



Iola ISD PIA Records Related to SpaceX / TeraFab AI / JETI Applications

GCCRD recently received public information records from Iola ISD related to the proposed SpaceX / TeraFab AI project and the Texas Jobs, Energy, Technology, and Innovation Act, commonly referred to as the **JETI** program.

These records are important because they show that the project is not limited to one simple county tax abatement. The documents indicate that multiple public entities, attorneys, consultants, state agencies, and company representatives have been involved in a much broader process involving school district tax limitation applications, county tax abatement negotiations, Chapter 381 economic development grants, reinvestment zone issues, project boundary questions, water, wastewater, roads, possible power generation, and multiple project phases.

GCCRD's position remains simple:

A project of this size and complexity should not be handled in fragments. Citizens deserve a complete, plain-English explanation before any public entity votes on incentives, abatements, JETI agreements, Chapter 381 payments, or other long-term commitments.

What the Iola ISD Records Show

1. Multiple JETI Applications Were Filed

The records show that Iola ISD was involved in multiple JETI applications related to TeraFab AI, LLC. The applications were identified as separate phases of the project.

The records reference four Iola ISD phases and show that the applications were accepted for review by the Texas Comptroller's office. Other records also reference Anderson-Shiro ISD, suggesting that the full project may involve more than one school district.

This is important because citizens need to know:

- How many total JETI applications exist;
- Which school districts are involved;
- Which entity filed each application;
- Which properties are included in each phase;
- How the phases are divided between Iola ISD and Anderson-Shiro ISD;

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- How the school district applications connect to the County’s tax abatement, Chapter 381 agreement, and reinvestment zone.
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2. The Applications Were Still Being Corrected and Clarified

The records show that the Texas Comptroller’s office asked for corrections and clarification before the applications could move forward.

Issues raised included:

- The applicant’s legal and tax structure;
- Whether the parent company and applicant were the same or separate legal entities;
- The school district consultant;
- Correct taxing entities and tax rates;
- Project descriptions;
- Eligible and ineligible property;
- Capital investment schedules;
- Project boundary maps;
- “Compelling factor” documentation;
- Ownership and country-control certifications;
- Whether residential homes, barns, similar structures, or other existing improvements were located inside the project boundary.

This matters because the public was being asked to trust a process that was still changing behind the scenes.

3. The Project Description Appears Broader Than Many Citizens May Realize

The records describe the project as a next-generation, vertically integrated semiconductor manufacturing and advanced computing fabrication, packaging, and display facility.

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The documents also reference affiliated advanced technology companies, including SpaceX and xAI.

That means citizens should not think of this as only one “SpaceX project” or only one manufacturing facility. The records suggest a broader advanced technology development involving semiconductor manufacturing, advanced computing, possible AI-related infrastructure, and multiple phases.

Citizens deserve to know exactly what is being proposed.

4. Existing Property, Homes, Barns, and Possible Demolition Were Discussed

The Comptroller’s review asked for maps and descriptions showing existing property within the project boundary. The records specifically reference existing improvements such as residential homes, barns, and similar structures.

There was also discussion about whether the Millennium Power facility would be demolished.

This is highly relevant to neighboring landowners and the public because citizens need to know:

- What properties are inside the proposed project boundary;
- What existing homes, barns, structures, or facilities are included;
- What may be demolished;
- What is considered “eligible property” for tax incentives;
- What is considered “ineligible property”;
- Whether nearby landowners are being clearly informed.

5. Public Hearing Timing Was Being Coordinated Closely

The records show that the school district’s consultant and attorney were coordinating public hearing notices, Comptroller recommendations, meeting dates, and timing requirements.

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At one point, the records indicate that the Comptroller's recommendations would not be ready in time for a **planned June 15 public hearing**, so alternate dates were discussed.

This matters because the public hearing process appears to have been moving on a tight schedule while significant details were still being corrected, reviewed, or clarified.

The public should not be placed in the position of trying to understand a massive project only days before hearings or votes.

6. Closed-Session Economic Development Discussions Were Part of the Process

The school board notice included public hearings related to the JETI applications and also referenced closed-session deliberations under Texas Government Code Section 551.087 regarding economic development negotiations.

Closed sessions may be allowed under Texas law in certain economic development matters. However, that is exactly why transparency before and after those closed sessions is so important.

When public officials can discuss major incentive negotiations outside public view, citizens need a clear public explanation of:

- What is being negotiated;
- What public money or tax value is involved;
- What agreements are being considered;
- What obligations the company is making;
- What protections exist for residents and taxpayers;
- What long-term consequences the agreements may create.

How This Connects to the County's Recent Negotiations

The Iola ISD records do not stand alone. They connect directly to the County's recent actions involving:

- The SpaceX reinvestment zone;
- The County tax abatement agreement;

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- The County Chapter 381 economic development agreement;
- Public hearing notices;
- Executive session discussions;
- Negotiations with SpaceX and related representatives;
- The broader development at or near the former TMPA / Gibbons Creek site.

