



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 7, 2015

Troy Mircovich
Superintendent
Ingleside Independent School District
2664 San Angelo St.
Ingleside, Texas 78362-1313

Dear Superintendent Mircovich:

On October 16, 2015, the Comptroller issued written notice that The Chemours Company FC, LLC (the applicant) submitted a completed application (Application #1093) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on August 16, 2015 to the Ingleside Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1093.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of October 16, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of The Chemours Company FC, LLC (the project) applying to Ingleside Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of The Chemours Company FC, LLC.

Applicant	The Chemours Company FC, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Ingleside ISD
2011-12 Enrollment in School District	2,309
County	San Patricio
Proposed Total Investment in District	\$175,000,000
Proposed Qualified Investment	\$175,000,000
Limitation Amount	\$30,000,000
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	23
Average weekly wage of qualifying jobs committed to by applicant	\$1,105
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,105
Minimum annual wage committed to by applicant for qualified jobs	\$58,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$7,000,000
Estimated M&O levy without any limit (15 years)	\$18,044,122
Estimated M&O levy with Limitation (15 years)	\$7,027,214
Estimated gross M&O tax benefit (15 years)	\$11,016,907
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

Table 2 is the estimated statewide economic impact of The Chemours Company (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	56	66	122	\$3,494,400	\$5,505,600	\$9,000,000
2017	270	330	600	\$16,747,840	\$28,252,160	\$45,000,000
2018	55	135	190	\$3,181,600	\$13,818,400	\$17,000,000
2019	48	155	203	\$2,514,432	\$15,485,568	\$18,000,000
2020	48	154	202	\$2,514,432	\$16,485,568	\$19,000,000
2021	48	153	201	\$2,514,432	\$17,485,568	\$20,000,000
2022	48	151	199	\$2,514,432	\$17,485,568	\$20,000,000
2023	48	151	199	\$2,514,432	\$18,485,568	\$21,000,000
2024	48	152	200	\$2,514,432	\$19,485,568	\$22,000,000
2025	48	153	201	\$2,514,432	\$20,485,568	\$23,000,000
2026	48	155	203	\$2,514,432	\$21,485,568	\$24,000,000
2027	48	157	205	\$2,514,432	\$23,485,568	\$26,000,000
2028	48	160	208	\$2,514,432	\$24,485,568	\$27,000,000
2029	48	161	209	\$2,514,432	\$25,485,568	\$28,000,000
2030	48	164	212	\$2,514,432	\$27,485,568	\$30,000,000
2031	48	168	216	\$2,514,432	\$28,485,568	\$31,000,000
2032	48	172	220	\$2,514,432	\$30,485,568	\$33,000,000
2033	48	176	224	\$2,514,432	\$31,485,568	\$34,000,000

Source: CPA, REMI, The Chemours Company

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Ingleside ISD I&S Tax Levy	Ingleside ISD M&O Tax Levy	Ingleside ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio Drainage District Tax Levy	Estimated Total Property Taxes
			0.0400	1.0400	1.0800	0.5100	0.0600		
2017	\$ 10,000,000	\$ 10,000,000		\$4,000	\$104,000	\$108,000	\$51,000	\$6,000	\$165,000
2018	\$ 54,650,000	\$ 54,650,000		\$21,860	\$568,360	\$590,220	\$278,715	\$32,790	\$901,725
2019	\$ 157,486,000	\$ 157,486,000		\$62,994	\$1,637,854	\$1,700,849	\$803,179	\$94,492	\$2,598,519
2020	\$ 156,802,500	\$ 156,802,500		\$62,721	\$1,630,746	\$1,693,467	\$799,693	\$94,082	\$2,587,241
2021	\$ 150,390,200	\$ 150,390,200		\$60,156	\$1,564,058	\$1,624,214	\$766,990	\$90,234	\$2,481,438
2022	\$ 144,250,000	\$ 144,250,000		\$57,700	\$1,500,200	\$1,557,900	\$735,675	\$86,550	\$2,380,125
2023	\$ 138,370,600	\$ 138,370,600		\$55,348	\$1,439,054	\$1,494,402	\$705,690	\$83,022	\$2,283,115
2024	\$ 132,740,800	\$ 132,740,800		\$53,096	\$1,380,504	\$1,433,601	\$676,978	\$79,644	\$2,190,223
2025	\$ 127,349,200	\$ 127,349,200		\$50,940	\$1,324,432	\$1,375,371	\$649,481	\$76,410	\$2,101,262
2026	\$ 122,185,500	\$ 122,185,500		\$48,874	\$1,270,729	\$1,319,603	\$623,146	\$73,311	\$2,016,061
2027	\$ 117,240,200	\$ 117,240,200		\$46,896	\$1,219,298	\$1,266,194	\$597,925	\$70,344	\$1,934,463
2028	\$ 112,503,000	\$ 112,503,000		\$45,001	\$1,170,031	\$1,215,032	\$573,765	\$67,502	\$1,856,300
2029	\$ 107,966,200	\$ 107,966,200		\$43,186	\$1,122,848	\$1,166,035	\$550,628	\$64,780	\$1,781,442
2030	\$ 103,620,400	\$ 103,620,400		\$41,448	\$1,077,652	\$1,119,100	\$528,464	\$62,172	\$1,709,737
2031	\$ 99,457,100	\$ 99,457,100		\$39,783	\$1,034,354	\$1,074,137	\$507,231	\$59,674	\$1,641,042
					Total	\$18,738,126	\$8,848,560	\$1,041,007	\$28,627,693

