



Biennial Progress Report for Texas Economic Development Act

Economic Development and Analysis
Form 50-773-A

INTRODUCTION

- You have been assigned an application number. Please verify this number on the website prior to completing the form. This form will indicate the sections you need to complete based on application number.
- This form must be filled out by each applicant that is party to a limitation agreement.
- If the original application was made by a group of two or more companies, each company must complete this form.
- If the original applicant split into two or more applicants after the original agreement, all current agreement holders must complete this form.
- Applicants should only complete the information for their years as an agreement holder, noting what year they were formed after the original agreement was approved.
- Each agreement holder should respond as a current agreement holder in Section 2.
- Applicants should report their proportionate share of required employment and investment information.
- In addition to the Biennial Progress Report required from each applicant that is a party to an agreement, a separate Biennial Progress Report summarizing the combined applicants' data for the entire agreement must be completed.
- If one of the applicants cannot provide this information, a summarization report must be completed by the school district and signed by the superintendent.
- Projects spanning more than one school district must complete forms for each school district.
- Please return signed hard copy forms and electronic spreadsheets to the school district before May 15 of each even-numbered year.

Note:

- The school district that is a party to the Chapter 313 agreement is collecting the data required by Chapter 313.032 on this form for the Comptroller of Public Accounts (CPA).
- The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an *electronic version* and a *signed hard copy version* of the spreadsheet (with any attachments) to the district. Please contact CPA if you have questions about the form. The spreadsheet version of this form can be downloaded at: www.texasahead.org/tax_programs/chapter313/forms.php.
- After ensuring that all forms are complete, the school district will forward that data to the CPA for inclusion in a statutorily required report to the Texas Legislature.

SECTION 1: Applicant Information

- Application number 1006
- Name of school district Hillsboro
- Name of central appraisal district (CAD) appraising the qualified property in this school district Hill CAD
- Name of project on original application (or short description of facility) IKO Southwest, INC
- Name of applicant on original application IKO Southwest Inc.
- Name of company entering into original agreement with district IKO Southwest Inc.
- If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.)

n/a

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) IKO Southwest Inc.
 2. Complete mailing address of current agreement holder 6 Denny Road, suite 200, Wilmington DE 19809

3. Company contact person for agreement holder:

Name John Anhang Title Director of Special Projects
 Phone 416-781-5545 x-5840 Email john.anhang@iko.com

4. Texas franchise tax ID number of current agreement holder: 10206360074

5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

Name n/a Tax ID n/a

6. NAICS Code of current agreement holder (6 Digit): 324122

7. If the authorized company representative is different from the contact person listed above:

Name ROBERT D. REDMOND Title Vice President of Manufacturing IKO SW
 Complete Mailing Address 1708 SYLACAUGA - FAJETTEVILLE HWY. SYLACAUGA, AL 35151
 Phone 256-401-8000 ex 3418 Email dan.redmond@iko.com

8. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. (Use attachments if necessary.)

n/a

SECTION 3: Project Timeline

1. Date original limitation agreement approved by school district November 10, 2014
 2. First (complete) year of qualifying time period - after the date the application is approved. See Tax Code §313.021(4) ... 2015
 3. Date commercial operations began at the site of the project not yet n/a
 4. First year of property value limitation 2017 2017

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

SECTION 4: Value Limitation Details

- 1 Minimum limitation amount per Agreement (for entire agreement): 20,000,000.00
- 2 Amount of qualified investment during the qualifying time period the recipient committed to spend or allocate for this project on application (not total investment): \$78 million
- 3 Total qualified investment made from the beginning of the qualifying time period through the end of the qualifying time period or the last complete tax year, if still in the qualifying time period. 145,950,000
- 4 Has the size and/or scope of the project changed, resulting in a material change in qualified property from that in the application? Yes No
 - 4a. If yes, please describe on an attachment how the actual qualified property — for which you are providing actual and estimated market values on subsequent pages — differs from that property described in the agreement. Include only property located in this school district.
- 5 What was the number of permanent existing jobs at this facility prior to application? none n/a
(See guidelines for definition of existing job.)

SECTION 5: Job Details

- 1 For agreements before Jan. 1, 2014, does the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), as the rule existed at the time of application? Yes No
 - 1a. If yes, please provide the definition of "new job" as used in the agreement. (Use attachments if needed.)

SECTION 6: Authorized Signature

After this report and charts are complete, they should be reviewed and certified to be complete by a company employee authorized to sign on behalf of the company listed in Section 2.

