JEFFERSON COUNTY AMENDED UNIFORM TAX ABATEMENT POLICY-2026

ADMONITORY PROVISIONS

The final determination of value to be abated is vested with the Jefferson County Central Appraisal District (JCCAD), an agency autonomous from Jefferson County. The Procedures used by JCCAD are attached as Exhibit "A" and incorporated and adopted in this Abatement Policy for all purposes. These provisions are illustrative only and shall not limit the Appraisal District in making determinations in any manner otherwise allowed by law.

Businesses applying for tax abatement with the County are advised that any agreement with the County applies only to ad valorem taxes assessed by Jefferson County. Any abatement agreement with other taxing entities must be negotiated directly with such entities. In addition, each individual or business receiving an abatement remains responsible for annually applying to the Jefferson County Appraisal District for recognition and implementation of such abatement agreement.

STATEMENT OF PURPOSE

SECTION I

(a) The Commissioners Court of Jefferson County, Texas adopts this tax abatement policy to provide incentives to the owner of real property, who proposes a Project to develop, redevelop or improve eligible facilities. The incentives will consist of a limited special exemption from certain taxes provided that the Owner agrees to accept and abide by this Policy and the provisions of the abatement agreement for the real property located in a lawfully created Reinvestment or Enterprise Zone**. It must be understood that this Policy is intended to provide guidance relating to the application for an abatement but that the terms and conditions outlined in the Abatement Agreement approved by the Commissioners Court are controlling.**

(b) This policy is intended to improve the quality of life in economically depressed areas and throughout the County by stimulating industrial development, and job creation and retention provided that the taxable value of the property of the owner is not adversely affected.

(c) In consideration of an application for an abatement by a business with existing operations in Jefferson County, the Commissioners Court will take into consideration the extent to which the company has utilized local labor, vendors, contractors and suppliers in their ongoing operations during the years prior to the application for an abatement

DEFINITIONS

SECTION II

(a) **"Abatement**" means the full or partial exemption from ad valorem taxes of certain real property values in a reinvestment or enterprise zone designated by the County for economic development purposes.

(b) "**Affiliate**" means any specified person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with such specified person or entity. For purposes of this definition, the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

(c) "**Agreement**" means a contractual agreement between a property owner and/or lessee and the County.

(d) **"Base Year"** means the calendar year in which the abatement contract is executed (signed).

(e**) "Bulk Buys**" include but are not limited to material which is purchased in the early phase of the project. This material includes commodity and special order items that may have long lead times due to fabrication timeframe or by the significant size of the order(s). The county recognizes "Bulk Buys" historically represent a significant percentage of the material purchase for a project.

(f) "**Deferred Maintenance**" means improvements necessary for continued operation which that do not improve productivity, or alter the process technology, reduce pollution or conserve resources. The terms and conditions of the abatement will remain in full force and effect for all maintenance and "turnaround work" conducted on the facility for the full period of abatement granted.

(g) "**Distribution Center"** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the Facility operator where a majority of the goods or services are distributed to points beyond Jefferson County.

(h) "**Eligible Facilities"** or "**Eligible Projects**" means new, expanded or modernized buildings and structures, as defined in the Texas Property Tax Code, including fixed machinery and equipment, which is reasonably likely to result as a result by granting an abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment or enterprise zone that would be a benefit to the property and that would contribute to the economic development within the County, but does not include facilities which are intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, industrial structures, buildings and warehouses. Eligible facilities may also

include facilities designed to serve a regional population greater than the County for medical, scientific, recreational or other purposes.

(i) "**Eligible Property**" means realty improvements, the on-site buildings, structures,fixed machinery and equipment, storage tanks, process units (including all integral components necessary for operations), site improvements, and infrastructure included in the PROJECT, and the permanent office space and related fixed improvements, withinthe Reinvestment Zone which are necessary to the operation and administration of the PROJECT, as defined in the Tax Code, but does not include personal property.

(j) "**Expansion**" means the addition of buildings, structures, machinery, tangible personal property, equipment, payroll or other taxable value for purposes of increasing production capacity.

(k**)"Field Buys"** include but are not limited to the procurement of material that is conducted by the project procurement team which is typically located on site throughout the duration of the project.

