

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 12, 2022

AMENDED COMPLETENESS, CERTIFICATE & AGREEMENT APPROVAL
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Dr. Scott Muri  
Superintendent  
Ector County Independent School District  
802 North Sam Houston  
Odessa, Texas 79761

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and GCC Permian, LLC, Application 1652

Dear Superintendent Muri:

This application (Application 1652) was originally submitted on September 21, 2021, to the Ector County Independent School District (school district) by GCC Permian, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On December 10, 2021, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on March 9, 2022. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 19, 2022.

On May 16, 2022, the Comptroller received an amendment to the agreement to increase the project size and investment and, subsequently, determined that it includes the information necessary to be determined as complete. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement 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 B; 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)**

The information provided by the applicant related to eligibility has not changed and therefore, 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 B.

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<sup>1</sup> 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)

Based on the amended information provided by the applicant, 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's 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 previously 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.

Based on these determinations, the Comptroller approves changes to the certificate for a limitation on appraised value for the amendment.

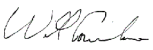
The Comptroller's review of the amended application and amended agreement assumes the accuracy and completeness of the statements in the amendment. If the amendment is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) and all amendments, 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 approval is no longer valid if the information presented in the amendment changes, or the amended limitation agreement does not conform to the amended application. Additionally, this approval is contingent on the school district approving and executing the amendment to the agreement by **December 31, 2022**.

This office has also been provided with the Amended Agreement for Limitation on Appraised Value. As requested, the amendment to the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1). Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact John Villarreal, Manager, Data Analysis & Transparency, by email at [john.villarreal@cpa.texas.gov](mailto:john.villarreal@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 3-5241, or at 512-463-5241.

Sincerely,

DocuSigned by:  
  
8FDFC70F5753487...

Will Counihan

Director

Data Analysis & Transparency

cc: Fred Stormer, Underwood Law Firm, P.C.  
Luis Carlos, GCC Permian, LLC  
Carlos Lopez, GCC Permian, LLC  
Brandon Westlake, Cummings Westlake LLC

### Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of GCC Permian, LLC (project) applying to Ector County Independent School District (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 GCC Permian, LLC.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	GCC Permian, LLC	GCC Permian, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Ector County ISD	Ector County ISD
2020-2021 Average Daily Attendance	29,754	29,754
County	Ector	Ector
Proposed Total Investment in District	\$361,000,000	\$374,980,000
Proposed Qualified Investment	\$270,900,000	\$560,030,000
Limitation Amount	\$100,000,000	\$100,000,000
Qualifying Time Period (Full Years)	2023-2024	2023-2024
Number of new qualifying jobs committed to by applicant	5*	5*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$993.27	\$993.27
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$993.07	\$993.07
Minimum annual wage committed to by applicant for qualified jobs	\$51,650	\$51,650
Minimum weekly wage required for non-qualifying jobs	\$1,132	\$1,132
Minimum annual wage required for non-qualifying jobs	\$58,864	\$58,864
Investment per Qualifying Job	\$72,200,000	\$112,006,000
Estimated M&O levy without any limit (15 years)	\$37,028,493	\$51,222,318
Estimated M&O levy with Limitation (15 years)	\$20,483,403	\$23,958,582
Estimated gross M&O tax benefit (15 years)	\$16,545,090	\$27,263,736

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of GCC Permian, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	350	418	767.56	\$18,375,000	\$41,285,000	\$59,660,000
2023	350	438	788	\$18,375,000	\$48,785,000	\$67,160,000
2024	350	442	792	\$18,375,000	\$54,015,000	\$72,390,000
2025	5	66	71	\$258,250	\$15,471,750	\$15,730,000
2026	5	44	49	\$258,250	\$11,341,750	\$11,600,000
2027	5	17	22	\$258,250	\$7,641,750	\$7,900,000
2028	5	6	11	\$258,250	\$5,551,750	\$5,810,000
2029	5	5	10	\$258,250	\$4,601,750	\$4,860,000
2030	5	8	13	\$258,250	\$4,371,750	\$4,630,000
2031	5	14	19	\$258,250	\$4,581,750	\$4,840,000
2032	5	19	24	\$258,250	\$4,981,750	\$5,240,000
2033	5	24	29	\$258,250	\$5,451,750	\$5,710,000
2034	5	27	32	\$258,250	\$5,891,750	\$6,150,000
2035	5	19	24	\$258,250	\$5,131,750	\$5,390,000
2036	5	17	22	\$258,250	\$4,891,750	\$5,150,000

