

Attachment A

Application



# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

**Form 50-296**  
(Revised May 2010)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

**April 19, 2011**

Authorized School District Representative

First Name

**Paul**

Last Name

**Clore**

Title

**Superintendent**

School District Name

**Gregory-Portland ISD**

Street Address

**608 College Street**

Mailing Address

**608 College Street**

City

**Portland**

State

**TX**

ZIP

**78374**

Phone Number

**361-777-1091**

Fax Number

**361-777-1093**

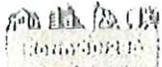
Mobile Number (optional)

E-mail Address

**pclore@g-pisd.org**

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

Will consultant be primary contact? .....  Yes  No



Application for Appraised Value Limitation on Qualified Property

Application for Appraised Value Limitation on Qualified Property

Authorized School District Consultant (If Applicable)

First Name Daniel T.

Last Name Casey

Title Partner

Firm Name Moak, Casey & Associates LLP

Street Address 400 W. 15th Street, Suite 1410

Mailing Address 400 W. 15th Street, Suite 1410

City Austin

State TX

ZIP 78701-1648

Phone Number 512-485-7878

Fax Number 512-485-7888

Mobile Number (Optional)

E-mail Address dcasey@moakcasey.com

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signed and Dated by School District Representative

Paul Close

5-4-11

Date

Has the district determined this application complete? Yes No

If yes, date determined complete. April 28, 2011

Have you completed the school finance documents required by TAC 9.1054(c)(3)? Yes No

Application for Appraised Value Limitation on Qualified Property

Table with 3 columns: Checklist, Page X of 16, Check Completed. Rows 1-6 detailing application steps and completion status.



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name  
C.C.

Last Name  
Lam

Title  
Director

Organization  
TPCO America Corporation

Street Address  
10700 Richmond Avenue, Suite 302

Mailing Address  
10700 Richmond Avenue, Suite 302

City  
Houston

State  
TX

ZIP  
77042

Phone Number  
(713) 266-2699

Fax Number  
(713) 266-2697

Mobile Number (optional)

Business e-mail Address  
cclam@tianjinpipe.com

Will a company official other than the authorized business representative be responsible for responding to future information requests?  Yes  No

If yes, please fill out contact information for that person.

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

E-mail Address

I authorize the consultant to provide and obtain information related to this application...  Yes  No

Will consultant be primary contact?  Yes  No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

D. Dale

Title

Partner

Firm Name

Cummings Westlake LLC

Street Address

12837 Louetta Road, Suite 201

Mailing Address

12837 Louetta Road, Suite 201

City

Cypress

Phone Number

713-266-4456

Business email Address

dcummings@cwlp.net

Last Name

Cummings

State

TX

ZIP

77429

Fax Number

713-266-2333

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

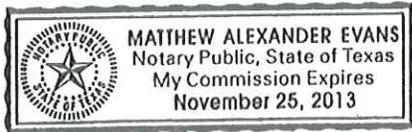
Signature (Authorized Business Representative (Applicant))

Date

*[Handwritten Signature]*

4/18/2011

GIVEN under my hand and seal of office this 18 day of April, 2011



(Notary Seal)

*Matthew Alexander Evans*

Notary Public, State of TX

My commission expires 11/25/2013

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

**FEES AND PAYMENTS**

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

- A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?  Yes  No
- B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

TPCO America Corporation

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

32037771832

NAICS code

331210

Is the applicant a party to any other Chapter 313 agreements?  Yes  No  
 If yes, please list name of school district and year of agreement.

**APPLICANT BUSINESS STRUCTURE**

Registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Corporation

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?  Yes  No  
 If so, please attach documentation of the combined group membership and contact information.
2. Is the applicant current on all tax payments due to the State of Texas?  Yes  No
3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  NA  Yes  No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

See Attachment 4

Describe the ability of your company to locate or relocate in another state or another region of the state.

See Attachment 4A

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs, Construct New Facility, New Business / Start-up, Expand Existing Facility, Relocation from Out-of-State, Expansion, Purchase Machinery & Equipment, Consolidation, Relocation within Texas

PROJECTED TIMELINE

Begin Construction October 2011, Begin Hiring New Employees 2013, Construction Complete December 2013, Fully Operational First Quarter 2014, Purchase Machinery & Equipment 2012

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

Note: Improvements made before that time may not be considered qualified property. When do you anticipate the new buildings or improvements will be placed in service? First Quarter 2014

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
Texas Enterprise Zone	\$3,750,000
Texas Skills Development Fund	\$ 600,000
Texas Capital Fund	\$1,000,000
Total	\$5,350,000

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Chapter 312 tax abatements have been requested from San Patricio County and San Patricio County Drainage District. Tax abatement agreements have not been executed at the time this application is submitted.

**THE PROPERTY**

Identify county or counties in which the proposed project will be located San Patricio

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

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: San Patricio (100%) City: n/a  
(Name and percent of project) (Name and percent of project)

Hospital District: n/a Water District: n/a  
(Name and percent of project) (Name and percent of project)

Other (describe): Drainage District (100%) Other (describe): \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



Application for Appraised Value Limitation on Qualified Property

INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$20,000,000

What is the amount of appraised value limitation for which you are applying? \$20,000,000

What is your total estimated qualified investment? \$819,775,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? July 15, 2011

What is the anticipated date of the beginning of the qualifying time period? July 15, 2011

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$820,575,000

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [ ] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [ ] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [ ] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements - with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [X] Yes [ ] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?

Will the applicant own the land by the date of agreement execution? [X] Yes [ ] No

Will the project be on leased land? [ ] Yes [X] No



QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ... [ ] Yes [X] No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. None (Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... [ ] Yes [X] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ... [X] Yes [ ] No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? None

The last complete calendar quarter before application review start date is the:

[ ] First Quarter [ ] Second Quarter [ ] Third Quarter [X] Fourth Quarter of 2010 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? None

Note: For job definitions see TAG §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAG §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

Not applicable

Total number of new jobs that will have been created when fully operational 400 when fully operational. May increase to 600 after fully operational

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ... [X] Yes [ ] No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ... [ ] Yes [X] No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 480 in 2016

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$823

110% of the county average weekly wage for manufacturing jobs in the county is \$1,492

110% of the county average weekly wage for manufacturing jobs in the region is \$972

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or §313.021(5)(B) or §313.021(3)(E)(ii), or §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$50,564

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$50,564

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? Yes No

Will each qualifying job require at least 1,600 of work a year? Yes No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes No

Will any of the qualifying jobs be retained jobs? Yes No

Will any of the qualifying jobs be created to replace a previous employee? Yes No

Will any required qualifying jobs be filled by employees of contractors? Yes No

If yes, what percent?

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? Yes No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

See Attachment 15

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No

Is Schedule A completed and signed for all years and attached? Yes No

Is Schedule B completed and signed for all years and attached? Yes No

Is Schedule C (Application) completed and signed for all years and attached? Yes No

Is Schedule D completed and signed for all years and attached? Yes No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE**

**Property Tax Limitation Agreement Applications  
Texas Government Code Chapter 313  
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

Checklist	Page X of 16	Check Completed
1 Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2 Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3 For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4 Detailed description of the project	6 of 16	✓
5 If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	✓
6 Description of Qualified Investment (Attachment)	8 of 16	✓
7 Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8 Description of Qualified Property (Attachment)	8 of 16	✓
9 Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10 Description of Land (Attachment)	9 of 16	✓
11 A detailed map showing location of the land with vicinity map.	9 of 16	✓
12 A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13 Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	✓
14 Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15 Description of Benefits	10 of 16	✓
16 Economic Impact (if applicable)	10 of 16	✓
17 Schedule A completed and signed	13 of 16	✓
18 Schedule B completed and signed	14 of 16	✓
19 Schedule C (Application) completed and signed	15 of 16	✓
20 Schedule D completed and signed	16 of 16	✓
21 Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22 Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23 Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24 Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

\*To be submitted with application or before date of final application approval by school board.

Schedule A (Rev. Jan. 2010): Investment

**PROPERTY INVESTMENT AMOUNTS**

(Estimated Investment In each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or Permanent Nonremovable Component of Building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)					X		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)							
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)							
Complete tax years of qualifying time period	1					X		
	2							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3						
		4						
		5						
		6						
		7						
		8						
		9						
		10						
Credit Settle-Up Period	Continue to Maintain Viable Presence	11						
		12						
		13						
Post- Settle-Up Period		14						
Post- Settle-Up Period		15						

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

**Column A:** This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals. [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property]. Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

**Column B:** The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E). For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

**Column D:** Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value – for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



### Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name \_\_\_\_\_

ISD Name \_\_\_\_\_

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions From Market Value	Estimated Taxable Value	
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O - after all reductions
		pre- year 1								
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1								
		2								
		3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

### Schedule C - Application: Employment Information

Applicant Name		ISD Name								
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs			
			Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs		
	pre- year 1									
Complete tax years of qualifying time period	1									
	2									
	3									
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



### Schedule D: (Rev. Jan. 2010): Other Tax Information

Applicant Name \_\_\_\_\_

ISD Name \_\_\_\_\_

Year	School Year (YYYY)	Tax/Calendar Year (YYYY)	Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought				
			Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
			Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)										
Complete tax years of qualifying time period	1									
	2									
	3									
	4									
	5									
Value Limitation Period	6									
	7									
	8									
	9									
	10									
Credit Settle-Up period	11									
	12									
Continue to Maintain Viable Presence	13									
	14									
Post- Settle-Up Period	15									

\*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

ATTACHMENT 1

See application

ATTACHMENT 2

Copy of check attached. Please note that TPCO America Corporation filed an Application for Appraised Value Limitation on Qualified Property with Gregory-Portland ISD in 2009. The application was never acted upon. Gregory-Portland ISD has advised TPCO America Corporation that the application fee paid in 2009 will be used for this application.

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)*

ATTACHMENT 3

TPCO America Corporation is not a combined group for franchise tax reporting purposes. No documentation of combined group membership and contact information is applicable.

**ATTACHMENT 4**

TPCO America Corporation plans to build and operate a 750,000 tons per year seamless steel pipe manufacturing mill. A process description is attached. The project will install property and equipment including but not limited to the following:

Buildings	Improvements	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment
Alloy warehouse	Scrap yard	Electric arc furnace and baghouse	Direct evacuation (DEC) system	Non-destructive testing machine	Sinter plate filter
Alloy warehouse baghouse	Billet storage yard	Air cooling system	Dust absorbing unit and baghouse	Oil skimmers	Sizing mill
Chemical feeding room	Bulk storage bin	Argon blowing system	Dust collector system & silo	Overhead cranes	Sludge scrapers
Filtering building	Canopy hood	Billet cutting saw	Extracting mill and conveyor	Paint collection system	Straightening machine
Hot pipe rolling building	Concrete-lined slag pits	Condenser	Furnace electrodes	Pipe layer saw	Tempering furnaces and stacks
Office building	Paved parking areas	Borax spray and collection system	Hot sizing mill	Pipe threading machine	Spare parts
Slag building	Rail spurs	Chain conveyor system	Ingoing skids	Pressurized air system	Vacuum degassing unit
Steel making building	Slag yard	Charging buckets (scrap baskets)	High pressure water descaling system	Quench furnace and stack	Vacuum system
Welding/repair shop building	Scrap charging bay	Cooling water recirculation system	Hydrostatic testing machine	Radical sedimentation tank	Vacuum tank and lid
	Underground bulk storage area	Cone type piercing mill	Jet printing machine	Refractory lined ladle	Waste emulsion tank
		Continuous casting machine	Ladle dryers and pre-heaters	Refractory lined tundish	Waste water treatment system
		Continuous conveyor	Ladle metallurgy furnace & baghouse	Reheat furnaces	Water descaling system
		Conveyor belts	Ladle metallurgy station	Retained mandrel pipe mill	Water quenching system
		Cooling beds	Lime storage silos	Rotary hearth furnaces	Water spray system
		Coupling screw-on machine	Mandrel preheat furnace	Sealed slag crusher	Water treatment system
		Coating devices	Natural gas fired heaters	Steam boiler	Water cooling towers
		Delivery tables	Natural gas oxygen torch system	Sedimentation tanks	

The proposed TPCO Texas Mill will function as a “mini” steel mill. In a minimill, steel products are manufactured from scrap steel. Iron ore will not be processed at the minimill. Minimills do not utilize coke ovens or blast furnaces, which have historically been used to manufacture steel at conventional steel mills, but instead use electric arc furnaces (EAFs) to melt scrap. The following sections contain a detailed description of the processes proposed at the TPCO Texas Mill. The proposed TPCO Texas Mill is expected to produce up to 750,000 metric tons of pipes per year.

## MINIMILL OPERATIONS

### SCRAP MATERIAL STORAGE AND PREPARATION

Scrap steel for the TPCO Texas Mill will be purchased from outside suppliers and transported to the facility by truck or railcar. Scrap material will arrive in a pre-processed (i.e., pre-shredded) form that can be used directly in the steelmaking process. The scrap will be stored in the scrap yard, while the scrap charging bay will serve as intermediate storage between the scrap yard and the feedstock system.

### RAW MATERIAL STORAGE AND HANDLING

Various raw materials will be purchased from outside vendors, then stored and handled at the facility prior to use in the steelmaking process. These materials include the following:

- Fluxing agents (e.g. lime, carbon powder, light burned dolomite)
- Alloy aggregate

Lime will be transported to the TPCO Texas Mill in trucks and stored in lime storage silos. The storage silos will be equipped with fabric filter baghouse vents to reduce PM emissions. Lime will be transferred to the EAF elevated bunker and subsequently fed to the EAF by conveyor belt. The EAF elevated bunker is connected to a baghouse to reduce PM emissions. Lime to be transferred to the ladle metallurgy furnace (LF) will be loaded to charging buckets in the lime warehouse and transported by truck to the raw material bay. In the raw material bay, lime will be transferred from the charging bucket to the LF elevated bunker by overhead crane and will subsequently be fed to the LF by conveyor belt.

Light burned dolomite and carbon powder will be transported to the plant in sealed bags by truck and directly loaded to the alloy warehouse. Overhead cranes will bring the bags into position over underground bulk storage where they will be unloaded. The fluxing agents will be transferred to the EAF elevated bunker in the meltshop and subsequently fed to the EAF by conveyor belt. PM emissions generated during the unloading of fluxing agents will be controlled by a canopy hood above the bulk storage bin, which will be vented to the alloy warehouse baghouse. PM emissions resulting from the transfer of the materials to the EAF will be controlled by dedicated bin vent baghouses.

Alloys are used in both the EAF and LF for refining steel metallurgy. Alloys in sealed bags will be transported by truck to the plant in aggregate form and unloaded in bulk storage bins. The alloy aggregate will be transferred to charging buckets in the alloy warehouse and transported by truck to the raw material bay. In the raw material bay, alloy aggregate will be transferred from charging buckets to the LF elevated bunker by overhead crane and subsequently fed to the EAF and LF by conveyor belt.

### EAFMELTING AND REFINING OPERATIONS

To initiate the steelmaking process, pre-shredded scrap material will be placed in an electric arc furnace (EAF). During a "cold" startup of the EAF operation, loading of scrap will be accomplished using charge buckets (i.e., scrap baskets), which are transported into position over the EAF using overhead cranes. Once the scrap basket is in position, the furnace roof will pivot to the side, and the scrap will be charged to the furnace. Approximately two or three charges of scrap will be required to produce one batch ("heat")

of molten steel. Once charging is complete, the furnace roof will be re-positioned, and the furnace electrodes will be lowered. Electrical power will then be provided to increase the temperature of the entire charge of scrap to beyond the steel melting point of approximately 2,700 degrees Fahrenheit (°F).

After the first batch ("heat") of steel is melted, scrap for subsequent heats will be fed to the EAF using a continuous conveyer ("Consteel" conveyer). The conveyer system will allow the continuous feeding of scrap material to the EAF without opening the roof of the furnace, which is expected to result in considerable energy savings. In addition, the section of the Consteel conveyer closest to the EAF will be enclosed to allow for pre-heating of the scrap using the off-gas from the EAF. In the preheating section the carbon monoxide in the exhaust gas is oxidized by an automatically controlled injection of air, allowing more energy to be recovered by the system. From this point, the EAF off-gas will be routed to a baghouse stack. A dynamic seal system will ensure that off-gas routed through the Consteel conveyer will not escape into the steel making workshop building or outside environment. The dynamic seal will also prevent the EAF baghouse from losing capacity by keeping clean air from being captured at the scrap feeding point.

During the melting process, fluxing agents (e.g., lime, light burned dolomite) will be used to remove impurities from the steel through the formation of "slag." Oxygen and reducing agents (carbon powder) will be injected to make the slag foam. Foamy slag provides insulation to reduce energy losses, protects the furnace panels from arcing, lowers refractory wear by shielding radiation, and improves heat transfer to the cooler scrap zones near the furnace walls. The floating slag rises as it foams. It is poured through the slag door into a pit below the furnace.

Once melting and refining within the EAF is complete, the contents of the furnace will be poured ("tapped") into a refractory-lined chamber ("ladle"), which will transport the molten steel to the ladle metallurgy furnace (LF) for further refining. A 36- to 46-ton "heel" of molten steel is typically left in the furnace after the furnace has been tapped in order to assist in the melting of the subsequent heat's scrap charges. Once or twice per day, the molten heel is tapped out of the furnace so that the refractory can be inspected and repaired if needed. After tapping the molten heel, a "cold" startup is required in which the scrap baskets are used to charge scrap to the furnace.

EAF emissions are generated during charging, melting, refining, and tapping. In general, when the furnace roof is closed, emissions will be controlled by a direct evacuation control (DEC) system, which is vented through a large diameter air-cooled duct to the EAF baghouse. When the furnace roof is open, emissions will be captured by the canopy hood above the EAF, which is also vented to the EAF baghouse. Emissions that are not captured by the DEC system or the canopy hood may be released as fugitives through the steelmaking workshop vent. Based on experience from other minimills currently in operation throughout the United States, approximately 99.9% of the gaseous emissions generated in the EAF are captured by either the DEC system or the canopy hood.

