

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

**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 Texas 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 completed application to the Comptroller, separating each section of the documents. 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, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential application materials on its website. 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's rules. For more information, see guidelines on Comptroller's website.

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. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. 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 and issue a certificate for a limitation on appraised value to the school board regarding the application 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 not later than the 150th day after the application review start date (the date the application is finally determined to be complete by the Comptroller), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

### SECTION 1: School District Information

#### 1. Authorized School District Representative

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? .....

☐

Yes

☐

No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

4. On what date did the district determine this application complete? .....

## SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

2a. 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)*

Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ..... ☐ Yes ☐ No

SECTION 2: Applicant Information *(continued)*4. Authorized Company Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

## SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☐ Yes ☐ No

The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

- 1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

Payment Amount

Transaction Type

Payor

Payee

Date transaction was processed

For the purpose of questions 2 and 3, "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.

2. 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 ☐ N/A
3. 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 ☐ N/A

## SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? \_\_\_\_\_
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) \_\_\_\_\_
3. Parent Company Name \_\_\_\_\_
4. Parent Company Tax ID \_\_\_\_\_
5. NAICS code \_\_\_\_\_
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☐ No
- 6a. If yes, please list application number, name of school district and year of agreement \_\_\_\_\_

## SECTION 5: Applicant Business Structure

1. Business Organization of Applicant *(corporation, limited liability corporation, etc)* \_\_\_\_\_
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of the most recently submitted Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

SECTION 5: Applicant Business Structure *(continued)*

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

2c. Reporting Entity Taxpayer Number

3. Is the applicant current on all tax payments due to the State of Texas? ☐ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ Yes ☐ No ☐ N/A

## 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

\*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

## 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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- |   |  |
|---|--|
| <input type="checkbox"/> Land has no existing improvements  | <input 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.**

## SECTION 9: Projected Timeline

**NOTE:** Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement \_\_\_\_\_
2. Estimated commencement of construction \_\_\_\_\_
3. Beginning of qualifying time period (MM/DD/YYYY). \_\_\_\_\_
4. First year of limitation (YYYY) \_\_\_\_\_
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☐ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations \_\_\_\_\_

## SECTION 10: The Property

1. County or counties in which the proposed project will be located \_\_\_\_\_
2. Central Appraisal District (CAD) that will be responsible for appraising the property \_\_\_\_\_
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☐ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
- |   |  |
|---|--|
| M&O (ISD): _____<br>(Name, tax rate and percent of project)         | I&S (ISD): _____<br>(Name, tax rate and percent of project)        |
| County: _____<br>(Name, tax rate and percent of project)            | City: _____<br>(Name, tax rate and percent of project)             |
| Hospital District: _____<br>(Name, tax rate and percent of project) | Water District: _____<br>(Name, tax rate and percent of project)   |
| Other (describe): _____<br>(Name, tax rate and percent of project)  | Other (describe): _____<br>(Name, tax rate and percent of project) |

**SECTION 10: The Property (continued)**

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: \_\_\_\_\_  
(Incentive type, percentage, start and end year)City: \_\_\_\_\_  
(Incentive type, percentage, start and end year)Hospital District: \_\_\_\_\_  
(Incentive type, percentage, start and end year)Water District: \_\_\_\_\_  
(Incentive type, percentage, start and end year)Other (describe): \_\_\_\_\_  
(Incentive type, percentage, start and end year)Other (describe): \_\_\_\_\_  
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? ..... ☐ Yes ☐ No
- 6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.
7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☐ No
- 7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Texas Tax Code 313.021(1) Qualified 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 Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... \_\_\_\_\_
2. What is the amount of appraised value limitation for which you are applying? ..... \_\_\_\_\_
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ..... ☐ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ..... ☐ Yes ☐ No

**SECTION 12: Texas Tax Code 313.021(2) Qualified Property**

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- 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 (**Tab 8**);
  - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
  - a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
  - Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ..... ☐ Yes ☐ No
- Note:** Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property (*continued*)

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☐ No
- 2a. If yes, attach complete documentation including:
- legal description of the land (**Tab 9**);
  - each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
  - owner (**Tab 9**);
  - the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
  - a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new 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? ☐ Yes ☐ No
- 3a. If yes, attach the applicable supporting documentation:
- evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (**Tab 16**);
  - legal description of reinvestment zone (**Tab 16**);
  - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
  - guidelines and criteria for creating the zone (**Tab 16**); and
  - a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
- 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
- What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? \_\_\_\_\_

## SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property within the project boundary**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property within the project boundary that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (statement 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property within the project boundary in response to statements 1 and 2 of this section, provide the following supporting information in **Tab 10**:
- maps and/or detailed site plan;
  - surveys;
  - appraisal district values and parcel numbers;
  - inventory lists;
  - existing and proposed property lists;
  - model and serial numbers of existing property; or
  - other information of sufficient detail and description.
4. Total estimated market value of existing property within the project boundary (that property described in response to statement 1): \_\_\_\_\_ \$ \_\_\_\_\_
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to statement 2): \_\_\_\_\_ \$ \_\_\_\_\_

**Note:** Investment for the property listed in statement 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

## SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? .....
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) .....
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☐ No
  - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. 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 available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
  - a. Non-qualified job wages
    - average weekly wage for all jobs (all industries) in the county is .....
  - b. Qualifying job wage minimum option §313.021(5)(A)
    - 110% of the average weekly wage for manufacturing jobs in the county is .....
  - c. Qualifying job wage minimum option §313.021(5)(B)
    - 110% of the average weekly wage for manufacturing jobs in the region is .....
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ..... ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? .....
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? .....
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☐ Yes ☐ No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ..... ☐ Yes ☐ No
  - 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ..... ☐ Yes ☐ No
  - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

## SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, and C in **Tab 14**. **Note:** Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by an entity other than the Comptroller's office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

## ATTACHMENT

1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project boundary and project vicinity, including county and school district boundaries</li> <li>b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Any existing property within the project area</li> <li>e) Any facilities owned or operated by the applicant having interconnections to the proposed project</li> <li>f) Location of project, and related nearby projects within vicinity map</li> <li>g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone</li> <li>c) order, resolution or ordinance establishing the reinvestment zone</li> <li>d) guidelines and criteria for creating the zone</li> </ul>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

## **Tab 2**


### **Proof of Payment of Application Fee**

See attached.

Approve Payments - Approval Status

Close

Print

Account	Trace ID	Template ID	Template Name	Type	Value/Send Date	Beneficiary	Amount	Status
1077758105	202212014165	ShermanISD	Sherman ISD V27312	Domestic	12/05/2022	Sherman Inde pendent Scho ol District 	30,000.00 USD	Approved

Approved By: Glenn Shirey - 12/05/2022 04:42 PM EST

## **Tab 3**

### **Documentation of Combined Group Membership under Texas Tax Code § 171.0001(7)**

See attached.



## Texas Franchise Tax Affiliate Schedule

Tcode 13263 Annual Amended

Reporting entity taxpayer number 17514052590 Report year 2022 Reporting entity taxpayer name MARLOW INDUSTRIES, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate MARLOW INDUSTRIES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 17514052590		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate II-VI INCORPORATED		2. Affiliate taxpayer number (if none, use FEI number) 251214948		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate PEDM INCORPORATED		2. Affiliate taxpayer number (if none, use FEI number) 874747045		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at [www.comptroller.texas.gov/franchise/](http://www.comptroller.texas.gov/franchise/).  
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## Texas Franchise Tax Affiliate Schedule

Tcode 13263 Annual Amended

Reporting entity taxpayer number 17514052590 Report year 2022 Reporting entity taxpayer name MARLOW INDUSTRIES, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate WATSON MERGER SUB INC.		2. Affiliate taxpayer number (if none, use FEI number) 880842849		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 030421		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate M CUBED TECHNOLOGIES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 510347782		3. Affiliate NAICS code 332900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate PHOTOP TECHNOLOGIES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 550849933		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			

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1. Legal name of affiliate II-VI PHOTONICS (US), INC.		2. Affiliate taxpayer number (if none, use FEI number) 223563641		3. Affiliate NAICS code 334410	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate COADNA PHOTONICS, INC.		2. Affiliate taxpayer number (if none, use FEI number) 770552646		3. Affiliate NAICS code 334200	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate II-VI AEROSPACE & DEFENSE, INC.		2. Affiliate taxpayer number (if none, use FEI number) 952120954		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
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1. Legal name of affiliate INNOVION CORPORATION		2. Affiliate taxpayer number (if none, use FEI number) 942791729		3. Affiliate NAICS code 334410	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 100120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate CORE SYSTEMS INCORPORATED		2. Affiliate taxpayer number (if none, use FEI number) 800297015		3. Affiliate NAICS code 334410	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 100120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate HIGHYAG LASERTECHNOLOGIES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 113650095		3. Affiliate NAICS code 425120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate II-VI ADVANCED MATERIALS INCORPORATED		2. Affiliate taxpayer number (if none, use FEI number) 251897815		3. Affiliate NAICS code 339900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate II-VI DELAWARE, INC.		2. Affiliate taxpayer number (if none, use FEI number) 251253334		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate EPIWORKS, INC.		2. Affiliate taxpayer number (if none, use FEI number) 364194506		3. Affiliate NAICS code 334410	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
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1. Legal name of affiliate II-VI OPTOELECTRONIC DEVICES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 222582106		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate FINISAR CORPORATION		2. Affiliate taxpayer number (if none, use FEI number) 943038428		3. Affiliate NAICS code 334200	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate OPTIUM CORPORATION		2. Affiliate taxpayer number (if none, use FEI number) 593684497		3. Affiliate NAICS code 334200	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
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1. Legal name of affiliate KAILIGHT PHOTONICS, INC.		2. Affiliate taxpayer number (if none, use FEI number) 510411115		3. Affiliate NAICS code 334200	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate FINISAR SALES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 710968550		3. Affiliate NAICS code 334200	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate LIGHTSMYTH TECHNOLOGIES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 931298995		3. Affiliate NAICS code 541700	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
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1. Legal name of affiliate <b>FINISAR SHERMAN RE HOLDCO LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) 825506904		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 070120		7. Affiliate reporting end date m m d d y y 063021	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			

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## Tab 4

### Detailed Description of Project

*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/installation, and any other relevant information.*

Applicant, Finisar Sherman RE Holdco, LLC, proposes to invest in a semiconductor wafer fabrication facility (the “Project”) which would include multiple industrial buildings, tools, machinery, and equipment used to manufacture compound semiconductor wafers and devices (including silicon carbide, gallium arsenide, gallium nitride, and indium phosphide), integral components of the semiconductor supply chain. One contemplated site for the proposed Project is in Sherman, Grayson County, Texas within the boundaries of Sherman Independent School District.

