

**LIBERTY COUNTY, TEXAS
TAX ABATEMENT AGREEMENT NOTICE**

LIBERTY COUNTY COMMISSIONERS' COURT MEETING INFORMATION

December 8, 2020 at 9:00 a.m.

1923 Sam Houston Street

Liberty, Texas 77575

1. Consider and take action on a tax abatement agreement with Brightmark Plastics Renewal Texas LLC.
 - a. The applicant for the tax abatement agreement is Brightmark Plastics Renewal Texas LLC (“Brightmark”).
 - b. The property upon which the tax abatement will apply is currently owned by CMC Railroad Incorporated. Brightmark Plastics Renewal Texas LLC is in the process of purchasing the property from CMC Railroad Incorporated.
 - c. The tax abatement property is in Commercial/Industrial Reinvestment Zone, Number Six (6), City of Dayton, Texas. Said Abatement Property includes approximately one hundred (100) acres located in the Gulf Inland Logistics Park.
 - d. Brightmark Plastics Renewal Texas LLC is on a mission to reimagine waste. It combines its passion for a more sustainable world with a powerful new approach to solving global waste problems. Brightmark’s goals include:
 - i. Offsetting 22 million metric tons of CO₂ by 2024 with its Renewable Natural Gas projects, and
 - ii. Divert 8.4 million metric tons of plastic from landfills or the environment by 2024.

Specifically, for this project Brightmark will focus on its plastics to fuel conversion technology, which it would use to convert comingled plastics into one or all of the following fuels: ultra-low sulfur diesel, naphtha and paraffin wax.

Brightmark accepts multiple plastic streams, including:

- Non-Bottle Rigid Plastics. System accepts rigid plastic streams without sorting or identifying by plastic type.
- Co-Mingled Film and Wraps. System accepts co-mingled streams of film and wrap and can tolerate some contamination.
- Foam Products and Woven Fiber. Sorting/logistics costs are minimized with Brightmark system as these materials can be processed without added cost of separation or cleaning.

Brightmark collects plastic waste and preps it for conversion by shredding, removing metals, drying, and pelletizing. The pelletized plastic is then heated in an oxygen starved environment with gases being captured, cooled into a

LIBERTY COUNTY, TEXAS
TAX ABATEMENT AGREEMENT NOTICE

hydrocarbon liquid and processed into commercial grade ultra-low sulfur diesel, naphtha (gasoline as well as the precursor of circular plastics) and wax.

The benefits of Brightmark's Technology:

- Utilizes regionally and locally generated plastic waste that normally ends up in landfills or as litter in the marine environment.
- Produces high demand transportation fuels and paraffin waxes.
- Uses a highly efficient process that reduces greenhouse gas emissions, water usage and fossil fuel intensity when compared to traditional refining methods of fuels production.

The comingled plastics ("raw materials" or "feedstock") will include various types of waste collectors and recyclers within a region that could include locations outside of the state of Texas. In order to justify the significant capital investment a certain amount of feedstock tonnage would have to be collected and thus, sources from multiple locations would need to be transported to the site by truck, rail and even barge.

Brightmark's customers will receive the final products ("offtake") by truck and rail depending on the customer's location. As an example, British Petroleum is one of Brightmark's customers; however, any user in the petrochemical supply chain is a potential client for the offtake.

Brightmark is looking to invest approximately \$430,000,000 in real and personal property, including land acquisition and utilities improvements. The proposed facility would include an enclosed Feedstock Preparation building and an adjacent open-sided, roofed Plastic Conversion System (PCS) reactor and distillation canopy. The estimated investment in building and non-removable components of buildings is \$40,200,000 and approximately \$13,000,000 in land acquisition. Investment in machinery, equipment and fixtures is approximately \$353,000,000 and an additional \$10,400,000 in Emissions Control Equipment. There is an estimated investment of \$15,000,000 in utilities improvements. The project would result in at least 100 new jobs. Construction is estimated to begin in Q1 2022 and be completed by year-end 2024. The hiring schedule will span from Q3 2024 to Q4 2025 once the facility is fully constructed and ramped up to full capacity.

A key project variable will be the ability of Brightmark to divert/source the volume of feedstock needed to build out to the capacity to support the investment and job creation presented herein. Brightmark has devoted significant time and resourced to structure plastic feedstock agreements with various sources and will continue to do so throughout this final phase of the project.

- e. Brightmark Plastics Renewal Texas LLC plans to spend at least \$400,000,000 on zone improvements, for use in the Zone.

**LIBERTY COUNTY, TEXAS
TAX ABATEMENT AGREEMENT NOTICE**

- f. Under the proposed abatement agreement, the County plans to abate ad valorem taxes on real property, real property improvements, and tangible personal property as follows:

REAL PROPERTY ABATEMENT

<u>Years</u>	<u>% OF ADDED VALUE TO BE ABATED</u>
2022-2026	50% Abatement
2027-2028	45% Abatement
2029-2031	37.5% Abatement
2032	0% Abatement

The County plans to abate ad valorem taxes on Company's tangible personal property in the Zone as follows:

TANGIBLE PERSONAL PROPERTY ABATEMENT

<u>Year</u>	<u>% OF ADDED VALUE TO BE ABATED</u>
2022-2023	85% Abatement
2024-2025	65% Abatement
2026-2027	45% Abatement
2028-2029	20% Abatement
2030-2031	10% Abatement
2032	0% Abatement

Received on the 6th Day of Nov 20 at 9:35
o'clock A M.

Posted on the 6th Day of Nov 20 at 9:40
o'clock A M.

Lee H. Chambers
County Clerk, Liberty County, Texas
By Adrian Diver Deputy