During charging, PM and VOC emissions will be generated by the partial combustion of grease, oil, plastics and paper attached to the scrap. Some PM emissions will be generated from the release of loose iron oxide (rust) particles on the scrap. CO emissions will be generated during charging of the furnace due to partial combustion of the carbon containing materials being charged. Charging of scrap will only be performed once or twice per day, during the "cold" startup of the EAF. Emissions generated during charging will be controlled by a canopy hood above the EAF, which is vented to the EAF baghouse.

Melting and refining emissions will include PM, CO, NO<sub>x</sub>, SO<sub>2</sub>, and small quantities of VOC. PM will be generated from the release of loose iron oxide (rust) particles on the scrap, condensation of volatilized lower-boiling point metals, and incomplete combustion of carbon-containing materials charged to the furnace. CO will also be emitted as a result of incomplete combustion of carbon-bearing materials charged to the furnace and incomplete combustion of carbon in the furnace electrodes. NO<sub>x</sub> emissions will be formed within the EAF during melting as a result of the elevated temperatures within the EAF. During melting, SO<sub>2</sub> will be generated within the furnace due to oxidation of sulfur contained in the combustibles. VOCs not oxidized during charging of the furnace will be oxidized during melting. During melting and refining, the furnace roof is closed, and emissions will be controlled by the DEC system, which is vented to the EAF baghouse.

Any emissions that may escape as fugitives will be captured by the canopy hood above the EAF, which also is vented to the EAF baghouse.

Emissions during tapping operations may include small quantities of PM, CO, and SO<sub>2</sub>. PM emissions will result from the fumes generated by the molten steel. CO and SO<sub>2</sub> will form as a result of oxidation of a portion of the residual carbon and sulfur in the molten steel. Emissions from tapping will be controlled by the canopy hood above the EAF, which is vented to the EAF baghouse.

EAF dust will be collected in the EAF baghouse and transferred directly from the baghouse into sealed trucks to be transported offsite. A sealed pipe will be connected to the bottom of the baghouse on one end and an open buffering bag on the other end. Periodically, dust will be collected by loading the bag into the trucks and transferring the dust from the pipe and bag into the trucks. The transfer operation will take place in an enclosed attachment of the baghouse. Since the enclosure will be under negative pressure, no air emissions are expected to result from the handling of EAF dust. The trucks will transport the dust offsite without any intermediate storage within the facility.

#### **LADLE METALLURGY STATION REFINING OPERATIONS**

While some rough refining will be performed within the EAF, the EAF will be used primarily for melting scrap material. Once the steel reaches the desired conditions, the steel will be tapped into a refractory-lined chamber ("ladle") to be transported to the ladle metallurgy station (LMS). The LMS consists of a ladle furnace (LF) and a vacuum degassing unit (VD). At the LF, the ladle will be connected to a ladle furnace roof, which contains electrodes for further electrical heating. The injection of additional raw materials will also be accomplished in the LF. During the course of steel refining in the LF, argon is continuously injected to stir the liquid steel to a uniform composition and to adjust the temperature.

When producing some high quality steel, degassing treatment by VD is necessary after refinement in the LF. A VD is used to reduce the concentrations of dissolved gases (H<sub>2</sub>, N<sub>2</sub>, O<sub>2</sub>) in the liquid steel, remove oxide inclusion materials from the liquid steel, and provide the means and technical conditions that are favorable for final desulfurization. In the VD vessel, impure materials are facilitated to float on the surface of liquid steel and the purity of liquid steel is highly improved by blowing argon into liquid steel under vacuum condition.

The VD system is composed of a vacuum tank, vacuum tank lid, argon blowing system on the bottom of the ladle, and vacuum system. From the LF, the ladle will be transported to the VD vessel by overhead crane. When the ladle is in position, argon blowing from the bottom of the ladle will be started to stir the liquid steel and homogenize the liquid steel composition and bath temperature. The vacuum tank will then be covered by a lid and vacuum processing will begin. Vacuum processing occurs for

approximately 8 to 15 minutes, and argon continuously stirs the liquid steel with low air flow. Air will be blown into the tank to break the vacuum conditions. When the lid opens, wire feeding will be conducted with argon blowing. When the temperature and composition of the liquid steel meet the requirements, the argon blowing system will be turned off and ladle cover agents will be added into the steel bath to preserve heat. The ladle will then be transported to the caster by overhead crane. During the VD process, no material will be charged into the ladle except wire feeding.

Exhausted gas and PM from the vacuum tank will be pumped to an air cooling and dust collector system. When exhausted gas is cooled on the vertical air cooling device, some large-diameter PM will deposit by gravity. A sealed silo will be installed below the air cooling and dust collector system, where dust will be collected and cleaned regularly. Exhausted gas from the cooling and dust collector system will enter the vacuum pump system, and then enter condensers with steam. After the last condenser, the gas and steam will be exhausted from the VD steam stack (EPN VDSS). PM entrained in the cooling water will be treated in the water treatment system.

The ladle is lined with refractory and preheated before being used. The ladle preparation area will consist of dryers and preheaters. Both the dryers and preheaters will be natural gas fired. Combustion emissions will be released during preheating and drying of the ladle. The refractory lining of the ladle will also require occasional repair and replacement. This may involve the use of organic binding agents, which may generate small quantities of VOC emissions. In addition, some PM emissions may be generated from the removal of spent refractory.

LF emissions are expected to be similar to emissions generated during melting operations within the EAF, but much smaller in magnitude. Contaminants which may be emitted include PM, CO, NO<sub>x</sub>, SO<sub>2</sub>, and VOC. PM emissions will be generated primarily from iron oxide in steel and metal fumes. PM emissions from the LF are expected to be lower than PM emissions from the EAF because the steel will already be in molten form and the low-vapor point metals will have already been volatilized. Additionally, some reduction of PM generation, especially metal fumes, will result from the filtering effect of the slag layer, which will float on the molten steel bath. Small quantities of CO emissions from the LF may also result from the oxidation of carbon containing materials such as the LF's electrodes. Small amounts of NO<sub>x</sub> may be emitted as air comes in contact with any exposed molten metal surfaces. Very small quantities of SO<sub>2</sub> may also be emitted due to oxidation of carbon materials and residual sulfur in the bath.

An air-cooled duct connected to the ladle furnace roof will vent emissions from the LF to the LF baghouse (EPN LSTBS). Some emissions will also be captured by the canopy hood above the LF, which also is vented to the LF baghouse. In addition, emissions from raw material transfer to the elevated bunker will also be captured and vented to the LF baghouse. Approximately 99.9% of emissions generated by the LF will be routed to the LF baghouse. The remaining emissions may be released from the building as fugitives through the steel making workshop vent (EPN SMWV). Emissions from the dryers, preheaters, and ladle relining activities are all conservatively assumed to be released from the building as fugitives through the steel making workshop vent.

#### **SLAG HANDLING AND CRUSHING**

Slag is formed in both the EAF and LF. The slag formed in the EAF tends to be larger in diameter and requires processing prior to resale as a usable aggregate product.

The slag formed in the EAF will be emptied into concrete-lined pits beneath the furnace for cooling. Cooling slag is subsequently removed by front-end loaders and transferred to a water quenching area in the slag yard. After 24 hours of water quenching, most of the slag will be in powder form. Only a small portion of the slag will be in lump form and will be transferred to a building in the corner of the slag yard. In the building, a sealed crusher will process the slag into small pieces. Since the slag is processed in an enclosed building with high moisture, the crushing emissions are expected to be minimal. The processed slag is subsequently loaded into dump trucks and transferred offsite.

The slag formed in the LF will be emptied from the ladle after the LF refining operation is complete. After cooling, the LF slag will be transported to the slag yard and processed in the same manner as EAF slag.

### **CONTINUOUS CASTING OPERATIONS**

Once the molten steel reaches the desired properties in the LF or VD, the ladle will be removed and transported by overhead crane to a continuous casting machine. In the caster, steel will be tapped from the ladle into another refractory-lined chamber ("tundish"). From the tundish, the molten steel will flow from four outlets of the tundish into four molds lubricated with mold fluxes (crystallizer covering slag). As the steel travels through the mold, it will be cooled and formed into steel billets with a liquid core. As the partially cooled steel continues out of the mold, it is further cooled by water sprays. After leaving the spray chamber, curved billets are straightened by the straightening machine. The billets are then cut into individual pieces with fixed lengths by an automatic natural gas/oxygen torch system. Billets then continue on to the cooling bed and are picked up by an overhead crane and placed into storage bays.

The relatively low level of emissions occurring during casting primarily results from the combustion of natural gas from the tundish preheater and the cutting torch system. Small quantities of emissions also may result from the molten steel. The caster-related emissions primarily leave the steel making workshop building via the steel making workshop vent. Steam from the spray cooling chamber exhausts through two stacks located on the outside wall of the steel making workshop building.

The tundish will be preheated using a natural gas-fired heater. Combustion emissions will be released during tundish preheating. In addition, the refractory lining of the tundish must be repaired occasionally. This may involve the use of organic binding agents, which may generate small quantities of VOC emissions. In addition, some PM emissions may be generated from the removal of spent refractory. Emissions from the tundish preheating and tundish refractory repair are assumed to be released from the building as fugitives through the steel making workshop vent.

### **PIPE MILL**

#### **BILLET STORAGE AND PREPARATION**

Steel billets with fixed length and diameter will be transported from the steel making workshop to the hot pipe rolling workshop by overhead crane and stored in the billet storage yard. A portion of the billets will be transferred to the billet preparation area by delivery table and ingoing skid as needed. Billets will be cut into required lengths by the billet cutting saw and weighed in the preparation area.

After weighing, billets will be charged into the rotary hearth furnace (RHF), in which the billets will be heated to a proper temperature for the next piercing process. Emissions from the combustion of natural gas in the rotary hearth furnace are exhausted through a roof-top stack.

When producing some high-alloy steel pipes and thin wall pipes, billets will need to be centered by the cold centering machine before being charged into the RHF.

During the course of billet storage, transportation, and preparation, PM emissions will be generated primarily from iron oxides.

## **HOT ROLLING**

Heated billets from the RHF will be transported by delivery table to the cone type piercing mill, by which they will be pierced into hollow thick wall pipes ("hollow billets"). Subsequently, hollow billets will pass through a borax spraying and collection system, where steel scale inside the hollow billets can be blown off by nitrogen and borax.

After being descaled, hollow billets will be conveyed through the PQF retained mandrel pipe mill which reduces the diameters and uniform wall thickness of hollow billets. The hot formed billet is called a "pierced billet". During pipe hot rolling, the external surfaces of pierced billets will be cleaned by a high pressure water descaling system.

PM emissions generated during hot rolling will be controlled by canopy hoods above the cone type piercing mill, the borax spraying and collection system, the entrance and exit of the PQF pipe mill and the extracting mill, which will be vented to the sinter plate filter in the hot rolling workshop.

Before hot rolling, mandrels lubricated with graphite will be preheated in the mandrel preheat furnace and then pulled through the hollow billets. After hot rolling, mandrels will be extracted from the pierced billets in the extracting mill. Then the mandrels will be cooled and lubricated with graphite for reuse. Emissions from the combustion of natural gas in the mandrel preheat furnace will be exhausted through a roof-top stack above the mandrel bar workshop.

PM emissions will be generated primarily from iron oxide. Small amounts of NO<sub>x</sub> may be emitted as air comes in contact with exposed hot pipes.

## **SIZING**

The extracting mill outlet conveyor mainly consists of a run-out roller way adjustable on height, consisting of driven rolls, mounted on a suitable support frame, and the fixed shock-absorbing tube stopper. A shell-guiding device will assure a proper shell centering for the measuring system. A support frame for installation of measuring device is installed. In the area of the wall thickness measuring system protection measures have to be undertaken, to assure personal safety.

A rotary arm system, with electromechanical drive, will transfer the shell from the extracting mill outlet conveyor to the following chain type transfer. Inlet conveyor of the Sizing Mill. Sizing Mill inlet roller table, with individually driven rolls (complete of tube inspection bench equipped with rotating and kick-out device), is provided for feeding the tubes to the Sizing Mill.

After sizing, pipes will be cooled on the cooling bed and then transported to the pipe layer saw for head and tail end cutting and fixed length cutting. Emissions from pipe cutting will be captured by the canopy hood above the sizing mill, which will be connected to the sinter plate filter.

Subsequently, pipes will pass through the straightening machine and non-destructive testing (NDT) machine in turn. There will be a dust absorbing unit (i.e., iron boxes) between the straightening process and the non-destructive testing process, in which the iron scale on pipes can be removed by pressurized air from one side of the unit into a dust collector on the other side of the unit. The dust absorbing unit will be equipped with a baghouse to control PM emissions, which will then be routed to the hot rolling and pipe processing workshop vent.

After NDT, weighing, and length measuring, hot rolled pipe will be stored in the intermediate storage.

## **HEAT TREATMENT**

For some types of seamless steel pipe, heat treatment is required. First, hot rolled pipes from the intermediate storage will be transported to the quench furnace and will be heated to different required temperatures. A high pressure water descaling system will be equipped at the exit of the quenching furnace for pipe surface descaling. After descaling, there will be three different subsequent heat treatment processes, according to different requirements.

- **QUENCHING AND TEMPERING PROCESS**

From the quench furnace and water descaling system, pipes will be cooled quickly by cooling water when passing through the quenching unit. Pipes will then be transported to the tempering furnace for temper treatment.

- **NORMALIZING AND TEMPERING PROCESS**

From the quench furnace and water descaling system, pipes will be cooled slowly on the cooling bed, and will then be transported to the tempering furnace for temper treatment.

From the above two processes, pipes from the tempering furnace will be transported to the hot sizing mill, hot straightening machine and cooling bed in turn to complete the entire heat treatment process. Emissions from the combustion of natural gas in the quenching furnace and tempering furnace are exhausted through the quenching furnace stack and the tempering furnace stack, respectively.

- **NORMALIZING PROCESS**

From the quench furnace and water descaling system, pipes will be transported directly to the cooling bed.

Cooled pipes treated in the above three processes will then go through straightness and hardness inspection. The pipes that cannot meet the hardness requirements will be sent back to repeat their respective heat treatment process.

Before going through NDT, pipes will pass through a dust absorbing unit (i.e., iron boxes), in which the iron scale on pipes is removed by pressurized air from one side of the unit into a dust collector on the other side of the unit. The dust absorbing unit is equipped with a baghouse to control PM emissions, which will then be routed to the hot rolling and pipe processing workshop vent.

After NDT, the qualified pipes will return to intermediate storage for further processing.

#### **PREMIUM CONNECTING PIPE FINISHING**

Semi-manufactured pipes for the premium connecting pipe finishing line will be produced on site or purchased from outside suppliers. Seventy-five percent of the semi manufactured pipes will be heat-treated pipes.

Semi-manufactured pipes from outside suppliers that have passed hydrostatic testing will be transported by overhead crane to the pipe threading machine in the premium connecting pipe line for pipe end threading. Those pipes that have not passed hydrostatic testing will go through hydrostatic testing before pipe end threading.

After threading, the pipes will go through screw thread testing. Unqualified pipes will be transported off-line to the sawing machine to be cut and then transported back to the premium connecting line. After applied lubricating grease onto pipe threads, qualified pipes will then be transferred to a coupling screw-on machine to screw a pipe connector on one of the pipe ends.

Subsequently, the pipes will be transported to another pipe threading machine, the other end of qualified pipes will be threaded, followed by screw thread testing. Pipes that pass screw thread testing will then be lubricated with lubricating grease and pin and box protectors will be screwed on the end.

After weighing, length measuring, and marking/printing on jet printing machine, pipes will be transferred to UV coating devices where UV paint will be solidified on the surface of pipes. UV paint does not contain any solvents, so there will be very little VOC emissions during the painting process. Finished pipes will be transported to finished pipe storage by overhead crane.

During the threading and hydrostatic testing process, emulsion will be used. Waste emulsion will be collected and stored in waste emulsion tank in the workshop, which may emit a small amount of VOCs.

#### **CASING PIPE FINISHING**

Heat treated and hot rolled pipes from intermediate storage will be transported to the pipe threading machine in the casing pipe line for pipe end threading. After threading, the pipes will go through pipe end inspection.

Unqualified pipes will be transported off-line to the sawing machine to be cut and then transported back to the casing pipe line. Qualified pipes will be directly transferred to a coupling screw-on machine to screw a pipe connector on one of the pipe ends.

Subsequently, the screwed pipes will go through the hydrostatic test and drift diameter inspection. After inspection, the other end of qualified pipes will be threaded, followed by end pipe inspection. Pipes that pass end pipe inspection will be lubricated with lubricating grease, and pin and box protectors will be screwed on the end.

After weighing, length measuring, and marking and printing, pipes will be transferred to coating devices and waterborne antirust paint will be sprayed on the pipes. The coating devices will be equipped with a

paint collection system to control VOC emissions, where the paint mist will be collected by water washing with over 96% control efficiency and the exhausted gas will be absorbed by active carbon with 60% control efficiency.

Painted pipes will dry on the chain stripper. To shorten the drying time, a non-contact steam drying system will be installed on the chain stripper. Steam will be supplied by a boiler which is heated by the exhaust heat from the rotary hearth furnace. This boiler shares an exhaust stack with the rotary hearth furnace. Dry casing pipes will be transported to finished pipe storage by overhead crane.

During the threading and hydrostatic testing process, emulsion will be used. Waste emulsion will be collected and stored in waste emulsion tank in the workshop, which may emit a small amount of VOCs. During coating and drying processes, paint will be used, which also may emit VOCs.