Source: CPA, The Chemours Company

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and San Patricio County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Ingleside ISD I&S Tax Levy	Ingleside ISD M&O Tax Levy	Ingleside ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio Drainage District Tax Levy	Estimated Total Property Taxes
				0.0400	1.0400	1.0800	0.51	0.06	
2017	\$ 10,000,000	\$10,000,000		\$4,000	\$104,000	\$108,000	\$0	\$6,000	\$114,000
2018	\$ 54,650,000	\$54,650,000		\$21,860	\$568,360	\$590,220	\$0	\$32,790	\$623,010
2019	\$ 157,486,000	\$30,000,000		\$62,994	\$312,000	\$374,994	\$160,636	\$94,492	\$630,122
2020	\$ 156,802,500	\$30,000,000		\$62,721	\$312,000	\$374,721	\$239,908	\$94,082	\$708,710
2021	\$ 150,390,200	\$30,000,000		\$60,156	\$312,000	\$372,156	\$306,796	\$90,234	\$769,186
2022	\$ 144,250,000	\$30,000,000		\$57,700	\$312,000	\$369,700	\$367,838	\$86,550	\$824,088
2023	\$ 138,370,600	\$30,000,000		\$55,348	\$312,000	\$367,348	\$423,414	\$83,022	\$873,785
2024	\$ 132,740,800	\$30,000,000		\$53,096	\$312,000	\$365,096	\$473,885	\$79,644	\$918,625
2025	\$ 127,349,200	\$30,000,000		\$50,940	\$312,000	\$362,940	\$519,585	\$76,410	\$958,934
2026	\$ 122,185,500	\$30,000,000		\$48,874	\$312,000	\$360,874	\$560,831	\$73,311	\$995,017
2027	\$ 117,240,200	\$30,000,000		\$46,896	\$312,000	\$358,896	\$597,925	\$70,344	\$1,027,165
2028	\$ 112,503,000	\$30,000,000		\$45,001	\$312,000	\$357,001	\$573,765	\$67,502	\$998,268
2029	\$ 107,966,200	\$107,966,200		\$43,186	\$1,122,848	\$1,166,035	\$550,628	\$64,780	\$1,781,442
2030	\$ 103,620,400	\$103,620,400		\$41,448	\$1,077,652	\$1,119,100	\$528,464	\$62,172	\$1,709,737
2031	\$ 99,457,100	\$99,457,100		\$39,783	\$1,034,354	\$1,074,137	\$507,231	\$59,674	\$1,641,042
					Total	\$7,721,219	\$5,810,905	\$1,041,007	\$14,573,131
					Diff	\$11,016,907	\$3,037,655	\$0	\$14,054,562

