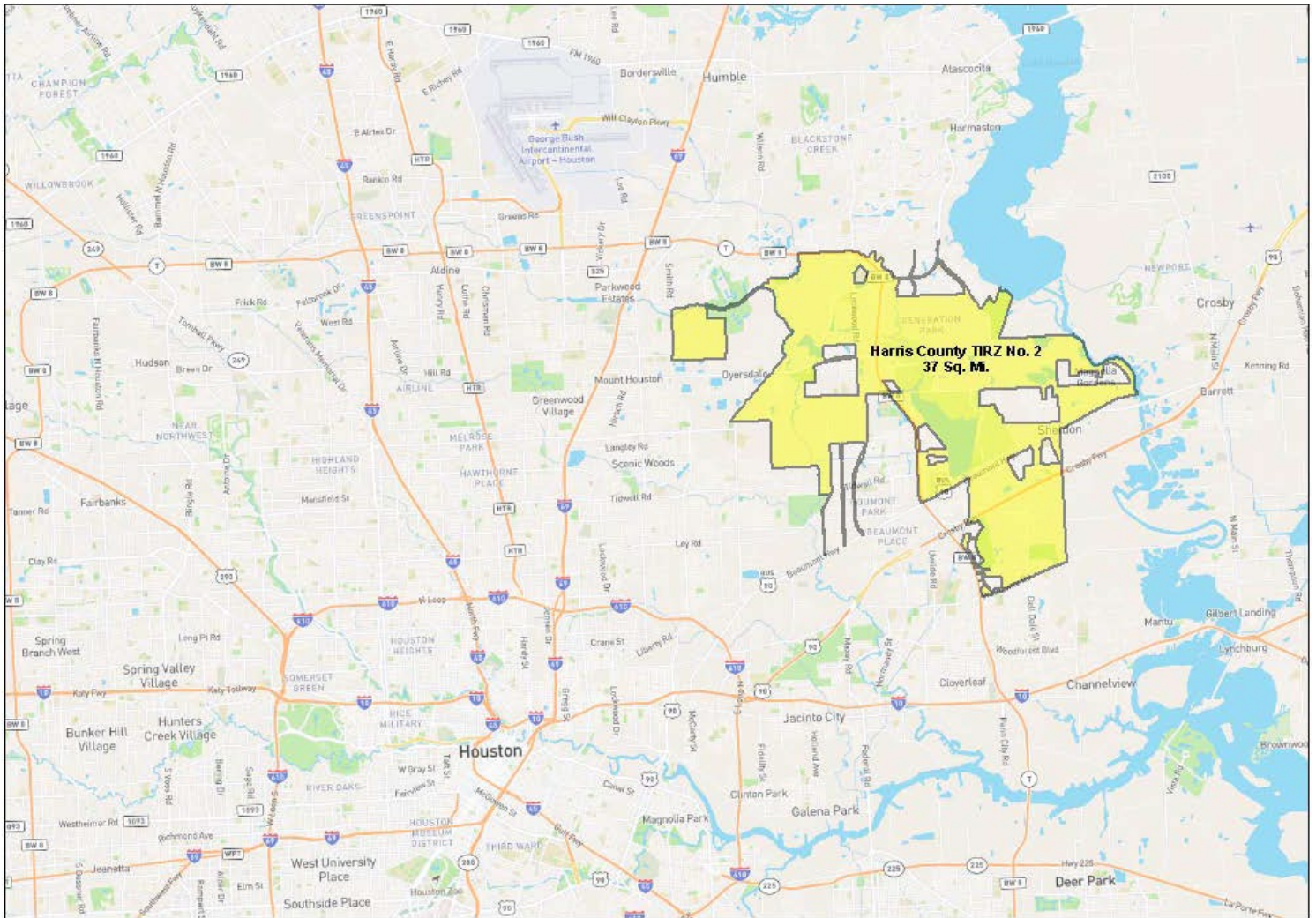
Growth Rate	4.00%
Tax Rate Assumpt	0.35%

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 3 – Zone 2 Area Map



Date: 10/30/2024

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 1 SUMMERWOOD 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;

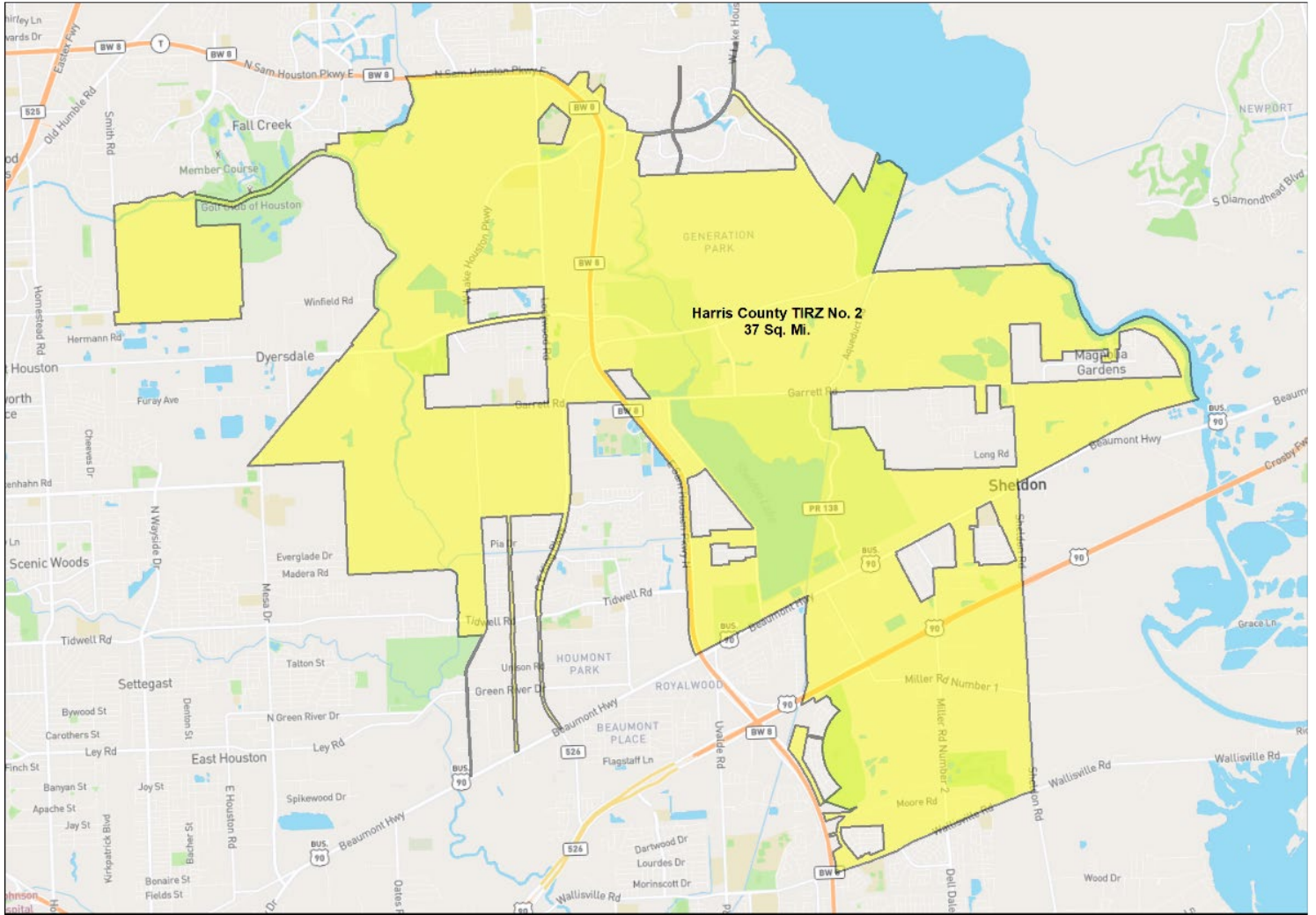
THENCE south along east boundary of SUMMERWOOD SEC 28 to southeast corner of LT 7 BLK 1 SUMMERWOOD SEC 28;

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%

Project Argonaut

Jobs, Energy, Technology, and Innovation Act Application

Description of Eligible Property:

Provide a description of all eligible property located within the project boundary of which the JETI limitation is being requested. This list should be highly detailed to include:

1. All eligible equipment for the production process
2. Any expansions and upgrades to existing buildings/infrastructure
3. New buildings/infrastructure
4. Anything else related to the project as eligible in TAC 9.5000(4)

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

- Foundations
- Roadways
- Utility Infrastructure & equipment
- Administrative offices & equipment
- Production Facilities & equipment

Additional description of the eligible property within the project boundary has been submitted confidentially.

Project Argonaut

Jobs, Energy, Technology, and Innovation Act Application

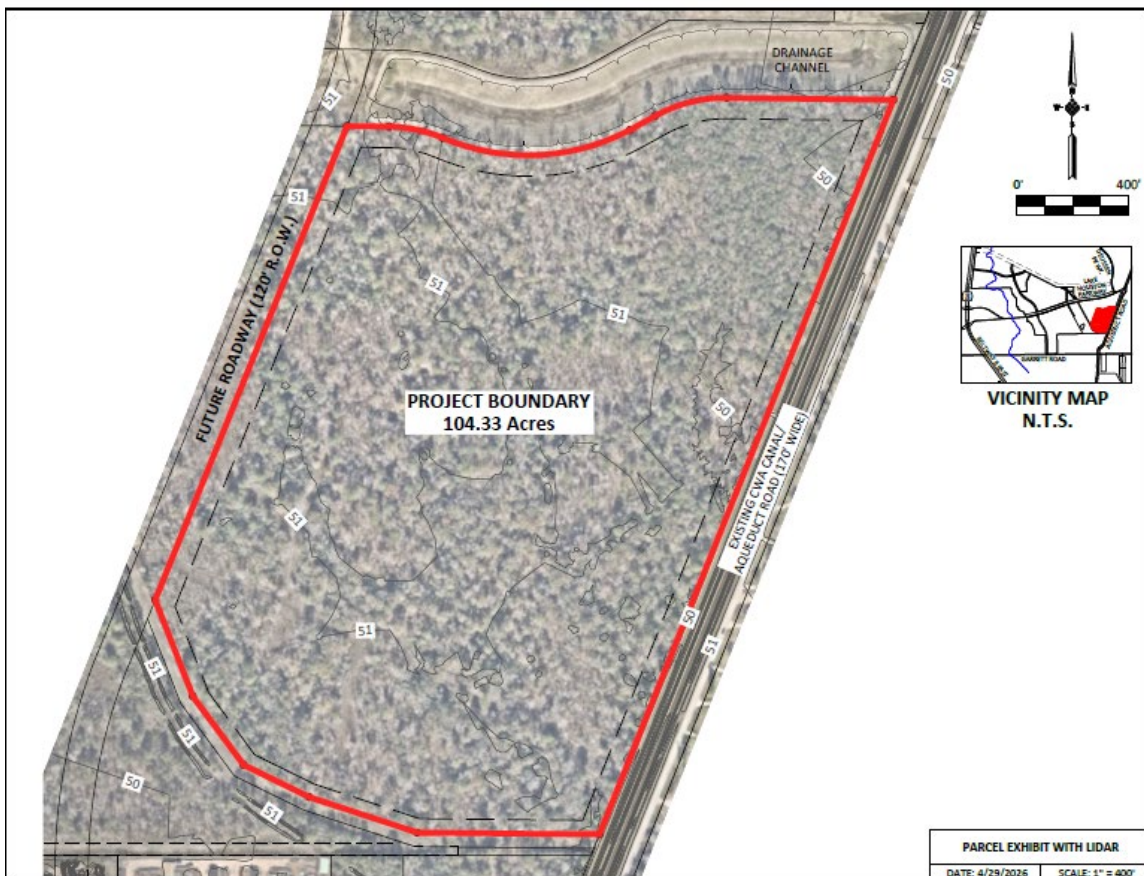
Description of Ineligible Property:

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 existing 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.

A supplemental response has been submitted confidentially with regards to proposed new property within the project boundary.



Project Argonaut

Jobs, Energy, Technology, and Innovation Act Application

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.

This application follows an extensive evaluation of Eastern and Central U.S. markets that offer GMP manufacturing capabilities that could support the initial project scope and additional modalities over time. The Applicant team has down selected to a list of three states in the Central and Eastern U.S. which provided cost-effective and sufficient GMP skillsets to support the proposed operation.

In October 2025, the Applicant team solicited input on potential real estate solutions from state and regional economic development organizations (EDOs). Site submissions from EDOs were qualified based on their ability to reliably meet the project timeline, site infrastructure and utility capacity requirements, talent needs, risk potential, and estimated costs. Fifty-two properties were initially submitted, evaluated by the project team, and further narrowed based on their balance of site readiness, talent availability and pipeline, costs, operating environment, risks, and other considerations.

In December 2025, a shortlist of 16 sites in three states was designated for further virtual due diligence to confirm additional details on local labor market conditions, site development timeline, and cost estimates. This evaluation considered ongoing evaluation of alternative scenarios for how much capacity to assign to new sites being evaluated, the varying sizes of candidate sites, utility capacity, and other variables. At the conclusion of the virtual due diligence process, a shortlist of nine greenfield sites across the three states were designated for further in-market due diligence as well as additional virtual interviews for a parallel labor market assessment.

The Applicant team visited the shortlisted properties in the first half of January 2026, which included several members of the Applicant team and external site selection, engineering, and real estate advisors. Following the site visits, public funding and infrastructure proposals were solicited from each of the remaining sites in three states. The site shortlist was further refined in April 2026 to the shortlist of three properties in three states following real estate negotiations with the property owners and additional engineering due diligence.

Each of the remaining sites represents viable industrial sites with robust infrastructure capacity to support the long-term growth of the project. In addition, each site has a surrounding regional workforce with capable GMP skillsets to satisfy the minimum level of talent required for the long-term headcount plans for the site – though still with varying levels of talent pipeline depth and ongoing costs of attracting and retaining such talent.

Supporting analysis of the sites in consideration for the project has been included as a confidential response.

Economic Benefit Statement for Project Argonaut in Harris County, TX

May 1, 2026

Prepared by:

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An Economic Benefit Statement for Project Argonaut

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 Argonaut 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 38-year period beginning with 3 years of building construction, a 10-year incentive period, and an additional period of 25 years as required by Tex. Gov't Code § 403.608 (b).

<u>Years</u>	<u>Period</u>
2027-2029	Construction
2030-2039	Incentive Period
2040-2064	Additional 25 Years

A Description of the Facility and Its Operations

The Applicant (part of a Fortune 100 pharmaceutical company) is considering locating a new, multi-modal pharmaceutical manufacturing campus in the Generation Park Management District in Texas. The proposed project reflects Applicant's enduring commitment to bringing innovative medicines to patients and ensuring the long-term supply reliability they depend on. The proposed project is purpose-built to support and manufacture medicines spanning multiple therapeutic areas and modalities, positioning the site as a long-term launch and commercial campus for decades to come. These medicines will provide therapies to the Applicant's patients located in markets both nationally and internationally. The proposed project will demand a broad and skilled workforce, drawing on Texas's deep reservoir of GMP-experienced professionals alongside technical graduates, community college talent, and workers new to the industry.