#### **PLAIN END PIPE FINISHING**

The process of plain end pipe finishing is similar to the process of casing pipe finishing, except that the threading process is not included. The plain end pipe finishing line is a separate production line from the casing pipe finishing line.

#### **WATER TREATMENT**

There will be one closed cooling water recycling system and one wastewater treatment and recycling system for the proposed steel making workshop and the pipe mill, respectively. Minimal air emissions are expected to result from the water treatment system.

#### **CLOSED COOLING WATER RECYCLING SYSTEM IN THE STEEL MAKING WORKSHOP**

A water pump station near the steel making workshop will provide cooling water for melting, refining, and casting processes. This cooling water recycle system will consist of three closed water cycles; thus, cooling water will not contact air and machines within the steel making workshop. Anti-incrustation corrosion agent will be added regularly into cooling water, and water in this system will be supplemented regularly. No wastewater will be generated from this system.

#### **OPEN COOLING WATER RECYCLING SYSTEM AND WASTEWATER TREATMENT IN THE STEEL MAKING WORKSHOP**

There will be two outside cooling water towers, one outdoor hot water well and one indoor hot water well in the open water recycling system. Hot water wells will be covered by lids.

Wastewater with iron scale from the steel making workshop will pass through one first sedimentation tank. Iron scale deposited at the bottom of the tank will be transported by overhead crane to the paved ground beside the tank for natural dehydration. The first sedimentation tank will be equipped with an oil skimmer, by which oil on the surface of the wastewater will be collected.

Wastewater from the first sedimentation tank will pass through a radical sedimentation tank and a sludge thicken tank in turn, where flocculating agent (poly aluminum chloride) will be added to the wastewater and produced sludge will be collected by sludge scrapers. A chemical feeding room will be located near the radical sedimentation tank for chemical mixing and one adjusting tank for adjusting the wastewater's flow rate, temperature, and pH before wastewater treatment.

Oil collected by the oil skimmer will be transported in a sealed box to off-site reclamation facilities. Sludge collected by sludge scrapers will be transported to a sludge dewatering room equipped with two plate and frame filter presses. After sludge dehydration, sludge cake will be transported to off-site reclamation facilities. All treated wastewater will be reused in the steelmaking process.

The tanks mentioned above will be located outside of the steel making workshop, except the first sedimentation tank.

The steel making wastewater treatment process will emit a small amount of VOCs and the cooling towers may emit a small amount of PM.

#### **CLOSED COOLING WATER RECYCLING SYSTEM IN THE PIPE MILL**

The closed cooling water recycling system in the pipe mill is similar to that in the steel making workshop. There will be a pump station near the pipe hot rolling and finishing workshop. The system will consist of two closed water cycles: one cycle for the pipe hot rolling process and the other for the pipe finishing process.

#### **OPEN COOLING WATER RECYCLING SYSTEM AND WASTEWATER TREATMENT IN THE PIPE MILL**

There will be seven cooling water towers and one hot water well for the pipe hot rolling process and the pipe finishing process, respectively. The cooling water tower flow rates for each the pipe hot rolling process and the pipe finishing process are combined for emission calculation purposes, as discussed in Section 8 of this application.

There also will be separate wastewater treatment systems for the pipe hot rolling process and the pipe finishing process. The pipe hot rolling wastewater treatment system will consist of one first sedimentation tank, three secondary horizontal flow sedimentation tanks, three adjusting tanks, and three sludge thicken tanks. The pipe finishing wastewater treatment system will consist of one first sedimentation tank, two secondary horizontal flow sedimentation tanks, three adjusting tanks, and three sludge thicken tanks. The two wastewater treatment systems will share one chemical feeding room and one sludge dewatering room. The tanks will be located outside of the hot rolling and finishing workshop.

There will be a separate graphite wastewater treatment system to handle wastewater from the mandrel bar workshop where graphite on the mandrel is washed out into water. This system will consist of one adjusting tank, two sludge thicken tanks, and two plate and frame filter presses, which will be located in one room. Chemical feeding with polymer flocculating agents also will be conducted in this room.

Dehydrated sludge cake will be transported to off-site reclamation facilities, and the treated wastewater will be recycled in the pipe hot rolling and finishing processes.

The entire wastewater treatment process (EPN RSWTF) will emit a small amount of VOCs and the cooling towers (EPN RSCCT and PPCCT) may emit a small amount of PM.

#### **MISCELLANEOUS OPERATIONS**

In addition to the above mentioned facilities, TPCO America Corporation proposes to include the following miscellaneous activities:

- Miscellaneous painting operations within the steel making workshop and hot rolling mill. Paint will be applied manually with a brush.
- Solvent usage.
- Lubricating oil for equipment maintenance purposes.
- Miscellaneous welding operations for maintenance purposes.

ATTACHMENT 4A

TPCO America Corporation is a subsidiary of China-based Tianjin Pipe (Group) Corp.

TPCO has the ability to locate a new facility in many countries around the world as well as numerous locations in the United States. TPCO selected the Gregory area over 33 Texas, U.S., and international locations. The selection of Gregory was featured in the Comptroller's *Texas Rising* publication for March/April 2009.

# Texas Rising



Susan Combs Texas Comptroller of Public Accounts • Partnering with local governments to solve important issues

## Pipeline to the World

Texas coast wins largest single manufacturing investment by a Chinese company in the U.S.

by Clint Shields

A skilled work force and strategic location helped a Texas coastal city win a \$1 billion pipe manufacturing facility.

TPCO America Corp. (TPCO), a subsidiary of China-based Tianjin Pipe (Group) Corp., will build the plant near Gregory in San Patricio County. This will be the largest single manufacturing investment made by a Chinese company in the United States. The facility could create as many as 600 jobs and have an estimated \$2.7 billion economic impact in 10 years.

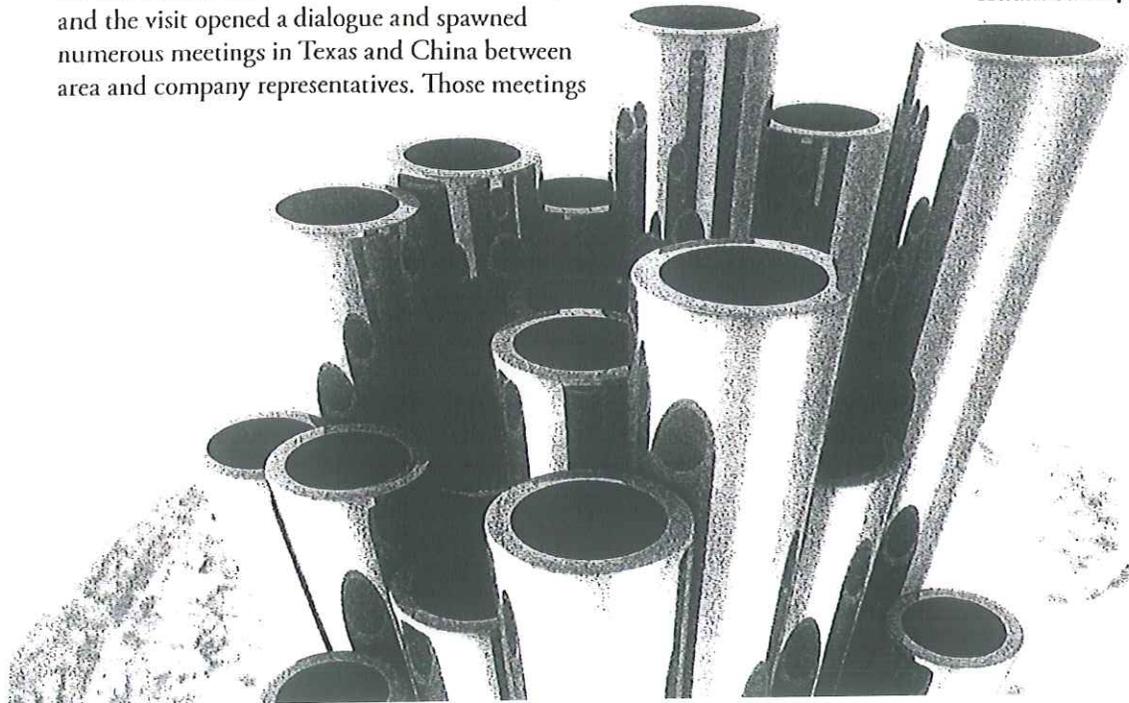
Representatives of TPCO selected the Gregory area over 33 Texas, U.S. and international locations. TPCO officials first visited the area in fall 2007, and the visit opened a dialogue and spawned numerous meetings in Texas and China between area and company representatives. Those meetings

helped foster the relationship between TPCO and its new Texas home.

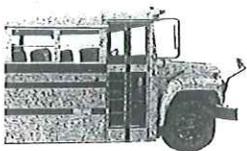
"Thanks to the excellent job done by our friends at the Corpus Christi Regional Economic Development Corp. (EDC) and the San Patricio EDC, and the enthusiastic support of local government entities, the Gregory-Portland Independent School District and the state of Texas, San Patricio County topped the other candidates as the winning site for our project," says Zhang Wenfeng, vice president of TPCO.

The Gregory facility is expected to manufacture up to 500,000 metric tons of seamless pipe for the oil and gas extraction and production industry annually and employ hundreds of local workers.

continued on page 6



3 Candy maker sweetens Grand Prairie



4 School district takes on transparency



5 Teamwork pays off for Mount Pleasant

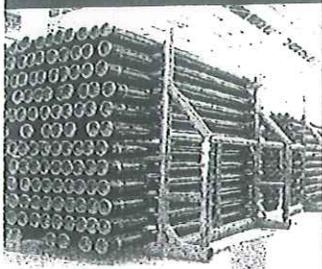


7 Boost your sales tax collections



8 Texas housing among strongest in nation

## Local Government Tools that Made the Difference San Patricio County



Landing a \$1 billion pipe facility does not happen every day, nor is it easy. In the case of Gregory's planned TPCO America Corp. facility, the task included meetings, trips to China and multiple civic and local government groups working together.

"One of the things we did well was assembling the team, from industry to community to education to government," says J.J. Johnston, executive vice president for business attraction and external marketing for the Corpus Christi Regional EDC. "That collaboration and coordination of efforts helped cut the red tape and helped the company understand our region."

TPCO and area representatives are working on a variety of state and local incentives, including employment-based incentives, tax abatement, job training and infrastructure. With about 600 jobs expected and an estimated \$18 million in annual salaries at peak production, the local area is the big winner.

"It means 600 families are going to have high-paying jobs," says Johnston. "This is a true definition of new money coming into an area."

"We're looking at 300 jobs in the first two years, and double that in the fourth or fifth year," says J.J. Johnston, Corpus Christi Regional EDC's executive vice president for business attraction and external marketing. "And those are direct jobs, not construction jobs, of which I think hundreds will also be created."

The area's strategic geographical location, convenient access for incoming raw materials and outgoing products, availability of power and other utilities and work force were all factors in the final decision, TPCO's Wenfeng says.

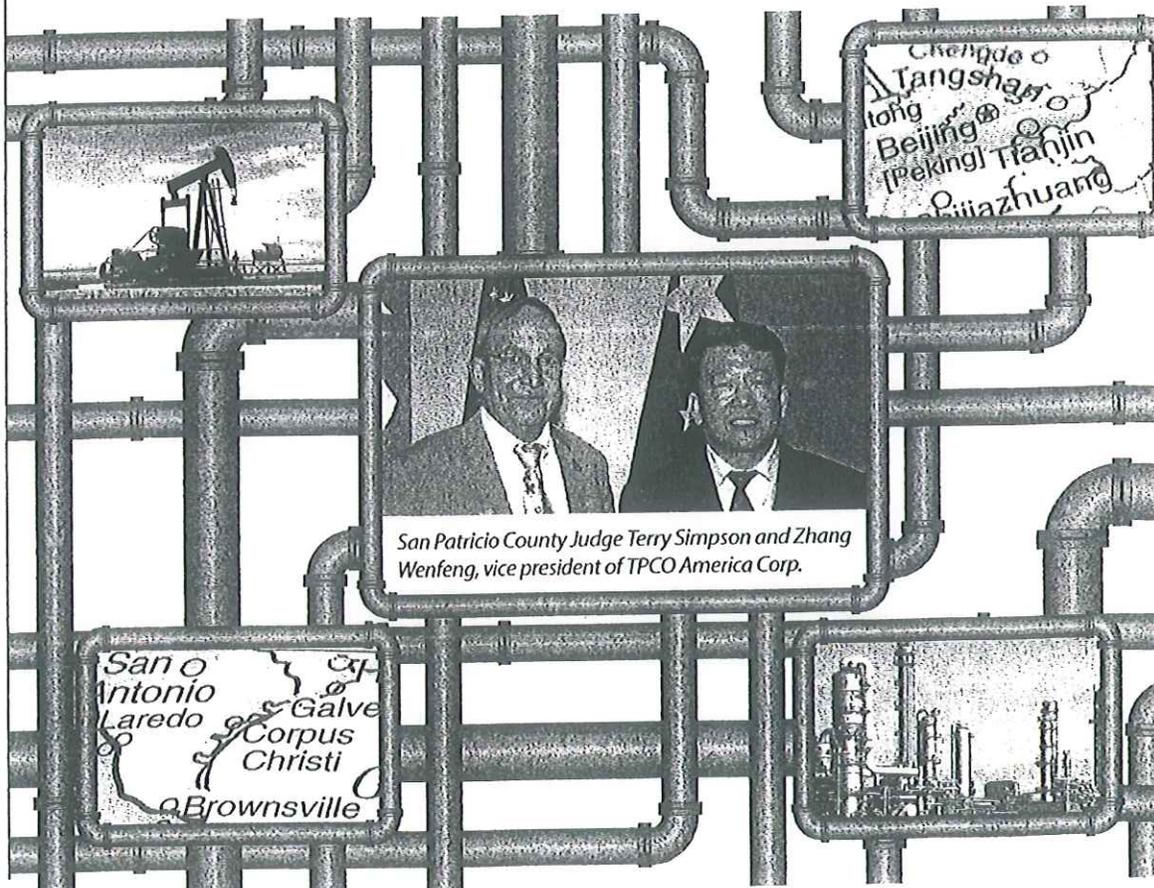
"We have a work force skilled in metal handling and welding, with great port assets, rail and pipelines for the facility," says Johnston. "While we tend to build things here rather than invent them, our region is becoming better equipped to receive new knowledge and technology. The TPCO project will bring both and will utilize the ever-increasing amount of recent computer science, engineering and technical graduates."

TPCO's Chinese-manufactured products are known throughout the oil and gas industry and are used in more than 90 countries. Having TPCO's U.S. home in Texas places it close to major customers such as Shell, Chevron and others. About 25 percent of the company's product already goes into the United States, and the Gregory facility will serve about 70 percent of that need.

The facility is probably two-and-a-half years away from producing pipe, but crude oil's lowered price, hovering at about \$50 a barrel, is not slowing TPCO's expansion enthusiasm. The company does not expect the price to remain that low.

"It's a tough industry to be in," Johnston says. "As prices went down, we asked them if they were still coming in. They assured us that they need this expansion."

For more information on the area's business climate and potential business incentives, visit the Corpus Christi Regional EDC's Web site at [www.ccredc.com](http://www.ccredc.com), or the San Patricio EDC's Web site at [www.sanpatricioedc.com](http://www.sanpatricioedc.com). TR



San Patricio County Judge Terry Simpson and Zhang Wenfeng, vice president of TPCO America Corp.