The proposed investment would be used to build new manufacturing facilities and purchase new production machinery and equipment used in connection with manufacturing, processing, and fabricating semiconductors as explained in more detail in Tabs 7 and 8.

The proposed investment and new construction would increase manufacturing capacity on currently unused land on Applicant’s existing 76.763-acre site. The new proposed investment will not replace (or upgrade) any of the existing facilities or manufacturing operations on the existing site.

Applicant estimates an investment of \$3 billion and creation of approximately 700 jobs. If the Sherman ISD site is selected, commencement of construction is estimated to begin in 2025 and commencement of commercial operations is estimated in 2028.

#### Interconnections with Existing Facility

The only currently-contemplated interconnections between the new facility and the surrounding existing property may be a pedestrian and/or material bridge or walkway constructed between the existing improvements on the site and the new construction.

## Tab 5

### Documentation of Value Limitation as a Determining Factor

*Provide 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.*

**Section 8, Question 1: Does the applicant currently own the land on which the proposed project will occur?**

Yes, Applicant owns the land where the proposed investment would be made.

**Section 8, Question 3: Does the applicant have current business activities at the location where the proposed project will occur?**

Yes, Applicant operates an existing facility adjacent to the proposed project area. The new proposed facility would operate independently from the existing facility, which will continue its current operations whether or not the newly proposed facility is built.

**Section 8, Question 4: Has applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?**

No. Applicant is in the preliminary planning stages for the newly proposed facility that is the subject of this application and has not made any public comments related to such potential expansion.

Any articles discussing Sherman expansion do not relate to the new proposed facility or new square footage; rather, they relate to renovations and upgrades to its existing Sherman building and machinery—which are not the subject of this application.

For example, attached to this Tab 5 is a December 15, 2021 newspaper article published by the Herald Democrat that discusses an expansion by Applicant of its existing Sherman facility. This article concerns tax abatements that Applicant received in 2021 for an independent investment in new machinery and equipment that Applicant installed in its existing building (i.e., outside the project boundary of this application).

Similarly, attached are two articles published by Dallas News and kxii.com, respectively, on May 5, 2021 about Apple partnering with II-VI (one of Applicant's parent companies) to encourage expanded manufacturing capabilities. These articles are clear that Apple's partnership related to Applicant's reinvestment in its *existing* Sherman building (not the subject of this application) and is intended to encourage expansion of Applicant's manufacturing capabilities nationwide, including at its locations in Warren, New Jersey and Easton, Pennsylvania.

**Section 8, Question 7: Is the applicant evaluating other locations not in Texas for the proposed project?**

Applicant is a subsidiary of a global manufacturer of semiconductor products with the ability to locate this proposed Project anywhere with favorable product development capabilities. The proposed Project site in Sherman ISD is one of the locations under consideration by Applicant to develop its growing business.

The proposed Project site in Sherman ISD must be competitive with alternative proposed site locations across the globe for Applicant to select this location for capital investment and commitment to jobs and long-term operations. Given Texas' high property tax rates, the Sherman location is not competitive without a 313 agreement. Whether applicant receives a 313 agreement is a determining factor in Applicant's decision to locate the project in Texas.

Applicant is also actively considering alternative site locations at Applicant's parent company's existing operations in Easton, Pennsylvania; Warren, New Jersey; and Newton Aycliffe, United Kingdom. Applicant's parent company has begun preliminary discussions with the local governments of these alternative sites about potential economic development incentives for which the proposed facility would qualify. Easton participates in the Local Economic Revitalization Tax Assistance program, which provides property tax abatements of up to 100% for up to 10 years on real property improvements for owners of commercial, industrial, and business properties located within designated zones. Location in a regional Keystone Opportunity Zone may provide additional Pennsylvania state income, sales, and other state or local tax benefits. New Jersey does not impose a property tax on business personal property. For real property improvements, the project should be eligible for a five-year municipal abatement of up to 100% and may be eligible for an abatement of up to thirty years for an industrial project constructed in connection with a municipal redevelopment plan.

# Finisar gets tax abatement from Sherman

**Michael Hutchins, Herald Democrat**

December 15, 2021 · 3 min read

Sherman will be assisting Finisar and its parent company II-VI as it continues to fill out its existing facility and expands its production of electronic components in Sherman. A 10-year tax abatement for the tech company was unanimously approved by the City Council Monday.

The abatement coincides with the company's plans to invest \$50 million in its Sherman facility, and this is the second incentive that has been offered to the tech company for its Sherman plant in 2021, following a \$2.7 million incentive package that was offered by the Sherman Economic Development Corp. last month.

"The City of Sherman has been a key partner since we acquired our manufacturing facility in 2017," said Julie Sheridan Eng, senior vice president for II-VI's optoelectric devices and modules business unit, in a email. "The City has stood by our side as we made significant investments in state-of-the-art semiconductor manufacturing equipment and hired hundreds of highly skilled employees locally.

"We are now shipping semiconductor lasers in very high volume for use in consumer electronics such as smartphones, and we expect to continue to grow. This abatement will allow us to further strengthen our partnership with the City of Sherman over the next decade."

City officials said the most recent investment relates to portions of Finisar's facility that were not fully built out when the company moved into the former MEMC building in late 2017. Through this investment, the company will also equip the new space for production of electronic components, including its vertical-cavity surface-emitting lasers.

This component is often used in facial recognition technology, include Apple iPhone products.

The expansion and investment is expected to generate about 120 new positions within the plant, city staff said.

The abatement will go into place next year and remain in effect for the next decade. The first five years will see 60 percent of the plant's property taxes abated. The next three years will see this abatement drop to 50 percent, and the final two years will see it drop to 25 percent.

This marks the second abatement agreement offered by the city, following one offered shortly after Finisar announced plans to move to Sherman.

"It is not as rich, I guess you might say, as the previous one because it is a smaller scope, but it would average a 50 percent abatement over this 10-year period," City Manager Robby Hefton said.

The initial agreement saw Finisar commit to \$120 million in investment and about 300 jobs. Instead, Finisar invested more than \$180 million and created 400 job, Hefton said.

"They've had more investment, more employees and are now are back for round two of what is a proposed \$50 million project that will bring about another 120 jobs," he said.

Following the approval, Council Member Josh Stevenson spoke in regard to what he described as a total \$53 million investment by Finisar. He noted that the Sherman market grown significantly in recent years and the city has seen more large investments — including a nearly \$29.4 billion pledge by Texas Instruments for new facilities.

"There was a time not too long ago when a \$53 million deal would prompt a lot more pomp and circumstance, and I guess this is what progress looks like because no one seems that impressed," he said, adding that he is happy to see Finisar remaining committed to the community.

*This article originally appeared on Herald Democrat: [Sherman approves tax abatement for Finisar expansion](#)*

BUSINESS > TECHNOLOGY

# Apple puts another \$410 million into supporting hundreds of jobs in Sherman and across the U.S.

Apple is investing in manufacturing partner II-VI Inc., which makes iPhone components at its Sherman facility that support Face ID, Animoji and other features.



Apple has worked with iPhone component manufacturer II-VI in Sherman, Texas since 2017. (Apple)



By [Dom DiFurio](#)

10:06 AM on May 5, 2021 — Updated at 11:40 AM on May 5, 2021



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Apple is awarding manufacturing firm II-VI an additional \$410 million to accelerate the delivery of iPhone components in the coming years, the company said Thursday.



The investment from tech giant's iAdvanced Manufacturing Fund is expected to support 700 jobs around the country including hundreds in Sherman, where [II-VI Inc.](#) manufactures the lasers that power iPhone features like Face ID, Memoji and Animoji as well as portrait mode selfies. II-VI also creates LiDAR tech that supports low light camera features and improved augmented reality for iPhones.

Apple's relationship with II-VI dates back to 2017 when the tech giant initially invested \$390 million in a manufacturing partnership with Finisar Inc. in Sherman. Finisar — which [brought on 200 employees](#) to jumpstart production in 2018 at the Sherman facility 65 miles north of Dallas — was later [bought by II-VI](#) for \$3.2 billion. The facility was expected to balloon to 500 employees by 2019.

The expanded partnership with II-VI is a part of Apple's plan to invest \$430 billion and add 20,000 new jobs in the U.S. over the next five years, according to the company. The company works with more than 9,000 suppliers like II-VI across the country.

Apple recently announced plans to build a \$1 billion campus in Raleigh, N.C., that will employ about 3,000 people. A [similar campus in Austin](#) is expected to open next year, initially housing 5,000 workers but with capacity to grow to 15,000.



The 700,000 square-foot facility in Sherman was transformed into a high-tech manufacturing plant for II-VI's work. (Apple)

“The partnership between Apple and II-VI sets the stage for a new wave of breakthrough technologies that we believe will enable a wide range of applications that will benefit our world for decades to come,” II-VI

across the US.”

ADVERTISEMENT

investment announced Wednesday will also support jobs in Warren, N.J., Easton, Pa., and Champaign, Ill.

*hundreds of jobs through its partnership II-VI Inc. The investment will support existing jobs. The company expects it to create an unspecified number of new jobs.*



[Dom DiFurio](#). Dom is a staff writer covering business news and consumer-focused companies in North Texas. His work has also been published in The Washington Post, USA Today, ESPN Magazine and others, and has been recognized by the Society for Advancing Business Editing and Writing, the Texas Associated Press Managing Editors and Columbia University.