The campus is designed from the ground up for growth. Its modular, expandable architecture enables new manufacturing capabilities to be added rapidly as the Applicant's pipeline and commercial needs evolve. The initial approximately 600,000 SF phase is a foundation, not a ceiling. The Applicant envisions this site growing in scale and capability well beyond its opening configuration. The proposed project estimates that it will create 489 new jobs in the state. Positions include operations technicians, production specialists, maintenance support, quality control/assurance, engineering, administration, and management.

Timeline for Permanent Employment and Investment

The facility's timeline for total jobs to be created and investment over the next 38 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
2027	18	<i>Construction</i>	\$245,000,000	\$105,000,000	\$350,000,000
2028	44	<i>Construction</i>	\$290,000,000	\$80,000,000	\$370,000,000
2029	114	<i>Construction</i>	\$245,000,000	\$35,000,000	\$280,000,000
2030	188	<i>Incentive Year 1</i>	\$0	\$0	\$0
2031	125	<i>Incentive Year 2</i>	\$0	\$0	\$0
2032	0	<i>Incentive Year 3</i>	\$0	\$0	\$0
2033	0	<i>Incentive Year 4</i>	\$0	\$0	\$0
2034	0	<i>Incentive Year 5</i>	\$0	\$0	\$0
2035	0	<i>Incentive Year 6</i>	\$0	\$0	\$0
2036	0	<i>Incentive Year 7</i>	\$0	\$0	\$0
2037	0	<i>Incentive Year 8</i>	\$0	\$0	\$0
2038	0	<i>Incentive Year 9</i>	\$0	\$0	\$0
2039	0	<i>Incentive Year 10</i>	\$0	\$0	\$0
2040	0		\$0	\$0	\$0
2041	0		\$0	\$0	\$0
2042	0		\$0	\$0	\$0
2043	0		\$0	\$0	\$0
2044	0		\$0	\$0	\$0
2045	0		\$0	\$0	\$0
2046	0		\$0	\$0	\$0
2047	0		\$0	\$0	\$0
2048	0		\$0	\$0	\$0
2049	0		\$0	\$0	\$0
2050	0		\$0	\$0	\$0
2051	0		\$0	\$0	\$0
2052	0		\$0	\$0	\$0
2053	0		\$0	\$0	\$0
2054	0		\$0	\$0	\$0
2055	0		\$0	\$0	\$0
2056	0		\$0	\$0	\$0
2057	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			Total JETI Investment
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
Total	489	\$780,000,000	\$220,000,000	\$1,000,000,000

Total Capital Investment and Total Employment

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

Table 2 Total Capital Investment and Employment	
Total Capital Investment	\$1,000,000,000
Total Employment	489

Estimated Increase in Appraised Value of Property Attributable to the Project

The estimated increase in appraised value of the facility's investment over the next 38 years is shown below. The table focuses on the appraised value of the investment as defined by the Jobs, Energy, Technology and Innovation (JETI) program. This property is expected to be eligible for the value limitation.

Table 3			
Appraised Value of the Facility's Investment			
Year	Buildings and Other Real Property Improvements	Machinery & Equipment	Total Appraised Value of Investment
2027	\$122,500,000	\$96,600,000	\$219,100,000
2028	\$269,950,000	\$161,800,000	\$431,750,000
2029	\$397,849,000	\$179,200,000	\$577,049,000
2030	\$405,805,980	\$160,550,000	\$566,355,980
2031	\$413,922,100	\$141,100,000	\$555,022,100
2032	\$422,200,542	\$121,300,000	\$543,500,542
2033	\$430,644,552	\$100,450,000	\$531,094,552
2034	\$439,257,443	\$79,850,000	\$519,107,443
2035	\$448,042,592	\$62,850,000	\$510,892,592
2036	\$457,003,444	\$51,750,000	\$508,753,444
2037	\$466,143,513	\$46,200,000	\$512,343,513
2038	\$475,466,383	\$37,000,000	\$512,466,383
2039	\$484,975,711	\$31,050,000	\$516,025,711
2040	\$494,675,225	\$28,600,000	\$523,275,225
2041	\$504,568,730	\$28,600,000	\$533,168,730
2042	\$514,660,104	\$28,600,000	\$543,260,104
2043	\$524,953,306	\$28,600,000	\$553,553,306
2044	\$535,452,373	\$28,600,000	\$564,052,373
2045	\$546,161,420	\$28,600,000	\$574,761,420
2046	\$557,084,648	\$28,600,000	\$585,684,648
2047	\$568,226,341	\$28,600,000	\$596,826,341
2048	\$579,590,868	\$28,600,000	\$608,190,868
2049	\$591,182,686	\$28,600,000	\$619,782,686
2050	\$603,006,339	\$28,600,000	\$631,606,339
2051	\$615,066,466	\$28,600,000	\$643,666,466
2052	\$627,367,795	\$28,600,000	\$655,967,795
2053	\$639,915,151	\$28,600,000	\$668,515,151
2054	\$652,713,454	\$28,600,000	\$681,313,454
2055	\$665,767,723	\$28,600,000	\$694,367,723
2056	\$679,083,078	\$28,600,000	\$707,683,078

Table 3 continued on the next page

Table 3 - Continued			
Appraised Value of the Facility's Investment			
Year			Total Appraised Value of Investment
2057	\$692,664,739	\$28,600,000	\$721,264,739
2058	\$706,518,034	\$28,600,000	\$735,118,034
2059	\$720,648,395	\$28,600,000	\$749,248,395
2060	\$735,061,363	\$28,600,000	\$763,661,363
2061	\$749,762,590	\$28,600,000	\$778,362,590
2062	\$764,757,842	\$28,600,000	\$793,357,842
2063	\$780,052,999	\$28,600,000	\$808,652,999
2064	\$795,654,059	\$28,600,000	\$824,254,059

Appraised Value Assumptions:

Buildings and Other Real Property Improvements Value: Assumed to be 50% of the building investments, with 2% annual appreciation.

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	0.380960
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	0.005900
Spec Dist #2:	Harris County Flood Control	0.049660
Spec Dist #3:	Harris County Hospital	0.187610
Spec Dist #4:	Harris County Education Department	0.004798
Spec Dist #5:	San Jacinto Community College	0.154615
Spec Dist #6:	Harris County ESD 60	0.084200
Spec Dist #7:	Harris County ESD 2	0.030000
Spec Dist #8:	Generation Park Mgmt Dist	1.330000
<u>Total Rate</u>		<u>3.482943</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 38 Years		
City:	N/A	\$0
County:	Harris County	\$87,861,022
School:	Sheldon ISD	\$260,293,875
	<i>M&O Taxes:</i>	\$ 144,978,590
	<i>I&S Taxes:</i>	\$ 115,315,285
Spec Dist #1:	Port of Houston Authority	\$1,360,720
Spec Dist #2:	Harris County Flood Control	\$11,453,114
Spec Dist #3:	Harris County Hospital	\$43,268,601
Spec Dist #4:	Harris County Education Department	\$1,106,565
Spec Dist #5:	San Jacinto Community College	\$35,658,946
Spec Dist #6:	Harris County ESD 60	\$19,419,094
Spec Dist #7:	Harris County ESD 2	\$6,918,917
Spec Dist #8:	Generation Park Mgmt Dist	\$306,738,658
Total		<u>\$774,079,513</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
2027	\$0	0.75520	\$0	\$219,100,000	0.50000	\$1,095,500	\$1,095,500
2028	\$0	0.75520	\$0	\$431,750,000	0.50000	\$2,158,750	\$2,158,750
2029	\$0	0.75520	\$0	\$577,049,000	0.50000	\$2,885,245	\$2,885,245
2030	\$283,177,990	0.75520	\$2,138,560	\$566,355,980	0.50000	\$2,831,780	\$4,970,340
2031	\$277,511,050	0.75520	\$2,095,763	\$555,022,100	0.50000	\$2,775,110	\$4,870,874
2032	\$271,750,271	0.75520	\$2,052,258	\$543,500,542	0.50000	\$2,717,503	\$4,769,761
2033	\$265,547,276	0.75520	\$2,005,413	\$531,094,552	0.50000	\$2,655,473	\$4,660,886
2034	\$259,553,722	0.75520	\$1,960,150	\$519,107,443	0.50000	\$2,595,537	\$4,555,687
2035	\$255,446,296	0.75520	\$1,929,130	\$510,892,592	0.50000	\$2,554,463	\$4,483,593
2036	\$254,376,722	0.75520	\$1,921,053	\$508,753,444	0.50000	\$2,543,767	\$4,464,820
2037	\$256,171,757	0.75520	\$1,934,609	\$512,343,513	0.50000	\$2,561,718	\$4,496,327

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
2038	\$256,233,192	0.75520	\$1,935,073	\$512,466,383	0.50000	\$2,562,332	\$4,497,405
2039	\$258,012,856	0.75520	\$1,948,513	\$516,025,711	0.50000	\$2,580,129	\$4,528,642
2040	\$523,275,225	0.75520	\$3,951,775	\$523,275,225	0.50000	\$2,616,376	\$6,568,151
2041	\$533,168,730	0.75520	\$4,026,490	\$533,168,730	0.50000	\$2,665,844	\$6,692,334
2042	\$543,260,104	0.75520	\$4,102,700	\$543,260,104	0.50000	\$2,716,301	\$6,819,001
2043	\$553,553,306	0.75520	\$4,180,435	\$553,553,306	0.50000	\$2,767,767	\$6,948,201
2044	\$564,052,373	0.75520	\$4,259,724	\$564,052,373	0.50000	\$2,820,262	\$7,079,985
2045	\$574,761,420	0.75520	\$4,340,598	\$574,761,420	0.50000	\$2,873,807	\$7,214,405
2046	\$585,684,648	0.75520	\$4,423,090	\$585,684,648	0.50000	\$2,928,423	\$7,351,514
2047	\$596,826,341	0.75520	\$4,507,233	\$596,826,341	0.50000	\$2,984,132	\$7,491,364
2048	\$608,190,868	0.75520	\$4,593,057	\$608,190,868	0.50000	\$3,040,954	\$7,634,012
2049	\$619,782,686	0.75520	\$4,680,599	\$619,782,686	0.50000	\$3,098,913	\$7,779,512
2050	\$631,606,339	0.75520	\$4,769,891	\$631,606,339	0.50000	\$3,158,032	\$7,927,923
2051	\$643,666,466	0.75520	\$4,860,969	\$643,666,466	0.50000	\$3,218,332	\$8,079,301
2052	\$655,967,795	0.75520	\$4,953,869	\$655,967,795	0.50000	\$3,279,839	\$8,233,708
2053	\$668,515,151	0.75520	\$5,048,626	\$668,515,151	0.50000	\$3,342,576	\$8,391,202
2054	\$681,313,454	0.75520	\$5,145,279	\$681,313,454	0.50000	\$3,406,567	\$8,551,846
2055	\$694,367,723	0.75520	\$5,243,865	\$694,367,723	0.50000	\$3,471,839	\$8,715,704
2056	\$707,683,078	0.75520	\$5,344,423	\$707,683,078	0.50000	\$3,538,415	\$8,882,838
2057	\$721,264,739	0.75520	\$5,446,991	\$721,264,739	0.50000	\$3,606,324	\$9,053,315
2058	\$735,118,034	0.75520	\$5,551,611	\$735,118,034	0.50000	\$3,675,590	\$9,227,202
2059	\$749,248,395	0.75520	\$5,658,324	\$749,248,395	0.50000	\$3,746,242	\$9,404,566
2060	\$763,661,363	0.75520	\$5,767,171	\$763,661,363	0.50000	\$3,818,307	\$9,585,477
2061	\$778,362,590	0.75520	\$5,878,194	\$778,362,590	0.50000	\$3,891,813	\$9,770,007
2062	\$793,357,842	0.75520	\$5,991,438	\$793,357,842	0.50000	\$3,966,789	\$9,958,228
2063	\$808,652,999	0.75520	\$6,106,947	\$808,652,999	0.50000	\$4,043,265	\$10,150,212
2064	\$824,254,059	0.75520	\$6,224,767	\$824,254,059	0.50000	\$4,121,270	\$10,346,037
Total			\$144,978,590			\$115,315,285	\$260,293,875

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

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

**Table 7
Ad Valorem Taxes for Other Taxing Units on Investment**

Year	N/A 0.000000	Harris County 0.380960	Other Local Districts 1.846783	Total
2027	\$0	\$834,683	\$4,046,302	\$4,880,985
2028	\$0	\$1,644,795	\$7,973,486	\$9,618,280
2029	\$0	\$2,198,326	\$10,656,843	\$12,855,169
2030	\$0	\$2,157,590	\$10,459,366	\$12,616,956
2031	\$0	\$2,114,412	\$10,250,054	\$12,364,466
2032	\$0	\$2,070,520	\$10,037,276	\$12,107,795
2033	\$0	\$2,023,258	\$9,808,164	\$11,831,422
2034	\$0	\$1,977,592	\$9,586,788	\$11,564,380
2035	\$0	\$1,946,296	\$9,435,078	\$11,381,374
2036	\$0	\$1,938,147	\$9,395,572	\$11,333,719
2037	\$0	\$1,951,824	\$9,461,873	\$11,413,697
2038	\$0	\$1,952,292	\$9,464,142	\$11,416,434
2039	\$0	\$1,965,852	\$9,529,875	\$11,495,727
2040	\$0	\$1,993,469	\$9,663,758	\$11,657,227
2041	\$0	\$2,031,160	\$9,846,469	\$11,877,629
2042	\$0	\$2,069,604	\$10,032,835	\$12,102,439
2043	\$0	\$2,108,817	\$10,222,928	\$12,331,745
2044	\$0	\$2,148,814	\$10,416,823	\$12,565,637
2045	\$0	\$2,189,611	\$10,614,596	\$12,804,207
2046	\$0	\$2,231,224	\$10,816,325	\$13,047,549
2047	\$0	\$2,273,670	\$11,022,087	\$13,295,757
2048	\$0	\$2,316,964	\$11,231,966	\$13,548,929
2049	\$0	\$2,361,124	\$11,446,041	\$13,807,165
2050	\$0	\$2,406,168	\$11,664,399	\$14,070,566
2051	\$0	\$2,452,112	\$11,887,123	\$14,339,235
2052	\$0	\$2,498,975	\$12,114,302	\$14,613,277
2053	\$0	\$2,546,775	\$12,346,024	\$14,892,799
2054	\$0	\$2,595,532	\$12,582,381	\$15,177,913
2055	\$0	\$2,645,263	\$12,823,465	\$15,468,728
2056	\$0	\$2,695,989	\$13,069,371	\$15,765,360
2057	\$0	\$2,747,730	\$13,320,195	\$16,067,925
2058	\$0	\$2,800,506	\$13,576,035	\$16,376,541
2059	\$0	\$2,854,337	\$13,836,992	\$16,691,329
2060	\$0	\$2,909,244	\$14,103,168	\$17,012,413
2061	\$0	\$2,965,250	\$14,374,668	\$17,339,918