ATTACHMENT 5

The project is located in the following taxing jurisdictions:

- San Patricio County (100%)
- Gregory-Portland ISD (100%)
- San Patricio County Drainage District (100%)

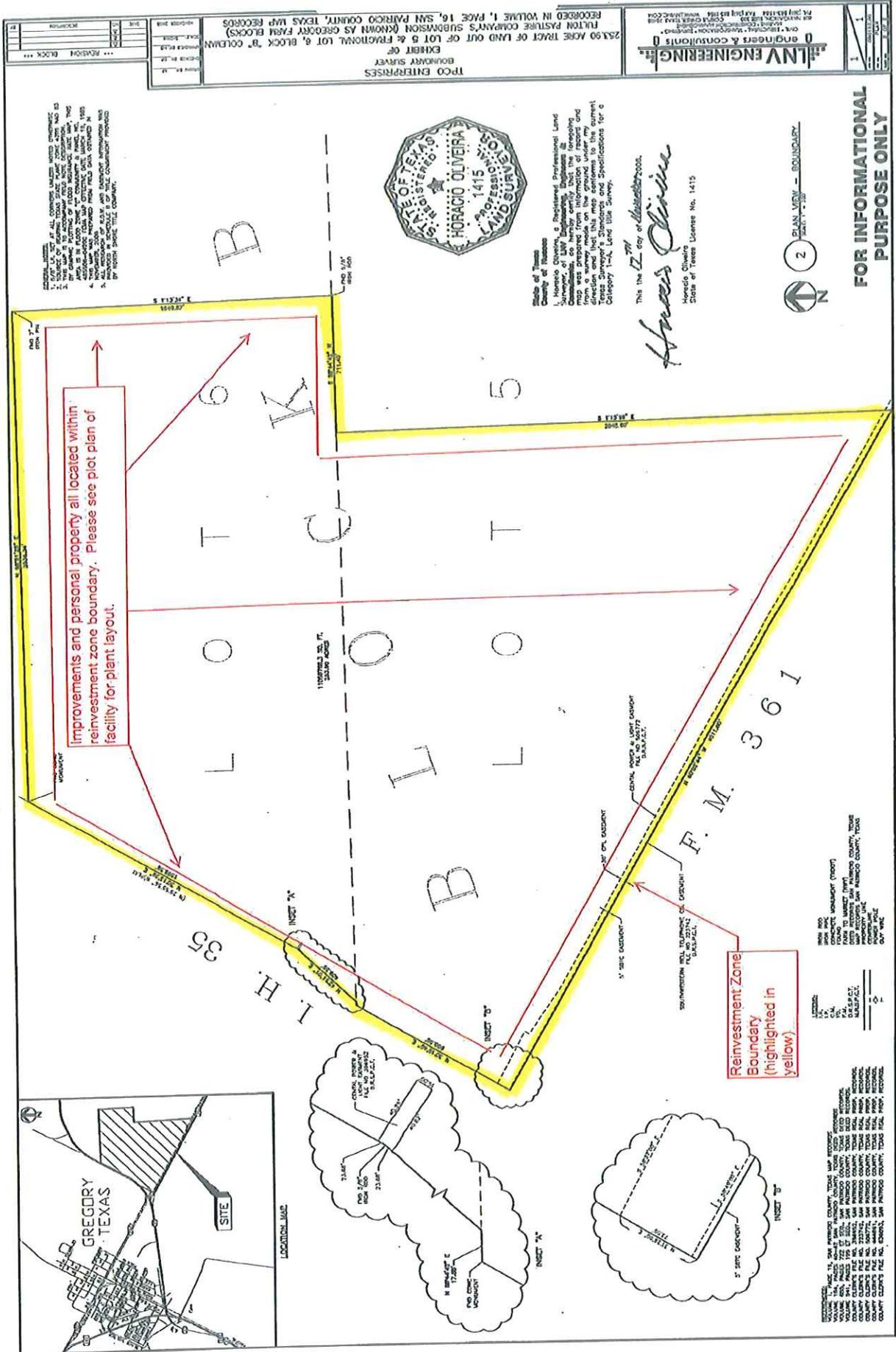
**ATTACHMENT 6**

TPCO America Corporation plans to build and operate a 750,000 tons per year seamless steel pipe manufacturing mill. The project will install property and equipment including but not limited to the following:

Buildings	Improvements	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment
Alloy warehouse	Scrap yard	Electric arc furnace and baghouse	Direct evacuation (DEC) system	Non-destructive testing machine	Sinter plate filter
Alloy warehouse baghouse	Billet storage yard	Air cooling system	Dust absorbing unit and baghouse	Oil skimmers	Sizing mill
Chemical feeding room	Bulk storage bin	Argon blowing system	Dust collector system & silo	Overhead cranes	Sludge scrapers
Filtering building	Canopy hood	Billet cutting saw	Extracting mill and conveyor	Paint collection system	Straightening machine
Hot pipe rolling building	Concrete-lined slag pits	Condenser	Furnace electrodes	Pipe layer saw	Tempering furnaces and stacks
Office building	Paved parking areas	Borax spray and collection system	Hot sizing mill	Pipe threading machine	Spare parts
Slag building	Rail spurs	Chain conveyor system	Ingoing skids	Pressurized air system	Vacuum degassing unit
Steel making building	Slag yard	Charging buckets (scrap baskets)	High pressure water descaling system	Quench furnace and stack	Vacuum system
Welding/repair shop building	Scrap charging bay	Cooling water recirculation system	Hydrostatic testing machine	Radical sedimentation tank	Vacuum tank and lid
	Underground bulk storage area	Cone type piercing mill	Jet printing machine	Refractory lined ladle	Waste emulsion tank
		Continuous casting machine	Ladle dryers and pre-heaters	Refractory lined tundish	Waste water treatment system
		Continuous conveyor	Ladle metallurgy furnace & baghouse	Reheat furnaces	Water descaling system
		Conveyor belts	Ladle metallurgy station	Retained mandrel pipe mill	Water quenching system
		Cooling beds	Lime storage silos	Rotary hearth furnaces	Water spray system
		Coupling screw-on machine	Mandrel preheat furnace	Sealed slag crusher	Water treatment system
		Coating devices	Natural gas fired heaters	Steam boiler	Water cooling towers
		Delivery tables	Natural gas oxygen torch system	Sedimentation tanks	

ATTACHMENT 7

See attached maps



ALL SURVEY INFORMATION IS BASED ON THE FOLLOWING ASSUMPTIONS:  
 1. THE SURVEY IS BASED ON THE SURVEY RECORDS OF THE SURVEYOR.  
 2. THE SURVEY IS BASED ON THE SURVEY RECORDS OF THE SURVEYOR.  
 3. THE SURVEY IS BASED ON THE SURVEY RECORDS OF THE SURVEYOR.  
 4. THE SURVEY IS BASED ON THE SURVEY RECORDS OF THE SURVEYOR.  
 5. THE SURVEY IS BASED ON THE SURVEY RECORDS OF THE SURVEYOR.

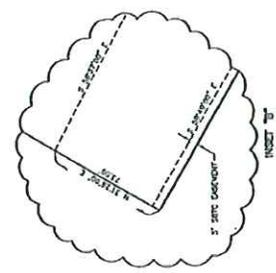
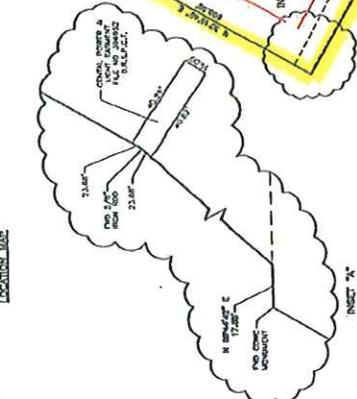
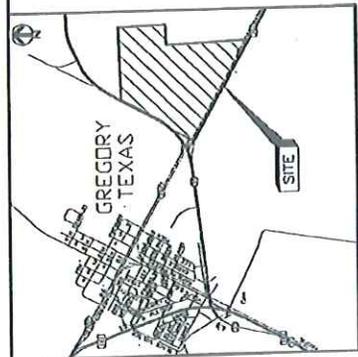


Horacio Oliveira, Registered Professional Land Surveyor, License No. 1415, State of Texas. This is the true and correct copy of the original survey.

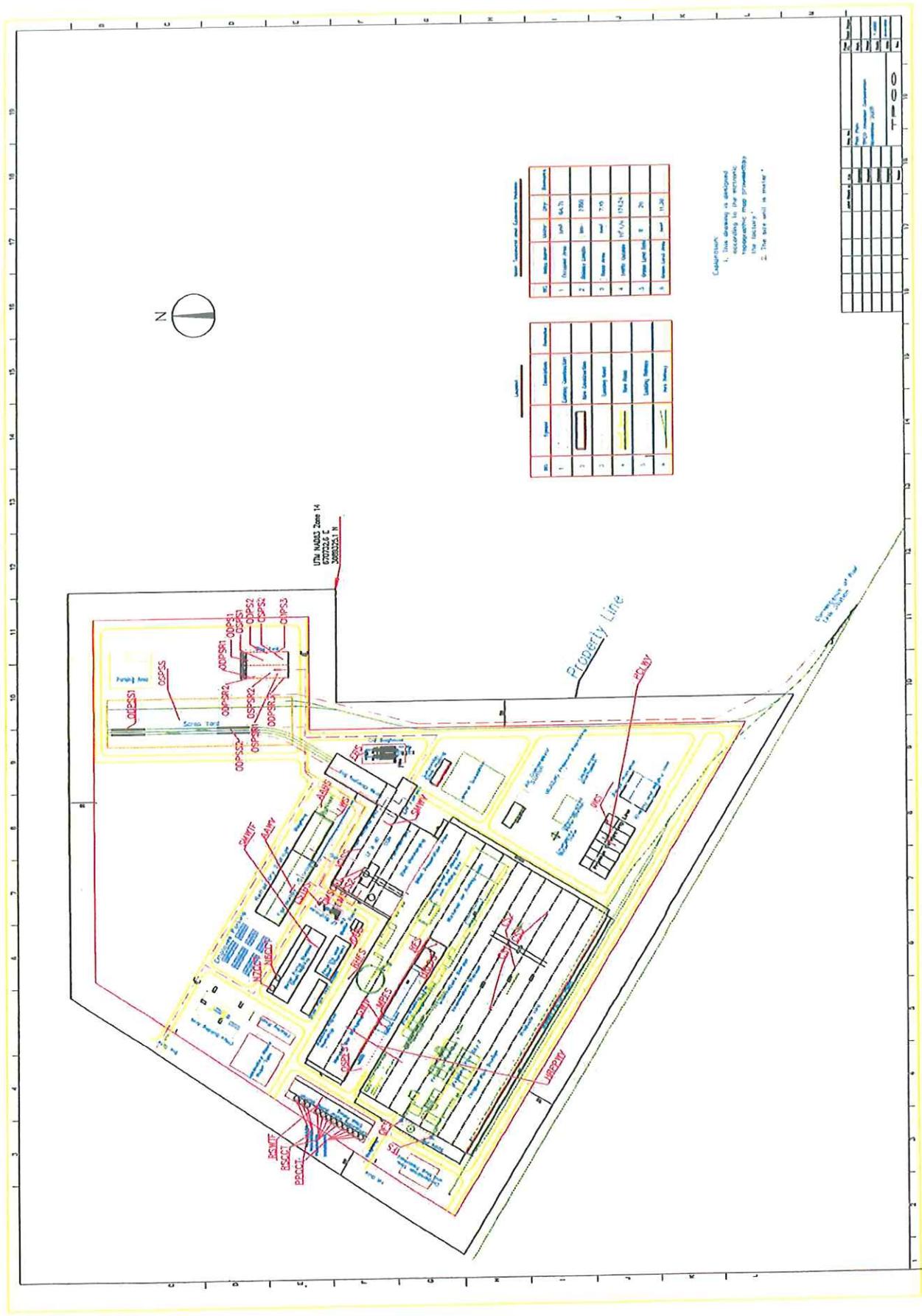
*Horacio Oliveira*  
 Horacio Oliveira  
 State of Texas License No. 1415

**TLN ENGINEERING**  
 ENGINEERS & CONSULTANTS  
 23360 MOORE TRACT OF LAND OUT OF LOT 9 & FRAGMENT LOT 6, BLOCK "B" COLMAN LUTON PASTURE COMPANY'S SUBDIVISION (KNOWN AS GREGORY FARM BLOCKS) RECORDED IN VOLUME 1, PAGE 16, SAN PARRICO COUNTY, TEXAS MAP RECORDS

**FOR INFORMATIONAL PURPOSE ONLY**



REINVESTMENT ZONE: THIS IS THE AREA WITHIN WHICH THE INVESTOR IS PERMITTED TO REINVEST THE PROCEEDS FROM THE SALE OF THE PROPERTY. THE REINVESTMENT ZONE IS BOUNDARY IS HIGHLIGHTED IN YELLOW.



**ATTACHMENT 7  
PLOT PLAN**



# Gregory-Portland ISD



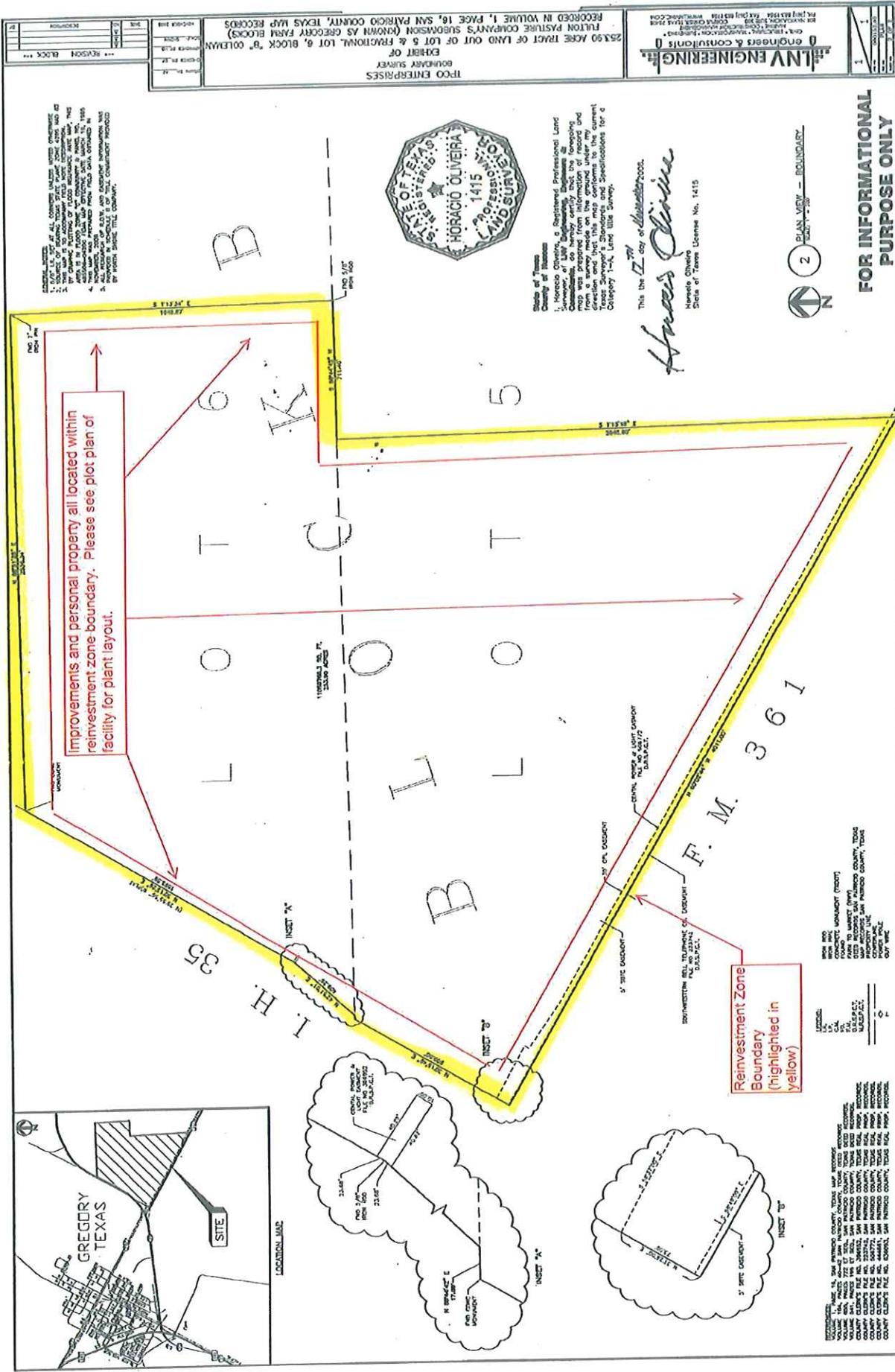
**ATTACHMENT 8**

TPCO America Corporation plans to build and operate a 750,000 tons per year seamless steel pipe manufacturing mill. The project will install property and equipment including but not limited to the following:

Buildings	Improvements	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment	Machinery & Equipment
Alloy warehouse	Scrap yard	Electric arc furnace and baghouse	Direct evacuation (DEC) system	Non-contact steam drying machine	Sedimentation tanks
Alloy warehouse baghouse	Billet storage yard	Air cooling system	Dust absorbing unit and baghouse	Non-destructive testing machine	Sinter plate filter
Chemical feeding room	Bulk storage bin	Billet cold centering machine	Dust collector system & silo	Oil skimmers	Sizing mill
Alloy storage building	Canopy hood	Caster	Extracting mill and conveyor	Outdoor and indoor hot water wells	Sludge scrapers
Filtering building	Concrete-lined slag pits	Billet cutting saw	Fabric filter baghouse vents	Overhead cranes	Straightening machine
Hot pipe rolling building	Paved parking areas	Billet straightening machines	Furnace electrodes	Paint collection system	Tempering furnaces and stacks
Mandrel bar building	Rail spurs	Chain stripper	Graphite wastewater treatment system	Pipe layer saw	Spare parts
Office building	Slag yard	Condenser	Hot sizing mill	Pipe threading machine	UV coating devices
Slag building	Scrap charging bay	Borax spray and collection system	Ingoing skids	Plate and frame filter presses	Vacuum degassing unit
Sludge dewatering building	Underground bulk storage area	Chain conveyor system	High pressure water descaling system	Pressurized air system	Vacuum system
Steel making building		Charging buckets (scrap baskets)	Hydrostatic testing machine	Quench furnace and stack	Vacuum tank and lid
Welding/repair shop building		Cooling water recirculation system	Jet printing machine	Radical sedimentation tank	Waste emulsion tank
		Cone type piercing mill	Ladle dryers and pre-heaters	Refractory lined ladle	Waste water treatment system
		Continuous casting machine	Ladle metallurgy furnace & baghouse	Refractory lined tundish	Water descaling system
		Continuous conveyor	Ladle metallurgy station	Reheat furnaces	Water quenching system
		Conveyor belts	Lime storage silos	Retained mandrel pipe mill	Water spray system
		Cooling beds	Mandrel preheat furnace	Rotary arm system	Water treatment system
		Coupling screw-on machine	Molds	Rotary hearth furnaces	Argon blowing system
		Cold centering machine	Natural gas fired heaters	Screw thread testing machine	Water cooling towers
		Delivery tables	Natural gas oxygen torch system	Sealed slag crusher	
		Coating devices		Steam boiler	

ATTACHMENT 9

See attached maps



ADDITIONAL NOTES:  
 1. ALL BEARINGS AND DISTANCES WERE OBTAINED FROM THE ORIGINAL SURVEY RECORDS.  
 2. THE SURVEY WAS MADE BY THE SURVEYOR ON THE GROUND UNDER THE CURRENT TEXAS SURVEYOR'S STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1-4, LAND TITLE SURVEY.  
 3. ALL DISTANCES WERE MEASURED IN FEET AND INCHES.  
 4. ALL BEARINGS WERE MEASURED FROM TRUE NORTH.  
 5. ALL DISTANCES WERE MEASURED FROM THE POINT OF BEGINNING.  
 6. ALL DISTANCES WERE MEASURED FROM THE POINT OF BEGINNING.  
 7. ALL DISTANCES WERE MEASURED FROM THE POINT OF BEGINNING.  
 8. ALL DISTANCES WERE MEASURED FROM THE POINT OF BEGINNING.  
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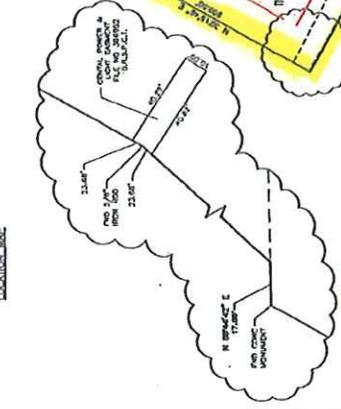


State of Texas  
 County of Bexar  
 I, **Horacio Oliveira**, a Registered Professional Land Surveyor of the State of Texas, do hereby certify that the foregoing map was prepared from information of record and from a survey made on the ground under the current Texas Surveyor's Standards and Specifications for a Category 1-4, Land Title Survey.