 [ddifurio@dallasnews.com](mailto:ddifurio@dallasnews.com)  [/domdifurio](https://www.facebook.com/domdifurio)  [@DomDiFurio](https://twitter.com/DomDiFurio)

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## **Apple announces additional investment in Sherman tech facility**

By [Emily Tabar](#)

*Published: May. 5, 2021 at 6:28 PM CDT*

SHERMAN, Texas (KXII) - Wednesday Apple announced they're investing over \$400 million in tech manufacturing facilities across the U.S., one of which is located right here in Sherman. What this means for the city of Sherman.

Today Apple announced \$410 million will be split between 4 facilities in the U.S.

Previously known as Finisar here in Sherman, our facility for tech company II-VI ("two-six") manufactures optical technology used for iPhone features like Face I.D., Portrait Mode Selfies, and Memojis.

II-VI creates lasers called VCSELs which enhance iPhone user experience. Some of those parts have been manufactured in Sherman since Finisar moved here in 2017. Sherman mayor David Plyler says there is a little bit of home in every iPhone.

"They've been making the VCSEL products that are part of every iPhone which is fantastic for Sherman since all of us carry them and they're right in our pockets," said Plyler.

This award adds to Apple's initial \$390 million 2017 investment.

"Having Apple here is certainly a badge of honor for us. You know not only here in Texas, but internationally," said Plyler.

The award will be split between facilities in Sherman, Warren, New Jersey, Easton, Pennsylvania and Champaign, Illinois.

"We're extremely proud that Finisar is part of our corporate business community with some great high paying jobs and a lot of opportunity there for the people of Sherman," said Plyler.

Plyler says II-VI is a good corporate neighbor to Sherman with its jobs, millions of dollars in property taxes paid, and commitment to green technology.

Right now nearly 400 people are employed at the Sherman facility. That will now increase.

“Our high tech companies are really kind of the backbone of our business community,” said Plyler.

Plyler says the city has improved over the years to house large corporations like II-VI, and hopes this will be an invitation for new firms to move here.

“We like to think it’s the kind of the fruit of those labors that we’ve been able to cultivate an environment that’s business friendly to enable these companies to come and locate here and thrive and provide these kind of jobs for our people,” said Plyler.

[In their press release](#), II-VI CEO Dr. Vincent Mattera Jr. said “the partnership between Apple and II-VI sets the stage for a new wave of breakthrough technologies that we believe will enable a wide range of applications that will benefit our world for decades to come.”

Right now II-XI has over 30 job listings [available in Sherman on their website](#). Those openings will of course increase in the near future.

*Copyright 2021 KXII. All rights reserved.*

## **Tab 6**

If Project located in more than one district, include  
list of percentage in each district

Not applicable.

## Tab 7

### Description of Qualified Investment

*Provide a specific and detailed description of the qualified investment you propose to make within the Project boundary for which you are requesting an appraised value limitation as defined by Tax Code § 313.021 and a description of any new buildings, proposed new improvements, or personal property which you intend to include as part of your minimum qualified investment.*

Applicant is requesting an appraised value limitation for all property constructed or placed upon its proposed Project site located in Sherman ISD and Grayson County. The Project would be expected to become fully operational by the end of 2028.

The Project would include three new manufacturing buildings (as depicted in the maps attached to Tab 11) with manufacturing and manufacturing support space, along with a new support building, and new central utilities building. Each of these buildings would be newly constructed improvements that are required to support the new manufacturing operations.

Major components of the proposed Project that would be located in the new buildings include:

- Air compressors and dryers
- Boilers
- Bulk specialty gas and bulk chemical systems
- Bulk gas: Oxygen, argon, helium, and hydrogen supply systems
- Chillers
- Clean rooms
- Chemical supply systems
- Cooling towers
- DI Water production equipment
- Electrical infrastructure, generation, and distribution
- Exhaust scrubbers
- Fresh air fans
- Gas supply systems
- General exhaust fans
- Industrial control systems
- Nitrogen generation plant
- Process cooling water systems
- Thermal oxidizers
- Waste treatment and collection system

The facility would require numerous types of machinery and equipment, including:

- Polishers

- Platers
- Epi Reactors
- Saws/ Dicers
- Grinders
- Crystal growth furnaces
- Ingot and grind tools
- X-ray tools
- Laser wafering tools
- Slurry recycle system
- Edge grinders
- Etch benches
- Edge and surface polishers
- Clean lines
- Implanters
- Testers
- Ashers
- Laser markers
- Reticle stockers
- Wafer sorters
- Resist coaters
- Wet cleanup hoods
- Metal sputters
- Automated material handling systems

The facility would also include equipment and machinery required for manufacturing processes, including:

- Chemical mechanical planarization process
- Anneal process
- Densify process
- Deposition process
- Rapid Thermal process
- Epitaxial deposition process
- Photolithography process
- Metrology process

Every item of personal property above will be used in direct support of the new manufacturing operations, and each is ancillary and necessary to the manufacturing operations conducted in the new buildings to be constructed.

100% of the proposed Project would be located in the proposed reinvestment zone and proposed Project boundary within Sherman ISD and will be considered Qualified Property for this application.

## Tab 8

### Description of Qualified Property

*Provide 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 and a description of any new buildings, proposed new improvements, or personal property which you intend to include as part of your qualified property.*

Applicant is requesting an appraised value limitation for all property constructed or placed upon its proposed Project site located in Sherman ISD and Grayson County. The Project would be expected to become fully operational by the end of 2028.

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100% of the proposed Project would be located in the proposed reinvestment zone and proposed Project boundary within Sherman ISD and will be considered Qualified Property for this application.

## Tab 9

### Description of Land

*If the land upon which the Project will be built is part of the qualified property described by Tax Code § 313.01(2)(A), Provide a legal description of the land, each existing parcel number of the land, owner, and current taxable value.*

Not applicable.

Land is not included as Qualified Property for this application.



## Tab 10

### Description of property not eligible to become qualified property

*For any land not eligible to become qualified property within the Project boundary (e.g., existing property or improvements that will replace existing property), provide maps, surveys, appraisal district values and numbers, inventory lists, existing and proposed property lists, model and serial numbers of each property, and other details and description.*

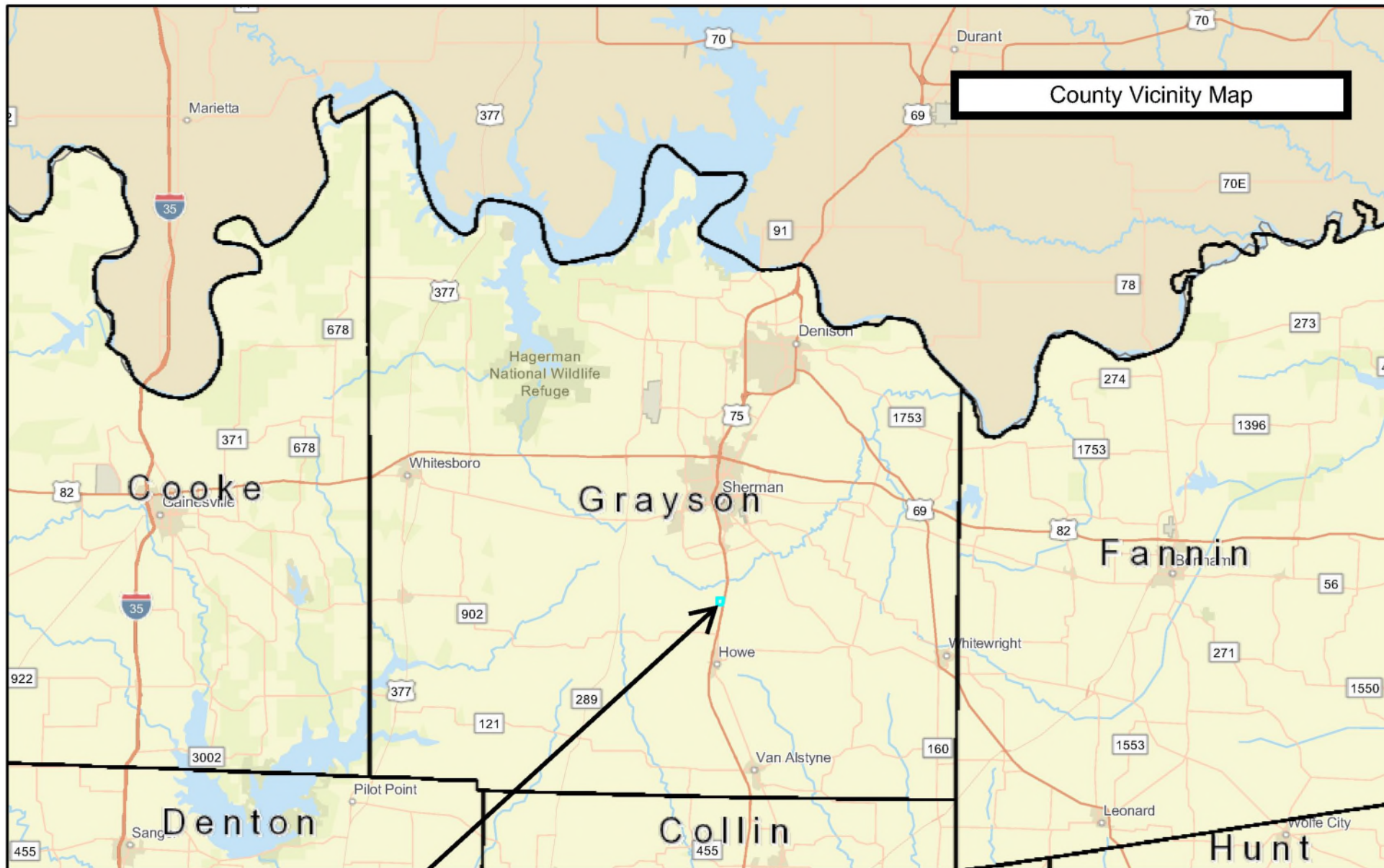
Not applicable.