(l) "**Modernization**" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility to increase capacity for production and/or efficiency. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

(m) "**Facility"** means property improvements completed or in the process of construction which together comprise and integral whole.

(n) "**New Facility**" means a property previously undeveloped which is placed into service by means other than in conjunction with Expansion or Modernization.

(n) **"Pollution Control Exemption**" means technology and equipment designed to reduce pollution at the site.

(o) "**Productive Life**" means the number of years a property improvement is expected to be in service in a facility.

WHEN ABATEMENT AUTHORIZED

SECTION III

(a) **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for tax abatement as hereinafter provided.

(b) **Creation of New Value.** Abatement may only be granted for the creation of additional value to eligible facilities made subsequent to and specified in an abatement agreement between the County and the property owner or lessee, subject to such

limitations as the County may require. Under no circumstances will abatements be considered or granted once construction on a facility or project has begun.

(c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

(d) **Eligible Property.** Abatement may be extended for the increase in value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.

(e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, inventory, vehicles, vessels, housing, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion. Any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; deferred maintenance, property to be rented or leased (except as provided in Section III(f), property which has a productive life of less than ten years, or any other property for which abatement is not allowed by state law.

(f) **Owned/Leased Facilities.** If a leased facility is granted abatement, both the owner/lessor and the lessee shall be parties to the abatement contract with the County.

(g) **Economic Qualification.** In order for an Eligible Facility to receive tax abatement, the planned improvement:

(1) Must create an increased appraised ad valorem tax value based upon the Jefferson County Central Appraisal District's assessment of the eligible property; and

(2) Must prevent the loss of payroll or retain, increase or create payroll (full-time employment) on a permanent basis in the County.

(3) Must not have the effect of displacing workers or transferring employment from one part of the County to another.

(4) Must demonstrate by an independent economic impact analysis, which must be filed prior to approval of the abatement, that the local economic benefit will be substantially in excess of the amount of anticipated foregone tax revenues resulting from the abatement.

Factors Considered By County In Considering Abatement Requests

Section IV

(a) **Standards For Tax Abatement.** The following non-exclusive factors may be considered in determining whether to grant tax abatements for an Eligible Facility or Project, and if so, the percentage of value to be abated and the duration of the tax abatement:

(1) Existing improvements, if any;

(2) Type and value of proposed improvements;

(3) Productive life of proposed improvements;

(4) Number of existing jobs to be retained by proposed improvements;

(5) Number and types of new full-time jobs to be created by proposed improvements;

(6) The extent to which new jobs to be created will be filled by persons who are economically disadvantaged, including residents of a Reinvestment or Enterprise Zone;

(7) The extent to which local labor, local subcontractors and local vendors and suppliers will be used in the construction phase of the project;

(8) The amount of local taxes to be generated directly. In this regard it is understood that purchases for the project will be invoiced locally that Jefferson County will be credited with sales taxes for purchases. By way of clarification Owner will enter into a Separate Contract as defined in 34 Texas Administrative Code 3.291 (a) (13) with an EPC contractor (EPC) for the construction of the new plant facility to be located in Jefferson County Texas.

Owner will obtain a Texas Direct Payment Permit (DPP) and issue a DPP exemption certificate in lieu of sales tax to EPC. Owner will remit use taxes on taxable purchases made for use in the Project directly to the state of Texas on its monthly Texas Direct Payment Return for both state and county taxes at the applicable rates. The State of Texas collects Limited, Sales, Excise and Use Taxes for both the state and local tax jurisdictions. The state is responsible for distributing the local taxes it collected to the applicable local jurisdiction.

(9) The amount the property tax base valuation will be increased during term of abatement and after abatement;

(10) The amount of economic impact the Eligible Facility will provide to the local community;

(11) The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;

(12) The amount of ad valorem taxes to be paid to the County during the abatement period considering (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period;

(13) The population growth of the County projected to occur directly as a result of new improvements;

(14) The types and values of public improvements, if any, to be made by the applicant seeking abatement;

(15) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(16) The impact of the proposed project on the business opportunities of existing businesses;

(17) The attraction of other new businesses to the area that will result from the project;

(18) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(19) Whether the project is environmentally compatible with no negative impact on quality of life perceptions. Each application for tax abatement shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

(b) **Local Employment.** For purposes of evaluating compliance, Local labor is defined as those laborers or skilled craftsmen who are residents and domiciliaries of the nine county region comprised of Jefferson, Orange, Hardin, Jasper, Newton, Liberty, Tyler and Chambers counties, as well as the Bolivar Peninsula area of Galveston County. Local vendors and suppliers shall include only those located or having a principal office in Jefferson, Orange and Hardin Counties where one or more of the principal owners resides. Local Subcontractors shall include only those located or having a principal office in Jefferson County.

Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, vendors, contractors and labor, except where not reasonably possible to do so, without significant added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception, cases involving purchases over $50,000.00, a justification for such purchase shall be included in the annual report. Each recipient shall further acknowledge that is a legal and moral obligation of persons receiving property tax abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. In the event of breach of the “buy-local” provision, the percentage of abatement shall be proportionately reduced in an amount equal to the amount the disqualified contract bears to the total construction cost for the project. **IT IS ALSO UNDERSTOOD THAT THE EPC FOR EACH ENTITY GRANTED A TAX ABATEMENT WILL BE REQUIRED TO ABIDE BY ALL OF THE TERMS AND CONDITIONS OF THE ABATEMENT AGREEMENT AND THE OWNER WILL BE HELD CONTRACTUALLY RESPONSIBLE TO ENSURE THAT THE EPC FULFILLS THIS OBLIGATION.**

(c) Each recipient of a property tax abatement must also provide bidding information to local contractors, manufacturers and labor to allow them to have sufficient information and time to submit their bids and pre-bid meetings must be held between the owner and potential local bidders and suppliers of services and materials. In this regard, each recipient of an abatement will provide sufficient notice and information regarding the project to qualified contractors, manufactures, and suppliers to enable them to submit bids in the AT THE OUTSET OF THE procurement processes for materials, including but not limited to Bulk Buys. The recipient of a tax abatement will use the available resources of the Chambers of Commerce, Texas Workforce, vendor/contractor workshops and advertising to accomplish this goal.

(d) **Historically Underutilized Businesses/Disadvantaged Business Enterprises**. The County will also strongly consider the extent to which the project will encourage and promote the utilization of Historically Underutilized Businesses (HUBs) (also known as Disadvantaged Business Enterprises, or DBEs) by the owner and general contractor by ensuring that qualified HUB vendors and contractors are given a sufficient opportunity to bid on all contracts.

1. A Historically Underutilized Business (HUB) is a business owned or controlled by Socially and Economically Disadvantaged Individuals as defined by
The State of Texas and/or all applicable federal or state laws and local policies, including Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans, women and individuals with disabilities. A HUB is one that is at least 51 percent owned or controlled by one or more women or Socially and Economically Disadvantaged Individuals who actively participate in the conduct of the business or, in the case of a publicly owned business, one in which at least 51 percent of the stock is controlled by one or more women or Socially and Economically Disadvantaged Individuals. A business that has been certified as a HUB/DBE by an agency of the federal government or the State of Texas is presumed to be a HUB/DBE for purposes of this policy. Only a HUB/DBE with its principal office in Jefferson, Hardin, and Orange, County will be recognized as a HUB/DBE for purposes of this policy. Jefferson County will supply a HUB/DBE Directory to each applicant.

2. The County will require that each abatement contract between itself and any individual or entity seeking the abatement of ad valorem taxes contain a provision requiring the owner, on at least a quarterly basis, and at owner's cost, to allow the full examination by County or its designated representative(s) of all documents necessary for County to assure that best efforts have been used by owner to comply with the "local buy/hire" provisions to utilize local labor, subcontractors, vendors, suppliers and HUB's/DBE's. The County will also require that such contracts contain provisions binding the engineering/construction firms utilized as general contractors on the Project to the terms of the abatement contract.

(e) **Denial of Abatement.** Neither a reinvestment or enterprise zone nor abatement agreement shall be authorized if it is determined that:

(1) There would have a substantial adverse affect on the provision of government service or tax base;

(2) The applicant has insufficient financial capacity;

(3) Planned or potential use of the property would constitute a substantial hazard to public safety, health or morals;

(4) The project would cause a violation of state or federal laws; or

(5) For any other reason deemed appropriate by the County including the pendency of

litigation between the individual or entity requesting the creation of the reinvestment or enterprise zone and the County.