This is the 17<sup>th</sup> day of December, 2008.

*Horacio Oliveira*  
 Horacio Oliveira  
 State of Texas License No. 1415

**TLN ENGINEERING**  
 ENGINEERS & CONSULTANTS  
 10000 N. LOOP WEST, SUITE 1000  
 DALLAS, TEXAS 75243  
 TEL: 972.443.1111  
 FAX: 972.443.1112  
 WWW.TLN-ENGINEERING.COM



**Reinvestment Zone Boundary (highlighted in yellow)**

**REINVESTMENT ZONE**

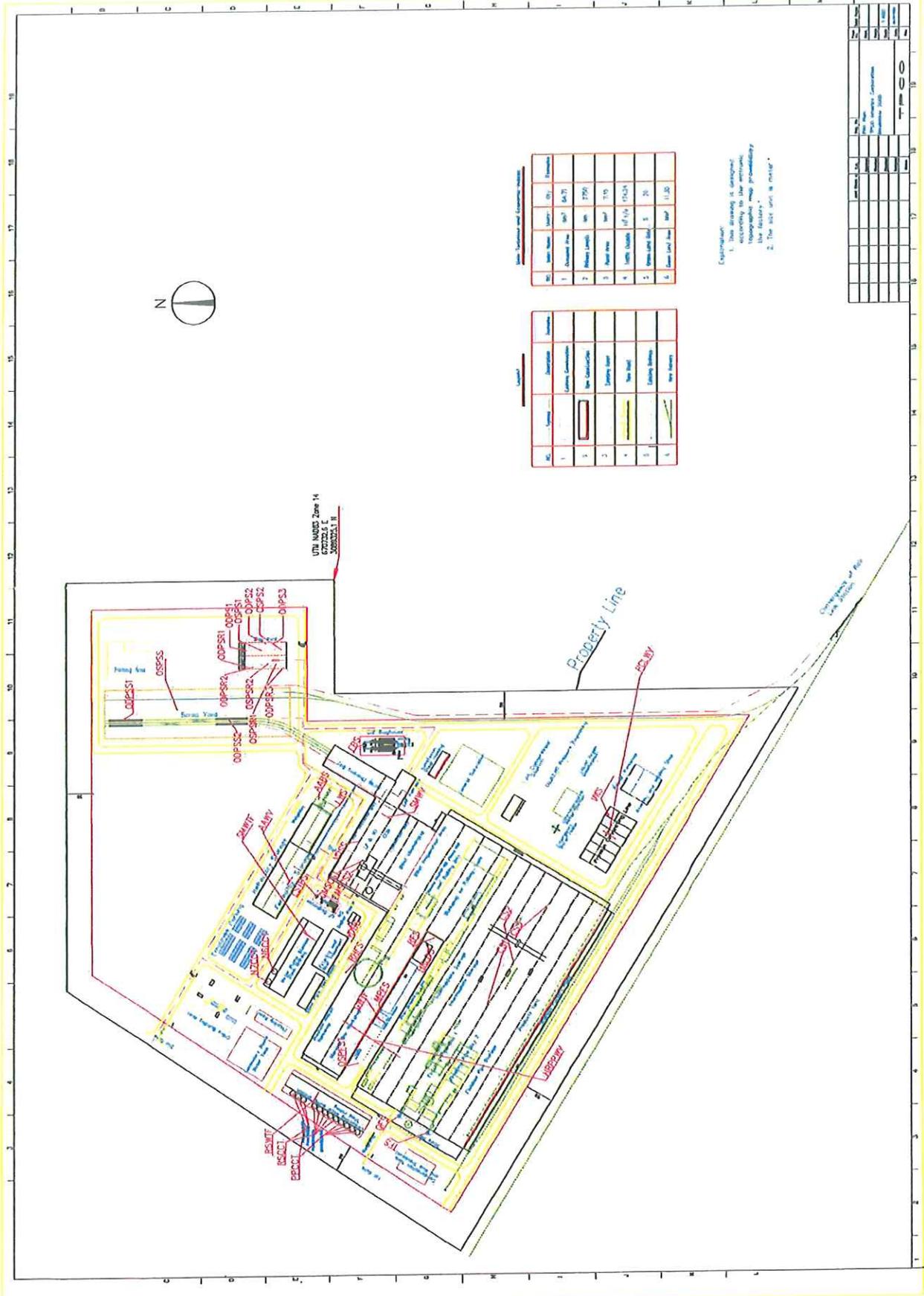
**BOUNDARY**

**HIGHLIGHTED IN YELLOW**

**REINVESTMENT ZONE**

**BOUNDARY**

**HIGHLIGHTED IN YELLOW**



**Site, Structure and Geographic Address**

NO.	Address	City	Parish
1	10000 Ave 10	LA 707	LA 707
2	10000 Ave 10	LA 707	LA 707
3	10000 Ave 10	LA 707	LA 707
4	10000 Ave 10	LA 707	LA 707
5	10000 Ave 10	LA 707	LA 707
6	10000 Ave 10	LA 707	LA 707

**Legend**

NO.	Symbol	Description	Notes
1	[Red outline]	Property Boundary	
2	[Blue outline]	Structure Footprint	
3	[Green outline]	Site Boundary	
4	[Yellow outline]	Site Boundary	
5	[Black outline]	Structure Footprint	
6	[Red outline]	Site Boundary	

**Explanation:**

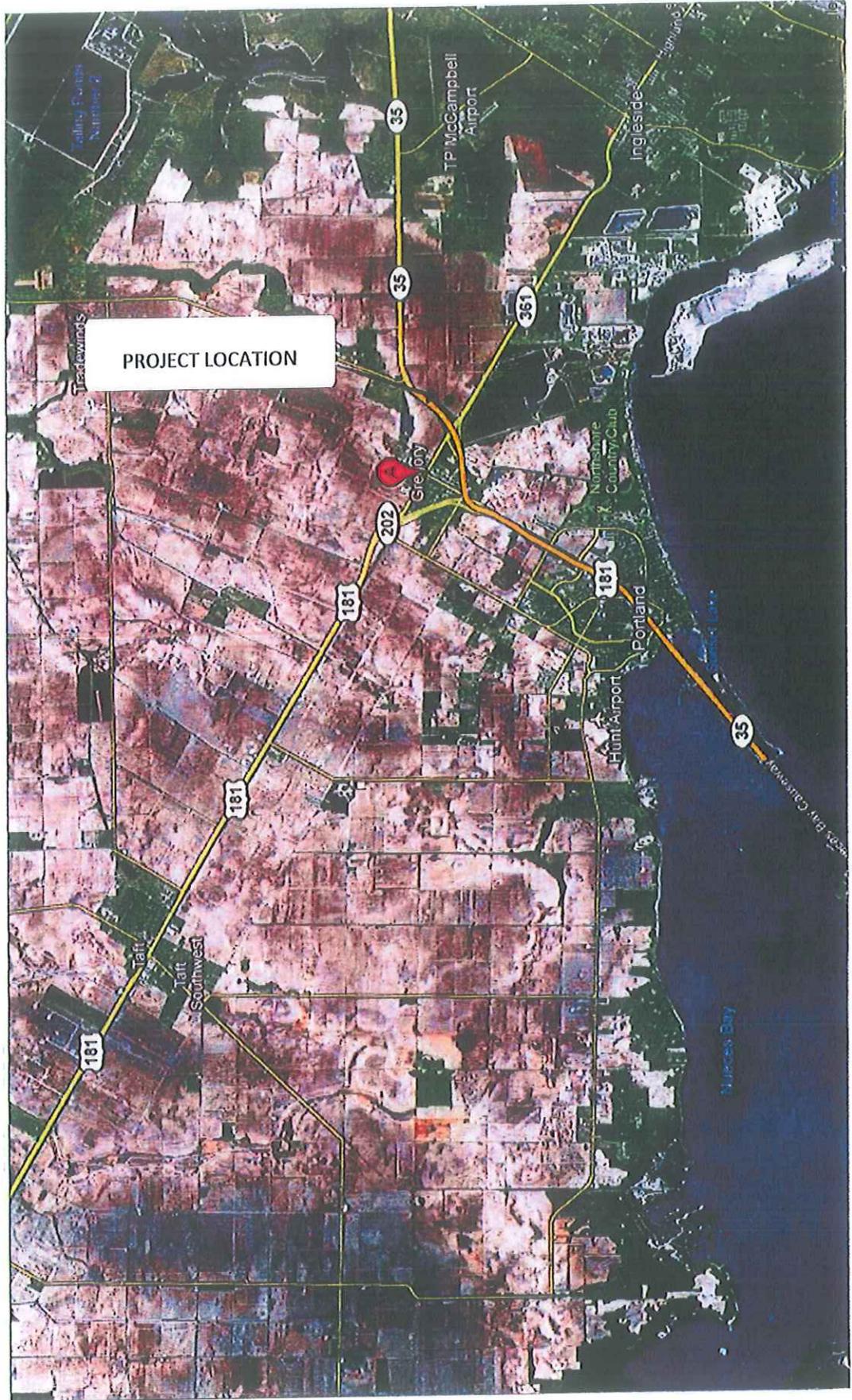
- The drawing is prepared according to the electronic drawing map boundary the "As-Built".
- The site area is "As-Built".

NO.	Area	Area (sq. ft.)	Volume (cu. ft.)	Weight (lb.)
1	Structure	10000	10000	10000
2	Site	10000	10000	10000
3	Site	10000	10000	10000
4	Site	10000	10000	10000
5	Site	10000	10000	10000
6	Site	10000	10000	10000

**ATTACHMENT 9  
PLOT PLAN**



To see all the details that are visible on the screen, use the "Print" link next to the map.



ATTACHMENT 9  
VICINITY MAP

# Gregory-Portland ISD



**ATTACHMENT 10**

See attached land description.

San Patricio County Appraisal District assesses the land on accounts 0336-2000-0005-100 and 0336-2000-0006-000 and valued the land at \$252,580 in 2010.

## Land Description

### Parcel No. 1

115.38 acres of land more or less in San Patricio County, Texas, being a part of the G. Valdez Original Grant Patented to John McMullen, assignee by Patent No. 552, Volume 15, Abstract No. 269, more particularly known as Fractional Farm Lot No. 6 in Block No. "B" of the Coleman Fulton Pasture Companies Subdivision near Gregory, Texas.

### Parcel No. 2

137.20 acres of land, more or less, out of the most Westerly part of the Lot or Tract No. 5 in Block 'B' of the Gregory Farm Blocks (Coleman-Fulton Pasture Company) Subdivision of Farm Lots near and East of the City of Gregory in San Patricio County, Texas and being the same property described in deed from W. N. Purcell and wife, Mattie Lee Purcell, to Willie F. Mauch, dated November 3, 1947, and recorded in Volume 154 at pages 40-42 of the Deed Records of San Patricio County, Texas.

# Statement Of Account

Issue Date : 2/26/2011

**Dalia Sanchez, Tax Assessor-Collector**

San Patricio County Tax Office  
 400 W. Sinton St.  
 Sinton, TX 78387  
 Ph: (361)-364-6150 Fax: (361)-364-6154

This is a statement of taxes paid and due as of 2/26/2011 based upon the tax records of the Dalia Sanchez, Tax Assessor-Collector.

This document is not a tax certificate and does not absolve a taxpayer from tax liability in any way. Should this document be found to be in error, it may be corrected by the collections office. Responsibility to pay taxes remains with the taxpayer as outlined in the Texas Property Tax Code.

Property Information	Owner Information
Property ID : 0336-2000-0006-000 Quick-Ref ID : R33916	Owner ID : 00068367
Value Information	TPCO AMERICA CORP 10700 RICHMOND AVE STE 302 HOUSTON, TX 77042
HWY 35 Land HS : \$0.00 Land NHS : \$115,380.00 Imp HS : \$0.00 Imp NHS : \$0.00	Ownership: 100.00%
LT 6 BLK B GREGORY S/D CFP CO, 115.38 ACRES Ag Mkt : \$0.00 Ag Use : \$0.00 Tim Mkt : \$0.00 Tim Use : \$0.00 HS Cap Adj : \$0.00 Assessed : \$115,380.00	

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
DCS	2010	337.65	0.00	0.00	0.00	0.00
GSP	2010	2,348.76	0.00	0.00	0.00	0.00
MUD	2010	427.51	0.00	0.00	0.00	0.00
SGP	2010	7,434.48	0.00	0.00	0.00	0.00

**Total for current bills if paid by 2/28/2011 : \$0.00**  
**Total due on all bills 2/28/2011 : \$0.00**  
 2010 taxes paid for entity DCS \$337.65  
 2010 taxes paid for entity GSP \$2,348.76  
 2010 taxes paid for entity MUD \$427.51  
 2010 taxes paid for entity SGP \$7,434.48  
**2010 Total Taxes Paid : \$10,548.40**  
**Date of Last Payment : 01/24/11**

Issue Date : 2/26/2011

# Statement Of Account

**Dalia Sanchez, Tax Assessor-Collector**

San Patricio County Tax Office  
 400 W. Sinton St.  
 Sinton, TX 78387  
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Property Information		Owner Information	
Property ID : 0336-2000-0005-100		Owner ID : 00068367	
Quick-Ref ID : R33910		TPCO AMERICA CORP	
	Value Information	10700 RICHMOND AVE STE 302	
HWY 35 & FM 361	Land HS : \$0.00	HOUSTON, TX 77042	
	Land NHS : \$137,200.00	Ownership: 100.00%	
	Imp HS : \$0.00		
	Imp NHS : \$0.00		
W/PT TR 5, BLK B	Ag Mkt : \$0.00		
GREGORY S/D CFP CO.,	Ag Use : \$0.00		
137.2 ACRES	Tim Mkt : \$0.00		
	Tim Use : \$0.00		
	HS Cap Adj : \$0.00		
	Assessed : \$137,200.00		

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
DCS	2010	401.50	0.00	0.00	0.00	0.00
GSP	2010	2,792.95	0.00	0.00	0.00	0.00
MUD	2010	508.33	0.00	0.00	0.00	0.00
SGP	2010	8,840.43	0.00	0.00	0.00	0.00

**Total for current bills if paid by 2/28/2011 : \$0.00**  
**Total due on all bills 2/28/2011 : \$0.00**  
 2010 taxes paid for entity DCS \$401.50  
 2010 taxes paid for entity GSP \$2,792.95  
 2010 taxes paid for entity MUD \$508.33  
 2010 taxes paid for entity SGP \$8,840.43  
**2010 Total Taxes Paid : \$12,543.21**  
**Date of Last Payment : 01/24/11**

ATTACHMENT 11

Please see attached maps



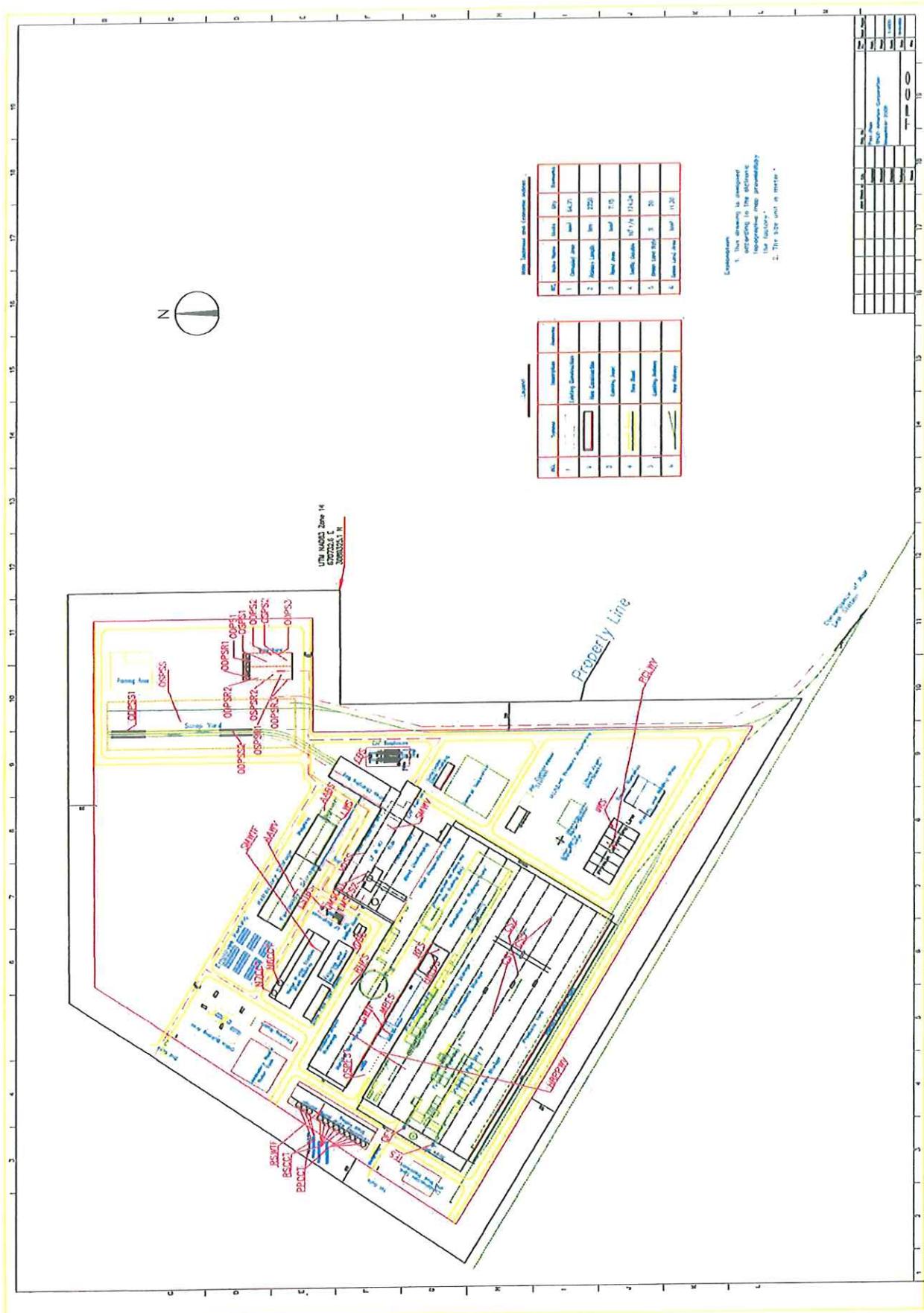


TABLE: Dimensions and Concrete Volume

NO.	Item Name	Units	Qty	Remarks
1	Concrete Area	Sq. M	14.27	
2	Rebar Length	M	2220	
3	Form Area	Sq. M	7.15	
4	Form Volume	M <sup>3</sup> /M	71.24	
5	Form Cost (RM)	RM	70	
6	Form Cost (RM)	RM	71.24	

