



# Chapter 313 Annual Eligibility Report Form

**Form 50-772**  
(May 2010)

2010

Tax Year covered in this report

**Brazosport ISD**

School district name

**PMDI**

Project Name

**2301 N. Brazosport Blvd.**

Company Address

**.202**

I&S Tax Rate

**The Dow Chemical Company**

Company Name

**979-238-5576**

Company Contact Information

**1.04**

M&O Tax Rate

**NOTE:** This form must be completed by an authorized representative of each approved applicant and each entity with property subject to the limitation agreement. It must be submitted to the school district by May 15th of every year using information from the previous tax (calendar) year. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

**13812851288**

Texas Taxpayer ID of Applicant

**12/3/2002**

Date of Agreement Approval

**2003**

First complete tax year of the qualifying time period

**2005**

First tax year of the limitation

**N/A**

Texas Taxpayer ID Reporting Entity (if appropriate)

**The Dow Chemical Company**

Original Applicant Name

**2004**

Last tax year of the qualifying time period

**30,000,000**

Amount of the limitation at the time of application approval

## QUALIFIED PROPERTY INFORMATION

**\$166,482,130**

Market Value

**\$166,482,130**

I&S Taxable Value

**\$30,000,000**

M&O Taxable Value

Is the business entity in good standing with respect to Tax Code, Chapter 171?

(Attach printout from Comptroller Web site: <http://www.window.state.tx.us/taxinfo/coasintr.html>)

Yes  No

Is the business entity current on all taxes due to the State of Texas?

Yes  No

Is the business activity of the project an eligible business activity under Section 313.024(b)?

Yes  No

Please identify business activity: Chemical Manufacturing

What was the application review start date for your application (the date your application was determined to be complete)?

(This question must only be answered for projects with applications approved after June 1, 2010.)

n/a

How many new jobs were based on the qualified property in the year covered by this report? (See note on page 3.)

66

What is the number of new jobs required for a project in this school district according to 313.021(2)(A)(iv)(b), 313.051(b), as appropriate?

10

If the applicant requested a waiver of minimum jobs requirement, how many new jobs must the approved applicant create under the waiver?

n/a

80 percent of New Jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.)

53



What is the minimum required annual wage for each qualifying job in the year covered by the report? ..... \$71,566

For agreements executed prior to June 19, 2009, please identify which of the two Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A) or §313.051(b). For agreements executed after June 19, 2009, please identify which of the four Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A), §313.021(5)(B), §313.021(3)(E)(ii), or §313.051(b). ..... 313.021(5)(A)

Attach calculations and cite (or attach) exact Texas Workforce Commission data sources. .... attached

How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? ..... 55

Of the qualifying job-holders last year, how many were employees of the approved applicant? ..... 55

Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... 0

If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? .....  NA  Yes  No

**THE FOLLOWING QUESTIONS APPLY ONLY TO APPROVED APPLICANTS WITH AGREEMENTS THAT REQUIRE THE APPROVED APPLICANT TO PROVIDE A SPECIFIED NUMBER OF JOBS AT A SPECIFIED WAGE.**

How many qualifying jobs did the approved applicant commit to create in the year covered by the report? ..... N/A

At what annual wage? .....

How many qualifying jobs were created at the specified wage? .....

**ENTITIES ARE NOT REQUIRED TO ANSWER THE FOLLOWING FIVE QUESTIONS IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.**

What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? ..... n/a

Was any of the land classified as qualified investment? .....  Yes  No

Was any of the qualified investment leased under a capitalized lease? .....  Yes  No

Was any of the qualified investment leased under and operating lease? .....  Yes  No

Was any property not owned by the applicant part of the qualified investment? .....  Yes  No

**THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT.**

What was your limitation amount (or portion of original limitation amount) during the year covered by this report? ..... n/a

Please describe your interest in the agreement and identify all the documents creating that interest.

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NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement.

Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code 313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

**APPROVAL**

*"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."*

Signature

Chaney Moore

Printed name of authorized company representative

Property Tax Manager

5/11/2011

Date

Title

**CONTACT INFORMATION FOR AUTHORIZED REPRESENTATIVE**

Dow Chemical Tax Dept. APB Bldg. 2301 N. Brazosport Blvd. Freeport, TX 77541

Address

979-238-5576

CTMoore@Dow.com

Phone

E-mail



## TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

April 4, 2011

### CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

**THE DOW CHEMICAL COMPANY**

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 16, 2011.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 4th day of  
April 2011 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs  
Texas Comptroller

Taxpayer number: 13812851288  
File number: 0001216206

Form 05-304 (Rev. 12-07/17)

*FINDINGS OF THE BRAZOSPORT ISD BOARD OF TRUSTEES  
UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT*

employed 12,450 workers, significantly above the 2001 average.

**Board Finding Number 3.**

Average salary levels of qualifying jobs will be in excess of \$90,000 and will increase to approximately \$120,000 over the term of the Agreement. The average salary \$105,890 is 63 percent over the current Brazoria County average salary per manufacturing job.

**Board Finding Number 4.**

The level of the applicant's investment per qualifying job will approach \$4 million at peak levels, and decrease over the term of the Agreement to approximately \$2.6 million.

In support of Findings 3 and 4, the economic impact evaluation contains the following information.

**Table 2: Direct Impact of Dow Investment in Brazoria County: 2003 – 2017**

Year	Employment	Annual Payroll	Average Salary Per Job	Real Property Per Job	Personal Property Per Job	Total Taxable Investment Per Job
2003	51	\$4,684,200	\$91,847	\$927,757	\$0	\$927,757
2004	51	\$4,777,884	\$93,684	\$1,673,004	\$12,353	\$1,685,357
2005	51	\$4,873,442	\$95,558	\$3,880,000	\$98,039	\$3,978,039
2006	51	\$4,970,911	\$97,469	\$3,763,600	\$98,039	\$3,861,639
2007	51	\$5,070,329	\$99,418	\$3,650,692	\$98,039	\$3,748,731
2008	51	\$5,171,735	\$101,407	\$3,541,171	\$98,039	\$3,639,210
2009	51	\$5,275,170	\$103,435	\$3,434,936	\$98,039	\$3,532,975
2010	51	\$5,380,673	\$105,503	\$3,165,294	\$98,039	\$3,263,333
2011	51	\$5,488,287	\$107,613	\$3,087,398	\$98,039	\$3,165,437
2012	51	\$5,598,053	\$109,766	\$2,969,502	\$98,039	\$3,067,541
2013	51	\$5,710,014	\$111,961	\$2,871,607	\$98,039	\$2,969,646
2014	51	\$5,824,214	\$114,200	\$2,773,711	\$98,039	\$2,871,750
2015	51	\$5,940,698	\$116,484	\$2,675,815	\$98,039	\$2,773,854
2016	51	\$6,059,512	\$118,814	\$2,577,920	\$98,039	\$2,675,959
2017	51	\$6,180,702	\$121,190	\$2,480,024	\$98,039	\$2,578,063

*FINDINGS OF THE BRAZOSPORT ISD BOARD OF TRUSTEES  
UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT*

**Table 6: Dow's Expansion vs. Brazoria County**

Direct	Brazoria County (2000)	Texas (2000)	Dow Expansion (Average)	% Difference vs. Brazoria
Average Salary Per Manufacturing Job	\$65,051	\$45,070	\$105,890	+ 63%
Investment Per Job	\$115,590*	NA	\$2,982,619	+ 2480%

\* Investment per job for Brazoria County = Total Brazoria County Taxable Value / Total Employment

**Board Finding Number 5.**

**Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the a added infrastructure will be significant to the region.**

In support of Finding 5, the economic impact evaluation states:

In the meantime, the value of the Dow expansion to the region is clear. Once the plant is fully operational, increased activity will amount to more than \$600 million in output, \$220 million in value-added, while supporting a total of 176 permanent local jobs. Perhaps most importantly, total local taxes collected over the next fifteen years (including those directly associated with the plant as well as the ripple effects through the local economy) will exceed \$61 million . Assuming a discount rate of 5 percent, this revenue stream has a present value of over \$42 million. In other words, the value of Dow expanding its facilities under these conditions in Brazoria County is worth approximately \$42 million today to local public sector jurisdictions. Seen in this light, the benefits to the community and region seem clear.

**Board Finding Number 6.**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the analysis prepared by Moak, Casey & Associates, LLP projects increased revenue at projected tax rates of \$2.4 million over the next two years.