# **Tab 11**

## **Maps**

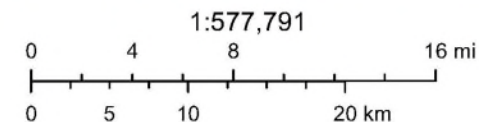
See attached.

# Grayson CAD Web Map



County Vicinity Map

- Counties
- Reinvestment Zone

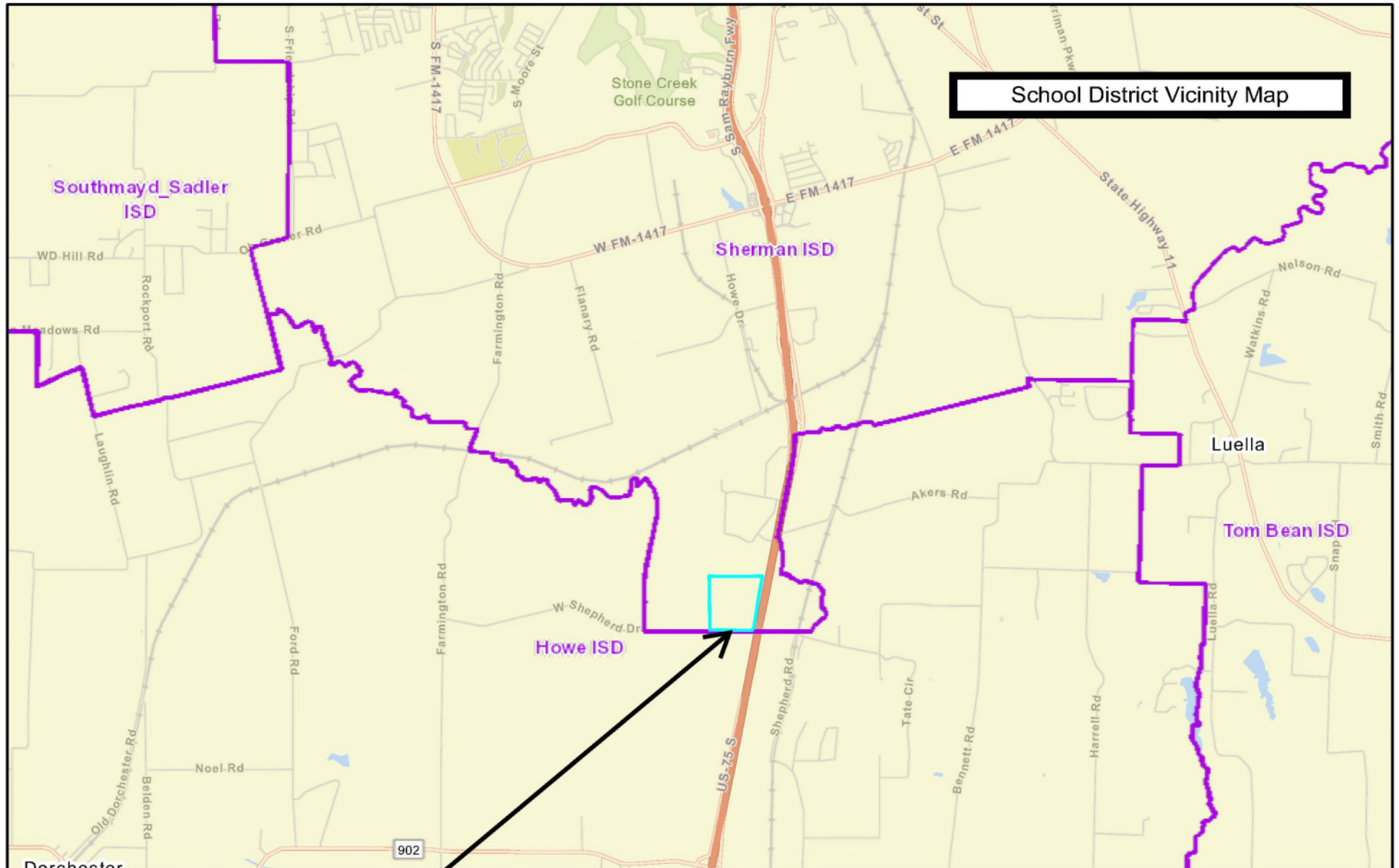


City of Sherman, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS

Grayson County Appraisal District, BIS Consulting - [www.bisconsulting.com](http://www.bisconsulting.com)

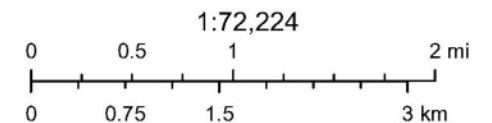
Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.

# Grayson CAD Web Map



## School District Vicinity Map

-  School Districts
-  Reinvestment Zone



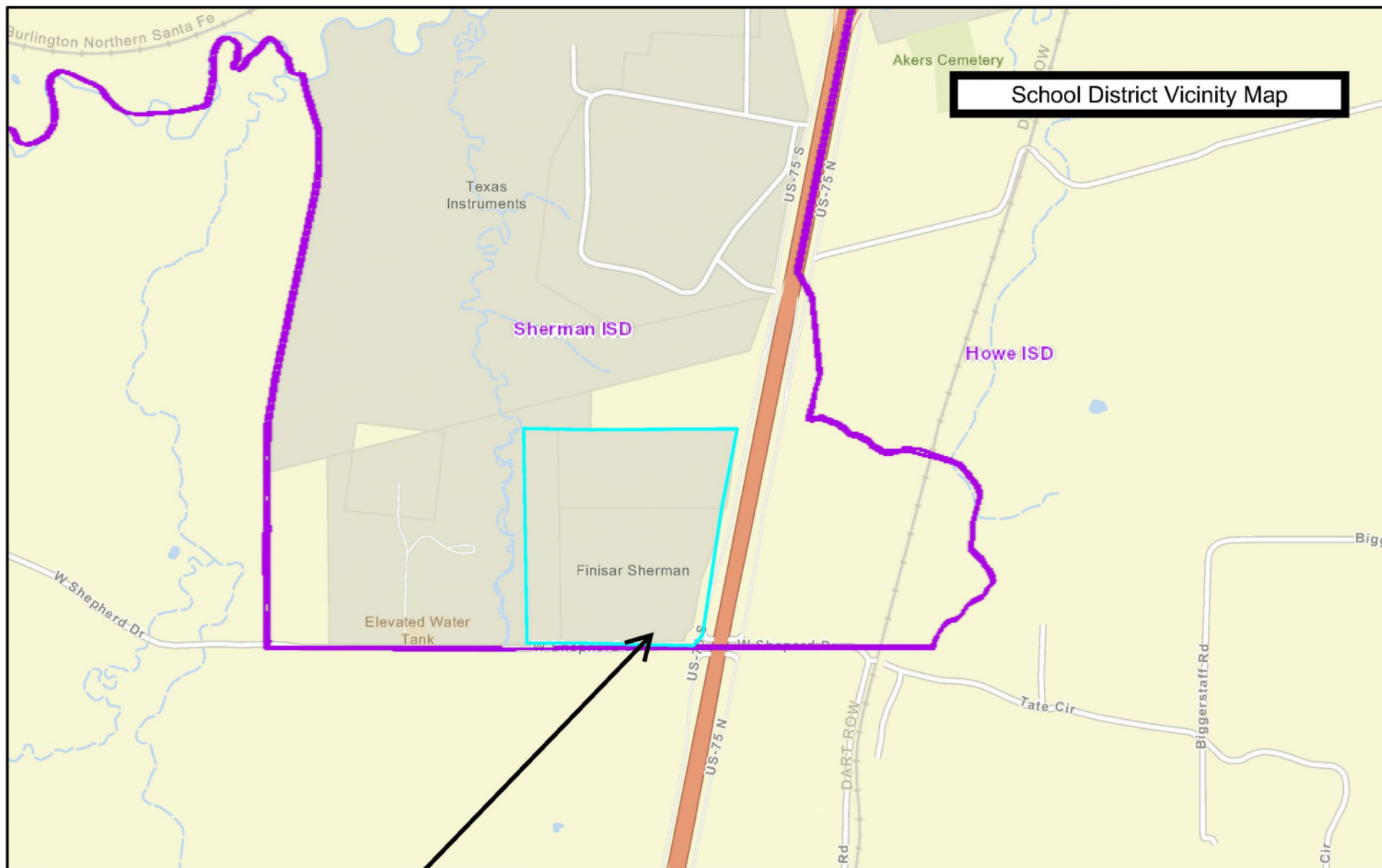
City of Sherman, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA

Grayson County Appraisal District, BIS Consulting - [www.bisconsulting.com](http://www.bisconsulting.com)



Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.