TABLE: Legend

NO.	Symbol	Description	Remarks
1	[Symbol]	Utility Connections	
2	[Symbol]	Fire Connections	
3	[Symbol]	Water Lines	
4	[Symbol]	Sanitary Lines	
5	[Symbol]	Drainage Lines	
6	[Symbol]	Other Utilities	

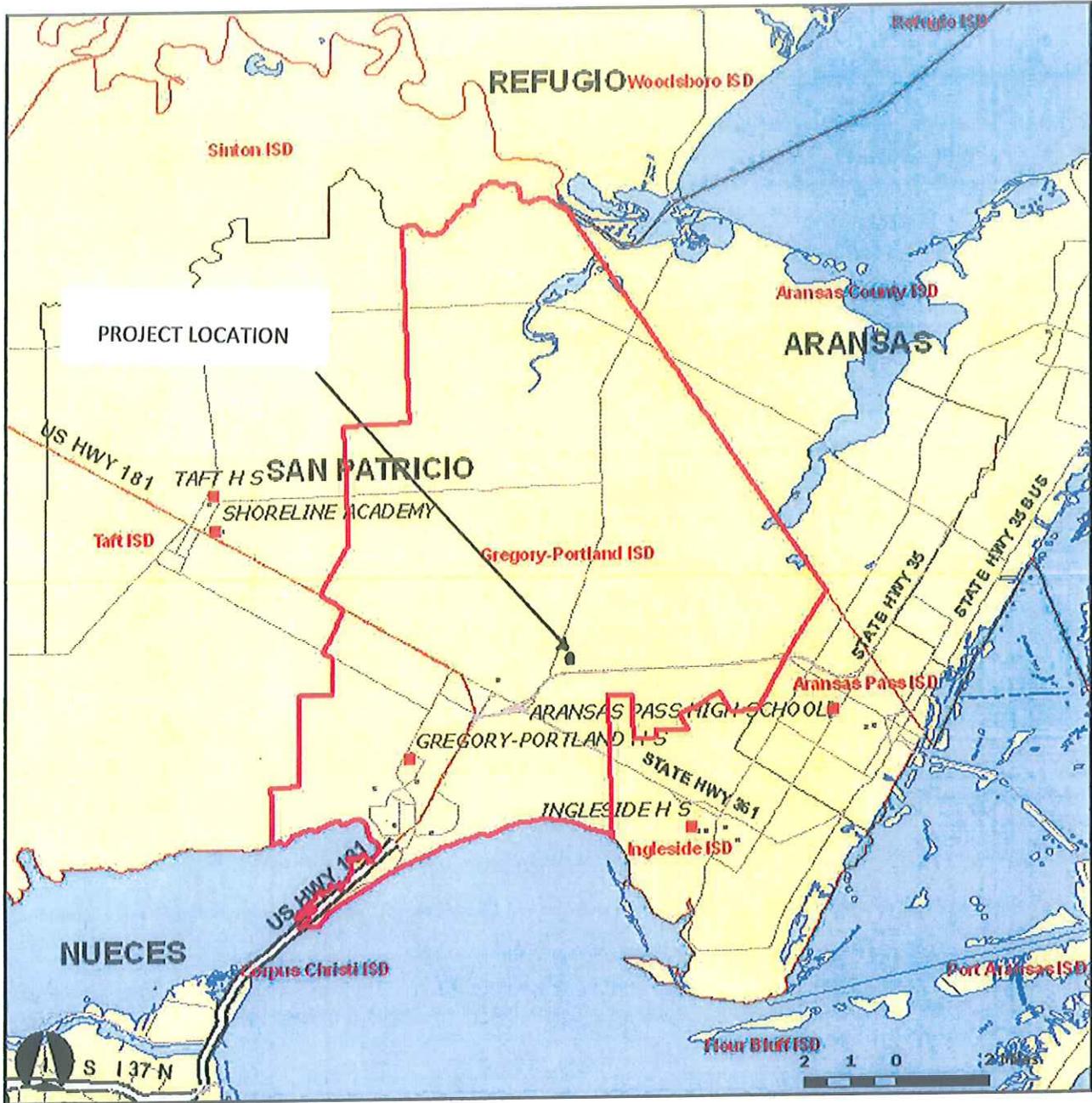
Legend:  
 1. This drawing is prepared according to the statement of work and approved by the authority.  
 2. The size unit is meter.

NO.	Item	Quantity	Unit	Remarks
1	Concrete	14.27	Sq. M	
2	Rebar	2220	M	
3	Form	7.15	Sq. M	
4	Form	71.24	M <sup>3</sup> /M	
5	Form	70	RM	
6	Form	71.24	RM	

ATTACHMENT 11  
 PLOT PLAN



# Gregory-Portland ISD



ATTACHMENT 12

There are no existing assets (improvements or personal property) at the site as of January 1, 2011.

ATTACHMENT 13

TPCO is not requesting a waiver of the job creation requirement.

ATTACHMENT 14

The calculation of the three possible wage requirements with TWC documentation is attached.

**TPCO America Corporation  
ATTACHMENT TO CHAPTER 313 APPLICATION**

**CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2010	\$ 751	\$ 39,052
SECOND	2010	\$ 725	\$ 37,700
FIRST	2010	\$ 737	\$ 38,324
FOURTH	2009	\$ 778	\$ 40,456
AVERAGE		\$ 748	\$ 38,883
		X 110%	110%
		\$ 823	\$ 42,771

**CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
THIRD	2010	\$ 1,399	\$ 72,748
SECOND	2010	\$ 1,316	\$ 68,432
FIRST	2010	\$ 1,313	\$ 68,276
FOURTH	2009	\$ 1,396	\$ 72,592
AVERAGE		\$ 1,356	\$ 70,512
		X 110%	110%
		\$ 1,492	\$ 77,563

**CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
	2009	\$ 884	\$ 45,967
		X 110%	110%
		\$ 972	\$ 50,564

\* SEE ATTACHED TWC DOCUMENTATION

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="Year"/>	<input type="text" value="Period"/>	<input type="text" value="Area"/>	<input type="text" value="Ownership"/>	<input type="text" value="Division"/>	<input type="text" value="Level"/>	<input type="text" value="Ind Code"/>	<input type="text" value="Industry"/>	<input type="text" value="Avg Weekly Wages"/>
2010	3rd Qtr	San Patricio County	Total All	00	0	10	Total, All Industries	\$751

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2010"/>	<input type="text" value="2nd Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Total All"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$725"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2010"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Total All"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$737"/>
<input type="text" value="Year"/>	<input type="text" value="Period"/>	<input type="text" value="Area"/>	<input type="text" value="Ownership"/>	<input type="text" value="Division"/>	<input type="text" value="Level"/>	<input type="text" value="Ind Code"/>	<input type="text" value="Industry"/>	<input type="text" value="Avg Weekly Wages"/>

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2009"/>	<input type="text" value="4th Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Total All"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$778"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2010	3rd Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,399

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2010"/>	<input type="text" value="2nd Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Total All"/>	<input type="text" value="31"/>	<input type="text" value="2"/>	<input type="text" value="31-33"/>	<input type="text" value="Manufacturing"/>	<input type="text" value="\$1,316"/>
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## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2010"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="San Patricio County"/>	<input type="text" value="Total All"/>	<input type="text" value="31"/>	<input type="text" value="2"/>	<input type="text" value="31-33"/>	<input type="text" value="Manufacturing"/>	<input type="text" value="\$1,313"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="Year"/>	<input type="text" value="Period"/>	<input type="text" value="Area"/>	<input type="text" value="Ownership"/>	<input type="text" value="Division"/>	<input type="text" value="Level"/>	<input type="text" value="Ind Code"/>	<input type="text" value="Industry"/>	<input type="text" value="Avg Weekly Wages"/>
2009	4th Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,396

**2009 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$21.43</b>	<b>\$44,583</b>
<a href="#">1. Panhandle Regional Planning Commission</a>	\$18.38	\$38,227
<a href="#">2. South Plains Association of Governments</a>	\$15.67	\$32,596
<a href="#">3. NORTEX Regional Planning Commission</a>	\$19.60	\$40,768
<a href="#">4. North Central Texas Council of Governments</a>	\$23.44	\$48,754
<a href="#">5. Ark-Tex Council of Governments</a>	\$15.14	\$31,489
<a href="#">6. East Texas Council of Governments</a>	\$16.87	\$35,091
<a href="#">7. West Central Texas Council of Governments</a>	\$17.27	\$35,916
<a href="#">8. Rio Grande Council of Governments</a>	\$15.26	\$31,732
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$19.11	\$39,757
<a href="#">10. Concho Valley Council of Governments</a>	\$14.80	\$30,784
<a href="#">11. Heart of Texas Council of Governments</a>	\$17.41	\$36,206
<a href="#">12. Capital Area Council of Governments</a>	\$25.60	\$53,244
<a href="#">13. Brazos Valley Council of Governments</a>	\$15.33	\$31,893
<a href="#">14. Deep East Texas Council of Governments</a>	\$15.46	\$32,151
<a href="#">15. South East Texas Regional Planning Commission</a>	\$25.53	\$53,095
<a href="#">16. Houston-Galveston Area Council</a>	\$22.90	\$47,629
<a href="#">17. Golden Crescent Regional Planning Commission</a>	\$19.84	\$41,273
<a href="#">18. Alamo Area Council of Governments</a>	\$16.82	\$34,984
<a href="#">19. South Texas Development Council</a>	\$13.68	\$28,445
<a href="#">20. Coastal Bend Council of Governments</a> ← <span style="border: 1px solid red; padding: 2px;">San Patricio County</span>	\$22.10	\$45,967
<a href="#">21. Lower Rio Grande Valley Development Council</a>	\$13.52	\$28,114
<a href="#">22. Texoma Council of Governments</a>	\$18.42	\$38,305
<a href="#">23. Central Texas Council of Governments</a>	\$16.58	\$34,484
<a href="#">24. Middle Rio Grande Development Council</a>	\$13.66	\$28,416

Source: Texas Occupational Employment and Wages

Data published: July 2010

Data published annually, next update will be June 2011.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

ATTACHMENT 15

TPCO will provide its employees with benefits including but not limited to the following:

- Medical Insurance Coverage
- Paid Holidays
- Paid Vacation
- 401(k) Retirement Savings Plan

**ATTACHMENT 16**

The economic impact study will be performed by the Comptroller at a future date.

ATTACHMENT 17

See attached

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service of building during this year	Column B: Building or permanent nonremovable component (annual amount, only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year		\$ -	\$ -		\$ -	\$ -
	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2011-2012	\$ -	\$ -		\$ -	\$ -
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		\$ -	\$ -		\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	Complete tax years of qualifying time period		\$ -	\$ -	\$ -	\$ -	\$ -
	1	2012-2013	\$ 283,395,280	\$ 303,469,440	\$ 586,864,720	\$ -	\$ 586,864,720
	2	2013-2014	\$ 62,208,720	\$ 170,701,560	\$ 232,910,280	\$ -	\$ 232,910,280
	3	2014-2015	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	4	2015-2016	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	5	2016-2017	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	6	2017-2018	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	7	2018-2019	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	8	2019-2020	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	9	2020-2021	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	10	2021-2022	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	11	2022-2023	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	12	2023-2024	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	13	2024-2025	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
	14	2025-2026	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000
15	2026-2027	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 100,000	
Tax Credit Period (with 50% cap on credit)	Value Limitation Period						
Credit Settle-Up Period	Continue to Maintain Viable Presence						
	Post-Settle-Up Period						
Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.	Post-Settle-Up Period						

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).  
 For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.  
 The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.  
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.  
 The most significant example for many projects would be land. Other examples may be items such as professional services, etc.  
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.  
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

*[Signature]*

4/18/2011

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

ATTACHMENT 18

See attached

**Schedule B (REV. MAY 2010): Estimated Market And Taxable Value**

Form 50-296

Applicant Name  
ISD Name

TPCO America Corporation

Gregory, Portland ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions	
	pre-year 1	2011-2012	2011	\$ 252,580	\$ -	\$ -	\$ -	\$ 252,580	\$ 252,580	
Complete tax years of qualifying time period	1	2012-2013	2012	\$ 252,580	\$ -	\$ -	\$ -	\$ 252,580	\$ 252,580	
	2	2013-2014	2013	\$ 252,580	\$ 141,697,640	\$ 151,734,720	\$ 29,343,236	\$ 264,341,704	\$ 264,341,704	
	3	2014-2015	2014	\$ 252,580	\$ 345,604,000	\$ 474,171,000	\$ 81,977,500	\$ 738,050,080	\$ 20,000,000	
	4	2015-2016	2015	\$ 252,580	\$ 338,691,900	\$ 462,316,700	\$ 80,100,860	\$ 721,160,320	\$ 20,000,000	
	5	2016-2017	2016	\$ 252,580	\$ 331,918,100	\$ 450,758,800	\$ 78,267,690	\$ 704,661,790	\$ 20,000,000	
Tax Credit Period (with 50% cap on credit)	6	2017-2018	2017	\$ 252,580	\$ 325,279,700	\$ 430,474,700	\$ 75,575,440	\$ 680,431,540	\$ 20,000,000	
	7	2018-2019	2018	\$ 252,580	\$ 318,774,100	\$ 411,103,300	\$ 72,987,740	\$ 657,142,240	\$ 20,000,000	
	8	2019-2020	2019	\$ 252,580	\$ 309,210,900	\$ 392,603,700	\$ 70,181,460	\$ 631,885,720	\$ 20,000,000	
	9	2020-2021	2020	\$ 252,580	\$ 299,934,600	\$ 374,936,500	\$ 67,487,110	\$ 607,636,570	\$ 20,000,000	
	10	2021-2022	2021	\$ 252,580	\$ 290,936,600	\$ 358,064,400	\$ 64,900,100	\$ 584,353,480	\$ 20,000,000	
	Credit Settle-Up Period	11	2022-2023	2022	\$ 252,580	\$ 282,208,500	\$ 341,951,500	\$ 62,416,000	\$ 561,996,580	\$ 561,996,580
		12	2023-2024	2023	\$ 252,580	\$ 273,742,200	\$ 326,563,700	\$ 60,030,590	\$ 540,527,890	\$ 540,527,890
		13	2024-2025	2024	\$ 252,580	\$ 265,529,900	\$ 311,868,300	\$ 57,739,820	\$ 519,910,960	\$ 519,910,960
	Post-Settle-Up Period	14	2025-2026	2025	\$ 252,580	\$ 257,564,000	\$ 297,834,200	\$ 55,539,820	\$ 500,110,960	\$ 500,110,960
		15	2026-2027	2026	\$ 252,580	\$ 249,837,100	\$ 284,431,700	\$ 53,426,880	\$ 481,094,500	\$ 481,094,500

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.  
This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

4/18/2011

ATTACHMENT 19

See attached

Applicant Name  
ISD Name

TPCO America Corporation  
Gregory-Portland ISD

Schedule C- Application: Employment Information

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify [FTE])	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2011-2012	2011	100	\$ 65,000	0	\$ -	0	\$ -
	1	2012-2013	2012	1,200	\$ 65,000	0	\$ -	0	\$ -
	2	2013-2014	2013	1,000	\$ 65,000	20	\$ 50,564	16	\$ 50,564
	3	2014-2015	2014	0		100	\$ 50,564	80	\$ 50,564
	4	2015-2016	2015	0		400	\$ 50,564	320	\$ 50,564
	5	2016-2017	2016	0		600	\$ 50,564	480	\$ 50,564
	6	2017-2018	2017	0		600	\$ 50,564	480	\$ 50,564
	7	2018-2019	2018	0		600	\$ 50,564	480	\$ 50,564
	8	2019-2020	2019	0		600	\$ 50,564	480	\$ 50,564
	9	2020-2021	2020	0		600	\$ 50,564	480	\$ 50,564
	10	2021-2022	2021	0		600	\$ 50,564	480	\$ 50,564
	11	2022-2023	2022	0		600	\$ 50,564	480	\$ 50,564
	12	2023-2024	2023	0		600	\$ 50,564	480	\$ 50,564
	13	2024-2025	2024	0		600	\$ 50,564	480	\$ 50,564
	14	2025-2026	2025	0		600	\$ 50,564	480	\$ 50,564
	15	2026-2027	2026	0		600	\$ 50,564	480	\$ 50,564
Complete tax years of qualifying time period									
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post-Settle-Up Period									
Post-Settle-Up Period									

