



PUBLIC HEARING ON AMENDMENT NO. 3 TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE BETWEEN THE DISTRICT AND NACERO TX 1 LLC, TEXAS COMPTROLLER APPLICATION NUMBER 1568, PURSUANT TO CHAPTER 313 OF THE TEXAS TAX CODE, AS THAT STATUTE EXISTED IMMEDIATELY BEFORE ITS EXPIRATION PURSUANT TO SECTION 313.171(a)

A Public Hearing on Amendment No. 3 to Agreement for Limitation on Appraised Value between the District and Nacero TX 1 LLC, Texas Comptroller Application Number 1568, Pursuant to Chapter 313 of the Texas Tax Code, as that statute existed immediately before its expiration pursuant to Section 313.171(a).

Explanation for Amendment No. 3 and Background:

The Nacero project now has been designated as a “Clean Energy Project,” which allows it to add 3 more years to its Qualifying Time Period. As you may recall, Amendment No. 2 delayed the start of the Limitation Period, which created three gap years following the end of the Qualifying Time Period (i.e., 2024, 2025, and 2026). With the new designation as a clean energy project, these gap years can be part of the Qualifying Time Period, provide additional time for Nacero to make the minimum \$100 million qualified investment and therefore keep the Agreement from terminating at the end of this year due to lack of investment. Recall that Nacero was not able to get delivery of certain equipment and could not begin construction due to issues arising from the pandemic. Further, the original application noted 258 new Qualifying Jobs would be created. But they can meet the minimum requirement with only 25 new Qualifying Jobs. Therefore, the company is seeking to amend the number of both new Qualifying Jobs and new Non-Qualifying Jobs to 25 and zero, respectively. Nacero still intends to have the same number of employees as originally planned, but not reaching the designated number of qualifying jobs could cause significant penalties and perhaps even cause the Agreement to be terminated by the Comptroller. To be safe, Nacero is asking to reduce the number of qualifying jobs to the statutory minimum. This practice is not uncommon among other applicants and is approved by the Comptroller. Since the Findings of Fact addressed the number of jobs when the original Agreement was approved, the Board must approve the reduction by amending the Resolution and Findings of Fact.
