

# Trans-Pecos Pipeline

## County Tax Benefits

### ANNUAL AD VALOREM TAX PAYMENTS

The Trans-Pecos Pipeline will financially benefit local communities via the use of goods and services and will provide a direct tax benefit to the counties traversed by the project. The following represents the approximate projected ad valorem taxes that will be paid annually to each county:

- Pecos: \$1.4 million
- Brewster: \$1.0 million
- Presidio: \$1.9 million
- Addnl. costs to be allocated: \$2.8 million
- Total: \$7.1 million

To determine the exact amount of the tax each year, County's tax offices usually contract with an engineering firm that specializes in assessing the value of industrial facilities in accordance with the state tax code. In Texas, there are multiple firms that specialize in this area and assist local appraisal districts. At its simplest, the value of the pipeline will be calculated on a cost per mile based on the age, size and diameter of the pipe. The County will then allocate the funds collected to the various taxing jurisdictions such as schools, counties, roads, hospitals, etc., in accordance with local taxing rates.

It is important to note that we have not asked for any tax rebates associated with this project or any other Energy Transfer project.

### Trans-Pecos ad Valorem Taxes - Presidio County

The Trans-Pecos Pipeline will pay annual ad valorem taxes on its assets in each county once the line is in service. For project planning purposes, we have estimated the ad valorem taxes at \$7.1 million for 2017. Of the \$7.1 million, \$1.9 million will go to Presidio County and its local taxing jurisdictions. This estimate and valuation is based on similar projects in the state.

### Trans-Pecos ad Valorem Taxes - Brewster County

The Trans-Pecos Pipeline will pay annual ad valorem taxes on its assets in each county once the line is in service. For project planning purposes, we have estimated the ad valorem taxes at \$7.1 million for 2017. Of the \$7.1 million, \$1.02 million will go to Brewster County and its local taxing jurisdictions. This estimate and valuation is based on similar projects in the state.

### Trans-Pecos ad Valorem Taxes - Pecos County

The Trans-Pecos Pipeline will pay annual ad valorem taxes on its assets in each county once the line is in service. For project planning purposes, we have estimated the ad valorem taxes at \$7.1 million for 2017. Of the \$7.1 million, \$1.4 million will go to Pecos County and its local taxing jurisdictions. This estimate and valuation is based on similar projects in the state.