The County documents previously reviewed by GCCRD show that the County was considering significant economic development incentives, including tax abatement and Chapter 381 payments. The ISD documents now show that the school district side of the incentive process was also moving forward at the same time.

That means citizens are not looking at isolated actions by separate government bodies. They are looking at a coordinated incentive package involving multiple public entities.

Key Public Concerns Raised by These Records

Who exactly is the applicant?

The records reference Space Exploration Technologies Corp., TeraFab AI, LLC, SpaceX, xAI, and affiliated technology companies.

Citizens deserve a clear chart showing:

- Each legal entity involved;
- Each entity's role;
- Who owns or controls each entity;
- Which entity is signing each agreement;
- Which entity is responsible for performance, taxes, payments, jobs, water, wastewater, roads, and compliance.

How large is the full project?

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The records reference multiple phases, multiple school district applications, and very large investment numbers. One email references rough numbers of approximately \$50 billion and a division of the project between Iola ISD and Anderson-Shiro ISD.

Citizens deserve to know whether the public discussion has focused only on an initial phase while the full project could be much larger.

Is there a power plant component?

One email states that SpaceX was discussing a power plant and semiconductor facility at the old TMPA location.

This is extremely important. A power plant could raise separate questions about:

- Air permitting;
- Water usage;
- Grid connection;
- fuel source;
- emissions;
- noise;
- emergency response;
- transmission infrastructure;
- impacts on neighboring properties.

Citizens deserve a direct public explanation of whether power generation is part of the project.

What water will be used?

The County agreement states that the company intends to use water from Gibbons Creek Reservoir and does not intend to use groundwater. However, the agreement also addresses what happens if groundwater is used.

Citizens need to know:

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- How much water will be used;
 - Whether the water source is Gibbons Creek Reservoir;
 - Whether groundwater could be used later;
 - Whether water reuse is required or only encouraged;
 - Whether wastewater treatment will be on-site;
 - What permits will be needed;
 - What impact this could have on long-term regional water planning.
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What will taxpayers actually receive?

The County agreement appears to replace regular county taxes with negotiated payments in lieu of taxes, commonly called PILOT payments. Citizens need to understand the difference between regular property tax revenue and a negotiated payment structure.

The public should be given a clear explanation of:

- What taxes are being abated;
 - For how long;
 - What payments will be made instead;
 - Whether school district taxes are also being limited;
 - What the County receives;
 - What the school districts receive;
 - What the company receives;
 - What happens if the project changes, slows down, is sold, or terminates early.
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What protections exist for residents?

The agreements include references to water, wastewater, lighting, noise, roads, compliance, and neighboring property impacts. However, citizens need to know

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whether these are firm requirements, measurable standards, or general commitments using language such as “commercially reasonable efforts” or “intends.”

Citizens deserve clear answers on:

- **Road damage and repair;**
- **Emergency services;**
- **fire protection;**
- **law enforcement needs;**
- **EMS impact;**
- **hazardous materials;**
- **wastewater and sludge disposal;**
- **light pollution;**
- **noise;**
- **drainage;**
- **traffic;**
- **air emissions;**
- **long-term monitoring;**
- **enforcement mechanisms.**

What Citizens Need to Know Before Any Final Votes

Before any public entity votes on additional incentives, abatements, JETI agreements, Chapter 381 grants, or related approvals, citizens should be given a complete public explanation that answers the following:

1. What is the full project?
2. Who are all legal entities involved?
3. How many phases are planned?
4. Which school districts are involved?

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5. Which application numbers apply to each phase?
6. Which properties are included?
7. What properties are inside the reinvestment zone?
8. What homes, barns, existing structures, or facilities are inside the project boundary?
9. What will be demolished?
10. Is a power plant part of the project?
11. How much water will be used?
12. Will groundwater ever be used?
13. What wastewater will be produced?
14. What hazardous chemicals or materials will be used or stored?
15. What roads will be affected?
16. What emergency services will be required?
17. What taxes are being abated or limited?
18. What payments will be made instead of taxes?
19. What happens if the company does not meet job or investment promises?
20. What protections exist for neighboring property owners?

GCCRD's Position

GCCRD is not asking for rumors, speculation, or political talking points.

We are asking for transparency.

The public records show that this project involves multiple layers of government negotiation, multiple incentive programs, multiple legal entities, multiple phases, and major long-term consequences for Grimes County residents.

Citizens should not have to piece this together from public information requests after the fact.

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A project of this magnitude should be explained fully, clearly, and publicly before public officials commit taxpayer value, public infrastructure, water resources, roads, emergency services, or long-term economic development incentives.

Preserve the Land. Protect our Community.

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