Source: CPA, The Chemours Company

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that The Chemours Company FC, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$104,000	\$104,000	\$0	\$0
	2018	\$568,360	\$672,360	\$0	\$0
Limitation Period (10 Years)	2019	\$312,000	\$984,360	\$1,325,854	\$1,325,854
	2020	\$312,000	\$1,296,360	\$1,318,746	\$2,644,600
	2021	\$312,000	\$1,608,360	\$1,252,058	\$3,896,658
	2022	\$312,000	\$1,920,360	\$1,188,200	\$5,084,858
	2023	\$312,000	\$2,232,360	\$1,127,054	\$6,211,913
	2024	\$312,000	\$2,544,360	\$1,068,504	\$7,280,417
	2025	\$312,000	\$2,856,360	\$1,012,432	\$8,292,849
	2026	\$312,000	\$3,168,360	\$958,729	\$9,251,578
	2027	\$312,000	\$3,480,360	\$907,298	\$10,158,876
	2028	\$312,000	\$3,792,360	\$858,031	\$11,016,907
Maintain Viable Presence (5 Years)	2029	\$1,122,848	\$4,915,208	\$0	\$11,016,907
	2030	\$1,077,652	\$5,992,861	\$0	\$11,016,907
	2031	\$1,034,354	\$7,027,214	\$0	\$11,016,907
	2032	\$992,876	\$8,020,090	\$0	\$11,016,907
	2033	\$953,137	\$8,973,227	\$0	\$11,016,907
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$915,060	\$9,888,287	\$0	\$11,016,907
	2035	\$878,574	\$10,766,861	\$0	\$11,016,907
	2036	\$843,621	\$11,610,482	\$0	\$11,016,907
	2037	\$810,120	\$12,420,602	\$0	\$11,016,907
	2038	\$778,015	\$13,198,617	\$0	\$11,016,907
	2039	\$747,242	\$13,945,859	\$0	\$11,016,907
	2040	\$717,754	\$14,663,613	\$0	\$11,016,907
	2041	\$689,490	\$15,353,103	\$0	\$11,016,907
	2042	\$662,391	\$16,015,494	\$0	\$11,016,907
	2043	\$636,417	\$16,651,910	\$0	\$11,016,907
		\$16,651,910	is greater than	\$11,016,907	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, The Chemours Company FC, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller determines that the limitation on appraised value is a determining factor in The Chemours Company FC, LLC App # 1093’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the company, the proposed facility would produce Opteon® 1234yf, the replacement for refrigerant 134a which is currently used in mobile air conditioning units. The facility would service the global markets for mobile A/C units which are primarily for cars sold in the USA, Mexico and Europe. The use of Opteon® 1234yf is being mandated for use in new cars sold in many regions.
- According to the company, the market is growing and the existing Chemours facility located in Changshu China will soon run out of capacity necessitating either expanding the Changshu site or developing the site in San Patricio county.
- According to the applicant, the site selection for this Project has competitive global options. Final location for the proposed Project will, in part, depend on the ability to minimize the costs associated with the project. For this reason, Chemours is requesting economic development support through San Patricio County, the Ingleside Independent School District, and the State of Texas.
- According to the company, Chemours intends to enter into a Chapter 312 Tax Abatement Agreement with San Patricio County before the end of the application year.
- According to the company, there are substantial economic benefits for the Changshu site versus the San Patricio site with respect to construction and labor costs. This appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (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) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In Tab 4, attach 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.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Attachment C – Limitation as a Determining Factor
Documentation to assist in determining if limitation is a determining factor.

Supporting Information

Project Description:

The Chemours Company FC, LLC is requesting an appraised value limitation from Ingleside ISD for a chemical manufacturing facility located on the western edge of the Ingleside ISD taxing jurisdiction. The new facility would be located in a vacant block of land (6.3 acres) inside of the existing Chemours facility (Tract I --142.62 acres) in San Patricio County. The proposed facility would produce Opteon® 1234yf, the replacement for refrigerant 134a which is currently used in mobile air conditioning units. The facility would service the global markets for mobile A/C units which is primarily for cars sold in the USA, Mexico and Europe. The use of Opteon® 1234yf is being mandated for use in new cars sold in many regions. The market is growing and the existing Chemours facility located in Changshu China will soon run out of capacity. Chemours plans to build a world scale facility. The proposed facility would have an estimated capital cost of \$178 million.

Proposed Investment:

The proposed investments include, but are not limited to, the following:

- Site preparation including grading, soil stabilization and storm water management.
- Laydown area improvements for receipt storage and handling of equipment.
- Manufacturing facilities:
 - A multistep chemical process that includes: reactors, distillation columns, pumps, process scrubbers
 - Storage tanks for raw materials, intermediates and finished product
- Support facilities such as pipe bridges, instrument and electrical control rooms, and refrigeration equipment.
- Unloading spots for raw materials.
- Loading facilities for filling railcars, tank trucks and ISO containers.
- Pollution control equipment to facilitate a clean, safe manufacturing environment.