Source: CPA REMI, GCC Permian, LLC

**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*	Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hosp. Dist. Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
				0.1232	1.0547		0.3650	0.1500	0.1890	
2023	\$32,892,500	\$32,892,500		\$40,530	\$346,917	\$387,447	\$120,058	\$49,339	\$62,167	\$619,011
2024	\$177,215,000	\$177,215,000		\$218,364	\$1,869,087	\$2,087,451	\$646,835	\$265,823	\$334,936	\$3,335,045
2025	\$370,414,688	\$370,414,688		\$456,425	\$3,906,764	\$4,363,189	\$1,352,014	\$555,622	\$700,084	\$6,970,908
2026	\$469,191,938	\$469,191,938		\$578,138	\$4,948,567	\$5,526,706	\$1,712,551	\$703,788	\$886,773	\$8,829,817
2027	\$436,348,502	\$436,348,502		\$537,669	\$4,602,168	\$5,139,836	\$1,592,672	\$654,523	\$824,699	\$8,211,730
2028	\$405,804,107	\$405,804,107		\$500,032	\$4,280,016	\$4,780,048	\$1,481,185	\$608,706	\$766,970	\$7,636,909
2029	\$377,397,819	\$377,397,819		\$465,030	\$3,980,415	\$4,445,444	\$1,377,502	\$566,097	\$713,282	\$7,102,325
2030	\$350,979,972	\$350,979,972		\$432,478	\$3,701,786	\$4,134,263	\$1,281,077	\$526,470	\$663,352	\$6,605,162
2031	\$326,411,374	\$326,411,374		\$402,204	\$3,442,661	\$3,844,865	\$1,191,402	\$489,617	\$616,917	\$6,142,801
2032	\$303,562,578	\$303,562,578		\$374,050	\$3,201,675	\$3,575,724	\$1,108,003	\$455,344	\$573,733	\$5,712,805
2033	\$282,313,197	\$282,313,197		\$347,866	\$2,977,557	\$3,325,424	\$1,030,443	\$423,470	\$533,572	\$5,312,909
2034	\$262,551,273	\$262,551,273		\$323,516	\$2,769,128	\$3,092,644	\$958,312	\$393,827	\$496,222	\$4,941,005
2035	\$244,172,684	\$244,172,684		\$300,870	\$2,575,289	\$2,876,159	\$891,230	\$366,259	\$461,486	\$4,595,135
2036	\$227,080,596	\$227,080,596		\$279,809	\$2,395,019	\$2,674,828	\$828,844	\$340,621	\$429,182	\$4,273,475
2037	\$211,184,955	\$211,184,955		\$260,222	\$2,227,368	\$2,487,590	\$770,825	\$316,777	\$399,140	\$3,974,332
2038	\$196,402,008	\$196,402,008		\$242,007	\$2,071,452	\$2,313,459	\$716,867	\$294,603	\$371,200	\$3,696,129
2039	\$182,653,867	\$182,653,867		\$225,066	\$1,926,450	\$2,151,516	\$666,687	\$273,981	\$345,216	\$3,437,400
			<b>Total</b>	<b>\$5,984,274</b>	<b>\$51,222,318</b>	<b>\$57,206,592</b>	<b>\$17,726,506</b>	<b>\$7,284,866</b>	<b>\$9,178,931</b>	<b>\$91,396,895</b>

Source: CPA, GCC Permian, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Ector 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.