(f) "**Taxability**" From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

(1) The value of ineligible property shall be fully taxable; and

(2) The base year value of existing eligible property as determined each year shall be fully taxable.

APPLICATION PROCESS

SECTION V

(a) Any present owner, potential owner or Lessee of taxable property in the County may request the creation of a reinvestment or enterprise zone and tax abatement by filing a written request with the County Judge.

(b) The application shall consist of a completed application form which shall provide detailed information on the items described herein; a map and property description with specific metes and bounds **which includes GPS coordinates (pursuant to a directive from the Comptroller's Office);** a time schedule for undertaking and completing the planned improvements. In the case of modernization, 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 may be deemed appropriate for evaluating the financial capacity and other factors of the applicant. The County shall also require a non-refundable application fee in the amount of $1,000.00 to be submitted, by check, payable to Jefferson County with the application.

(c) Prior to the adoption of an ordinance order designating a reinvestment zone or application by the County for designation of an enterprise zone, the County shall: (1) give written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located not later than thirtieth (30th) day before the public hearing; and (2) publish notice of a public hearing in a newspaper of general circulation within such taxing jurisdiction not later than the seventh (30th) day before the public hearing. Before acting upon the application, the County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted. Prior to considering and approving any tax abatement agreement, the recipient shall make its principals available to appear in an executive session (confidential meeting) with the Commissioners Court to generally outline their proposed project will benefit the local economy.

(d) The County shall make every reasonable effort to either approve or disapprove the application for tax abatement within forty-five (45) days after receipt of the application. The County shall notify the applicant of approval or disapproval.

(e) The County shall not establish a reinvestment or enterprise zone or enter into an abatement agreement if it finds that the request for the abatement was filed after the

commencement of construction, alteration, or installation or improvements related to a proposed modernization, expansion or new facility.

(f) Information that is provided to the County in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which a tax abatement agreement is requested is confidential and not subject to public disclosure pursuant to the Texas Public Information Act , during negotiations, until the tax abatement agreement is executed. That information in the possession of a taxing unit after the agreement is executed is not confidential and is subject to disclosure.

AGREEMENT

SECTION VI

(a) Not later than the thirtieth (30TH) day before the date on which the County enters into the abatement agreement, the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the agreement. The notice shall include a copy of the prepared agreement.

(b) The County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee, as the case may be, which shall include at least the following terms:

(1) Estimated value to be abated and the base year value;
(2) Percent of value to be abated each year;
(3) The commencement date and the termination date of abatement;
(4) The proposed use of the facility, nature of construction, time schedule, map, property description and improvement list;
(5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, or assignment;
(6) Provision for access to and authorization for inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
(7) Limitations on the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
(8) Provision for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
(9) Provision that all permanent jobs be registered with the Texas Workforce Commission and that all contractors shall give preference to and to seek qualified workers through the Texas Workforce Commission.
(10) Contain each and every term agreed to by the owner of the property;

(11) Requirement that the owner or lessee of the property certify annually to the governing body of each taxing unit that the owner or lessee is in compliance with each applicable term of the agreement; and
Page 9
(12)All terms required by Texas Tax Code §312.205, as amended; Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the County.
13) A copy of the model abatement agreement will be provided to each applicant and every applicant understands and agrees that, notwithstanding the wording of this policy, the terms and conditions of the agreement will control an prevail.

RECAPTURE

SECTION VII

(a) In the event that the company, owner's or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement; and fails to cure during the cure period, or discontinues production the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

(b) Should the County determine that the company or individual is in default according to the terms and conditions of its agreement, the County shall notify the company or individual of such default in writing at the address stated in the agreement; and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the agreement may be terminated. Alternatively, County may, as a penalty for default or non-compliance with the provisions of an abatement contract, reduce the term of the abatement period and/or the annual percentage abatements available thereunder.

(c) Payment in Lieu of Taxes: If, during the period of this abatement, any Federal or State law provides an additional tax exemption for the property that is already the subject of this agreement, Applicant agrees to decline that tax exemption during the period of this abatement. If Applicant choses to not to decline that tax exemption, Applicant agrees to pay the taxes, or payment in lieu of taxes, on the reduction of property tax revenue to the County that is the result of said exemption. Any payment in lieu of taxes shall be due on or before November 15 of the year in which payment is due. If applicant receives and exemption for pollution control in excess of the 15% (fifteen percent) allowed by the abatement the dollar amount of the abatement will be reduced each year, dollar for dollar, for the TECQ exemption. The Jefferson County Central Appraisal District will provide calculations for this reduction.