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 0.380960	Other Local Districts 1.846783	Total
2062	\$0	\$3,022,376	\$14,651,598	\$17,673,974
2063	\$0	\$3,080,644	\$14,934,066	\$18,014,711
2064	\$0	\$3,140,078	\$15,222,184	\$18,362,262
<u>Total</u>	<u>\$0</u>	<u>\$87,861,022</u>	<u>\$425,924,616</u>	<u>\$513,785,638</u>

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

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

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

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

State Economic Output During Construction

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

	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$460.00 M	\$665.34 M	\$1.13 B
Construction employment (annual average)	853	1,109	1,962
Payroll / increase in state personal income	\$184.00 M	\$184.90 M	\$368.90 M

State Economic Impacts During the Facility's Operations

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

Table 9			
Total Economic Impact During the Facility's Operations in the State of Texas			
		Annually at Full Operations in 2031	38-Year Total
Economic output / increase in gross state product:			
	Direct	\$210.67 M	\$10.38 B
	Indirect & Induced	\$211.80 M	\$10.43 B
	<u>Total</u>	<u>\$422.47 M</u>	<u>\$20.81 B</u>
Employment:			
	Direct	489	489
	Indirect & Induced	975	975
	<u>Total</u>	<u>1,464</u>	<u>1,464</u>
Payroll / increase in state personal income:			
	Direct	\$62.77 M	\$3.70 B
	Indirect & Induced	\$77.66 M	\$4.58 B
	<u>Total</u>	<u>\$140.43 M</u>	<u>\$8.28 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:

	Direct	Indirect & Induced	Total
Economic output / increase in gross area product	\$460.00 M	\$424.49 M	\$884.49 M
Construction employment (annual average)	853	708	1,561
Payroll / increase in county personal income	\$184.00 M	\$122.32 M	\$306.32 M

Local Economic Impacts During the Facility's Operations

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

Table 11			
Total Economic Impact During the Facility's Operations in Harris County			
		Annually at Full Operations in 2031	38-Year Total
Economic output / increase in gross area product:			
	Direct	\$210.67 M	\$10.38 B
	Indirect & Induced	\$143.57 M	\$7.07 B
	<u>Total</u>	<u>\$354.23 M</u>	<u>\$17.45 B</u>
Employment:			
	Direct	489	489
	Indirect & Induced	707	707
	<u>Total</u>	<u>1,196</u>	<u>1,196</u>
Payroll/Personal Income:			
	Direct	\$62.77 M	\$3.70 B
	Indirect & Induced	\$58.47 M	\$3.45 B
	<u>Total</u>	<u>\$121.25 M</u>	<u>\$7.15 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:

	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Tax Revenues
State of Texas	\$19,619,651	\$844,008	\$6,051,949	\$26,515,608
Nearby Cities	\$1,569,572	\$0	\$0	\$1,569,572
Harris County	\$0	\$0	\$0	\$0
Total	\$21,189,223	\$844,008	\$6,051,949	\$28,085,180

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

	Sales Tax Collections	Hotel Taxes	Franchise Tax Collections	Other Taxes and Revenues	Property Taxes*	Total Tax Revenues
State of Texas	\$147,510,294	\$0	\$25,754,154	\$97,004,078	\$0	\$270,268,527
Nearby Cities	\$11,800,824	\$0	\$0	\$0	\$0	\$11,800,824
Harris County	\$0	\$0	\$0	\$0	\$94,636,015	\$94,636,015
Sheldon ISD	\$0	\$0	\$0	\$0	\$282,616,352	\$282,616,352
Port of Houston Authority	\$0	\$0	\$0	\$0	\$1,465,646	\$1,465,646
Harris County Flood Control	\$0	\$0	\$0	\$0	\$12,336,268	\$12,336,268
Harris County Hospital	\$0	\$0	\$0	\$0	\$46,605,057	\$46,605,057
Harris County Education Department	\$0	\$0	\$0	\$0	\$1,191,893	\$1,191,893
San Jacinto Community College	\$0	\$0	\$0	\$0	\$38,408,619	\$38,408,619
Harris County ESD 60	\$0	\$0	\$0	\$0	\$20,916,507	\$20,916,507
Harris County ESD 2	\$0	\$0	\$0	\$0	\$7,452,437	\$7,452,437
Generation Park Mgmt Dist	\$0	\$0	\$0	\$0	\$330,391,378	\$330,391,378
Total	\$159,311,118	\$0	\$25,754,154	\$97,004,078	\$836,020,171	\$1,118,089,521

* 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 & Local Taxing Units During Construction			
	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$13,625,000	\$12,890,608	\$26,515,608
Local Districts	\$1,090,000	\$479,572	\$1,569,572
<u>Total</u>	<u>\$14,715,000</u>	<u>\$13,370,180</u>	<u>\$28,085,180</u>

Table 15			
Direct vs. Indirect Tax Revenues for the State & Local Taxing Units During Operations			
	Direct Taxes	Indirect Taxes	Total Tax Revenues
State of Texas	\$15,426,427	\$254,842,100	\$270,268,527
Local Districts	\$836,539,072	\$11,281,923	\$847,820,995
<u>Total</u>	<u>\$851,965,499</u>	<u>\$266,124,023</u>	<u>\$1,118,089,521</u>

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

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

Development of Complementary Businesses or Industries in the State

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

	New Spending	Percent of Total
Agriculture, forestry, fishing and hunting	\$1,558,925	0.7%
Mining, quarrying, and oil and gas extraction	\$1,748,524	0.8%
Utilities	\$6,046,100	2.9%
Construction	\$2,233,054	1.1%
Durable goods manufacturing	\$4,107,977	1.9%
Nondurable goods manufacturing	\$20,160,687	9.5%
Wholesale trade	\$28,060,643	13.2%
Retail trade	\$12,429,264	5.9%
Transportation and warehousing	\$9,206,082	4.3%
Information	\$7,520,758	3.6%
Finance and insurance	\$22,667,607	10.7%
Real estate and rental and leasing	\$28,271,308	13.3%
Professional, scientific, and technical services	\$16,811,106	7.9%
Management of companies and enterprises	\$9,248,215	4.4%
Administrative & support & waste mgmt & remediation svcs	\$8,826,884	4.2%
Educational services	\$2,190,921	1.0%
Health care and social assistance	\$14,894,050	7.0%
Arts, entertainment, and recreation	\$1,516,792	0.7%
Accommodation	\$1,390,392	0.7%
Food services and drinking places	\$6,025,033	2.8%
Other services	\$6,888,761	3.3%
Total	\$211,803,082	100.0%

The industries most affected by the project will include:

1. Real estate and rental and leasing
2. Wholesale trade
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
2027	\$145,000,000
2028	\$185,000,000
2029	\$130,000,000
2030	\$0
2031	\$0
<u>Total</u>	<u>\$460,000,000</u>

Construction Economic Output/Increase in Gross State Product

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

Table 18 Economic Output/Increase in Gross State Product During Construction			
Year	Direct Construction Output	Indirect & Induced Output	Total Output
2027	\$145,000,000	\$209,728,000	\$354,728,000
2028	\$185,000,000	\$267,584,000	\$452,584,000
2029	\$130,000,000	\$188,032,000	\$318,032,000
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
<u>Total</u>	<u>\$460,000,000</u>	<u>\$665,344,000</u>	<u>\$1,125,344,000</u>

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

Construction Employment

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

Table 19 Number of Construction Workers for a Hypothetical \$1 Million Construction Project	
Total estimated construction	\$1,000,000
Estimated on-site labor costs as a percentage of construction costs	40%
Estimated annual construction worker's salary	\$71,900
Estimated number of construction workers for a \$1 million construction project	5.56

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
2027	\$145,000,000	807
2028	\$185,000,000	1,029
2029	\$130,000,000	723
2030	\$0	0
2031	\$0	0
<u>Total</u>	<u>\$460,000,000</u>	
<u>Average construction jobs per year</u>		<u>853</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
2027	807	1,049	1,855
2028	1,029	1,338	2,367
2029	723	940	1,663
2030	0	0	0
2031	0	0	0
<u>Annual Avg.</u>	<u>853</u>	<u>1,109</u>	<u>1,962</u>

Construction Payroll

Construction workers will have the following payrolls:

Table 22		
Direct Construction Payroll		
Year	Construction Costs	Total Construction Payroll
2027	\$145,000,000	\$58,000,000
2028	\$185,000,000	\$74,000,000
2029	\$130,000,000	\$52,000,000
2030	\$0	\$0
2031	\$0	\$0
<u>Total</u>	<u>\$460,000,000</u>	<u>\$184,000,000</u>

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

Table 23			
Direct, Indirect and Induced Payroll During Construction			
Year	Direct Construction Payroll	Indirect & Induced Payroll	Total Payroll
2027	\$58,000,000	\$58,284,200	\$116,284,200
2028	\$74,000,000	\$74,362,600	\$148,362,600
2029	\$52,000,000	\$52,254,800	\$104,254,800
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
Total	\$184,000,000	\$184,901,600	\$368,901,600

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.

Percent of construction costs for materials	60%
Estimated percent of construction materials that may be subject to sales tax	75%
Percent of worker salaries spent on taxable goods and services	26%
Estimated percent of machinery and equipment subject to sales tax	5.0%

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

Year	Estimated Taxable Machinery and Equipment	Estimated Total Construction Materials	Estimated Taxable Construction Materials	Estimated Taxable Worker Spending	Total Taxable Sales
2027	\$5,250,000	\$87,000,000	\$65,250,000	\$30,233,892	\$100,733,892
2028	\$4,000,000	\$111,000,000	\$83,250,000	\$38,574,276	\$125,824,276
2029	\$1,750,000	\$78,000,000	\$58,500,000	\$27,106,248	\$87,356,248
2030	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0
Total	\$11,000,000	\$276,000,000	\$207,000,000	\$95,914,416	\$313,914,416

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
2027	\$328,125	\$4,078,125	\$1,889,618	\$6,295,868	\$4,406,250	\$1,889,618
2028	\$250,000	\$5,203,125	\$2,410,892	\$7,864,017	\$5,453,125	\$2,410,892
2029	\$109,375	\$3,656,250	\$1,694,141	\$5,459,766	\$3,765,625	\$1,694,141
2030	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$687,500</u>	<u>\$12,937,500</u>	<u>\$5,994,651</u>	<u>\$19,619,651</u>	<u>\$13,625,000</u>	<u>\$5,994,651</u>

Taxable Margins Subject to Texas Franchise Tax

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

Table 27 Estimated Taxable Margins During Construction Subject to Texas' Franchise Tax			
Year	On Direct Revenues During Construction	On Indirect & Induced Revenues	Total Taxable Margins
2027	\$14,500,000	\$20,972,800	\$35,472,800
2028	\$18,500,000	\$26,758,400	\$45,258,400
2029	\$13,000,000	\$18,803,200	\$31,803,200
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
<u>Total</u>	<u>\$46,000,000</u>	<u>\$66,534,400</u>	<u>\$112,534,400</u>

Franchise Tax Collections

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

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

Table 28 Estimated Franchise Tax Collections During Construction		
Year	Total Taxable Margins	Franchise Tax Collections
2027	\$35,472,800	\$266,046
2028	\$45,258,400	\$339,438
2029	\$31,803,200	\$238,524
2030	\$0	\$0
2031	\$0	\$0
<u>Total</u>	<u>\$112,534,400</u>	<u>\$844,008</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	\$97
Alcohol beverage taxes	\$181
Net lottery proceeds	\$246
<u>Total</u>	<u>\$999</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
2027	\$69,573	\$811,682	\$179,962	\$335,805	\$456,397	\$1,853,419
2028	\$91,428	\$1,066,663	\$236,494	\$441,294	\$599,769	\$2,435,648
2029	\$66,174	\$772,033	\$171,171	\$319,401	\$434,103	\$1,762,882
2030	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$227,175</u>	<u>\$2,650,378</u>	<u>\$587,627</u>	<u>\$1,096,499</u>	<u>\$1,490,270</u>	<u>\$6,051,949</u>

Summary of General Fund Revenues for the State During Construction

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

Table 31				
General Fund Revenues for the State During Construction				
Year	Sales Tax Collections	Franchise Tax Collections	Other Taxes and Revenues	Total Revenues
2027	\$6,295,868	\$266,046	\$1,853,419	\$8,415,333
2028	\$7,864,017	\$339,438	\$2,435,648	\$10,639,103
2029	\$5,459,766	\$238,524	\$1,762,882	\$7,461,172
2030	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0
<u>Total</u>	<u>\$19,619,651</u>	<u>\$844,008</u>	<u>\$6,051,949</u>	<u>\$26,515,608</u>

State of Texas Economic Impacts During the Facility's Operations

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

Table 32		
Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2027	Year 1	\$7,164,013
2028	Year 2	\$25,169,565
2029	Year 3	\$72,878,069
2030	Year 4	\$153,739,600
2031	Year 5	\$210,665,488
2032	Year 6	\$214,878,798
2033	Year 7	\$219,176,374
2034	Year 8	\$223,559,901
2035	Year 9	\$228,031,099
2036	Year 10	\$232,591,721
2037	Year 11	\$237,243,556
2038	Year 12	\$241,988,427
2039	Year 13	\$246,828,195
2040	Year 14	\$251,764,759
2041	Year 15	\$256,800,054
2042	Year 16	\$261,936,055
2043	Year 17	\$267,174,776
2044	Year 18	\$272,518,272
2045	Year 19	\$277,968,637
2046	Year 20	\$283,528,010
2047	Year 21	\$289,198,570
2048	Year 22	\$294,982,542
2049	Year 23	\$300,882,193
2050	Year 24	\$306,899,837
2051	Year 25	\$313,037,833
2052	Year 26	\$319,298,590
2053	Year 27	\$325,684,562
2054	Year 28	\$332,198,253
2055	Year 29	\$338,842,218
2056	Year 30	\$345,619,062
2057	Year 31	\$352,531,444
2058	Year 32	\$359,582,072
2059	Year 33	\$366,773,714
2060	Year 34	\$374,109,188