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		Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hosp. Dist. Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1232	1.0547		0.3650	0.1500	0.1890	
2023	\$32,892,500	\$32,892,500		\$40,530	\$346,917	\$387,447	\$120,058	\$49,339	\$62,167	\$556,844
2024	\$177,215,000	\$177,215,000		\$218,364	\$1,869,087	\$2,087,451	\$646,835	\$265,823	\$334,936	\$3,000,108
2025	\$370,414,688	\$100,000,000		\$456,425	\$1,054,700	\$1,511,125	\$1,352,014	\$555,622	\$700,084	\$3,418,761
2026	\$469,191,938	\$100,000,000		\$578,138	\$1,054,700	\$1,632,838	\$1,712,551	\$703,788	\$886,773	\$4,049,177
2027	\$436,348,502	\$100,000,000		\$537,669	\$1,054,700	\$1,592,369	\$1,592,672	\$654,523	\$824,699	\$3,839,563
2028	\$405,804,107	\$100,000,000		\$500,032	\$1,054,700	\$1,554,732	\$1,481,185	\$608,706	\$766,970	\$3,644,623
2029	\$377,397,819	\$100,000,000		\$465,030	\$1,054,700	\$1,519,730	\$1,377,502	\$566,097	\$713,282	\$3,463,328
2030	\$350,979,972	\$100,000,000		\$432,478	\$1,054,700	\$1,487,178	\$1,281,077	\$526,470	\$663,352	\$3,294,724
2031	\$326,411,374	\$100,000,000		\$402,204	\$1,054,700	\$1,456,904	\$1,191,402	\$489,617	\$616,917	\$3,137,923
2032	\$303,562,578	\$100,000,000		\$374,050	\$1,054,700	\$1,428,750	\$1,108,003	\$455,344	\$573,733	\$2,992,097
2033	\$282,313,197	\$100,000,000		\$347,866	\$1,054,700	\$1,402,566	\$1,030,443	\$423,470	\$533,572	\$2,856,479
2034	\$262,551,273	\$100,000,000		\$323,516	\$1,054,700	\$1,378,216	\$958,312	\$393,827	\$496,222	\$2,730,355
2035	\$244,172,684	\$244,172,684		\$300,870	\$2,575,289	\$2,876,159	\$891,230	\$366,259	\$461,486	\$4,133,648
2036	\$227,080,596	\$227,080,596		\$279,809	\$2,395,019	\$2,674,828	\$828,844	\$340,621	\$429,182	\$3,844,293
2037	\$211,184,955	\$211,184,955		\$260,222	\$2,227,368	\$2,487,590	\$770,825	\$316,777	\$399,140	\$3,575,192
2038	\$196,402,008	\$196,402,008		\$242,007	\$2,071,452	\$2,313,459	\$716,867	\$294,603	\$371,200	\$3,324,929
2039	\$182,653,867	\$182,653,867		\$225,066	\$1,926,450	\$2,151,516	\$666,687	\$273,981	\$345,216	\$3,092,184
			<b>Total</b>	<b>\$5,984,274</b>	<b>\$23,958,582</b>	<b>\$29,942,856</b>	<b>\$17,726,506</b>	<b>\$7,284,866</b>	<b>\$9,178,931</b>	<b>\$54,954,228</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$27,263,736</b>	<b>\$27,263,736</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,442,667</b>

Source: CPA, GCC Permian, LLC

\*Tax 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 before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that GCC Permian, 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)
<b>Limitation Pre-Years</b>	2022	\$0	\$0	\$0	\$0
	2023	\$346,917	\$346,917	\$0	\$0
	2024	\$1,869,087	\$2,216,004	\$0	\$0
<b>Limitation Period (10 Years)</b>	2025	\$1,054,700	\$3,270,704	\$2,852,064	\$2,852,064
	2026	\$1,054,700	\$4,325,404	\$3,893,867	\$6,745,931
	2027	\$1,054,700	\$5,380,104	\$3,547,468	\$10,293,399
	2028	\$1,054,700	\$6,434,804	\$3,225,316	\$13,518,715
	2029	\$1,054,700	\$7,489,504	\$2,925,715	\$16,444,429
	2030	\$1,054,700	\$8,544,204	\$2,647,086	\$19,091,515
	2031	\$1,054,700	\$9,598,904	\$2,387,961	\$21,479,476
	2032	\$1,054,700	\$10,653,604	\$2,146,975	\$23,626,450
	2033	\$1,054,700	\$11,708,304	\$1,922,857	\$25,549,308
	2034	\$1,054,700	\$12,763,004	\$1,714,428	\$27,263,736
<b>Maintain Viable Presence (5 Years)</b>	2035	\$2,575,289	\$15,338,293	\$0	\$27,263,736
	2036	\$2,395,019	\$17,733,312	\$0	\$27,263,736
	2037	\$2,227,368	\$19,960,680	\$0	\$27,263,736
	2038	\$2,071,452	\$22,032,132	\$0	\$27,263,736
	2039	\$1,926,450	\$23,958,582	\$0	\$27,263,736
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2040	\$1,791,599	\$25,750,181	\$0	\$27,263,736
	2041	\$1,666,187	\$27,416,368	\$0	\$27,263,736
	2042	\$1,549,554	\$28,965,922	\$0	\$27,263,736
	2043	\$1,441,085	\$30,407,007	\$0	\$27,263,736
	2044	\$1,340,209	\$31,747,216	\$0	\$27,263,736
	2045	\$1,246,394	\$32,993,610	\$0	\$27,263,736
	2046	\$1,159,147	\$34,152,757	\$0	\$27,263,736
	2047	\$1,078,007	\$35,230,764	\$0	\$27,263,736
	2048	\$1,002,546	\$36,233,310	\$0	\$27,263,736
	2049	\$932,368	\$37,165,678	\$0	\$27,263,736
		<b>\$37,165,678</b>	is greater than	<b>\$27,263,736</b>	

<b>Analysis Summary</b>	
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

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.  
 Source: CPA, GCC Permian, 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.