Major construction of the facility is forecasted to begin in November 2016 with commercial operations anticipated to commence in the third quarter of 2018.

Attachment C – Limitation as a Determining Factor

Supporting Information

Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

The Chemours Company, commonly referred to as Chemours, is an American chemical company that was founded in July 2015 as a spin-off from DuPont. The Chemours Company FC, LLC is 100% owned by The Chemours Company, LLC.

Chemours is a leading global provider of performance chemicals through three reporting segments: Titanium Technologies, Fluoroproducts, and Chemical Solutions. Chemours has more than 8 thousand employees around the world and its businesses generated sales of approximately \$6 billion in 2014. Chemours is located in 12 countries and operates 37 production facilities of which there are 26 facilities in North America, 5 in Europe, the Middle East & Africa, 4 in Asia Pacific and 2 in South America. Additionally, Chemours is constructing a new production facility in Altamira, Mexico and that will be 85% complete by the end of 2015.

The proposed Project is still in an early evaluation stage; only very preliminary development activities have begun. No formal permit filings have been made as of the date of this application. No engineering, procurement or construction contracts have been negotiated or signed to support the proposed Project. No public announcements of a definitive intent to construct the proposed Project have been made - there is published corporate support for the construction of a production facility, however the location has not been finalized. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; however, this work is necessary for purposes of determining whether the proposed Project is technically viable and can be cost-competitive in the global marketplace.

The site selection for this Project has competitive global options. Final location for the proposed Project will, in part, depend on the ability to minimize the costs associated with the project. Chemours has narrowed the potential site selection down to either a site in San Patricio County or an existing Chemours Opteon production facility located in China. For this reason, Chemours is requesting economic development support through San Patricio County, the Ingleside Independent School District, and the State of Texas. Chemours intends to enter into a Chapter 312 Tax Abatement Agreement with San Patricio County before the end of the application year. See the attached site comparison of San Patricio County Texas vs. Changshu, China. This chart demonstrates that there are substantial economic benefits for the Changshu site with respect to construction and labor costs. This appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Cummings Westlake, LLC

Chapter 313 Application to Ingleside ISD

Siting Factors	San Patricio County, TX	Changshu, China
Labor Costs	Mid to High - Competing for resources with several large chemical plant expansion projects in the county.	Low - located in chemical industry zone, 60 mile from Shanghai, China

Construction Costs	Mid to High - Competing for resources with several large chemical plant expansion projects in the county.	Low - located in chemical industry zone, 60 mile from Shanghai, China. Existing Fluorochemicals plant complex, including the initial Chemours 1234YF production facility. Experience with requirements for proposed facility. The compar 1234YF plant built in China would be substantial less cost.
Finished Product Transportation Costs	Low - Rail access, closer to US and Mexico markets.	Mid - initial market opportunities mostly outside China. Higher FPDE costs for export.
Feedstock Supply	Barge access, supply of new feedstocks available from existing suppliers to the site.	Low cost supply readily available in the industrial zone
Inbound Pipeline Access	Potential for inbound pipeline access. Not in current project scope.	Yes
Outbound Pipeline Access	Not for proposed project	No
Water Access	Yes	Yes
Rail Access	Yes	No
Proximity of Product Market	Close to initial target markets in US and Mexico. Require export to Europe market.	Require export to initial target markets in US and Europe.
Site Preparation/Foundation Cost	Low - existing Chemours Fluorochemical complex. Space available.	Low - existing chemical plant complex. Space available.
Utilities	Capacity available - requires electricity, steam, cooling tower. Some investment required.	Capacity available - requires electricity, steam, cooling tower. Some investment required.
Environmental	Waste water treatment and thermal converter in place. Permits required.	Waste water treatment and thermal converter in place. Permits required.
Business Friendly Community	Yes	Yes - Chemical Industrial zone
Availability of Tax Incentives	Chapter 312/380/IDA tax abatement; Chapter 313 value limitation with school district and state approval	Yes on previous projects.
Project Resources	Chemours resources available	Available - recently installed similar project at the Changshu site.