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

4/18/2011

DATE

ATTACHMENT 20

See attached

Schedule D: (Rev. May 2010): Other Tax Information

Form 50-296

Applicant Name: TPCO America Corporation  
 Franchise Tax: Gregory-Portland ISD  
 Other Property Tax Abatements Sought: Other Property Tax Abatements Sought

	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information			Franchise Tax	County	City	Hospital	Other
				Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant					
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2011-2012	2011	\$ -	\$ -	\$ -	0%	n/a	n/a	0%	
Tax Credit Period (with 50% cap on credit)	1	2012-2013	2012	\$ 367,739,248	\$ 219,125,472	\$ -	0%	n/a	n/a	0%	
	2	2013-2014	2013	\$ 184,025,145	\$ 48,885,135	\$ -	100%	n/a	n/a	100%	
	3	2014-2015	2014	\$ 100,000	\$ -	\$ -	100%	n/a	n/a	100%	
	4	2015-2016	2015	\$ 100,000	\$ -	\$ 287,000	100%	n/a	n/a	100%	
	5	2016-2017	2016	\$ 100,000	\$ -	\$ 772,000	100%	n/a	n/a	100%	
	6	2017-2018	2017	\$ 100,000	\$ -	\$ 899,000	100%	n/a	n/a	100%	
	7	2018-2019	2018	\$ 100,000	\$ -	\$ 911,000	85%	n/a	n/a	85%	
	8	2019-2020	2019	\$ 100,000	\$ -	\$ 923,000	70%	n/a	n/a	70%	
	9	2020-2021	2020	\$ 100,000	\$ -	\$ 931,000	55%	n/a	n/a	55%	
	10	2021-2022	2021	\$ 100,000	\$ -	\$ 1,012,000	40%	n/a	n/a	40%	
	11	2022-2023	2022	\$ 100,000	\$ -	\$ 1,092,000	25%	n/a	n/a	25%	
	12	2023-2024	2023	\$ 100,000	\$ -	\$ 1,101,000	n/a	n/a	n/a	n/a	
	13	2024-2025	2024	\$ 100,000	\$ -	\$ 1,101,000	n/a	n/a	n/a	n/a	
	14	2025-2026	2025	\$ 100,000	\$ -	\$ 1,101,000	n/a	n/a	n/a	n/a	
	15	2026-2027	2026	\$ 100,000	\$ -	\$ 1,101,000	n/a	n/a	n/a	n/a	

\*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: 

DATE: 4/18/2011

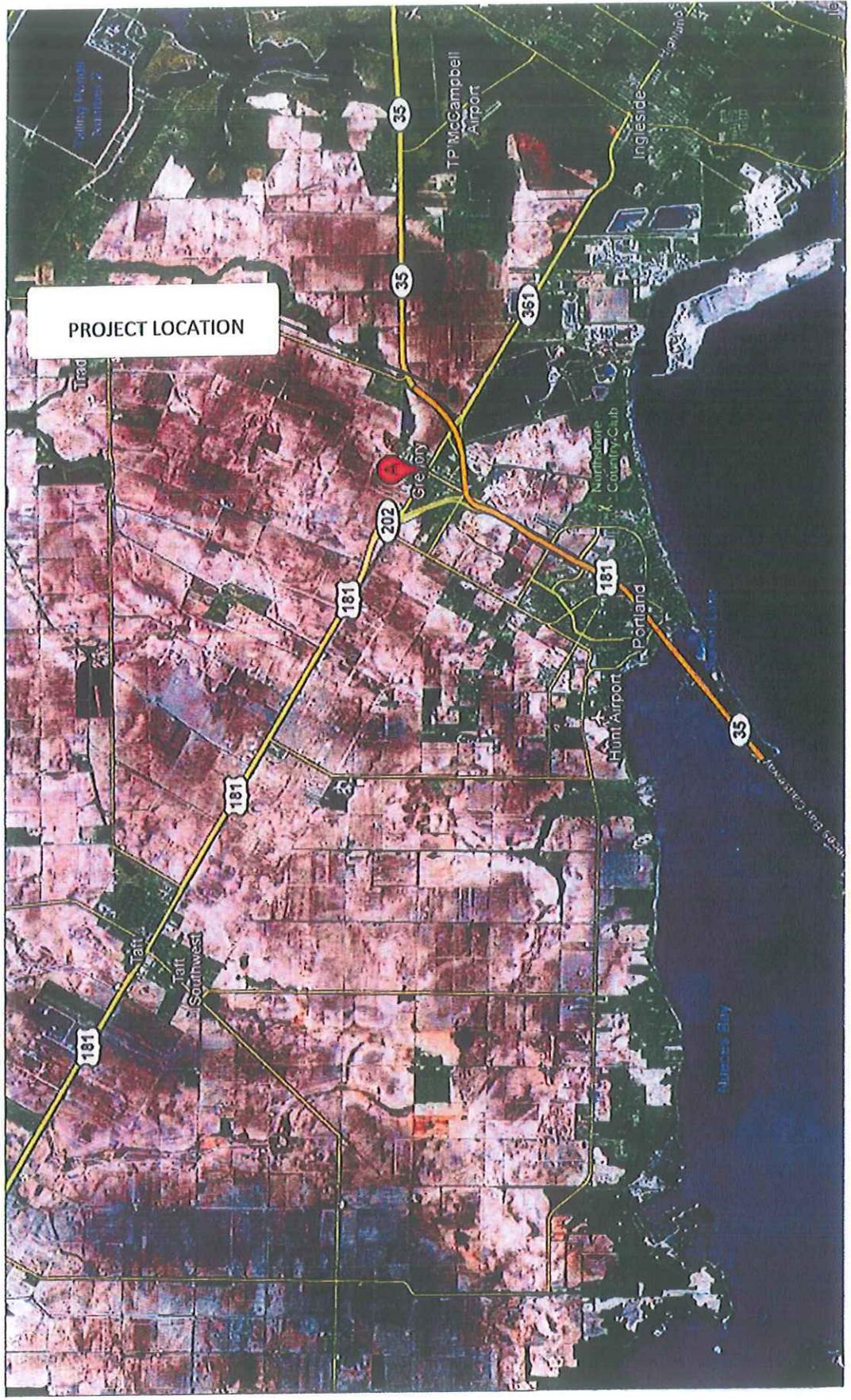
ATTACHMENT 21

A map of the reinvestment zone is attached as is a vicinity map.





To see all the details that are visible on the screen, use the "Print" link next to the map.



ATTACHMENT 21  
VICINITY MAP

ATTACHMENT 22

The resolution of the San Patricio County Commissioners Court establishing the reinvestment zone is attached.

THE STATE OF TEXAS

COMMISSIONERS' COURT

COUNTY OF SAN PATRICIO

RESOLUTION \_\_\_\_\_  
**ORDER FOR DESIGNATION OF REINVESTMENT ZONE**

- WHEREAS, the San Patricio County Commissioners' Court has determined that the economic well being of San Patricio County is of primary concern to the Commissioners' Court, and;
- WHEREAS, Chapter 312, Texas Tax Code, known as the Texas Property Redevelopment and Tax Abatement Act Provides that San Patricio County has the authority to create reinvestment zones within the County for the purpose of economic development, and;
- WHEREAS, on October 6, 1997, the San Patricio County Commissioners' Court, by resolution, established certain guidelines and criteria governing tax abatement agreements and indicated the desire of San Patricio County to become eligible to participate in tax abatement agreements, and;
- WHEREAS, on December 17, 2007, the San Patricio county Commissioners' Court, by resolution, amended the guidelines and criteria governing tax abatement agreements; and,
- WHEREAS, on May 26, 2009, the San Patricio County Commissioners' Court, by resolution, approved a variance from said guidelines and criteria for granting tax abatement and a proposed reinvestment zone to be established by TPCO.
- WHEREAS, TPCO COMPANY has requested the designation of a reinvestment zone for purposes of tax abatement of real property for the purposes of economic development as defined under the Texas Property Redevelopment and Tax Abatement Act, and;
- WHEREAS, on the 21<sup>st</sup> day of May, 2009, proper notice was posted, stating that a public hearing would be conducted by the San Patricio County Commissioners' Court on the 26<sup>th</sup> day of May, 2009, to consider the request by TPCO COMPANY to have property herein described in Exhibit "A" designated as a reinvestment zone, and;
- WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the creation of a reinvestment zone for the above stated property would be a benefit to the said property and the development anticipated to occur in the proposed zone would contribute to the economic development of San Patricio County; and,
- WHEREAS, it is the finding of the Commissioner's Court of San Patricio County that the terms of the agreement and the property subject to the agreement as presented to San Patricio County by TPCO COMPANY meet the applicable amended guidelines and criteria adopted by the Commissioners' Court on December 17, 2007; and,

WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the designation of the reinvestment zone would contribute to the retention or expansion of primary employment within San Patricio County; and,

WHEREAS, it is the finding of the Commissioner's Court of San Patricio County that the designation of the reinvestment zone would attract major investment in the zone; and,

WHEREAS, the above stated property is not in the taxing jurisdiction of an incorporated municipality;

BE IT THEREFORE ORDERED that the Commissioners' Court of San Patricio County designates as a reinvestment zone, property herein described in Exhibit "A", pursuant to the authority contained in Section 312.401 of the Texas Property Redevelopment and Tax Abatement Act.

Passed in open court this 26<sup>th</sup> day of May, 2009.



Attest:

Gracie Alaniz-Gonzales  
Gracie Alaniz-Gonzales  
County Clerk  
San Patricio County, Texas

Terry Simpson  
Terry Simpson, County Judge  
San Patricio County, Texas

[Signature]  
Commissioner, Precinct 1

[Signature]  
Commissioner, Precinct 2

[Signature]  
Commissioner, Precinct 3

[Signature]  
Commissioner, Precinct 4

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## EXHIBIT A

### LEGAL DESCRIPTION

#### Parcel No. 1

115.38 acres of land more or less in San Patricio County, Texas, being a part of the G. Valdez Original Grant Patented to John McMullen, assignee by Patent No. 552, Volume 15, Abstract No. 269, more particularly known as Fractional Farm Lot No. 6 in Block No. "B" of the Coleman Fulton Pasture Companies Subdivision near Gregory, Texas.

#### Parcel No. 2

137.20 acres of land, more or less, out of the most Westerly part of the Lot or Tract No. 5 in Block 'B' of the Gregory Farm Blocks (Coleman-Fulton Pasture Company) Subdivision of Farm Lots near and East of the City of Gregory in San Patricio County, Texas and being the same property described in deed from W. N. Purcell and wife, Mattie Lee Purcell, to Willie F. Mauch, dated November 3, 1947, and recorded in Volume 154 at pages 40-42 of the Deed Records of San Patricio County, Texas.

ATTACHMENT 23

The legal description of the reinvestment zone is attached.

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## EXHIBIT A

### LEGAL DESCRIPTION

#### Parcel No. 1

115.38 acres of land more or less in San Patricio County, Texas, being a part of the G. Valdez Original Grant Patented to John McMullen, assignee by Patent No. 552, Volume 15, Abstract No. 269, more particularly known as Fractional Farm Lot No. 6 in Block No. "B" of the Coleman Fulton Pasture Companies Subdivision near Gregory, Texas.

#### Parcel No. 2

137.20 acres of land, more or less, out of the most Westerly part of the Lot or Tract No. 5 in Block 'B' of the Gregory Farm Blocks (Coleman-Fulton Pasture Company) Subdivision of Farm Lots near and East of the City of Gregory in San Patricio County, Texas and being the same property described in deed from W. N. Purcell and wife, Mattie Lee Purcell, to Willie F. Mauch, dated November 3, 1947, and recorded in Volume 154 at pages 40-42 of the Deed Records of San Patricio County, Texas.

ATTACHMENT 24

The guidelines and criteria for San Patricio County are attached.

REGULAR

DECEMBER 17, 2007

MEETING

THE STATE OF TEXAS            }  
  }  
COUNTY OF SAN PATRICIO        }

**BE IT REMEMBERED THAT**, notice had been duly filed and posted by the County Clerk on the 13<sup>th</sup> day of December, 2007 at 10:10 A.M. at a regular meeting of the Commissioners' Court on MONDAY, December 17, 2007 at 9:00 A. M. in the San Patricio County Courthouse Commissioners Courtroom # 230 second Floor, Sinton, Texas. At which time the following subjects will be discussed, concerned, passed, or adopted. In accordance with the notice, the meeting was called to order at 9:01 A. M.

The following members were present, to-wit:

Terry Simpson                    County Judge  
Nina G. Trevino                 Commissioner, Precinct 1  
Fred P. Nardini                 Commissioner, Precinct 2  
Jim Price, Jr.                   Commissioner, Precinct 4  
Gracie Alaniz-Gonzales         County Clerk, and  
David Wendel                    County Auditor

Commissioner Moreno was not present for meeting

The following proceedings were had, to-wit:

**1.2 PLEDGES OF ALLEGIANCE**

The Court opened the regular meeting with the Pledges of Allegiance to the flag of the United States and to the flag of the State of Texas

\* \* \* \* \*

**1.6 HEALTH DEPARTMENT**

Mr. Touchstone presented certificates to the following food establishments: Ingleside-Whataburger; Aransas Pass-Head Start Kitchen (This item will be brought back up later on the agenda)

\* \* \* \* \*

**1.9 AWARD RFP RECEIVED FOR PROPERTY/CASUALTY INSURANCE COUNTY WIDE INSURANCE**

Bill Preston, County Insurance Consultant gave the Court a brief report on the RFP's that were received for property/casualty insurance. He stated that his recommendation would be that the County accept the proposal submitted by TAC. Judge Simpson made the motion seconded by Commissioner Nardini to accept Mr. Preston's recommendation and accept the lower bid presented by TAC. Motion Carried 3-1 with Commissioner Trevino voting "Against" Trevino See Commissioners' Court Exhibits Vol. 143 Pages 248-255

\* \* \* \* \*

**1.11 PUBLIC HEARING -9:30 A.M. -ALLOWING PUBLIC IN PUT ON GOODS IN TRANSIT EXEMPTION AS AUTHORIZED BY SECTION 11.253 (B) OF THE TEXAS TAX CODE**

At 9:37 a.m. Judge Simpson declared the public hearing open for public comment on input on goods in transit exemption as authorized by Section 11.253(b) of the Texas Tax Code. After no comment from the public Judge Simpson declared the public hearing closed at 9:38 a.m.

**1.12 ADOPT RESOLUTION OPPOSING THE GOODS-IN-TRANSIT-  
EXEMPTION AS AUTHORIZED BY SECTION 11.253(B) F THE TEXAS  
TAX CODE**

Judge Simpson made the motion seconded by Commissioner Trevino to adopt resolution opposing the goods-in-transit exemption as authorized by Section 11.253(b) of the Texas Tax Code Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 256-258

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**1.5 CONSIDERATION AND ACTION**

Commissioner Trevino made the motion seconded by Commissioner Nardini to approve the following:

- a. District Judges' appointment of County Auditor and Assistant Auditor
- b. District Judges' Court Order regarding 2008 County Auditor's office salaries
- c. Authorizing interlocal agreements between Road & Bridge Precinct #3 and the following cities: San Patricio, Mathis, Lakeside and LakeCity for the period of January 1, 2008 through December 31, 2008
- d. Authorizing contract between Road & Bridge Precinct #3 and Rosendo Gonzales for the purpose of brush disposal at \$600.00 per month for the period of January 1, 2008 through December 31, 2008.
- e. Adult Probation's caseload and collections summary report for the month of November 2007.

Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 260-281

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**1.3 MINUTES**

Commissioner Nardini made the motion seconded by Commissioner Trevino to approve minutes for December 3, 2007 as submitted by County Clerk. Motion Carried 4-0

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**1.4 CITIZENS TO BE HEARD**

David Wendel informed the Court that he had made each one of them a copy of the new 2008 Standard Mileage Rates.

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**1.6 HEALTH DEPARTMENT**

Judge Simpson made the motion second by Commissioner Price to approve the following and to supplement the budget in the amount of \$13,000.00 to accommodate the shortage.

- a. CPS-Bioterrorism Preparedness—amendment #001 A effective September 1, 2007

Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 282-364

Mr. Touchstone gave the Court a new schedule for the food handler's classes. See Commissioners' Court Exhibits Vol. 143 Page 365

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**1.7 COUNTY FAIRGROUNDS CONSTRUCTION PROJECT**

John Michael gave the Court a brief report he stated that thing were going well. The A&H show is in about 3 weeks the buildings needed for the show will be finished. He stated that the show will go on.