Table 32 continued on the next page

Table 32 - Continued		
Facility's Estimated Annual Operating Revenues		
		Total Operating Revenues
2061	Year 35	\$381,591,372
2062	Year 36	\$389,223,199
2063	Year 37	\$397,007,663
2064	Year 38	\$404,947,817
<u>Total</u>		<u>\$10.38 B</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
2027	\$7,164,013	\$7,202,698	\$14,366,711
2028	\$25,169,565	\$25,305,481	\$50,475,046
2029	\$72,878,069	\$73,271,611	\$146,149,680
2030	\$153,739,600	\$154,569,794	\$308,309,394
2031	\$210,665,488	\$211,803,082	\$422,468,570
2032	\$214,878,798	\$216,039,143	\$430,917,941
2033	\$219,176,374	\$220,359,926	\$439,536,300
2034	\$223,559,901	\$224,767,125	\$448,327,026
2035	\$228,031,099	\$229,262,467	\$457,293,566
2036	\$232,591,721	\$233,847,716	\$466,439,438
2037	\$237,243,556	\$238,524,671	\$475,768,226
2038	\$241,988,427	\$243,295,164	\$485,283,591
2039	\$246,828,195	\$248,161,067	\$494,989,263
2040	\$251,764,759	\$253,124,289	\$504,889,048
2041	\$256,800,054	\$258,186,775	\$514,986,829
2042	\$261,936,055	\$263,350,510	\$525,286,565
2043	\$267,174,776	\$268,617,520	\$535,792,297
2044	\$272,518,272	\$273,989,871	\$546,508,143
2045	\$277,968,637	\$279,469,668	\$557,438,306
2046	\$283,528,010	\$285,059,061	\$568,587,072

Table 33 continued on the next page

**Table 33 - Continued
Output During Operations**

Year	Direct Operations Output	Indirect & Induced Output	Total Output
2047	\$289,198,570	\$290,760,243	\$579,958,813
2048	\$294,982,542	\$296,575,448	\$591,557,989
2049	\$300,882,193	\$302,506,956	\$603,389,149
2050	\$306,899,837	\$308,557,096	\$615,456,932
2051	\$313,037,833	\$314,728,238	\$627,766,071
2052	\$319,298,590	\$321,022,802	\$640,321,392
2053	\$325,684,562	\$327,443,258	\$653,127,820
2054	\$332,198,253	\$333,992,124	\$666,190,376
2055	\$338,842,218	\$340,671,966	\$679,514,184
2056	\$345,619,062	\$347,485,405	\$693,104,468
2057	\$352,531,444	\$354,435,113	\$706,966,557
2058	\$359,582,072	\$361,523,816	\$721,105,888
2059	\$366,773,714	\$368,754,292	\$735,528,006
2060	\$374,109,188	\$376,129,378	\$750,238,566
2061	\$381,591,372	\$383,651,965	\$765,243,337
2062	\$389,223,199	\$391,325,005	\$780,548,204
2063	\$397,007,663	\$399,151,505	\$796,159,168
2064	\$404,947,817	\$407,134,535	\$812,082,352
Total	\$10.38 B	\$10.43 B	\$20.81 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
2027	18	18
2028	44	62
2029	114	176
2030	188	364
2031	125	489
2032	0	489
2033	0	489
2034	0	489
2035	0	489
2036	0	489
<u>Total</u>	<u>489</u>	

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

Table 35 Direct, Indirect & Induced Employment During Operations			
Year	Direct Operations Employment	Indirect & Induced Employment	Total Employment
2027	18	36	54
2028	62	124	186
2029	176	351	527
2030	364	726	1,090
2031	489	975	1,464
2032	489	975	1,464
2033	489	975	1,464
2034	489	975	1,464
2035	489	975	1,464

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
2036	489	975	1,464
2037	489	975	1,464
2038	489	975	1,464
2039	489	975	1,464
2040	489	975	1,464
2041	489	975	1,464
2042	489	975	1,464
2043	489	975	1,464
2044	489	975	1,464
2045	489	975	1,464
2046	489	975	1,464
2047	489	975	1,464
2048	489	975	1,464
2049	489	975	1,464
2050	489	975	1,464
2051	489	975	1,464
2052	489	975	1,464
2053	489	975	1,464
2054	489	975	1,464
2055	489	975	1,464
2056	489	975	1,464
2057	489	975	1,464
2058	489	975	1,464
2059	489	975	1,464
2060	489	975	1,464
2061	489	975	1,464
2062	489	975	1,464
2063	489	975	1,464
2064	489	975	1,464

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

Table 36			
Estimated Annual Payroll			
Percent of annual increase			3.0%
	Year	Average Annual Salaries	Annual Payroll
Year 1	2027	\$114,056	\$2,053,008
Year 2	2028	\$117,478	\$7,283,616
Year 3	2029	\$121,002	\$21,296,354
Year 4	2030	\$124,632	\$45,366,074
Year 5	2031	\$128,371	\$62,773,435
Year 6	2032	\$132,222	\$64,656,638
Year 7	2033	\$136,189	\$66,596,337
Year 8	2034	\$140,274	\$68,594,227
Year 9	2035	\$144,483	\$70,652,054
Year 10	2036	\$148,817	\$72,771,616
Year 11	2037	\$153,282	\$74,954,764
Year 12	2038	\$157,880	\$77,203,407
Year 13	2039	\$162,617	\$79,519,509
Year 14	2040	\$167,495	\$81,905,095
Year 15	2041	\$172,520	\$84,362,248
Year 16	2042	\$177,696	\$86,893,115
Year 17	2043	\$183,026	\$89,499,908
Year 18	2044	\$188,517	\$92,184,906
Year 19	2045	\$194,173	\$94,950,453
Year 20	2046	\$199,998	\$97,798,966
Year 21	2047	\$205,998	\$100,732,935
Year 22	2048	\$212,178	\$103,754,924
Year 23	2049	\$218,543	\$106,867,571
Year 24	2050	\$225,099	\$110,073,598
Year 25	2051	\$231,852	\$113,375,806
Year 26	2052	\$238,808	\$116,777,080
Year 27	2053	\$245,972	\$120,280,393
Year 28	2054	\$253,351	\$123,888,805
Year 29	2055	\$260,952	\$127,605,469
Year 30	2056	\$268,780	\$131,433,633
Year 31	2057	\$276,844	\$135,376,642
Year 32	2058	\$285,149	\$139,437,941
Year 33	2059	\$293,704	\$143,621,079

Table 36 continued on the next page

Table 36 - Continued			
Estimated Annual Payroll			
	Year	Average Annual Salaries	Annual Payroll
Year 34	2060	\$302,515	\$147,929,712
Year 35	2061	\$311,590	\$152,367,603
Year 36	2062	\$320,938	\$156,938,631
Year 37	2063	\$330,566	\$161,646,790
Year 38	2064	\$340,483	\$166,496,194

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
2027	\$2,053,008	\$2,539,776	\$4,592,784
2028	\$7,283,616	\$9,010,562	\$16,294,178
2029	\$21,296,354	\$26,345,719	\$47,642,073
2030	\$45,366,074	\$56,122,370	\$101,488,444
2031	\$62,773,435	\$77,657,017	\$140,430,452
2032	\$64,656,638	\$79,986,727	\$144,643,365
2033	\$66,596,337	\$82,386,329	\$148,982,666
2034	\$68,594,227	\$84,857,919	\$153,452,146
2035	\$70,652,054	\$87,403,656	\$158,055,710
2036	\$72,771,616	\$90,025,766	\$162,797,382
2037	\$74,954,764	\$92,726,539	\$167,681,303
2038	\$77,203,407	\$95,508,335	\$172,711,742
2039	\$79,519,509	\$98,373,585	\$177,893,095
2040	\$81,905,095	\$101,324,793	\$183,229,887
2041	\$84,362,248	\$104,364,536	\$188,726,784
2042	\$86,893,115	\$107,495,473	\$194,388,588
2043	\$89,499,908	\$110,720,337	\$200,220,245
2044	\$92,184,906	\$114,041,947	\$206,226,853
2045	\$94,950,453	\$117,463,205	\$212,413,658
2046	\$97,798,966	\$120,987,101	\$218,786,068
2047	\$100,732,935	\$124,616,714	\$225,349,650
2048	\$103,754,924	\$128,355,216	\$232,110,139

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
2049	\$106,867,571	\$132,205,872	\$239,073,444
2050	\$110,073,598	\$136,172,049	\$246,245,647
2051	\$113,375,806	\$140,257,210	\$253,633,016
2052	\$116,777,080	\$144,464,926	\$261,242,007
2053	\$120,280,393	\$148,798,874	\$269,079,267
2054	\$123,888,805	\$153,262,840	\$277,151,645
2055	\$127,605,469	\$157,860,725	\$285,466,194
2056	\$131,433,633	\$162,596,547	\$294,030,180
2057	\$135,376,642	\$167,474,444	\$302,851,086
2058	\$139,437,941	\$172,498,677	\$311,936,618
2059	\$143,621,079	\$177,673,637	\$321,294,717
2060	\$147,929,712	\$183,003,846	\$330,933,558
2061	\$152,367,603	\$188,493,962	\$340,861,565
2062	\$156,938,631	\$194,148,781	\$351,087,412
2063	\$161,646,790	\$199,973,244	\$361,620,034
2064	\$166,496,194	\$205,972,441	\$372,468,635
Total	\$3.70 B	\$4.58 B	\$8.28 B

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
2027	\$4,592,784	\$1,194,124
2028	\$16,294,178	\$4,236,486
2029	\$47,642,073	\$12,386,939
2030	\$101,488,444	\$26,386,995
2031	\$140,430,452	\$36,511,917
2032	\$144,643,365	\$37,607,275
2033	\$148,982,666	\$38,735,493
2034	\$153,452,146	\$39,897,558
2035	\$158,055,710	\$41,094,485
2036	\$162,797,382	\$42,327,319
2037	\$167,681,303	\$43,597,139
2038	\$172,711,742	\$44,905,053
2039	\$177,893,095	\$46,252,205
2040	\$183,229,887	\$47,639,771
2041	\$188,726,784	\$49,068,964
2042	\$194,388,588	\$50,541,033
2043	\$200,220,245	\$52,057,264
2044	\$206,226,853	\$53,618,982
2045	\$212,413,658	\$55,227,551
2046	\$218,786,068	\$56,884,378
2047	\$225,349,650	\$58,590,909
2048	\$232,110,139	\$60,348,636
2049	\$239,073,444	\$62,159,095
2050	\$246,245,647	\$64,023,868
2051	\$253,633,016	\$65,944,584
2052	\$261,242,007	\$67,922,922
2053	\$269,079,267	\$69,960,609
2054	\$277,151,645	\$72,059,428
2055	\$285,466,194	\$74,221,211
2056	\$294,030,180	\$76,447,847

Table 38 continued on the next page

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

Year	Worker Salaries	Workers' Taxable Spending
2057	\$302,851,086	\$78,741,282
2058	\$311,936,618	\$81,103,521
2059	\$321,294,717	\$83,536,626
2060	\$330,933,558	\$86,042,725
2061	\$340,861,565	\$88,624,007
2062	\$351,087,412	\$91,282,727
2063	\$361,620,034	\$94,021,209
2064	\$372,468,635	\$96,841,845
<u>Total</u>	<u>\$8.28 B</u>	<u>\$2.15 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 1% 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
2027	\$71,640	\$72,027	\$143,667
2028	\$251,696	\$253,055	\$504,750
2029	\$728,781	\$732,716	\$1,461,497
2030	\$1,537,396	\$1,545,698	\$3,083,094
2031	\$2,106,655	\$2,118,031	\$4,224,686
2032	\$2,148,788	\$2,160,391	\$4,309,179
2033	\$2,191,764	\$2,203,599	\$4,395,363
2034	\$2,235,599	\$2,247,671	\$4,483,270
2035	\$2,280,311	\$2,292,625	\$4,572,936
2036	\$2,325,917	\$2,338,477	\$4,664,394
2037	\$2,372,436	\$2,385,247	\$4,757,682
2038	\$2,419,884	\$2,432,952	\$4,852,836
2039	\$2,468,282	\$2,481,611	\$4,949,893
2040	\$2,517,648	\$2,531,243	\$5,048,890
2041	\$2,568,001	\$2,581,868	\$5,149,868
2042	\$2,619,361	\$2,633,505	\$5,252,866
2043	\$2,671,748	\$2,686,175	\$5,357,923
2044	\$2,725,183	\$2,739,899	\$5,465,081
2045	\$2,779,686	\$2,794,697	\$5,574,383
2046	\$2,835,280	\$2,850,591	\$5,685,871
2047	\$2,891,986	\$2,907,602	\$5,799,588
2048	\$2,949,825	\$2,965,754	\$5,915,580
2049	\$3,008,822	\$3,025,070	\$6,033,891
2050	\$3,068,998	\$3,085,571	\$6,154,569
2051	\$3,130,378	\$3,147,282	\$6,277,661
2052	\$3,192,986	\$3,210,228	\$6,403,214
2053	\$3,256,846	\$3,274,433	\$6,531,278
2054	\$3,321,983	\$3,339,921	\$6,661,904

Table 39 continued on the next page

Table 39 - Continued			
Taxable Spending by the Facility and Indirect Companies			
Year	The Facility's Estimated Taxable Spending	Estimated Taxable Spending by Indirect & Induced Companies	Total Facility and Companies' Taxable Spending
2055	\$3,388,422	\$3,406,720	\$6,795,142
2056	\$3,456,191	\$3,474,854	\$6,931,045
2057	\$3,525,314	\$3,544,351	\$7,069,666
2058	\$3,595,821	\$3,615,238	\$7,211,059
2059	\$3,667,737	\$3,687,543	\$7,355,280
2060	\$3,741,092	\$3,761,294	\$7,502,386
2061	\$3,815,914	\$3,836,520	\$7,652,433
2062	\$3,892,232	\$3,913,250	\$7,805,482
2063	\$3,970,077	\$3,991,515	\$7,961,592
2064	\$4,049,478	\$4,071,345	\$8,120,824
<u>Total</u>	<u>\$103.78 M</u>	<u>\$104.34 M</u>	<u>\$208.12 M</u>

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

The firm did not provide information on the number of out-of-town visitors to its facility. As a result, this analysis does not include any visitor spending. However, it is reasonable to assume the facility will attract some visitors, so the exclusion of this spending likely results in a conservative estimate of the project's total impact.