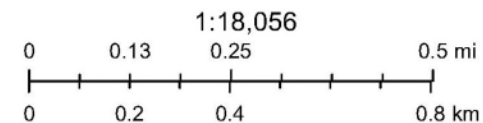


# Grayson CAD Web Map



School District Vicinity Map

-  School Districts
-  Reinvestment Zone

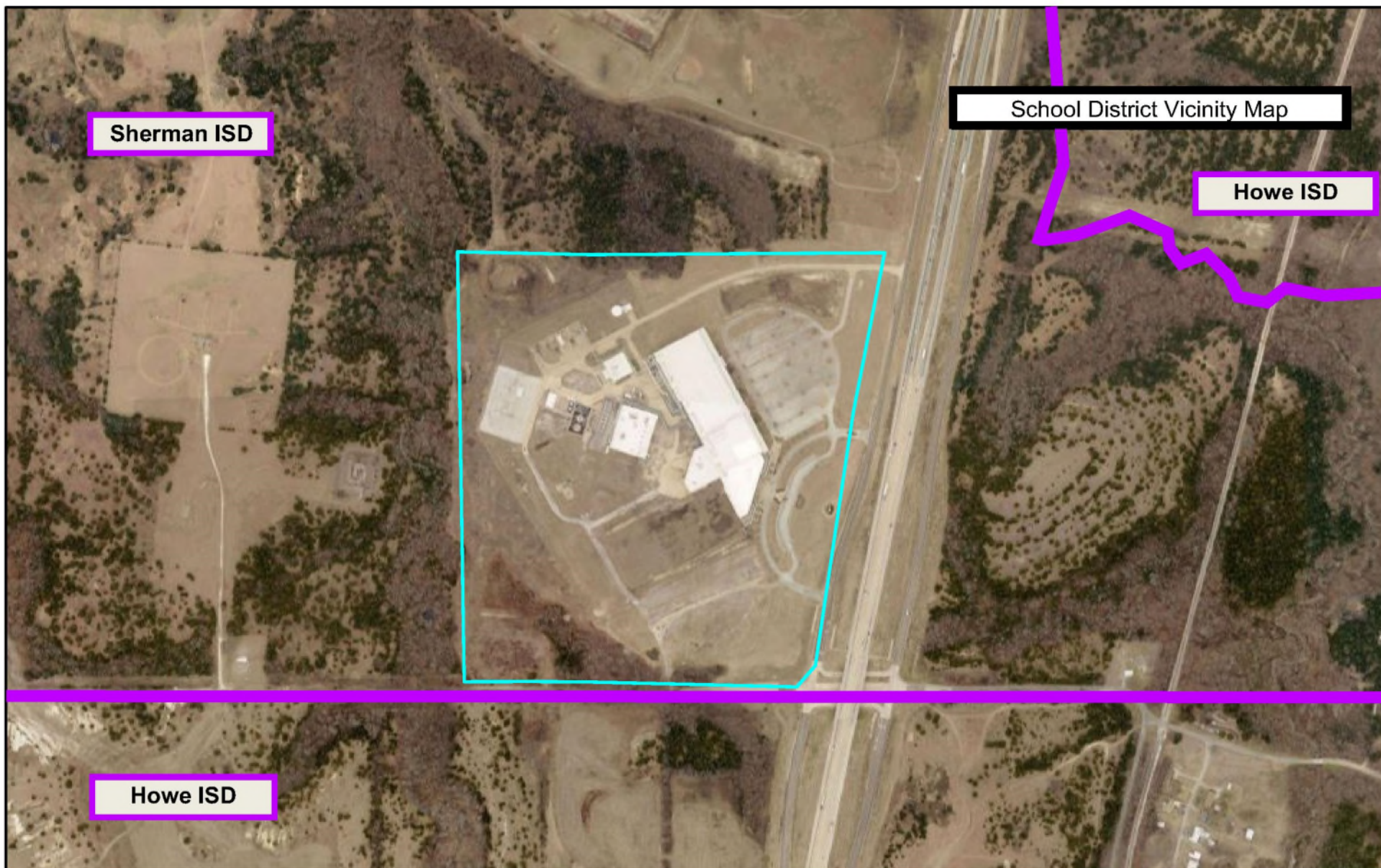


Esri Community Maps Contributors, City of Sherman, Texas Parks & Wildlife, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS,

Grayson County Appraisal District, BIS Consulting - [www.bisconsulting.com](http://www.bisconsulting.com)

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.

# Grayson CAD Web Map



Sherman ISD

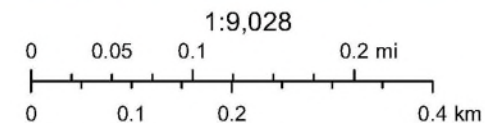
School District Vicinity Map

Howe ISD

Howe ISD

 School District Boundary

 Reinvestment Zone



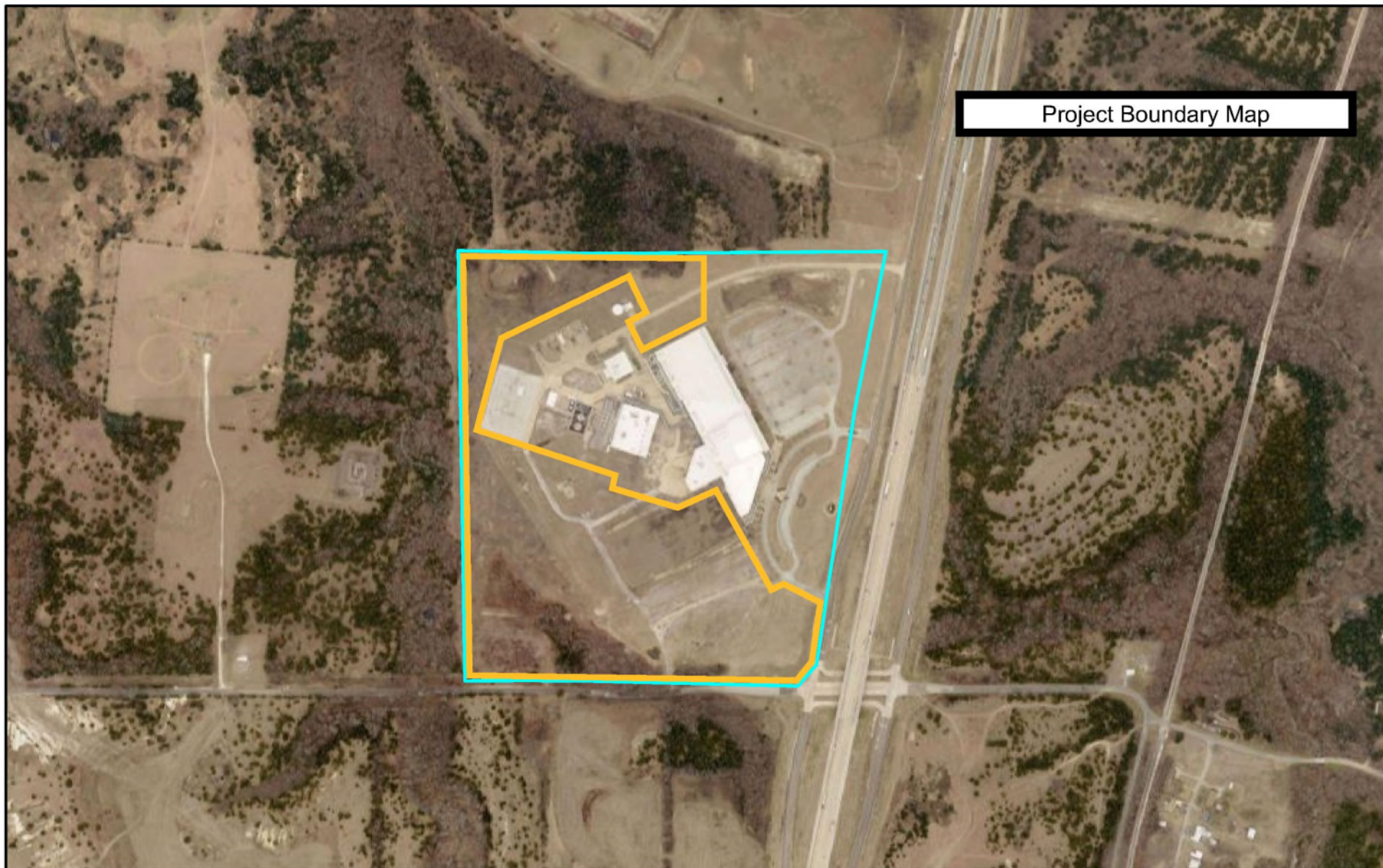
© OpenStreetMap (and) contributors, CC-BY-SA

Grayson County Appraisal District, BIS Consulting - [www.bisconsulting.com](http://www.bisconsulting.com)

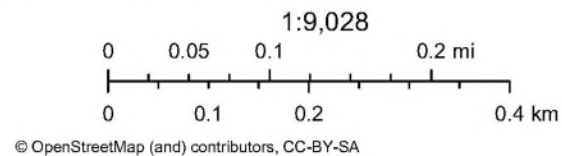
Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.



# Grayson CAD Web Map



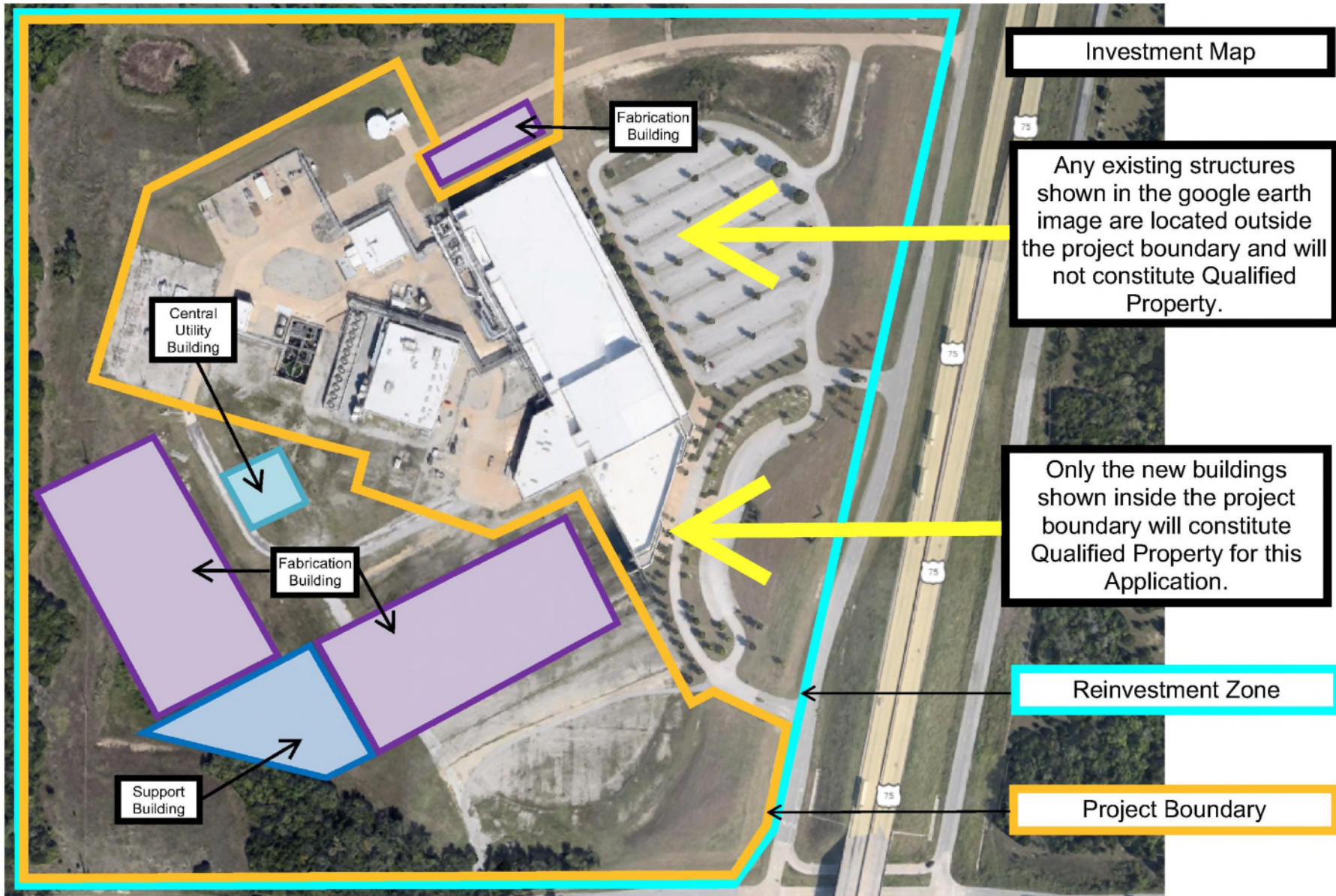
-  Project Boundary
-  Reinvestment Zone