\*\*\*\*\*

**1.8 INCREASING CRIMINAL AND CIVIL COST AS DIRECTED BY STATE  
STATUTES**

Commissioner Trevino made the motion seconded by Commissioner Nardini to increase criminal and civil court cost as directed by State Statues. Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 36370

December 17, 2007 Volume 44 Page 118

**1.10 REQUEST FROM MR. TROY TURNER FOR EXEMPTION ALLOW CHANGE TO LOT 10 BLOCK 1 SAN PATRCIO RIVER ESTATES**

Judge Simpson made the motion seconded by Commissioner Price to grant request from Mr. Troy Turner for exemption allow change to Lot 10 Block 1 San Patricio River Estates due to neighbor's fence encroaching on Lot 10. Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 371-378

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**2.1 EXAMINATION OF ALL CLAIMS AGAINST SAN PATRICIO COUNTY**

Judge Simpson made the motion seconded by Commissioner Trevino to pay all claims against San Patricio County dated December 14& 17, 2007. Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 379-408

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**2.2 BUDGET LINE ITEM TRANSFERS**

Commissioner Nardini made the motion seconded by Commissioner Price to approve budget line items as follows:

<u>Department</u>	<u>To</u>	<u>From</u>	<u>Amount</u>
Personnel Dept.	Misc. Service	Other Professional	+/- \$ 6,000.00
Personnel Dept.	Travel	Other Professional	+/- \$ 1,600.00
Personnel Dept.	Equip/Repair/Maint.	Other Professional	+/- \$ 200.00
JP #5	Equipment Repairs	Postage	+/- \$ 550.00
JP #8	Telephone	General Supplies	+/- \$ 200.00
County Auditor	Conference Dues	Travel	+/- \$ 365.00
Tax Assessor/Collector	Other Professional	Equip/Repair/Maint.	+/- \$ 3,500.00
Tax Assessor/Collector	Telephone	Equip/Repair/Maint	+/- \$ 800.00
Tax Assessor/Collector	General Supplies	Equip/Repair/Maint	+/- \$ 700.00
Tax Assessor/Collector	Travel	Equip/Repair/Maint	+/- \$ 500.00
Tax Assessor/Collector	Telephone	Equip/Repair/Maint	+/- \$ 1,000.00
Road & Bridge #2	Fuel, Oil & Lube	Machinery/Equip	+/- \$10,000.00
Road & Bridge #3	Misc. Service	Furn/Vehicle/Equip	+/- \$ 2,000.00
Road & Bridge #3	Signage	Furn/Vehicle/Equip	+/- \$ 1,000.00
Road & Bridge #3	Automotive Supplies	Furn/Vehicle/Equip	+/- \$ 2,000.00
Road & Bridge #3	NCO Furniture	Furn/Vehicle/Equip	+/- \$ 5,000.00
Building & Yards	(See Exhibits)		
Juvenile Detention	(See Exhibits)		

Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 409-437

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**2.3 BANK RECONCILIATION AND INVESTMENT REPORTS**

Judge Simpson made the motion seconded by Commissioner Nardini to accept and record General Payroll reconciliation report and Adult Probation payroll for October, 2007 as submitted by County Treasurer. Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 438-439

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**3.1 EMPLOYMENT**

Nardini made the motion seconded by Judge Simpson to record the following employees' status changes implemented by the following departments of San Patricio County in accordance with current personnel policies, county budget, and state law and notification of such changes to the payroll division of the County Treasurer's Office.

- a. Danyale Duhart—Employment—Secretary/Bldg. & Yards full time regular at \$1,247.00 per month grade 24 effective December 17, 2007

Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Page 440

1.13 ADOPT REVISED GUIDELINES FOR GRANTING TAX ABATEMENT

Judge Simpson made the motion seconded by Commissioner Nardini to approve the revised guidelines for granting Tax Abatements. Motion Carried 4-0 See Commissioners' Court Exhibits Vol. 143 Pages 441-452

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4. EXECUTIVE SESSION

Public Notice is given that the San Patricio Commissioners' Court may elect to go into Executive Session anytime during the meeting to discuss matters listed on the agenda. When authorized by the provisions of the Open Meeting Act chapter 551 of the Texas Government Code. In the event the Commissioners' Court elects to go into Executive Session regarding an agenda item, the section or sections of the Open Meeting Act authorizing the Executive Session will be publicly announced by the presiding officer. In accordance with the authority of the Government Code Vernon's Texas Codes, Section 551.071, 551.072, 551.073, 551.074, 551.076, & 551.086 the Commissioners' Court will hold an Executive Session to consult with attorney(s) including matters related to litigation; deliberation regarding real property; prospective gift(s); personnel matters; including termination; security devices, and/or economic development negotiation and other matters that may be discussed in Executive Session. Upon completion of the Executive Session, the Commissioners' Court may in open session take such action as appropriated on item discussed in an Executive Session

At 10:19 the Court took a 10 minute recess

At 10:39 the Court reconvened into Executive Session with its attorney

- a. Closed Session in accordance with Section 551.087 the Texas Government Code Chapter 551—regarding Economic Development

At 11:39 a.m. the Court reconvened into regular session

- b. Judge Simpson made the motion seconded by Commissioner Trevino to allow all employees that have not enrolled for insurance coverage for next year one last chance to enroll.

Motion Carried 4-0

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5. ADJOURN

Judge Simpson made the motion seconded by Commissioner Nardini that with no further business before the Court meeting adjourn. Motion Carried 4-0 Meeting was adjourned at 11:40 a.m.

\_\_\_\_\_  
TERRY SIMPSON, County Judge

*Nina Trevino*  
\_\_\_\_\_  
NINA TREVINO, County Commissioner, Precinct 1

*Fred P. Nardini*  
\_\_\_\_\_  
FRED P. NARDINI, County Commissioner, Precinct 2

*Alma V. Moreno*  
\_\_\_\_\_  
ALMA V. MORENO, County Commissioner, Precinct 3

\_\_\_\_\_  
JIM PRICE, JR., County Commissioner, Precinct 4

ATTEST:

*Gracie Alaniz-Gonzales*  
\_\_\_\_\_  
GRACIE ALANIZ-GONZALES, County Clerk, Ex Officio

## GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the area would enhance the economic base of area taxing entities; and

WHEREAS, San Patricio County must compete with other counties across the nation currently offering tax inducements to attract new plant and modernization projects, and studies have shown that a favorable local tax climate and start-up tax concessions rank second on the list of priorities for new plant installations or expansions; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any tax incentives offered must be strictly limited in application to those new and existing industries that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing entities; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code authorizes counties, cities and school districts to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-fourths vote; and

WHEREAS, to assure a common, coordinated effort to promote economic development, these Guidelines and Criteria have been circulated among San Patricio County and other governmental entities for consideration as a common policy for all jurisdictions which choose to participate in tax abatement agreements;

NOW, THEREFORE, BE IT RESOLVED by the County of San Patricio that these Guidelines and Criteria for granting tax abatement be adopted:

### Section 1. Definitions.

- (a) "Abatement" means the temporary, full or partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designated for economic development purposes pursuant to the Act.
- (b) "Added Value" means the increase in the assessed value of an eligible property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility." It does not mean or include "deferred maintenance."

- (c) "Agreement" means a contract between a property owner and/or lessee and an Eligible jurisdiction for the purposes of temporary tax abatement.
- (d) "Base Year Value" means the assessed value of eligible property as of the January 1 preceding the execution of an Agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the Agreement.
- (e) "Basic Industrial, Manufacturing or Service Facility" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of San Patricio County.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.
- (h) "Eligible Jurisdiction" means San Patricio County and any municipality or school district, the majority of which is located in San Patricio County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing zone designated pursuant to the Act.
- (i) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (j) "Facility" means property improvements completed or in the process of construction which together compromise an integral whole.
- (k) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of deferred maintenance.
- (l) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (m) "Owner" means the owner of a Facility subject to abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the property subject to tax abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving abatement.

Section 2. Abatement Authorized.

- (a) Authorized Facilities. A Facility may be eligible for abatement if it is a Basic Industrial, Manufacturing or Service Facility. Abatement may be granted for new facilities and

improvements to existing facilities for the purpose of Modernization or Expansion.

- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subject to and listed in an abatement Agreement between the Eligible jurisdiction and the property owner and lessee (if required), subject to such limitations as said jurisdiction may require. The economic life of the improvements must exceed the term of the abatement Agreement.
- (c) Eligible Property. Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (d) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. Abatement shall be allowed for a period of ten years.
- (e) Abatement Percentage. Temporary property tax abatement shall be authorized for the development of a Facility that meets either a qualification criteria of capital investment or a qualification criteria based upon a combination of the number of new jobs created plus salary.

(1) The capital investment qualification criteria is as follows:

Capital Investment	Abatement Level
\$2,000,000 to \$10,000,000	Level 1
\$10,000,001 to \$50,000,000	Level 2
\$50,000,001 to \$150,000,000	Level 3
\$150,000,001 to \$500,000,000	Level 4
Over \$500,000,000	Level 5

(2) The combination of new jobs and salary criteria is as follows:

	Salary \$35,000 to \$50,000	Salary \$50,001 to \$70,000	Salary Over \$70,000
20 to 99 New Jobs	Level 1	Level 2	Level 3
100 to 199 New Jobs	Level 2	Level 3	Level 4
200 or more New Jobs	Level 3	Level 4	Level 5

(3) Upon compliance with the above criteria, the percentage of tax abated shall be in accordance with the following schedule:

Year	Level 1	Level 2	Level 3	Level 4	Level 5
Year 1	60%	70%	80%	90%	100%
Year 2	50%	60%	70%	80%	90%
Year 3	40%	50%	60%	70%	80%
Year 4	30%	40%	50%	60%	70%
Year 5	20%	30%	40%	50%	60%
Year 6	10%	20%	30%	40%	50%
Year 7		10%	20%	30%	40%
Year 8			10%	20%	30%
Year 9				10%	20%
Year 10					10%

(4) In order to be counted as a permanent job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 35 hours per week and the employer must cover over 51% of the employee's health insurance costs. The percentage of abatement provided each year under the Agreement shall be based upon the employment information as of January 1 of such year. As a result, the actual amount of abatement may vary from year to year based upon employment levels and property valuations.

(5) During the period of construction of the Facility, the Owner shall receive an abatement percentage based upon the criteria set forth in the Owner's application for abatement approved by the governing body of the Eligible jurisdiction. The construction period may last up to two years.

(6) For example, Company A has an abatement Agreement entered 5/1/2008 and projects to create 250 permanent jobs at a \$50,000 to \$55,000 salary average. If the actual experience of Company A involves fluctuating job and salary levels, the actual abatement under the Agreement could follow the following pattern:

<u>Year</u>	<u>New Jobs</u>	<u>Salary Level</u>	<u>Abatement Percentage</u>	<u>Abatement Level</u>
1/1/09*	0	\$ 0	90%	Level 4
1/1/10*	0	\$ 0	80%	Level 4
1/1/11	150	\$55,000	60%	Level 3
1/1/12	250	\$60,000	60%	Level 4
1/1/13	300	\$65,000	50%	Level 4
1/1/14	150	\$45,000	20%	Level 2
1/1/15	250	\$55,000	30%	Level 4
1/1/16	300	\$65,000	20%	Level 4
1/1/17	350	\$75,000	20%	Level 5
1/1/18	400	\$80,000	10%	Level 5

\*Construction Underway

- (f) Estimated Added Value Requirement. At the time of execution of the tax abatement Agreement, the Owner shall reasonably estimate the Added Value upon completion of construction of any improvements to real property in connection with the Project. This "Estimated Added Value" shall be stated in the Agreement. In the event that upon completion of construction of the improvements, the Added Value, as determined by the San Patricio County Appraisal District, shall at any time thereafter during the term of the abatement Agreement be less than eight-five percent (85%) of the Estimated Added Value, not due to circumstances beyond the control of Owner, the Owner agrees to pay an amount equal to the then current tax rate of each Eligible jurisdiction providing abatement applied to the difference between the actual Added Value from eighty-five percent (85%) of the Estimated Added Value, multiplied by 100% minus the net percentage of Abatement provided under the Agreement. For the purposes of this provision, the term "circumstances beyond the control of Owner" shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like. The formula for calculating such additional tax is outlined as follows:

$$[\text{Tax Rate}] \times [(85\% \text{ of Est. Added Value} - \text{Actual AV}) \times (100\% - \text{Abatement}\%)] = \text{Additional Tax}$$

- (g) Properties in Industrial Districts. For eligible property to be constructed in an area which is covered by an executed industrial district agreement with the City of Corpus Christi, the method of calculating payments in lieu of property taxes for such eligible property shall be as set forth in the industrial district agreement. As an alternative to an industrial district agreement, an eligible property may be covered by a tax abatement agreement, but such shall constitute an election by the Owner that the land and improvements shall not be included within any type of industrial district arrangement following the expiration of the tax abatement agreement.
- (h) Economic Qualification. In order to be eligible for tax abatement, the planned improvement:
- (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum number of 20 permanent jobs in San Patricio County;
  - (2) must not adversely affect competition in the local market with established local businesses.
- (i) Taxability. From the execution of the Agreement to the end of the abatement period, taxes shall be payable as follows:
- (1) The value of any property other than Eligible Property shall be fully taxable (except for personal property added in connection with a Rehabilitation Project);
  - (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and

- (3) The Added Value of new Eligible Property (and certain personal property added in connection with a Rehabilitation Project) shall be taxable in the manner described in Section 2(c) above.

Section 3. Application.

- (a) Written Application. Any present or potential owner of taxable property may request tax abatement by filing a written application with: (i) the City Manager of the City, if such property is within the city limits, or (ii) the County Judge of San Patricio County, if such property is in the unincorporated areas of San Patricio County.
- (b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion project, a statement of the assessed value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County or other Eligible jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager or County Judge, as the case may be, shall forward a copy of the application to the presiding officer of the governing body of each Eligible jurisdiction having jurisdiction of the property covered by the application.
- (d) Feasibility. After receipt of an application for abatement, the City or the County, as applicable, shall consider the feasibility and the impact of the proposed tax abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the abatement of taxes and the benefit to the Eligible jurisdiction and the property to be covered by such abatement.
- (e) No Abatement if Construction has Commenced. No tax abatement Agreement shall be approved if the application for the abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (f) Variance. Requests for variance from the provisions of Section 2 may be made in written form, provided, however, that no variance may extend the term of abatement beyond five years after completion of construction. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body of each Eligible jurisdiction providing abatement.

Section 4. Public Hearing and Approval.

- (a) Designation of Zone. A resolution designating a zone for tax abatement under the Act may not be adopted by the City or the County until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible jurisdiction and to the public in the manner required by the Act.
- (b) Required Findings. In order to enter into a tax abatement Agreement, the County, the City and any school district must find that the terms of the proposed Agreement meet these Guidelines and Criteria.
- (c) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for tax abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed project should be granted temporary tax abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed temporary abatement of taxes will inure to the long-term benefit of such Eligible jurisdiction.

Section 5. Agreement.

- (a) Contents of Tax Abatement Agreement. The tax abatement Agreement with the Owner of the Facility shall include:
  - (1) the estimated value to be subject to abatement and the Base Year Value;
  - (2) the percentage of value to be abated each year as provided in Section 2(e);
  - (3) the commencement date and termination date of abatement;
  - (4) a provision that the term of the Agreement shall extend until five (5) years after the expiration of the period of tax abatement;
  - (5) the proposed use of the Facility, nature of construction, time schedule, map, property description and improvements list as provided in the application as required;
  - (6) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law; and
  - (7) the amount of Added Value and required number of permanent jobs.
- (b) Time of Execution. The tax abatement Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.

- (c) Attorney's Fees. In the event any attorney's fees are incurred by the Eligible jurisdiction in the preparation of a tax abatement Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum number of 20 permanent jobs by the January 1 following the completion of construction, no abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum number of 20 permanent jobs by the next January 1, then the abatement Agreement shall terminate and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the required minimum number of 20 permanent jobs but subsequently discontinues operations and the minimum number of 20 permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement after the completion of construction, for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the Eligible jurisdiction providing abatement, and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within 60 days of such termination.
- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall terminate and so shall the abatement of the taxes for the tax year of the delinquency. The total taxes assessed without abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible jurisdiction providing abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period, the Agreement may be terminated and the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the Eligible jurisdiction providing abatement determine that the total level of capital investment in eligible property is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual capital investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of abatement with respect

to any property any portion of the abated value which is added to the current total value of the Eligible jurisdiction but is not treated as "new property value" (as defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance rate" in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible jurisdiction for the succeeding year, then the Eligible jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:

- (1) The amount of the taxes abated for that year by the Eligible jurisdiction with respect to such taxpayer.
- (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total assessed value of the Eligible jurisdiction.

If the Eligible jurisdiction has granted an abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Continuation of Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall be secured by a first and prior tax lien which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

#### Section 7. Administration.

- (a) Annual Assessment. The San Patricio County Appraisal District shall annually determine an assessment of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the assessment and the abatement.

- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the Eligible jurisdiction will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with its safety standards.
- (c) Annual Evaluation. Upon completion of construction, the Eligible jurisdiction individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving abatement to ensure compliance with the Agreement and report possible violations of the Agreement.
- (d) Annual Reports. The Owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that the Owner is in compliance with each applicable term of the agreement. Additionally, during the initial four years of the term of property tax abatement, the Owner shall provide to the Eligible Jurisdiction approving the abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the Eligible jurisdiction no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.
- (e) "Buy Local" Provision. Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception cases involving purchases over \$10,000.00 a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving property tax abatements to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County or San Patricio County. In the event of a breach of the buy-local provision, the percentage of abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost for the project.
- (f) Right to Modify or Cancel. Notwithstanding anything herein or in any agreement to the contrary, the governing body of the Eligible Jurisdiction may cancel or modify the agreement if the Owner fails to comply with the Agreement.

SCHEDULE 1

"Buy Local" Annual Reports

The following information shall be reported to the Governmental Unit on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local).
2. Dollar amount spent for materials\* (total).
3. Dollar amount spent for labor\*\* (local).
4. Dollar amount spent for labor\*\* (total).
5. Number of jobs created in the construction project (local).
6. Number of jobs created in the construction project (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

\* "Materials" is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* "Labor" is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the project design.

The term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County or San Patricio County.