Table 40	
Spending by a Typical Out-of-State Visitor	
Estimated number of out of town visitors	0
Annual increase in number of out of town visitors from year 1 to 10 (0% after)	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
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
2059	\$0	\$0
2060	\$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
2061	\$0	\$0
2062	\$0	\$0
2063	\$0	\$0
2064	\$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
2027	\$1,194,124	\$0	\$71,640	\$72,027	\$0	\$1,337,791
2028	\$4,236,486	\$0	\$251,696	\$253,055	\$0	\$4,741,237
2029	\$12,386,939	\$0	\$728,781	\$732,716	\$0	\$13,848,436
2030	\$26,386,995	\$0	\$1,537,396	\$1,545,698	\$0	\$29,470,089
2031	\$36,511,917	\$0	\$2,106,655	\$2,118,031	\$0	\$40,736,603
2032	\$37,607,275	\$0	\$2,148,788	\$2,160,391	\$0	\$41,916,454
2033	\$38,735,493	\$0	\$2,191,764	\$2,203,599	\$0	\$43,130,856
2034	\$39,897,558	\$0	\$2,235,599	\$2,247,671	\$0	\$44,380,828
2035	\$41,094,485	\$0	\$2,280,311	\$2,292,625	\$0	\$45,667,420
2036	\$42,327,319	\$0	\$2,325,917	\$2,338,477	\$0	\$46,991,714
2037	\$43,597,139	\$0	\$2,372,436	\$2,385,247	\$0	\$48,354,821
2038	\$44,905,053	\$0	\$2,419,884	\$2,432,952	\$0	\$49,757,889
2039	\$46,252,205	\$0	\$2,468,282	\$2,481,611	\$0	\$51,202,097
2040	\$47,639,771	\$0	\$2,517,648	\$2,531,243	\$0	\$52,688,661
2041	\$49,068,964	\$0	\$2,568,001	\$2,581,868	\$0	\$54,218,832
2042	\$50,541,033	\$0	\$2,619,361	\$2,633,505	\$0	\$55,793,898
2043	\$52,057,264	\$0	\$2,671,748	\$2,686,175	\$0	\$57,415,187
2044	\$53,618,982	\$0	\$2,725,183	\$2,739,899	\$0	\$59,084,063

Table 42 continued on the next page

Table 42 - Continued
Estimated Total Taxable Sales

Year	Workers' Taxable Spending	The Facility's Taxable Sales	The Company's Taxable Spending	Indirect & Induced Companies' Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2045	\$55,227,551	\$0	\$2,779,686	\$2,794,697	\$0	\$60,801,934
2046	\$56,884,378	\$0	\$2,835,280	\$2,850,591	\$0	\$62,570,248
2047	\$58,590,909	\$0	\$2,891,986	\$2,907,602	\$0	\$64,390,497
2048	\$60,348,636	\$0	\$2,949,825	\$2,965,754	\$0	\$66,264,216
2049	\$62,159,095	\$0	\$3,008,822	\$3,025,070	\$0	\$68,192,987
2050	\$64,023,868	\$0	\$3,068,998	\$3,085,571	\$0	\$70,178,438
2051	\$65,944,584	\$0	\$3,130,378	\$3,147,282	\$0	\$72,222,245
2052	\$67,922,922	\$0	\$3,192,986	\$3,210,228	\$0	\$74,326,136
2053	\$69,960,609	\$0	\$3,256,846	\$3,274,433	\$0	\$76,491,888
2054	\$72,059,428	\$0	\$3,321,983	\$3,339,921	\$0	\$78,721,331
2055	\$74,221,211	\$0	\$3,388,422	\$3,406,720	\$0	\$81,016,352
2056	\$76,447,847	\$0	\$3,456,191	\$3,474,854	\$0	\$83,378,892
2057	\$78,741,282	\$0	\$3,525,314	\$3,544,351	\$0	\$85,810,948
2058	\$81,103,521	\$0	\$3,595,821	\$3,615,238	\$0	\$88,314,580
2059	\$83,536,626	\$0	\$3,667,737	\$3,687,543	\$0	\$90,891,906
2060	\$86,042,725	\$0	\$3,741,092	\$3,761,294	\$0	\$93,545,111
2061	\$88,624,007	\$0	\$3,815,914	\$3,836,520	\$0	\$96,276,440
2062	\$91,282,727	\$0	\$3,892,232	\$3,913,250	\$0	\$99,088,209
2063	\$94,021,209	\$0	\$3,970,077	\$3,991,515	\$0	\$101,982,801
2064	\$96,841,845	\$0	\$4,049,478	\$4,071,345	\$0	\$104,962,669
Total	<u>\$2,152,043,981</u>	<u>\$0</u>	<u>\$103,780,155</u>	<u>\$104,340,568</u>	<u>\$0</u>	<u>\$2,360,164,704</u>

Sales Tax Collections

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

Table 43 Estimated Sales Tax Collections During Operations						
Year	On Workers' Spending	On The Facility's Taxable Sales	On the Company's Taxable Spending	On Indirect Companies' Taxable Spending	On Taxable Spending of Visitors in the Community	Total Sales Tax Collections
2027	\$74,633	\$0	\$4,478	\$4,502	\$0	\$83,612
2028	\$264,780	\$0	\$15,731	\$15,816	\$0	\$296,327
2029	\$774,184	\$0	\$45,549	\$45,795	\$0	\$865,527
2030	\$1,649,187	\$0	\$96,087	\$96,606	\$0	\$1,841,881
2031	\$2,281,995	\$0	\$131,666	\$132,377	\$0	\$2,546,038
2032	\$2,350,455	\$0	\$134,299	\$135,024	\$0	\$2,619,778
2033	\$2,420,968	\$0	\$136,985	\$137,725	\$0	\$2,695,679
2034	\$2,493,597	\$0	\$139,725	\$140,479	\$0	\$2,773,802
2035	\$2,568,405	\$0	\$142,519	\$143,289	\$0	\$2,854,214
2036	\$2,645,457	\$0	\$145,370	\$146,155	\$0	\$2,936,982
2037	\$2,724,821	\$0	\$148,277	\$149,078	\$0	\$3,022,176
2038	\$2,806,566	\$0	\$151,243	\$152,059	\$0	\$3,109,868
2039	\$2,890,763	\$0	\$154,268	\$155,101	\$0	\$3,200,131
2040	\$2,977,486	\$0	\$157,353	\$158,203	\$0	\$3,293,041
2041	\$3,066,810	\$0	\$160,500	\$161,367	\$0	\$3,388,677
2042	\$3,158,815	\$0	\$163,710	\$164,594	\$0	\$3,487,119
2043	\$3,253,579	\$0	\$166,984	\$167,886	\$0	\$3,588,449
2044	\$3,351,186	\$0	\$170,324	\$171,244	\$0	\$3,692,754
2045	\$3,451,722	\$0	\$173,730	\$174,669	\$0	\$3,800,121
2046	\$3,555,274	\$0	\$177,205	\$178,162	\$0	\$3,910,641
2047	\$3,661,932	\$0	\$180,749	\$181,725	\$0	\$4,024,406
2048	\$3,771,790	\$0	\$184,364	\$185,360	\$0	\$4,141,514
2049	\$3,884,943	\$0	\$188,051	\$189,067	\$0	\$4,262,062
2050	\$4,001,492	\$0	\$191,812	\$192,848	\$0	\$4,386,152
2051	\$4,121,537	\$0	\$195,649	\$196,705	\$0	\$4,513,890
2052	\$4,245,183	\$0	\$199,562	\$200,639	\$0	\$4,645,383
2053	\$4,372,538	\$0	\$203,553	\$204,652	\$0	\$4,780,743
2054	\$4,503,714	\$0	\$207,624	\$208,745	\$0	\$4,920,083
2055	\$4,638,826	\$0	\$211,776	\$212,920	\$0	\$5,063,522
2056	\$4,777,990	\$0	\$216,012	\$217,178	\$0	\$5,211,181
2057	\$4,921,330	\$0	\$220,332	\$221,522	\$0	\$5,363,184
2058	\$5,068,970	\$0	\$224,739	\$225,952	\$0	\$5,519,661
2059	\$5,221,039	\$0	\$229,234	\$230,471	\$0	\$5,680,744
2060	\$5,377,670	\$0	\$233,818	\$235,081	\$0	\$5,846,569

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
2061	\$5,539,000	\$0	\$238,495	\$239,782	\$0	\$6,017,278
2062	\$5,705,170	\$0	\$243,264	\$244,578	\$0	\$6,193,013
2063	\$5,876,326	\$0	\$248,130	\$249,470	\$0	\$6,373,925
2064	\$6,052,615	\$0	\$253,092	\$254,459	\$0	\$6,560,167
<u>Total</u>	<u>\$134,502,749</u>	<u>\$0</u>	<u>\$6,486,260</u>	<u>\$6,521,285</u>	<u>\$0</u>	<u>\$147,510,294</u>

Hotel Occupancy Tax Collections

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

Table 44
Estimated Hotel Occupancy Tax Collections
from Visitors

Year	Total Hotel Spending on Lodging	Occupancy Tax Collections
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

Table 44 continued on the next page

Table 44 - Continued
Estimated Hotel Occupancy Tax Collections
from Visitors

Year	Spending on Lodging	Total Hotel Occupancy Tax Collections
2043	\$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
<u>Total</u>	<u>\$0</u>	<u>\$0</u>

Franchise Tax Collections from the Company and Indirect and Induced Businesses

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

Estimated Taxable Margins of the Company and Indirect and Induced Companies

The facility's estimated taxable margins subject to Texas franchise tax may be 15% of its economic output and the estimated taxable margins of indirect companies may be 25% of output.

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
2027	\$1,074,602	\$1,800,675	\$2,875,277
2028	\$3,775,435	\$6,326,370	\$10,101,805
2029	\$10,931,710	\$18,317,903	\$29,249,613
2030	\$23,060,940	\$38,642,448	\$61,703,388
2031	\$31,599,823	\$52,950,770	\$84,550,594
2032	\$32,231,820	\$54,009,786	\$86,241,605
2033	\$32,876,456	\$55,089,982	\$87,966,438
2034	\$33,533,985	\$56,191,781	\$89,725,766
2035	\$34,204,665	\$57,315,617	\$91,520,282
2036	\$34,888,758	\$58,461,929	\$93,350,687
2037	\$35,586,533	\$59,631,168	\$95,217,701
2038	\$36,298,264	\$60,823,791	\$97,122,055
2039	\$37,024,229	\$62,040,267	\$99,064,496
2040	\$37,764,714	\$63,281,072	\$101,045,786
2041	\$38,520,008	\$64,546,694	\$103,066,702
2042	\$39,290,408	\$65,837,628	\$105,128,036

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
2043	\$26,717,478	\$53,723,504	\$80,440,982
2044	\$27,251,827	\$54,797,974	\$82,049,801
2045	\$27,796,864	\$55,893,934	\$83,690,797
2046	\$28,352,801	\$57,011,812	\$85,364,613
2047	\$28,919,857	\$58,152,049	\$87,071,906
2048	\$29,498,254	\$59,315,090	\$88,813,344
2049	\$30,088,219	\$60,501,391	\$90,589,611
2050	\$30,689,984	\$61,711,419	\$92,401,403
2051	\$31,303,783	\$62,945,648	\$94,249,431
2052	\$31,929,859	\$64,204,560	\$96,134,419
2053	\$32,568,456	\$65,488,652	\$98,057,108
2054	\$33,219,825	\$66,798,425	\$100,018,250
2055	\$33,884,222	\$68,134,393	\$102,018,615
2056	\$34,561,906	\$69,497,081	\$104,058,987
2057	\$35,253,144	\$70,887,023	\$106,140,167
2058	\$35,958,207	\$72,304,763	\$108,262,970
2059	\$36,677,371	\$73,750,858	\$110,428,230
2060	\$37,410,919	\$75,225,876	\$112,636,794
2061	\$38,159,137	\$76,730,393	\$114,889,530
2062	\$38,922,320	\$78,265,001	\$117,187,321
2063	\$39,700,766	\$79,830,301	\$119,531,067
2064	\$40,494,782	\$81,426,907	\$121,921,689
Total	\$1,192.02 M	\$2,241.86 M	\$3,433.89 M

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
2027	\$8,060	\$13,505	\$21,565
2028	\$28,316	\$47,448	\$75,764
2029	\$81,988	\$137,384	\$219,372
2030	\$172,957	\$289,818	\$462,775
2031	\$236,999	\$397,131	\$634,129
2032	\$241,739	\$405,073	\$646,812
2033	\$246,573	\$413,175	\$659,748
2034	\$251,505	\$421,438	\$672,943
2035	\$256,535	\$429,867	\$686,402
2036	\$261,666	\$438,464	\$700,130
2037	\$266,899	\$447,234	\$714,133
2038	\$272,237	\$456,178	\$728,415
2039	\$277,682	\$465,302	\$742,984
2040	\$283,235	\$474,608	\$757,843
2041	\$288,900	\$484,100	\$773,000
2042	\$294,678	\$493,782	\$788,460
2043	\$200,381	\$402,926	\$603,307
2044	\$204,389	\$410,985	\$615,374
2045	\$208,476	\$419,205	\$627,681
2046	\$212,646	\$427,589	\$640,235
2047	\$216,899	\$436,140	\$653,039
2048	\$221,237	\$444,863	\$666,100
2049	\$225,662	\$453,760	\$679,422
2050	\$230,175	\$462,836	\$693,011
2051	\$234,778	\$472,092	\$706,871
2052	\$239,474	\$481,534	\$721,008
2053	\$244,263	\$491,165	\$735,428
2054	\$249,149	\$500,988	\$750,137
2055	\$254,132	\$511,008	\$765,140
2056	\$259,214	\$521,228	\$780,442

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
2057	\$264,399	\$531,653	\$796,051
2058	\$269,687	\$542,286	\$811,972
2059	\$275,080	\$553,131	\$828,212
2060	\$280,582	\$564,194	\$844,776
2061	\$286,194	\$575,478	\$861,671
2062	\$291,917	\$586,988	\$878,905
2063	\$297,756	\$598,727	\$896,483
2064	\$303,711	\$610,702	\$914,413
<u>Total</u>	<u>\$8,940,168</u>	<u>\$16,813,987</u>	<u>\$25,754,154</u>

Other Taxes and Revenues from Workers

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

Table 47	
Other Revenues for the State from Each Worker During Operations	
Gasoline taxes	\$38
Motor vehicle sales and use taxes	\$438
Cigarette and tobacco taxes	\$97
Alcoholic beverage taxes	\$181
Net lottery proceeds	\$246
<u>Total</u>	<u>\$999</u>