Grayson County Appraisal District, BIS Consulting - [www.bisconsulting.com](http://www.bisconsulting.com)

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.







## **Tab 12**

### **Request for Waiver of Job Creation Requirement**

Not applicable.

## **Tab 13**

### Calculation of Wage Targets

See attached.

### Tab 13 - Wage Calculations

#### County Wage Rate - Total, All Industries (Non-Qualifying Jobs § 313.024(d))

	Quarter	Year	Average Weekly Wage*	Annualized
Grayson County	3	2021	\$ 969.00	\$ 50,388.00
	4	2021	\$ 1,072.00	\$ 55,744.00
	1	2022	\$ 992.00	\$ 51,584.00
	2	2022	\$ 994.00	\$ 51,688.00
	<b>Average</b>		<b>\$ 1,006.75</b>	<b>\$ 52,351.00</b>

#### County Wage Rate - Private Manufacturing (Qualifying Jobs § 313.021(5)(A))

	Quarter	Year	Average Weekly Wage*	Annualized
Grayson County	3	2021	\$ 1,468.00	\$ 76,336.00
	4	2021	\$ 1,540.00	\$ 80,080.00
	1	2022	\$ 1,603.00	\$ 83,356.00
	2	2022	\$ 1,424.00	\$ 74,048.00
	<b>Average</b>		<b>\$ 1,508.75</b>	<b>\$ 78,455.00</b>
	<b>110%</b>		<b>\$ 1,659.63</b>	<b>\$ 86,300.76</b>

#### Regional Wage Rate - Manufacturing (Qualifying Jobs § 313.021(5)(B))

	Year	Average Weekly Wage*	Annual
Texoma Area Region	2021	\$ 728.46	\$ 37,880.00
	<b>110%</b>	<b>\$ 801.31</b>	<b>\$ 41,668.00</b>

\*See attached QCEW and COG data

# Quarterly Census of Employment and Wages (QCEW)

## Select Area Type

Texas

WDA

County

Metro

Grayson

Select from Map

☐ Include Texas

## Select Time Period

2022

2021

1

2

3

4

## Select Ownership

☐ Private☐ Local Govt.☐ State Govt.☐ Federal Govt.☒ Total

Get Industries

Reset

[Table Customizations/Keyboard Shortcuts](#)

## Select Industries

total

Search

Clear

Select Industry Levels

Selected 1 of 1 industries.

Selections	Level	Industry Code	Industry Title	Hierarchical Ordering
<input checked="" type="checkbox"/>	0	10	Total, All Industries	1

Get Report

## Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Reset

Export to Excel

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2021	01	Grayson	Total All	10	Total, All Industries	914
2021	02	Grayson	Total All	10	Total, All Industries	940
2021	03	Grayson	Total All	10	Total, All Industries	969
2021	04	Grayson	Total All	10	Total, All Industries	1,072
2022	01	Grayson	Total All	10	Total, All Industries	992
2022	02	Grayson	Total All	10	Total, All Industries	994

Showing 6 items



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Submit

# Quarterly Census of Employment and Wages (QCEW)

## Select Area Type

Texas

WDA

County

Metro

Grayson

Select from Map

☐ Include Texas

## Select Time Period

2022

2021

1

2

3

4

## Select Ownership

☒ Private ☐ Local Govt. ☐ State Govt. ☐ Federal Govt. ☐ Total

Get Industries

Reset

[Table Customizations/Keyboard Shortcuts](#)

## Select Industries

manufacturing

Search

Clear

Select all Level 2 industries

Selected 1 of 1 industries.

Selections	Level	Industry Code	Industry Title	Hierarchical Ordering
<input checked="" type="checkbox"/>	2	31-33	Manufacturing	311

Get Report

## Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Reset

Export to Excel

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2021	01	Grayson	Private	31-33	Manufacturing	1,454
2021	02	Grayson	Private	31-33	Manufacturing	1,358
2021	03	Grayson	Private	31-33	Manufacturing	1,468
2021	04	Grayson	Private	31-33	Manufacturing	1,540
2022	01	Grayson	Private	31-33	Manufacturing	1,603
2022	02	Grayson	Private	31-33	Manufacturing	1,424

Showing 6 items



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**2021 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
<a href="#">Panhandle Regional Planning Commission</a>	1	\$24.32	\$50,587
<a href="#">South Plains Association of Governments</a>	2	\$22.03	\$45,816
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.95	\$43,566
<a href="#">North Central Texas Council of Governments</a>	4	\$34.32	\$71,384
<a href="#">Ark-Tex Council of Governments</a>	5	\$21.58	\$44,877
<a href="#">East Texas Council of Governments</a>	6	\$32.27	\$67,113
<a href="#">West Central Texas Council of Governments</a>	7	\$20.59	\$42,826
<a href="#">Rio Grande Council of Governments</a>	8	\$22.10	\$45,974
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$23.37	\$48,620
<a href="#">Concho Valley Council of Governments</a>	10	\$29.52	\$61,399
<a href="#">Heart of Texas Council of Governments</a>	11	\$24.29	\$50,533
<a href="#">Capital Area Council of Governments</a>	12	\$31.10	\$64,698
<a href="#">Brazos Valley Council of Governments</a>	13	\$20.21	\$42,038
<a href="#">Deep East Texas Council of Governments</a>	14	\$18.22	\$37,906
<a href="#">South East Texas Regional Planning Commission</a>	15	\$22.03	\$45,824
<a href="#">Houston-Galveston Area Council</a>	16	\$29.40	\$61,144
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$24.06	\$50,039
<a href="#">Alamo Area Council of Governments</a>	18	\$27.82	\$57,874
<a href="#">South Texas Development Council</a>	19	\$20.68	\$43,021
<a href="#">Coastal Bend Council of Governments</a>	20	\$34.62	\$72,003
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$21.88	\$45,517
<a href="#">Texoma Council of Governments</a>	22	\$18.21	\$37,880
<a href="#">Central Texas Council of Governments</a>	23	\$22.75	\$47,288
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.44	\$46,673
<b>Texas</b>		\$28.48	\$59,228

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2022.

Annual Wage Figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.

Data intended only for use implementing Chapter 313, Texas Tax Code.

## **Tab 14**

### Schedules A1, A2, B, and C

See attached.

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2025-2026	2025	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ -	\$ 800,000,000	\$ -		\$ 800,000,000
Complete tax years of qualifying time period	QTP1	2026-2027	2026	\$ 500,000,000	\$ 500,000,000	\$ -		\$ 1,000,000,000
	QTP2	2027-2028	2027	\$ 1,000,000,000	\$ 200,000,000	\$ -		\$ 1,200,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 1,500,000,000	\$ 1,500,000,000	\$ -	\$ -	\$ 3,000,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)								
				\$ 3,000,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.



PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 1,500,000,000	\$ 1,500,000,000	\$ -	\$ -	\$ 3,000,000,000
Value limitation period***	0	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	
	1	2029-2030	2029	\$ -	\$ -	\$ -	\$ -	
	2	2030-2031	2030	\$ -	\$ -	\$ -	\$ -	
	3	2031-2032	2031	\$ -	\$ -	\$ -	\$ -	
	4	2032-2033	2032	\$ -	\$ -	\$ -	\$ -	
	5	2033-2034	2033	\$ -	\$ -	\$ -	\$ -	
	6	2034-2035	2034	\$ -	\$ -	\$ -	\$ -	
	7	2035-2036	2035	\$ -	\$ -	\$ -	\$ -	
	8	2036-2037	2036	\$ -	\$ -	\$ -	\$ -	
	9	2037-2038	2037	\$ -	\$ -	\$ -	\$ -	
	10	2038-2039	2038	\$ -	\$ -	\$ -	\$ -	
Total Investment made through limitation				\$ 1,500,000,000	\$ 1,500,000,000	\$ -	\$ -	\$ 3,000,000,000
Continue to maintain viable presence	11	2039-2040	2039					
	12	2040-2041	2040					
	13	2041-2042	2041					
	14	2042-2043	2042					
	15	2043-2044	2043					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044					
	17	2045-2046	2045					
	18	2046-2047	2046					
	19	2047-2048	2047					
	20	2048-2049	2048					
	21	2049-2050	2049					
	22	2050-2051	2050					
	23	2051-2052	2051					
	24	2052-2053	2052					
	25	2053-2054	2053					

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.
\*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
\*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.
Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

## Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date: December 5, 2022

Applicant Name: Finisar Sherman RE Holdco, LLC

ISD Name: Sherman ISD

**Form 50-296A**

Revised October 2020

				Qualified Property			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 buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
	0	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2026-2027	2026	\$ -	\$ 400,000,000	\$ 450,000,000	\$ 850,000,000	\$ 850,000,000	\$ 850,000,000
	0	2027-2028	2027	\$ -	\$ 650,000,000	\$ 1,285,000,000	\$ 1,935,000,000	\$ 1,935,000,000	\$ 1,935,000,000
	0	2028-2029	2028	\$ -	\$ 1,500,000,000	\$ 1,025,000,000	\$ 2,525,000,000	\$ 2,525,000,000	\$ 2,525,000,000
Value Limitation Period	1	2029-2030	2029	\$ -	\$ 1,425,000,000	\$ 685,000,000	\$ 2,110,000,000	\$ 2,110,000,000	\$ 80,000,000
	2	2030-2031	2030	\$ -	\$ 1,353,750,000	\$ 470,000,000	\$ 1,823,750,000	\$ 1,823,750,000	\$ 80,000,000
	3	2031-2032	2031	\$ -	\$ 1,286,062,500	\$ 310,000,000	\$ 1,596,062,500	\$ 1,596,062,500	\$ 80,000,000
	4	2032-2033	2032	\$ -	\$ 1,221,759,375	\$ 225,000,000	\$ 1,446,759,375	\$ 1,446,759,375	\$ 80,000,000
	5	2033-2034	2033	\$ -	\$ 1,160,671,406	\$ 225,000,000	\$ 1,385,671,406	\$ 1,385,671,406	\$ 80,000,000
	6	2034-2035	2034	\$ -	\$ 1,102,637,836	\$ 225,000,000	\$ 1,327,637,836	\$ 1,327,637,836	\$ 80,000,000
	7	2035-2036	2035	\$ -	\$ 1,047,505,944	\$ 225,000,000	\$ 1,272,505,944	\$ 1,272,505,944	\$ 80,000,000
	8	2036-2037	2036	\$ -	\$ 995,130,647	\$ 225,000,000	\$ 1,220,130,647	\$ 1,220,130,647	\$ 80,000,000
	9	2037-2038	2037	\$ -	\$ 945,374,115	\$ 225,000,000	\$ 1,170,374,115	\$ 1,170,374,115	\$ 80,000,000
	10	2038-2039	2038	\$ -	\$ 898,105,409	\$ 225,000,000	\$ 1,123,105,409	\$ 1,123,105,409	\$ 80,000,000
Continue to maintain viable presence	11	2039-2040	2039	\$ -	\$ 853,200,138	\$ 225,000,000	\$ 1,078,200,138	\$ 1,078,200,138	\$ 1,078,200,138
	12	2040-2041	2040	\$ -	\$ 810,540,131	\$ 225,000,000	\$ 1,035,540,131	\$ 1,035,540,131	\$ 1,035,540,131
	13	2041-2042	2041	\$ -	\$ 770,013,125	\$ 225,000,000	\$ 995,013,125	\$ 995,013,125	\$ 995,013,125
	14	2042-2043	2042	\$ -	\$ 731,512,469	\$ 225,000,000	\$ 956,512,469	\$ 956,512,469	\$ 956,512,469
	15	2043-2044	2043	\$ -	\$ 694,936,845	\$ 225,000,000	\$ 919,936,845	\$ 919,936,845	\$ 919,936,845
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044	\$ -	\$ 660,190,003	\$ 225,000,000	\$ 885,190,003	\$ 885,190,003	\$ 885,190,003
	17	2045-2046	2045	\$ -	\$ 627,180,503	\$ 225,000,000	\$ 852,180,503	\$ 852,180,503	\$ 852,180,503
	18	2046-2047	2046	\$ -	\$ 595,821,478	\$ 225,000,000	\$ 820,821,478	\$ 820,821,478	\$ 820,821,478
	19	2047-2048	2047	\$ -	\$ 566,030,404	\$ 225,000,000	\$ 791,030,404	\$ 791,030,404	\$ 791,030,404
	20	2048-2049	2048	\$ -	\$ 537,728,884	\$ 225,000,000	\$ 762,728,884	\$ 762,728,884	\$ 762,728,884
	21	2049-2050	2049	\$ -	\$ 510,842,439	\$ 225,000,000	\$ 735,842,439	\$ 735,842,439	\$ 735,842,439
	22	2050-2051	2050	\$ -	\$ 485,300,317	\$ 225,000,000	\$ 710,300,317	\$ 710,300,317	\$ 710,300,317
	23	2051-2052	2051	\$ -	\$ 461,035,302	\$ 225,000,000	\$ 686,035,302	\$ 686,035,302	\$ 686,035,302
	24	2052-2053	2052	\$ -	\$ 437,983,537	\$ 225,000,000	\$ 662,983,537	\$ 662,983,537	\$ 662,983,537
	25	2053-2054	2053	\$ -	\$ 416,084,360	\$ 225,000,000	\$ 641,084,360	\$ 641,084,360	\$ 641,084,360

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

Only include market value for eligible property on this schedule.

## Schedule C: Employment Information

Date: December 5, 2022

Applicant Name: Finisar Sherman RE Holdco, LLC

ISD Name: Sherman ISD

Form 50-296A

Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2025-2026	2025	400	\$100,000	0	0	\$ 86,300.76
	0	2026-2027	2026	500	\$100,000	0	0	\$ 86,300.76
	0	2027-2028	2027	600	\$100,000	0	0	\$ 86,300.76
	0	2028-2029	2028	100	\$100,000	0	0	\$ 86,300.76
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2029-2030	2029			675	25	\$ 86,300.76
	2	2030-2031	2030			675	25	\$ 86,300.76
	3	2031-2032	2031			675	25	\$ 86,300.76
	4	2032-2033	2032			675	25	\$ 86,300.76
	5	2033-2034	2033			675	25	\$ 86,300.76
	6	2034-2035	2034			675	25	\$ 86,300.76
	7	2035-2036	2035			675	25	\$ 86,300.76
	8	2036-2037	2036			675	25	\$ 86,300.76
	9	2037-2038	2037			675	25	\$ 86,300.76
	10	2038-2039	2038			675	25	\$ 86,300.76
MVP Period	11 through 15	2039-2040 through 2043-2044	2039 - 2043			675	25	\$ 86,300.76
Years Following Value Limitation Period	16 through 25	2044-2045 through 2053-2054	2044 - 2053			675	0	\$ 86,300.76

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
Only include jobs on the project site in this school district.

## **Tab 15**

### Economic Impact Analysis

Not applicable.

## Tab 16

### Description of Reinvestment Zone

The project site is already located in an existing reinvestment zone.

See attached for Ordinance No. 6099 (including legal descriptions and maps of the reinvestment zone), by which the City of Sherman designated Industrial Reinvestment Zone, Number 022018-01 on February 19, 2018.

Texas Tax Code Section 312.203 provides that a municipal reinvestment zone expires after 5 years, so this reinvestment zone will remain active until February 19, 2023.

As shown in the attached map, this reinvestment zone includes the entirety of the land owned by Applicant at the proposed project site. Grayson County Appraisal District identifies this land parcel as Property ID 127622.

**ORDINANCE NO. 6099**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING A CERTAIN AREA AS INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01, CITY OF SHERMAN, TEXAS, PROVIDING FOR THE ESTABLISHMENT OF AGREEMENTS WITHIN THE ZONE, AND OTHER MATTERS RELATING THERETO; PROVIDING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE FOR THE COMMENCEMENT OF THE REINVESTMENT ZONE AND THIS ORDINANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.**

**WHEREAS**, the City Council of the City of Sherman, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a Reinvestment Zone, as codified in Chapter 312 of the Texas Tax Code (the "CODE"); and

**WHEREAS**, a hearing before the City Council was set for 5:00 p.m. on the 19<sup>th</sup> day of February, 2018, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in the City of Sherman; and

**WHEREAS**, the City has called a public hearing and published notice of such public hearing, and has properly notified the proper officials of Grayson County, Grayson County College, and Sherman Independent School District, as required by the CODE; and

**WHEREAS**, upon such hearing being convened, there was presented proper proof and evidence that notices of such hearing had been published and mailed as described above; and

**WHEREAS**, the City at such hearing invited any interested person, or his attorney, to appear and contend for or against the creation of the Reinvestment Zone, whether all or part of the territory, which is described by a metes and bounds description attached hereto as Exhibit "A" and depicted in the drawing attached hereto as Exhibit "B", should be included in such proposed Reinvestment Zone; and

**WHEREAS**, all owners of property located within the proposed Reinvestment Zone, and all other taxing units and other interested persons, were given the opportunity at such public hearing to protest the creation of the proposed Reinvestment Zone or the inclusion of their property in such Reinvestment Zone; and

**WHEREAS**, the proponents of the Reinvestment Zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the Reinvestment Zone, and no opponents of the Reinvestment Zone appeared to contest creation of the Reinvestment Zone; and



**WHEREAS**, after considering all testimony and evidence offered at the public hearing, the City Council finds that improvements in the Reinvestment Zone will enhance significantly the value of all taxable real property in the Zone, will be of general benefit to the City of Sherman, and that it will be in the public interest to pass this ordinance creating a Reinvestment Zone;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:**

**SECTION 1.** That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

**SECTION 2.** That the City, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the Reinvestment Zone has been properly called, held and conducted, and that notice of such hearing has been published as required by law;
- (b) That the City has jurisdiction to hold and conduct this public hearing on the creation of the proposed Reinvestment Zone, pursuant to the CODE;
- (c) That creation of the proposed Zone, with boundaries as described in Exhibits "A" and "B", will result in benefits to the City, its residents and property owners, and to the property, residents and property owners in the Reinvestment Zone; and
- (d) That the Reinvestment Zone, as defined in Exhibits "A" and "B", meets the criteria for the creation of a Reinvestment Zone as set forth in Section 312.202 of the CODE in that:
  - (1) It is a contiguous geographic area located wholly within the corporate limits of the City.
  - (2) The area will reasonably be likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property and that would contribute to the economic development of the City.
  - (3) No part of the property in the Reinvestment Zone is owned or leased by a member of the governing body of the City or Town, or by a member of a zoning or planning board or commission of the City.
  - (4) Improvements in the Reinvestment Zone will enhance significantly the value of all taxable real property in the Reinvestment Zone.