(d)By this, it is understood and agreed that if the party granted this abatement avails itself of a Foreign Trade Zone exemption, the abated value subject to this contract will be reduced dollar for dollar and taxed.

(e) It is specifically understood and agreed by the Owner, Owners Affiliates, or Joint Venture that, if at any time during the effective dates of an agreement relating to

abatement, the Owner, Affiliates, or Joint Venture files or prosecutes an action to contest the appraised value of any property of the Owner, Owner's Affiliates, or Joint Venture within Jefferson County for unequal appraisal value or revision thereof pursuant to Sec. 42.26, Texas Tax Code, any and all abatements granted by County to Owner, Owner's Affiliates, or Joint Venture shall become null and void and cancelled.

ADMINISTRATION

SECTION VIII

(a) The Chief Appraiser of the Jefferson Central Appraisal District will annually determine an assessment of the real and personal property subject to each abatement agreement. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary to determine compliance with the abatement agreement. Once value has been established, the Chief Appraiser will notify the County of the amount of the assessment.

(b) The abatement agreement shall stipulate that employees and/or designated representatives of the County will have access to the facility during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. Inspections 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 representative of the company or individual and in accordance with its safety standards.

(c) In the event the COUNTY terminates this AGREEMENT pursuant to the provisions of the executed abatement agreement, as a result of any event of default by OWNER, including, for the avoidance of doubt, if OWNER fails to make the improvements to the Eligible Property as provided by this AGREEMENT, the COUNTY shall be entitled to recapture and be paid all taxes previously abated by virtue of this AGREEMENT within thirty (30) days of the termination, together with all penalties and interest required by the Texas Property Tax Code.

(d) During the course of construction of the Project, Owner and its general contractor and/or subcontractors shall, on at least a quarterly basis, file a written report with and/or meet with designated County representatives for an onsite inspection to assure compliance with the terms of the abatement agreement. Owner will file quarterly reports that detail which persons, firms or entities who supplied materials or labor utilized in the construction of the Project and the amounts expended for same and detailing which was purchased locally or otherwise. Owner shall be responsible to County for the payment of costs associated with such monitoring. In the event it is determined that Owner or its contractors have failed to comply with the terms of the abatement agreement, then County may terminate the abatement agreement or, in County's discretion, reduce the duration or annual percentages of such abatement. The quarterly reports must contain

details regarding local and non-local expenditures on a format similar to Exhibit A attached hereto.

(e) During construction, the Applicant shall maintain appropriate records of the employees affected by this abatement, including but not limited to, proof of employees' legal residence, proof of immigration-resident status, and, if applicable, such other documentation that may be required to document compliance with the Agreement.

(f) The Chief Appraiser of the Jefferson Central Appraisal District shall timely file with the Texas Department of Economic Development and the State Property Tax Assistance Division all information required by the Tax Code.

(g) All requirements of the Abatement Agreement shall apply to Applicant's contractors/subcontractors and Applicant shall ensure that they abide by the terms of the Agreement.

AGREEMENT

SECTION IX

Abatement may be transferred, assumed and assigned in whole or in part by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld. As a condition of transfer, an assignment fee of $10,000.00 may be required, with the maximum fee being $10,000.00

SUNSET PROVISION

SECTION X
These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters of the Commissioners' Court at which time all reinvestment and enterprise zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the guidelines and criteria may be modified, renewed or eliminated.

DISCRETION OF THE COUNTY

SECTION XI

The adoption of these guidelines and criteria by the County does not:

(1) Limit the discretion of the County to decide whether to enter into a specific tax abatement agreement;

(2) Limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax abatement; or

(3) Create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax abatement.

QUESTIONS TO BE ANSWERED IN ORDER TO DEVELOP AN APPLICATION AND ECONOMIC IMPACT STATEMENT FOR VALUE ADDED TAX ABATEMENTS IN JEFFERSON COUNTY

General:
Jefferson County will provide a representative to assist in preparation and presentation of all documents and to guide them through the abatement process.