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

Table 48
Other Revenues for the State from Workers During Operations

Year	Motor Vehicle			Alcoholic Beverage Taxes	Net Lottery Proceeds	Total Other Taxes and Revenues
	Gasoline Taxes	Sales and Use Taxes	Cigarette and Tobacco Taxes			
2027	\$2,020	\$23,572	\$5,226	\$9,752	\$13,254	\$53,826
2028	\$7,168	\$83,629	\$18,542	\$34,599	\$47,023	\$190,961
2029	\$20,959	\$244,521	\$54,214	\$101,162	\$137,490	\$558,345
2030	\$44,647	\$520,884	\$115,488	\$215,497	\$292,886	\$1,189,402
2031	\$61,779	\$720,752	\$159,801	\$298,186	\$405,269	\$1,645,786
2032	\$63,632	\$742,375	\$164,595	\$307,131	\$417,427	\$1,695,160
2033	\$65,541	\$764,646	\$169,533	\$316,345	\$429,950	\$1,746,015
2034	\$67,507	\$787,586	\$174,619	\$325,835	\$442,848	\$1,798,395
2035	\$69,533	\$811,213	\$179,858	\$335,610	\$456,134	\$1,852,347
2036	\$71,619	\$835,550	\$185,253	\$345,679	\$469,818	\$1,907,918
2037	\$73,767	\$860,616	\$190,811	\$356,049	\$483,912	\$1,965,155
2038	\$75,980	\$886,434	\$196,535	\$366,731	\$498,429	\$2,024,110
2039	\$78,260	\$913,028	\$202,431	\$377,733	\$513,382	\$2,084,833
2040	\$80,607	\$940,418	\$208,504	\$389,064	\$528,784	\$2,147,378
2041	\$83,026	\$968,631	\$214,759	\$400,736	\$544,647	\$2,211,799
2042	\$85,516	\$997,690	\$221,202	\$412,759	\$560,987	\$2,278,153
2043	\$88,082	\$1,027,620	\$227,838	\$425,141	\$577,816	\$2,346,498
2044	\$90,724	\$1,058,449	\$234,673	\$437,896	\$595,151	\$2,416,893
2045	\$93,446	\$1,090,203	\$241,713	\$451,032	\$613,005	\$2,489,400
2046	\$96,249	\$1,122,909	\$248,965	\$464,563	\$631,395	\$2,564,082
2047	\$99,137	\$1,156,596	\$256,434	\$478,500	\$650,337	\$2,641,004
2048	\$102,111	\$1,191,294	\$264,127	\$492,855	\$669,847	\$2,720,234
2049	\$105,174	\$1,227,033	\$272,051	\$507,641	\$689,943	\$2,801,841
2050	\$108,329	\$1,263,844	\$280,212	\$522,870	\$710,641	\$2,885,897
2051	\$111,579	\$1,301,759	\$288,619	\$538,556	\$731,960	\$2,972,473
2052	\$114,927	\$1,340,812	\$297,277	\$554,713	\$753,919	\$3,061,648
2053	\$118,375	\$1,381,036	\$306,195	\$571,354	\$776,537	\$3,153,497
2054	\$121,926	\$1,422,467	\$315,381	\$588,495	\$799,833	\$3,248,102
2055	\$125,584	\$1,465,141	\$324,843	\$606,150	\$823,828	\$3,345,545
2056	\$129,351	\$1,509,095	\$334,588	\$624,334	\$848,543	\$3,445,911
2057	\$133,232	\$1,554,368	\$344,626	\$643,064	\$873,999	\$3,549,289
2058	\$137,229	\$1,600,999	\$354,964	\$662,356	\$900,219	\$3,655,767
2059	\$141,345	\$1,649,029	\$365,613	\$682,227	\$927,226	\$3,765,440
2060	\$145,586	\$1,698,500	\$376,582	\$702,694	\$955,042	\$3,878,404
2061	\$149,953	\$1,749,455	\$387,879	\$723,775	\$983,694	\$3,994,756
2062	\$154,452	\$1,801,939	\$399,516	\$745,488	\$1,013,204	\$4,114,598
2063	\$159,085	\$1,855,997	\$411,501	\$767,852	\$1,043,601	\$4,238,036
2064	\$163,858	\$1,911,677	\$423,846	\$790,888	\$1,074,909	\$4,365,177
Total	\$3,641,294	\$42,481,766	\$9,418,814	\$17,575,314	\$23,886,890	\$97,004,078

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
2027	\$83,612	\$0	\$21,565	\$53,826	\$159,002
2028	\$296,327	\$0	\$75,764	\$190,961	\$563,052
2029	\$865,527	\$0	\$219,372	\$558,345	\$1,643,245
2030	\$1,841,881	\$0	\$462,775	\$1,189,402	\$3,494,058
2031	\$2,546,038	\$0	\$634,129	\$1,645,786	\$4,825,954
2032	\$2,619,778	\$0	\$646,812	\$1,695,160	\$4,961,751
2033	\$2,695,679	\$0	\$659,748	\$1,746,015	\$5,101,442
2034	\$2,773,802	\$0	\$672,943	\$1,798,395	\$5,245,140
2035	\$2,854,214	\$0	\$686,402	\$1,852,347	\$5,392,963
2036	\$2,936,982	\$0	\$700,130	\$1,907,918	\$5,545,030
2037	\$3,022,176	\$0	\$714,133	\$1,965,155	\$5,701,464
2038	\$3,109,868	\$0	\$728,415	\$2,024,110	\$5,862,393
2039	\$3,200,131	\$0	\$742,984	\$2,084,833	\$6,027,948
2040	\$3,293,041	\$0	\$757,843	\$2,147,378	\$6,198,263
2041	\$3,388,677	\$0	\$773,000	\$2,211,799	\$6,373,477
2042	\$3,487,119	\$0	\$788,460	\$2,278,153	\$6,553,732
2043	\$3,588,449	\$0	\$603,307	\$2,346,498	\$6,538,255
2044	\$3,692,754	\$0	\$615,374	\$2,416,893	\$6,725,020
2045	\$3,800,121	\$0	\$627,681	\$2,489,400	\$6,917,202
2046	\$3,910,641	\$0	\$640,235	\$2,564,082	\$7,114,957
2047	\$4,024,406	\$0	\$653,039	\$2,641,004	\$7,318,450
2048	\$4,141,514	\$0	\$666,100	\$2,720,234	\$7,527,848
2049	\$4,262,062	\$0	\$679,422	\$2,801,841	\$7,743,325
2050	\$4,386,152	\$0	\$693,011	\$2,885,897	\$7,965,059
2051	\$4,513,890	\$0	\$706,871	\$2,972,473	\$8,193,235
2052	\$4,645,383	\$0	\$721,008	\$3,061,648	\$8,428,039
2053	\$4,780,743	\$0	\$735,428	\$3,153,497	\$8,669,668
2054	\$4,920,083	\$0	\$750,137	\$3,248,102	\$8,918,322
2055	\$5,063,522	\$0	\$765,140	\$3,345,545	\$9,174,207
2056	\$5,211,181	\$0	\$780,442	\$3,445,911	\$9,437,535
2057	\$5,363,184	\$0	\$796,051	\$3,549,289	\$9,708,524
2058	\$5,519,661	\$0	\$811,972	\$3,655,767	\$9,987,401
2059	\$5,680,744	\$0	\$828,212	\$3,765,440	\$10,274,396

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		
2060	\$5,846,569	\$0	\$844,776	\$3,878,404	\$10,569,749
2061	\$6,017,278	\$0	\$861,671	\$3,994,756	\$10,873,705
2062	\$6,193,013	\$0	\$878,905	\$4,114,598	\$11,186,516
2063	\$6,373,925	\$0	\$896,483	\$4,238,036	\$11,508,444
2064	\$6,560,167	\$0	\$914,413	\$4,365,177	\$11,839,757
<u>Total</u>	<u>\$147,510,294</u>	<u>\$0</u>	<u>\$25,754,154</u>	<u>\$97,004,078</u>	<u>\$270,268,527</u>

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

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

Table 50 Direct vs. Indirect: General Fund Revenues for the State During Operations			
Year	Direct Taxes	Indirect Taxes	Total State Revenues
2027	\$12,537	\$146,465	\$159,002
2028	\$44,047	\$519,005	\$563,052
2029	\$127,537	\$1,515,708	\$1,643,245
2030	\$269,044	\$3,225,014	\$3,494,058
2031	\$368,665	\$4,457,289	\$4,825,954
2032	\$376,038	\$4,585,713	\$4,961,751
2033	\$383,559	\$4,717,883	\$5,101,442
2034	\$391,230	\$4,853,911	\$5,245,140
2035	\$399,054	\$4,993,909	\$5,392,963
2036	\$407,036	\$5,137,994	\$5,545,030
2037	\$415,176	\$5,286,288	\$5,701,464
2038	\$423,480	\$5,438,914	\$5,862,393
2039	\$431,949	\$5,595,999	\$6,027,948
2040	\$440,588	\$5,757,674	\$6,198,263
2041	\$449,400	\$5,924,077	\$6,373,477
2042	\$458,388	\$6,095,344	\$6,553,732
2043	\$367,365	\$6,170,889	\$6,538,255
2044	\$374,713	\$6,350,308	\$6,725,020
2045	\$382,207	\$6,534,995	\$6,917,202
2046	\$389,851	\$6,725,106	\$7,114,957
2047	\$397,648	\$6,920,801	\$7,318,450
2048	\$405,601	\$7,122,247	\$7,527,848
2049	\$413,713	\$7,329,612	\$7,743,325
2050	\$421,987	\$7,543,072	\$7,965,059
2051	\$430,427	\$7,762,807	\$8,193,235
2052	\$439,036	\$7,989,004	\$8,428,039
2053	\$447,816	\$8,221,852	\$8,669,668
2054	\$456,773	\$8,461,550	\$8,918,322
2055	\$465,908	\$8,708,299	\$9,174,207
2056	\$475,226	\$8,962,308	\$9,437,535
2057	\$484,731	\$9,223,794	\$9,708,524
2058	\$494,425	\$9,492,976	\$9,987,401

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
2059	\$504,314	\$9,770,082	\$10,274,396
2060	\$514,400	\$10,055,349	\$10,569,749
2061	\$524,688	\$10,349,017	\$10,873,705
2062	\$535,182	\$10,651,335	\$11,186,516
2063	\$545,886	\$10,962,559	\$11,508,444
2064	\$556,803	\$11,282,954	\$11,839,757
<u>Total</u>	<u>\$15,426,427</u>	<u>\$254,842,100</u>	<u>\$270,268,527</u>

Local Area Benefits Economic Impact & Tax Revenue

Local vs. State Economic Impacts

The previous section of this analysis presented the economic impact in the State of Texas and this section presents the local economic impact, specifically within 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.

Table 51 Economic Output/Increase in Gross Area Product in Harris County During Construction			
Year	Direct Construction Output	Indirect & Induced Output	Total Output
2027	\$145,000,000	\$133,806,000	\$278,806,000
2028	\$185,000,000	\$170,718,000	\$355,718,000
2029	\$130,000,000	\$119,964,000	\$249,964,000
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
Total	\$460,000,000	\$424,488,000	\$884,488,000

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
2027	807	670	1,477
2028	1,029	855	1,884
2029	723	601	1,324
2030	0	0	0
2031	0	0	0
<u>Annual Avg.</u>	<u>853</u>	<u>708</u>	<u>1,561</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
2027	\$58,000,000	\$38,558,400	\$96,558,400
2028	\$74,000,000	\$49,195,200	\$123,195,200
2029	\$52,000,000	\$34,569,600	\$86,569,600
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
<u>Total</u>	<u>\$184,000,000</u>	<u>\$122,323,200</u>	<u>\$306,323,200</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
2027	\$1,312,500	\$16,312,500	\$7,558,473	\$25,183,473
2028	\$1,000,000	\$20,812,500	\$9,643,569	\$31,456,069
2029	\$437,500	\$14,625,000	\$6,776,562	\$21,839,062
2030	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0
Total	\$2,750,000	\$51,750,000	\$23,978,604	\$78,478,604

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
2027	\$26,250	\$326,250	\$151,169	\$503,669	\$352,500	\$151,169
2028	\$20,000	\$416,250	\$192,871	\$629,121	\$436,250	\$192,871
2029	\$8,750	\$292,500	\$135,531	\$436,781	\$301,250	\$135,531
2030	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$55,000	\$1,035,000	\$479,572	\$1,569,572	\$1,090,000	\$479,572

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
2027	\$503,669	\$0	\$503,669
2028	\$629,121	\$0	\$629,121
2029	\$436,781	\$0	\$436,781
2030	\$0	\$0	\$0
2031	\$0	\$0	\$0
<u>Total</u>	<u>\$1,569,572</u>	<u>\$0</u>	<u>\$1,569,572</u>

Local Economic Impacts During the Facility's Operations

Economic Output During Operations

The facility's estimated annual revenues during the first 38 years again serve as the direct economic output during operations.

The facility's annual operating revenues will result in the following direct, indirect and induced output in 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
2027	\$7,164,013	\$4,882,275	\$12,046,288
2028	\$25,169,565	\$17,153,059	\$42,322,623
2029	\$72,878,069	\$49,666,404	\$122,544,474
2030	\$153,739,600	\$104,773,537	\$258,513,137
2031	\$210,665,488	\$143,568,530	\$354,234,018
2032	\$214,878,798	\$146,439,901	\$361,318,698
2033	\$219,176,374	\$149,368,699	\$368,545,072
2034	\$223,559,901	\$152,356,073	\$375,915,974
2035	\$228,031,099	\$155,403,194	\$383,434,293
2036	\$232,591,721	\$158,511,258	\$391,102,979
2037	\$237,243,556	\$161,681,483	\$398,925,039
2038	\$241,988,427	\$164,915,113	\$406,903,539
2039	\$246,828,195	\$168,213,415	\$415,041,610
2040	\$251,764,759	\$171,577,683	\$423,342,442
2041	\$256,800,054	\$175,009,237	\$431,809,291
2042	\$261,936,055	\$178,509,422	\$440,445,477
2043	\$267,174,776	\$182,079,610	\$449,254,387
2044	\$272,518,272	\$185,721,202	\$458,239,474
2045	\$277,968,637	\$189,435,626	\$467,404,264
2046	\$283,528,010	\$193,224,339	\$476,752,349
2047	\$289,198,570	\$197,088,826	\$486,287,396
2048	\$294,982,542	\$201,030,602	\$496,013,144
2049	\$300,882,193	\$205,051,214	\$505,933,407
2050	\$306,899,837	\$209,152,239	\$516,052,075
2051	\$313,037,833	\$213,335,283	\$526,373,117
2052	\$319,298,590	\$217,601,989	\$536,900,579

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
2053	\$325,684,562	\$221,954,029	\$547,638,591
2054	\$332,198,253	\$226,393,109	\$558,591,362
2055	\$338,842,218	\$230,920,972	\$569,763,190
2056	\$345,619,062	\$235,539,391	\$581,158,453
2057	\$352,531,444	\$240,250,179	\$592,781,622
2058	\$359,582,072	\$245,055,182	\$604,637,255
2059	\$366,773,714	\$249,956,286	\$616,730,000
2060	\$374,109,188	\$254,955,412	\$629,064,600
2061	\$381,591,372	\$260,054,520	\$641,645,892
2062	\$389,223,199	\$265,255,610	\$654,478,810
2063	\$397,007,663	\$270,560,723	\$667,568,386
2064	\$404,947,817	\$275,971,937	\$680,919,754
Total	\$10.38 B	\$7.07 B	\$17.45 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
2027	18	26	44
2028	62	90	152
2029	176	254	430
2030	364	526	890
2031	489	707	1,196
2032	489	707	1,196
2033	489	707	1,196
2034	489	707	1,196
2035	489	707	1,196
2036	489	707	1,196
2037	489	707	1,196
2038	489	707	1,196
2039	489	707	1,196
2040	489	707	1,196
2041	489	707	1,196
2042	489	707	1,196
2043	489	707	1,196
2044	489	707	1,196
2045	489	707	1,196
2046	489	707	1,196
2047	489	707	1,196
2048	489	707	1,196
2049	489	707	1,196
2050	489	707	1,196
2051	489	707	1,196
2052	489	707	1,196
2053	489	707	1,196
2054	489	707	1,196
2055	489	707	1,196
2056	489	707	1,196
2057	489	707	1,196