**SECTION 3.** That the City hereby creates a Reinvestment Zone over the area described by the description in Exhibit "A", attached hereto and depicted in a drawing attached hereto as Exhibit "B", and such Reinvestment Zone shall hereafter be identified as the Industrial Reinvestment Zone, Number 022018-01, City of Sherman, Texas (the "Zone").

**SECTION 4.** That the written agreement(s) as provided in the CODE, with the owners of the property located within the Reinvestment Zone, is hereby authorized for a period of up to ten (10) years, and the written agreement(s) shall provide an exemption from taxation of the increased value in the real and/or personal property in the percentages and for the years to be established in the agreements.

**SECTION 5.** That, if any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance.

**SECTION 6.** That it is hereby officially found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of the meeting of the City Council at which this ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

**SECTION 7.** That the contents of the notice of public hearing, which hearing was held before the City Council on the 19<sup>th</sup> day of February, 2018, and the publication of said notices, is hereby ratified, approved, and confirmed.

**INTRODUCED** on this the 19th day of February, 2018.

**ADOPTED** on this the 19th day of February, 2018.

**EFFECTIVE DATE** on this the 19th day of February, 2018.

**CITY OF SHERMAN, TEXAS**

BY:



**DAVID PLYLER, MAYOR**



ATTEST:

BY: Linda Ashby  
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM  
AND CONTENT:

BY: BSH  
BRANDON S. SHELBY,  
CITY ATTORNEY

**EXHIBIT "A"**  
**INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01,**  
**CITY OF SHERMAN, TEXAS**  
**FIELD NOTES**

**As-Surveyed Legal Description**

Being the Lot created by the final plat of MEMC southwest addition, an addition to the City of Sherman, Grayson County, Texas, according to the plat of record in Volume 11, Page 1, plat records, Grayson County, Texas, and being more fully described in exhibit "A" attached.

BEING a 76.763 acre tract of land situated in the City of Sherman, in the James A. Foster Survey, Abstract No. 418, the Robert Foster Survey, Abstract No. 420 and the Marton G. Fellers Survey, Abstract No. 427 of Grayson County, Texas and being part of the MEMC SOUTHWEST ADDITION, an addition to the City of Sherman, according to the plat thereof, recorded in Volume 11, page 1 of the Map & Plat Records of Grayson County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at 1/2 inch iron rod topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found for the Northeast corner of said MEMC Southwest Addition, on the West right-of-way line of U.S. Highway 75 (variable width right-of-way at this point) and said point also being on the East line of that certain called 1506 acre tract of land described in a deed from MEMC Southwest, Inc. to the State of Texas, dated December 15, 2003 and recorded in Volume 3562, Page 651, DRGCT;

THENCE: South 11 deg. 13 min. 59 sec. West, along the common line of said addition and highway, a distance of 1,017.15 feet Texas Department of Transportation (TXDOT) brass monument in concrete, found for the North corner of that certain called 1506 acre tract of land described in a deed from MEMC Southwest, Inc. to the State of Texas, dated December 15, 2003 and recorded in Volume 3562, Page 651, DRGCT;

THENCE: Departing from the original East line of said MEMC Southwest Addition and along the West line of said 1506 acre tract as follows:

South 22 deg. 32 min. 59 sec. West - 407.99 feet to a TXDOT monument found for corner;  
South 11 deg. 13 min. 57 sec. West - 444.88 feet to a TXDOT monument found for corner;  
South 50 deg. 56 min. 32 sec. West - 78.08 feet to a TXDOT monument found for corner;  
South 11 deg. 15 min. 08 sec. West - 84.36 feet to a 1/2 inch iron rod, with cap, set for the Southwest corner of said 1506 acre tract, on the South line of said MEMC Southwest Addition and same being the North right-of-way line of Shepherd Road as described to the City of Sherman by the above described plat recorded in Volume 11, page 1 of the Map & Plat Records of Grayson County, Texas;

THENCE: Along the common line of said MEMC Southwest Addition and said Shepherd Road as follows:

North 89 deg. 54 min. 01 sec. West - 384.25 feet to a 1/2 inch iron rod, with cap found for corner;  
North 89 deg. 47 min. 22 sec. West - 741.16 feet to a 1/2 inch iron rod, with cap found for corner;  
South 89 deg. 55 min. 13 sec. West - 308.42 feet to a 1/2 inch iron rod, with cap, found for the Southwest corner of said MEMC Southwest Addition and same being the East line of the above described Texas Instruments Incorporated original 470.340 acre tract;

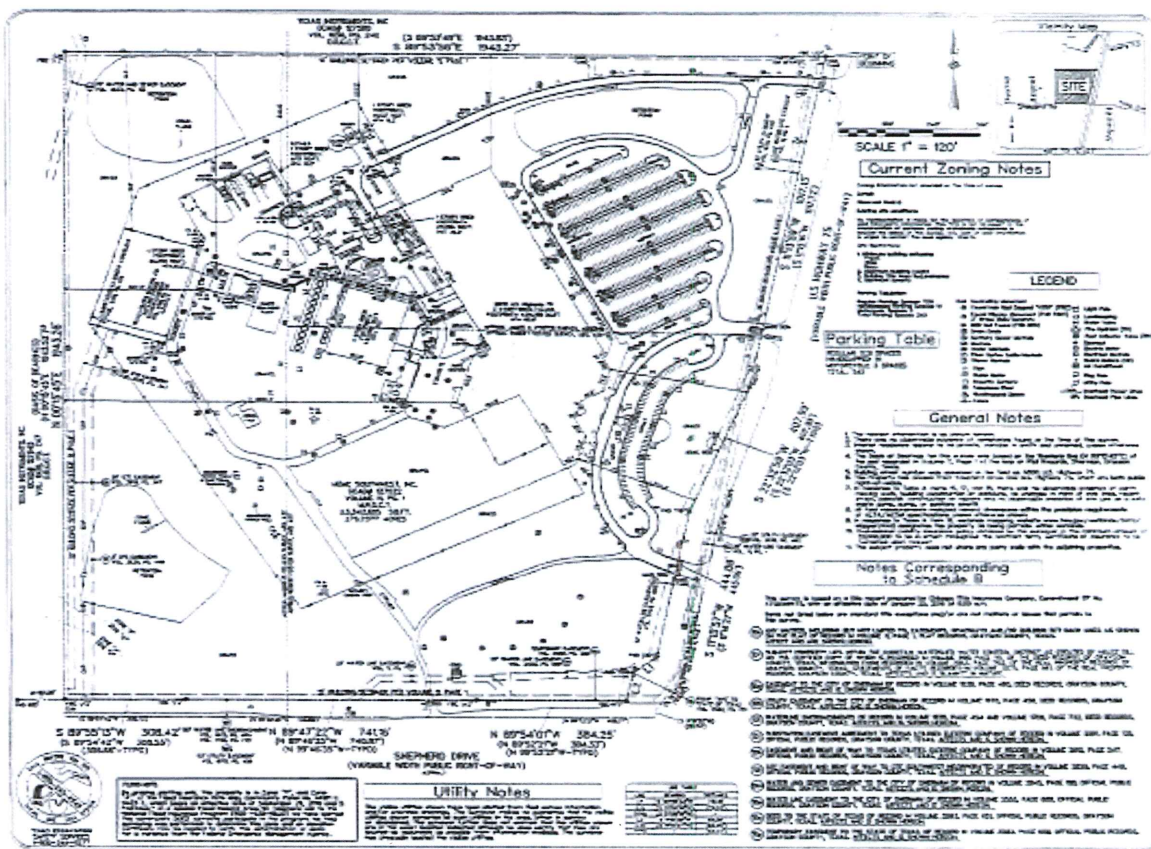
THENCE: North 00 deg. 15 min. 45 sec. East, along the common line of said MEMC Southwest Addition and said Texas Instruments tract, a distance of 1,943.26 feet to a 1/2 inch iron rod, with cap, found for the Northwest corner of said MEMC Southwest Addition;

THENCE: South 89 deg. 53 min. 56 sec. East, continuing along the common line of said addition and said Texas Instruments tract, a distance of 1,943.27 feet to the POINT OF BEGINNING and containing 3,343,764 square feet 76.763 acres of land, more or less.

The above description describes the same property described in Title Commitment GF No. 4712009475, Issued by Chicago Title Insurance Company with and effective date of January 25, 2016 at 8:00 a.m.

Sheet 2 of 2

## DRAWING





INDUSTRIAL REINVESTMENT ZONE, NUMBER 022018-01,  
CITY OF SHERMAN, TEXAS  
VICINITY MAP



## **Tab 17**

### **Signature and Certification Page**

See attached.

## SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**.

**NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

**1. Authorized School District Representative Signature**

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.

**print  
here** ▶

Dr. Tyson Bennett

Print Name (Authorized School District Representative)

Superintendent

Title

**sign  
here** ▶

Signature (Authorized School District Representative)

Date

**2. Authorized Company Representative (Applicant) Signature and Notarization**

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 and schedules 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.

**print  
here** ▶

Jeffrey Brown

Print Name (Authorized Company Representative (Applicant))

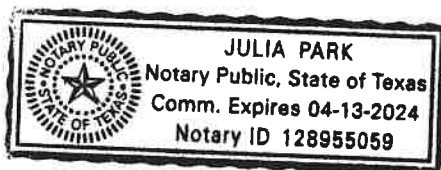
VP of Sensing Operations and Engineering

Title

**sign  
here** ▶

Signature (Authorized Company Representative (Applicant))

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

5<sup>th</sup> day of December, 2022Julia Park  
Notary Public in and for the State of Texas

My Commission expires: 4-13-2024

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 Section 37.10.