Opening Paragraph:

The application should include a summary statement about the company and its operations. This information can come from an annual report, corporate 10K or other document provided by the company. (Please include these documents with this questionnaire.)

Economic Impact Analysis:
The application must include the attachment of an independently prepared economic impact analysis of the proposed facility as it impacts the local economy detailing the information referred in Section III herein.

Maps and Plats

Provide maps, plats, and drawings necessary to establish the location of the improvements and their relationships to the boundaries of cities, ETJ's, and reinvestment or enterprise zone boundaries.

Questions to be Answered

(1) Is your project within a city limit? _____. Name of City

(2) Is your project within an ETJ? Name of City ETJ

(3) Is your project within an Enterprise or Reinvestment Zone? Which?

(4) Will you own the realty or lease the realty?

(5) Present Appraisal District value of land and any EXISTING improvements owned by the

OWNER:
(Answer this question based on Appraisal District records for the specific site you select.)
Cost of Land (If you are purchasing): $_____
Number of Acres:_____ or Square Feet: _____

(6)Type and value of proposed improvements: (In this answer list the specific amount of investment that will be expended for the entire project for which you seek abatement.)
Page 13

_____
Type of construction:
(Tiltwall, Build-Out of Existing Facility, Etc.)
Value of Construction:
Value of Equipment:

Value of Pollution Control Devices: It is understood and agreed that Applicant. will not seek a tax exemption for any equipment or portion of the facility which merely reduces the pollution characteristics of the finished product produced by the facility and that an exemption will only be sought for equipment and technology utilized to reduce pollution at or around the facility.

(7) Productive life of proposed improvements:_____ years, or term of initial lease:_____

(8) Number of existing jobs to be retained by proposed improvements: _____
(Answer only if the location is already in or near Jefferson County and now employs Jefferson residents.)

(9) Number and types of new jobs to be created by proposed improvements:_____
Include in this answer the number of Jefferson County residents that will be employed.

(10) Amount of Annual local payroll to be created: _____.

(11) What percentage and type of jobs to be created will Jefferson residents have the opportunity to fill? _____

(12) Amount property tax base valuation will be increased:
During term of abatement: _____
After term of abatement: _____

(13) The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:_____
(Explain any costs for development or depletion of infrastructure the city is being asked to absorb, if any.)

(14) The amount of ad valorem taxes to be paid to the county during the abatement period considering: (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period.

(15) The population growth of the county that will occur directly as a result of new improvements: _____
(If you relocate to Jefferson County, how many of your employees do you anticipate to relocate?)

(16) The types and values of public improvements, if any, to be made by applicant seeking abatement:

_____
_____
(List any facilities from which the public might benefit.)
(17) Do the proposed improvements compete with existing businesses to the detriment of the local economy:
_____

(18) The impact on the business opportunities of existing businesses:
_____

_____
(Are there possibilities for local businesses to become suppliers? Any new retail opportunities? If you have previously conducted business within Jefferson County, please provide a list of any and all local/non-local HUB/DBE companies with whom you have worked and the extent of that work relationship)

(19) The attraction of other new businesses to the area:
_____
_____
(Will any of your suppliers, customers, parent, or sister companies relocate because of your relocation?)

(20) The overall compatibility with the zoning ordinances and comprehensive plan for the area:

(21) Describe, including the estimated value, all pollution control devices and other improvements for which you intend to seek TNRCC exemption from taxation:

(22) Describe methods/procedures you (and any procurement personnel) will use to provide bidding information to local contractors, manufacturers and labor to allow them to have sufficient information and time to submit their bids and attend pre-bid meetings to enable them to submit bids in all stages of the procurement process, including but not limited to “bulk buys.” For further clarification, “local” is intended to mean entities that maintain their primary business office (where company policies, financial decisions and management decisions are made) in Jefferson County.

NOTE: Failure to accurately disclose exempted property may result in a total default under the Abatement Contract, resulting in recapture of previously abated taxes and forfeiture of future abatement.

EXHIBIT A REPORTING FORMAT FOR THE QUARTERLY REPORTS HAS BEEN PROVIDED FOR THE GUIDANCE IN SUBMITTING SUCH REPORTS