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
2058	489	707	1,196
2059	489	707	1,196
2060	489	707	1,196
2061	489	707	1,196
2062	489	707	1,196
2063	489	707	1,196
2064	489	707	1,196

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
2027	\$2,053,008	\$1,912,377	\$3,965,385
2028	\$7,283,616	\$6,784,688	\$14,068,305
2029	\$21,296,354	\$19,837,554	\$41,133,907
2030	\$45,366,074	\$42,258,498	\$87,624,571
2031	\$62,773,435	\$58,473,455	\$121,246,890
2032	\$64,656,638	\$60,227,658	\$124,884,297
2033	\$66,596,337	\$62,034,488	\$128,630,825
2034	\$68,594,227	\$63,895,523	\$132,489,750
2035	\$70,652,054	\$65,812,388	\$136,464,443
2036	\$72,771,616	\$67,786,760	\$140,558,376
2037	\$74,954,764	\$69,820,363	\$144,775,127
2038	\$77,203,407	\$71,914,974	\$149,118,381
2039	\$79,519,509	\$74,072,423	\$153,591,932
2040	\$81,905,095	\$76,294,596	\$158,199,690
2041	\$84,362,248	\$78,583,434	\$162,945,681
2042	\$86,893,115	\$80,940,937	\$167,834,052

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
2043	\$89,499,908	\$83,369,165	\$172,869,073
2044	\$92,184,906	\$85,870,240	\$178,055,145
2045	\$94,950,453	\$88,446,347	\$183,396,800
2046	\$97,798,966	\$91,099,737	\$188,898,704
2047	\$100,732,935	\$93,832,729	\$194,565,665
2048	\$103,754,924	\$96,647,711	\$200,402,635
2049	\$106,867,571	\$99,547,143	\$206,414,714
2050	\$110,073,598	\$102,533,557	\$212,607,155
2051	\$113,375,806	\$105,609,564	\$218,985,370
2052	\$116,777,080	\$108,777,850	\$225,554,931
2053	\$120,280,393	\$112,041,186	\$232,321,579
2054	\$123,888,805	\$115,402,422	\$239,291,226
2055	\$127,605,469	\$118,864,494	\$246,469,963
2056	\$131,433,633	\$122,430,429	\$253,864,062
2057	\$135,376,642	\$126,103,342	\$261,479,984
2058	\$139,437,941	\$129,886,442	\$269,324,383
2059	\$143,621,079	\$133,783,035	\$277,404,115
2060	\$147,929,712	\$137,796,526	\$285,726,238
2061	\$152,367,603	\$141,930,422	\$294,298,025
2062	\$156,938,631	\$146,188,335	\$303,126,966
2063	\$161,646,790	\$150,573,985	\$312,220,775
2064	\$166,496,194	\$155,091,205	\$321,587,398
Total	<u>\$3.70 B</u>	<u>\$3.45 B</u>	<u>\$7.15 B</u>

Local Fiscal Impacts During the Facility's Operations

Local Taxable Sales

A significant amount of taxable sales or spending can be expected to take place within 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
2027	\$298,531	\$0	\$17,910	\$18,007	\$0	\$334,448
2028	\$1,059,122	\$0	\$62,924	\$63,264	\$0	\$1,185,309
2029	\$3,096,735	\$0	\$182,195	\$183,179	\$0	\$3,462,109
2030	\$6,596,749	\$0	\$384,349	\$386,424	\$0	\$7,367,522
2031	\$9,127,979	\$0	\$526,664	\$529,508	\$0	\$10,184,151
2032	\$9,401,819	\$0	\$537,197	\$540,098	\$0	\$10,479,114
2033	\$9,683,873	\$0	\$547,941	\$550,900	\$0	\$10,782,714
2034	\$9,974,389	\$0	\$558,900	\$561,918	\$0	\$11,095,207
2035	\$10,273,621	\$0	\$570,078	\$573,156	\$0	\$11,416,855
2036	\$10,581,830	\$0	\$581,479	\$584,619	\$0	\$11,747,928
2037	\$10,899,285	\$0	\$593,109	\$596,312	\$0	\$12,088,705
2038	\$11,226,263	\$0	\$604,971	\$608,238	\$0	\$12,439,472
2039	\$11,563,051	\$0	\$617,070	\$620,403	\$0	\$12,800,524
2040	\$11,909,943	\$0	\$629,412	\$632,811	\$0	\$13,172,165
2041	\$12,267,241	\$0	\$642,000	\$645,467	\$0	\$13,554,708
2042	\$12,635,258	\$0	\$654,840	\$658,376	\$0	\$13,948,475
2043	\$13,014,316	\$0	\$667,937	\$671,544	\$0	\$14,353,797
2044	\$13,404,745	\$0	\$681,296	\$684,975	\$0	\$14,771,016
2045	\$13,806,888	\$0	\$694,922	\$698,674	\$0	\$15,200,484
2046	\$14,221,094	\$0	\$708,820	\$712,648	\$0	\$15,642,562
2047	\$14,647,727	\$0	\$722,996	\$726,901	\$0	\$16,097,624
2048	\$15,087,159	\$0	\$737,456	\$741,439	\$0	\$16,566,054
2049	\$15,539,774	\$0	\$752,205	\$756,267	\$0	\$17,048,247
2050	\$16,005,967	\$0	\$767,250	\$771,393	\$0	\$17,544,609
2051	\$16,486,146	\$0	\$782,595	\$786,821	\$0	\$18,055,561
2052	\$16,980,730	\$0	\$798,246	\$802,557	\$0	\$18,581,534
2053	\$17,490,152	\$0	\$814,211	\$818,608	\$0	\$19,122,972
2054	\$18,014,857	\$0	\$830,496	\$834,980	\$0	\$19,680,333
2055	\$18,555,303	\$0	\$847,106	\$851,680	\$0	\$20,254,088
2056	\$19,111,962	\$0	\$864,048	\$868,714	\$0	\$20,844,723
2057	\$19,685,321	\$0	\$881,329	\$886,088	\$0	\$21,452,737

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 Taxable Spending	Taxable Spending by Visitors in The Community	Total Taxable Sales
2058	\$20,275,880	\$0	\$898,955	\$903,810	\$0	\$22,078,645
2059	\$20,884,157	\$0	\$916,934	\$921,886	\$0	\$22,722,977
2060	\$21,510,681	\$0	\$935,273	\$940,323	\$0	\$23,386,278
2061	\$22,156,002	\$0	\$953,978	\$959,130	\$0	\$24,069,110
2062	\$22,820,682	\$0	\$973,058	\$978,313	\$0	\$24,772,052
2063	\$23,505,302	\$0	\$992,519	\$997,879	\$0	\$25,495,700
2064	\$24,210,461	\$0	\$1,012,370	\$1,017,836	\$0	\$26,240,667
<u>Total</u>	<u>\$538,010,995</u>	<u>\$0</u>	<u>\$25,945,039</u>	<u>\$26,085,142</u>	<u>\$0</u>	<u>\$590,041,176</u>

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
2027	\$5,971	\$0	\$358	\$360	\$0	\$6,689
2028	\$21,182	\$0	\$1,258	\$1,265	\$0	\$23,706
2029	\$61,935	\$0	\$3,644	\$3,664	\$0	\$69,242
2030	\$131,935	\$0	\$7,687	\$7,728	\$0	\$147,350
2031	\$182,560	\$0	\$10,533	\$10,590	\$0	\$203,683
2032	\$188,036	\$0	\$10,744	\$10,802	\$0	\$209,582
2033	\$193,677	\$0	\$10,959	\$11,018	\$0	\$215,654
2034	\$199,488	\$0	\$11,178	\$11,238	\$0	\$221,904
2035	\$205,472	\$0	\$11,402	\$11,463	\$0	\$228,337
2036	\$211,637	\$0	\$11,630	\$11,692	\$0	\$234,959
2037	\$217,986	\$0	\$11,862	\$11,926	\$0	\$241,774
2038	\$224,525	\$0	\$12,099	\$12,165	\$0	\$248,789
2039	\$231,261	\$0	\$12,341	\$12,408	\$0	\$256,010
2040	\$238,199	\$0	\$12,588	\$12,656	\$0	\$263,443
2041	\$245,345	\$0	\$12,840	\$12,909	\$0	\$271,094
2042	\$252,705	\$0	\$13,097	\$13,168	\$0	\$278,969
2043	\$260,286	\$0	\$13,359	\$13,431	\$0	\$287,076
2044	\$268,095	\$0	\$13,626	\$13,699	\$0	\$295,420
2045	\$276,138	\$0	\$13,898	\$13,973	\$0	\$304,010
2046	\$284,422	\$0	\$14,176	\$14,253	\$0	\$312,851
2047	\$292,955	\$0	\$14,460	\$14,538	\$0	\$321,952
2048	\$301,743	\$0	\$14,749	\$14,829	\$0	\$331,321
2049	\$310,795	\$0	\$15,044	\$15,125	\$0	\$340,965
2050	\$320,119	\$0	\$15,345	\$15,428	\$0	\$350,892
2051	\$329,723	\$0	\$15,652	\$15,736	\$0	\$361,111
2052	\$339,615	\$0	\$15,965	\$16,051	\$0	\$371,631
2053	\$349,803	\$0	\$16,284	\$16,372	\$0	\$382,459
2054	\$360,297	\$0	\$16,610	\$16,700	\$0	\$393,607
2055	\$371,106	\$0	\$16,942	\$17,034	\$0	\$405,082
2056	\$382,239	\$0	\$17,281	\$17,374	\$0	\$416,894
2057	\$393,706	\$0	\$17,627	\$17,722	\$0	\$429,055
2058	\$405,518	\$0	\$17,979	\$18,076	\$0	\$441,573
2059	\$417,683	\$0	\$18,339	\$18,438	\$0	\$454,460
2060	\$430,214	\$0	\$18,705	\$18,806	\$0	\$467,726

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
2061	\$443,120	\$0	\$19,080	\$19,183	\$0	\$481,382
2062	\$456,414	\$0	\$19,461	\$19,566	\$0	\$495,441
2063	\$470,106	\$0	\$19,850	\$19,958	\$0	\$509,914
2064	\$484,209	\$0	\$20,247	\$20,357	\$0	\$524,813
<u>Total</u>	<u>\$10,760,220</u>	<u>\$0</u>	<u>\$518,901</u>	<u>\$521,703</u>	<u>\$0</u>	<u>\$11,800,824</u>

Hotel Occupancy Tax Collections

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

Table 62
Estimated Hotel Occupancy Tax Collections from Visitors

Year	City Hotel <i>Spending on Lodging</i> Occupancy Tax Collections	County Hotel Occupancy Tax Collections
2027	\$0	\$0
2028	\$0	\$0
2029	\$0	\$0
2030	\$0	\$0
2031	\$0	\$0
2032	\$0	\$0
2033	\$0	\$0
2034	\$0	\$0
2035	\$0	\$0
2036	\$0	\$0
2037	\$0	\$0
2038	\$0	\$0
2039	\$0	\$0
2040	\$0	\$0
2041	\$0	\$0

Table 62 continued on the next page

Table 62 - Continued
Estimated Hotel Occupancy Tax Collections
from Visitors

Year	<i>Spending on Lodging</i>	City Hotel Occupancy Tax Collections	City Hotel Occupancy Tax Collections
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
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Property Tax Collections - JETI Investment

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

Table 63 Ad Valorem Tax Collections for Local Taxing Units on Investment					
Year	N/A	Harris County	Sheldon ISD	Other Local Jurisdictions	Total
2027	\$0	\$834,683	\$1,095,500	\$4,046,302	\$5,976,485
2028	\$0	\$1,644,795	\$2,158,750	\$7,973,486	\$11,777,030
2029	\$0	\$2,198,326	\$2,885,245	\$10,656,843	\$15,740,414
2030	\$0	\$2,157,590	\$4,970,340	\$10,459,366	\$17,587,296
2031	\$0	\$2,114,412	\$4,870,874	\$10,250,054	\$17,235,340
2032	\$0	\$2,070,520	\$4,769,761	\$10,037,276	\$16,877,556
2033	\$0	\$2,023,258	\$4,660,886	\$9,808,164	\$16,492,308
2034	\$0	\$1,977,592	\$4,555,687	\$9,586,788	\$16,120,067
2035	\$0	\$1,946,296	\$4,483,593	\$9,435,078	\$15,864,967
2036	\$0	\$1,938,147	\$4,464,820	\$9,395,572	\$15,798,539
2037	\$0	\$1,951,824	\$4,496,327	\$9,461,873	\$15,910,023
2038	\$0	\$1,952,292	\$4,497,405	\$9,464,142	\$15,913,839
2039	\$0	\$1,965,852	\$4,528,642	\$9,529,875	\$16,024,368
2040	\$0	\$1,993,469	\$6,568,151	\$9,663,758	\$18,225,378
2041	\$0	\$2,031,160	\$6,692,334	\$9,846,469	\$18,569,963
2042	\$0	\$2,069,604	\$6,819,001	\$10,032,835	\$18,921,440
2043	\$0	\$2,108,817	\$6,948,201	\$10,222,928	\$19,279,946
2044	\$0	\$2,148,814	\$7,079,985	\$10,416,823	\$19,645,623
2045	\$0	\$2,189,611	\$7,214,405	\$10,614,596	\$20,018,613
2046	\$0	\$2,231,224	\$7,351,514	\$10,816,325	\$20,399,062
2047	\$0	\$2,273,670	\$7,491,364	\$11,022,087	\$20,787,121
2048	\$0	\$2,316,964	\$7,634,012	\$11,231,966	\$21,182,941
2049	\$0	\$2,361,124	\$7,779,512	\$11,446,041	\$21,586,678
2050	\$0	\$2,406,168	\$7,927,923	\$11,664,399	\$21,998,489
2051	\$0	\$2,452,112	\$8,079,301	\$11,887,123	\$22,418,536
2052	\$0	\$2,498,975	\$8,233,708	\$12,114,302	\$22,846,984
2053	\$0	\$2,546,775	\$8,391,202	\$12,346,024	\$23,284,002
2054	\$0	\$2,595,532	\$8,551,846	\$12,582,381	\$23,729,759
2055	\$0	\$2,645,263	\$8,715,704	\$12,823,465	\$24,184,432
2056	\$0	\$2,695,989	\$8,882,838	\$13,069,371	\$24,648,198
2057	\$0	\$2,747,730	\$9,053,315	\$13,320,195	\$25,121,240
2058	\$0	\$2,800,506	\$9,227,202	\$13,576,035	\$25,603,742
2059	\$0	\$2,854,337	\$9,404,566	\$13,836,992	\$26,095,895
2060	\$0	\$2,909,244	\$9,585,477	\$14,103,168	\$26,597,890
2061	\$0	\$2,965,250	\$9,770,007	\$14,374,668	\$27,109,925
2062	\$0	\$3,022,376	\$9,958,228	\$14,651,598	\$27,632,201
2063	\$0	\$3,080,644	\$10,150,212	\$14,934,066	\$28,164,923

Table 63 continued on the next page

Table Ad Valorem Tax Collections for Local Taxing Units on Investment					
Year	N/A	Harris County	Sheldon ISD	Other Local Jurisdictions	Total
2064	\$0	\$3,140,078	\$10,346,037	\$15,222,184	\$28,708,299
<u>Total</u>	<u>\$0</u>	<u>\$87,861,022</u>	<u>\$260,293,875</u>	<u>\$425,924,616</u>	<u>\$774,079,513</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
2027	\$46,800,000	\$0	\$46,800,000
2028	\$46,800,000	\$0	\$46,800,000
2029	\$46,800,000	\$0	\$46,800,000
2030	\$46,800,000	\$0	\$46,800,000
2031	\$46,800,000	\$0	\$46,800,000
2032	\$46,800,000	\$0	\$46,800,000
2033	\$46,800,000	\$0	\$46,800,000
2034	\$46,800,000	\$0	\$46,800,000
2035	\$46,800,000	\$0	\$46,800,000
2036	\$46,800,000	\$0	\$46,800,000
2037	\$46,800,000	\$0	\$46,800,000
2038	\$46,800,000	\$0	\$46,800,000
2039	\$46,800,000	\$0	\$46,800,000
2040	\$46,800,000	\$0	\$46,800,000
2041	\$46,800,000	\$0	\$46,800,000
2042	\$46,800,000	\$0	\$46,800,000
2043	\$46,800,000	\$0	\$46,800,000
2044	\$46,800,000	\$0	\$46,800,000
2045	\$46,800,000	\$0	\$46,800,000
2046	\$46,800,000	\$0	\$46,800,000
2047	\$46,800,000	\$0	\$46,800,000

Table 64 continued on the next page

Table 64 - Continued			
Appraised Value of the Facility's Land & Inventories			
Year	Land	Inventories	Total Appraised Value of Land & Inventories
2048	\$46,800,000	\$0	\$46,800,000
2049	\$46,800,000	\$0	\$46,800,000
2050	\$46,800,000	\$0	\$46,800,000
2051	\$46,800,000	\$0	\$46,800,000
2052	\$46,800,000	\$0	\$46,800,000
2053	\$46,800,000	\$0	\$46,800,000
2054	\$46,800,000	\$0	\$46,800,000
2055	\$46,800,000	\$0	\$46,800,000
2056	\$46,800,000	\$0	\$46,800,000
2057	\$46,800,000	\$0	\$46,800,000
2058	\$46,800,000	\$0	\$46,800,000
2059	\$46,800,000	\$0	\$46,800,000
2060	\$46,800,000	\$0	\$46,800,000
2061	\$46,800,000	\$0	\$46,800,000
2062	\$46,800,000	\$0	\$46,800,000
2063	\$46,800,000	\$0	\$46,800,000
2064	\$46,800,000	\$0	\$46,800,000

Appraised Value Assumptions:

Land Value: Impact DataSource assumes the 104-acre site will be appraised at \$450,000 per acre.

Inventories: None

Table 65						
Ad Valorem Taxes for Other Taxing Units on Land & Inventories						
Year	Taxable Value of Land & Inventories	N/A	Harris County	Sheldon ISD	Other Local Jurisdictions	Total
		0.000000	0.380960	1.255200	1.846783	3.482943
2027	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2028	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2029	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2030	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2031	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017

Table 65 continued on the next page

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

Year	Taxable Value of Land & Inventories	N/A 0.000000	Harris County 0.380960	Sheldon ISD 1.255200	Other Local Jurisdictions 1.846783	Total 3.482943
2032	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2033	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2034	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2035	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2036	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2037	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2038	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2039	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2040	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2041	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2042	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2043	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2044	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2045	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2046	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2047	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2048	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2049	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2050	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2051	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2052	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2053	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2054	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2055	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2056	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2057	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2058	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2059	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2060	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2061	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2062	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2063	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
2064	\$46,800,000	\$0	\$178,289	\$587,434	\$864,294	\$1,630,017
Total		\$0	\$6,774,993	\$22,322,477	\$32,843,189	\$61,940,658

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
2027	\$6,689	\$0	\$0	\$0	\$5,976,485	\$1,630,017	\$7,613,191
2028	\$23,706	\$0	\$0	\$0	\$11,777,030	\$1,630,017	\$13,430,754
2029	\$69,242	\$0	\$0	\$0	\$15,740,414	\$1,630,017	\$17,439,673
2030	\$147,350	\$0	\$0	\$0	\$17,587,296	\$1,630,017	\$19,364,664
2031	\$203,683	\$0	\$0	\$0	\$17,235,340	\$1,630,017	\$19,069,040
2032	\$209,582	\$0	\$0	\$0	\$16,877,556	\$1,630,017	\$18,717,156
2033	\$215,654	\$0	\$0	\$0	\$16,492,308	\$1,630,017	\$18,337,979
2034	\$221,904	\$0	\$0	\$0	\$16,120,067	\$1,630,017	\$17,971,988
2035	\$228,337	\$0	\$0	\$0	\$15,864,967	\$1,630,017	\$17,723,322
2036	\$234,959	\$0	\$0	\$0	\$15,798,539	\$1,630,017	\$17,663,515
2037	\$241,774	\$0	\$0	\$0	\$15,910,023	\$1,630,017	\$17,781,815
2038	\$248,789	\$0	\$0	\$0	\$15,913,839	\$1,630,017	\$17,792,646
2039	\$256,010	\$0	\$0	\$0	\$16,024,368	\$1,630,017	\$17,910,396
2040	\$263,443	\$0	\$0	\$0	\$18,225,378	\$1,630,017	\$20,118,838
2041	\$271,094	\$0	\$0	\$0	\$18,569,963	\$1,630,017	\$20,471,074
2042	\$278,969	\$0	\$0	\$0	\$18,921,440	\$1,630,017	\$20,830,427
2043	\$287,076	\$0	\$0	\$0	\$19,279,946	\$1,630,017	\$21,197,039
2044	\$295,420	\$0	\$0	\$0	\$19,645,623	\$1,630,017	\$21,571,060
2045	\$304,010	\$0	\$0	\$0	\$20,018,613	\$1,630,017	\$21,952,640
2046	\$312,851	\$0	\$0	\$0	\$20,399,062	\$1,630,017	\$22,341,931
2047	\$321,952	\$0	\$0	\$0	\$20,787,121	\$1,630,017	\$22,739,091
2048	\$331,321	\$0	\$0	\$0	\$21,182,941	\$1,630,017	\$23,144,280
2049	\$340,965	\$0	\$0	\$0	\$21,586,678	\$1,630,017	\$23,557,660
2050	\$350,892	\$0	\$0	\$0	\$21,998,489	\$1,630,017	\$23,979,398
2051	\$361,111	\$0	\$0	\$0	\$22,418,536	\$1,630,017	\$24,409,665
2052	\$371,631	\$0	\$0	\$0	\$22,846,984	\$1,630,017	\$24,848,632
2053	\$382,459	\$0	\$0	\$0	\$23,284,002	\$1,630,017	\$25,296,478
2054	\$393,607	\$0	\$0	\$0	\$23,729,759	\$1,630,017	\$25,753,383
2055	\$405,082	\$0	\$0	\$0	\$24,184,432	\$1,630,017	\$26,219,531
2056	\$416,894	\$0	\$0	\$0	\$24,648,198	\$1,630,017	\$26,695,110
2057	\$429,055	\$0	\$0	\$0	\$25,121,240	\$1,630,017	\$27,180,312
2058	\$441,573	\$0	\$0	\$0	\$25,603,742	\$1,630,017	\$27,675,332
2059	\$454,460	\$0	\$0	\$0	\$26,095,895	\$1,630,017	\$28,180,371
2060	\$467,726	\$0	\$0	\$0	\$26,597,890	\$1,630,017	\$28,695,633
2061	\$481,382	\$0	\$0	\$0	\$27,109,925	\$1,630,017	\$29,221,325
2062	\$495,441	\$0	\$0	\$0	\$27,632,201	\$1,630,017	\$29,757,660
2063	\$509,914	\$0	\$0	\$0	\$28,164,923	\$1,630,017	\$30,304,854
2064	\$524,813	\$0	\$0	\$0	\$28,708,299	\$1,630,017	\$30,863,130
Total	\$11,800,824	\$0	\$0	\$0	\$774,079,513	\$61,940,658	\$847,820,995

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
2027	\$7,606,860	\$6,331	\$7,613,191
2028	\$13,408,306	\$22,448	\$13,430,754
2029	\$17,374,075	\$65,598	\$17,439,673
2030	\$19,225,000	\$139,663	\$19,364,664
2031	\$18,875,891	\$193,150	\$19,069,040
2032	\$18,518,317	\$198,838	\$18,717,156
2033	\$18,133,284	\$204,695	\$18,337,979
2034	\$17,761,262	\$210,726	\$17,971,988
2035	\$17,506,386	\$216,936	\$17,723,322
2036	\$17,440,186	\$223,329	\$17,663,515
2037	\$17,551,903	\$229,912	\$17,781,815
2038	\$17,555,956	\$236,690	\$17,792,646
2039	\$17,666,727	\$243,669	\$17,910,396
2040	\$19,867,983	\$250,855	\$20,118,838
2041	\$20,212,820	\$258,254	\$20,471,074
2042	\$20,564,554	\$265,873	\$20,830,427
2043	\$20,923,322	\$273,717	\$21,197,039
2044	\$21,289,266	\$281,794	\$21,571,060
2045	\$21,662,528	\$290,111	\$21,952,640
2046	\$22,043,256	\$298,675	\$22,341,931
2047	\$22,431,599	\$307,493	\$22,739,091
2048	\$22,827,708	\$316,572	\$23,144,280
2049	\$23,231,739	\$325,921	\$23,557,660
2050	\$23,643,851	\$335,547	\$23,979,398
2051	\$24,064,205	\$345,459	\$24,409,665
2052	\$24,492,967	\$355,666	\$24,848,632
2053	\$24,930,303	\$366,175	\$25,296,478
2054	\$25,376,387	\$376,997	\$25,753,383
2055	\$25,831,391	\$388,140	\$26,219,531
2056	\$26,295,496	\$399,614	\$26,695,110
2057	\$26,768,884	\$411,428	\$27,180,312
2058	\$27,251,739	\$423,594	\$27,675,332
2059	\$27,744,251	\$436,121	\$28,180,371
2060	\$28,246,613	\$449,020	\$28,695,633
2061	\$28,759,022	\$462,303	\$29,221,325
2062	\$29,281,680	\$475,980	\$29,757,660
2063	\$29,814,791	\$490,064	\$30,304,854
2064	\$30,358,564	\$504,566	\$30,863,130
Total	\$836,539,072	\$11,281,923	\$847,820,995

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	\$11,800,824	\$0	\$0	\$0	\$11,800,824
Harris County	\$0	\$0	\$87,861,022	\$6,774,993	\$94,636,015
Sheldon ISD	\$0	\$0	\$260,293,875	\$22,322,477	\$282,616,352
Port of Houston Authority	\$0	\$0	\$1,360,720	\$104,926	\$1,465,646
Harris County Flood Control	\$0	\$0	\$11,453,114	\$883,153	\$12,336,268
Harris County Hospital	\$0	\$0	\$43,268,601	\$3,336,456	\$46,605,057
Harris County Education Department	\$0	\$0	\$1,106,565	\$85,328	\$1,191,893
San Jacinto Community College	\$0	\$0	\$35,658,946	\$2,749,673	\$38,408,619
Harris County ESD 60	\$0	\$0	\$19,419,094	\$1,497,413	\$20,916,507
Harris County ESD 2	\$0	\$0	\$6,918,917	\$533,520	\$7,452,437
Generation Park Mgmt Dist	\$0	\$0	\$306,738,658	\$23,652,720	\$330,391,378
Total	\$11,800,824	\$0	\$774,079,513	\$61,940,658	\$847,820,995

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:

	During Construction	During Operations
Output multiplier	2.4464	2.0054
Employment multiplier	2.2999	2.9933
Earnings multiplier	2.0049	2.2371

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

	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 2025	Number of Households in the State (2024 ACS)	Amount of Annual Collections Per Worker Household
Cigarette and tobacco taxes	\$1.111 B	11,449,769	\$97
Alcoholic beverage taxes	\$2.068 B	11,449,769	\$181
Net lottery proceeds	\$2.812 B	11,449,769	\$246
Total			\$524.00

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	\$97.00
Alcoholic beverage taxes	\$181.00
Net lottery proceeds	\$246.00
Total	\$999.00

Estimated annual increase in the above taxes per worker over each of the next 38 years 3.00%

Local tax rates used in this analysis:

Local Sales Tax Rates

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		0.380960
School: Sheldon ISD		1.255200
	M&O Rate:	0.755200
	I&S Rate:	0.500000
Spec Dist #1: Port of Houston Authority		0.005900
Spec Dist #2: Harris County Flood Control		0.049660
Spec Dist #3: Harris County Hospital		0.187610
Spec Dist #4: Harris County Education Department		0.004798
Spec Dist #5: San Jacinto Community College		0.154615
Spec Dist #6: Harris County ESD 60		0.084200
Spec Dist #7: Harris County ESD 2		0.030000
Spec Dist #8: Generation Park Mgmt Dist		1.330000
Total Rate		3.482943

AFFIDAVIT OF PAY RU WU

BEFORE ME, the undersigned authority, personally appeared Pay Ru Wu, who, being by me duly sworn, deposed and said:


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

I am Senior Director Global Real Estate of the E.R. SQUIBB & SONS, L.L.C. and am authorized to make this affidavit on behalf of E.R. SQUIBB & SONS, L.L.C. E.R. SQUIBB & SONS, L.L.C. 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 E.R. SQUIBB & SONS, L.L.C. has thoroughly reviewed the ineligibility criteria outlined in Section 403.606 and E.R. SQUIBB & SONS, L.L.C. affirms to the best of our knowledge and belief, none of the circumstances or conditions that render the Applicant ineligible under Government Code, §403.606 are applicable.

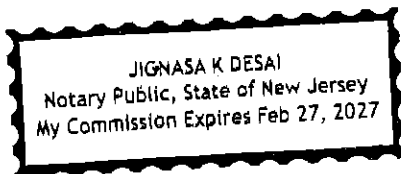
We understand the importance of accuracy and completeness in providing this information and acknowledge that any false statement or misrepresentation may result in legal consequences including rejection of an application or rescission of an agreement entered under the Act.”


WITNESS MY HAND on this the 1 day of May, 2026.



Pay Ru Wu

SUBSCRIBED AND SWORN TO BEFORE ME on 1st May 2026 to certify which witness my hand and official seal.





Notary Public, State of New Jersey

My commission expires Feb. 27 2027