By signing below, I certify that I am an employee of IKO SOUTHWEST, a current agreement holder of a limitation on appraised value who is authorized to sign on behalf of the company. I attest that the contents of this form and attachments are true and correct to the best of my knowledge and belief and have determined that the electronic copy is identical to the hard copy of this report.

print here → ROBERT D. REDMOND VP of Mfg IKO SW 256-401-8000 ex 3418
Print Name of Company Employee Title Phone

sign here → Robert Redmond 5/16/16
Signature of Company Employee Date

NOTE: If you amend your report, you will need to resign and resubmit this section with your forms, charts or attachments.



Biennial Progress Report for Texas Economic Development Act

CHART B1: Job Data for Applications 1000+

App Number: 1006
 District Name: Hillsboro
 Company Name: IKO Southwest Inc.

Date: May 12/16
 1st Yr. of Qualifying Time Period: 2015

CHART B1 - Only complete this for applications 1000+		Qualification Period										Wages/Payroll Period				
		Year 1 (First Complete Tax Year)	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Tax year (YYYY)		2015	2016													
1	Number of qualifying jobs ¹ applicant committed to create on application (cumulative)	none														
2	Number of qualifying jobs ¹ applicant actually created (cumulative)	nil														
3	Median annual wage of qualifying jobs ¹ applicant created	nil														
4	Total wages for qualifying jobs ¹ applicant created	nil														
5	Number of non-qualifying jobs ² applicant created (cumulative)	nil														
6	Average annual wage of non-qualifying jobs ² applicant created	nil														
7	Total wages for non-qualifying jobs ² applicant created	nil														

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

- Notes:
- Jobs meeting all of the requirements of Tax Code §313.021(3).
 - For non-qualifying job definition see TAC §9.1051.
 - Insert columns as needed to adjust beginning date of limitation per 313.027(a-1)(2).

The CPA requests companies complete the electronic spreadsheet version of the form and submit identical electronic and hard copy versions of the spreadsheet (with any attachments) to the district.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

CHART B2: Investment and Market Values for Applications 1000+

Applicant Number: 1006 Date: May 12/16
 ISD Name: Hillsboro Current Agreement Holder Name: IKO Southwest Inc.

CHART B2 - Only complete this for applications 1000+

	Calendar Year (TAX YEAR)	Total Investment (Appraisal Year)	Total Investment (Cumulative)	Market Value of Qualified Property (Appraisal Year)	Market Value of Qualified Property (Cumulative)	Market Value of Qualified Property (Appraisal Year) Less Any Exemption or Other Limitation	Market Value of Qualified Property (Cumulative) Less Any Exemption or Other Limitation
Prior to start of value limitation period or most recent year end. Insert rows as needed.	0						
Value limitation period	1						
	2						
	3						
	4						
	5						
	6						
	7						
	8						
	9						
	10						
Viable presence period	11						
	12						
	13						
	14						
	15						

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

- Notes:**
1. Total Investment is all investment at original cost, including land acquired after filing of application. Investments made in a year should be reflected in the subsequent year's market value.
 2. Use appraisal values from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad valorem tax purposes in that year.
 3. This amount is typically the taxable value for the purpose of I&S fund or debt service reserve fund.
 4. Insert rows as needed to adjust beginning date of limitation per 313.027(a-1)(2).

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Biennial Progress Report for Texas Economic Development Act
CHART B1: Job Data for Applications 1000+

App Number **1006**
 District Name Hillsboro
 Company Name IKO Southwest

Date #####
 1st Yr. of Qualifying Time Period 2015

Form 50-773A
 Revised May 2014

CHART B1 - Only complete this for applications 1000+

		Qualifying Time Period		Limitation Period ³										Viable Presence Period				
		Year 1 (First Complete Tax Year)	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Tax year (YYYY)		2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2023	2023	2023	2023	2023	2023	2023
1	Number of qualifying jobs ¹ applicant committed to create on application (cumulative)	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
2	Number of qualifying jobs ¹ applicant actually created (cumulative)	0	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
3	Median annual wage of qualifying jobs ¹ applicant created	0	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
4	Total wages for qualifying jobs ¹ applicant created	0	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
5	Number of non-qualifying jobs ² applicant created (cumulative)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average annual wage of non-qualifying jobs ² applicant created	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Total wages for non-qualifying jobs ² applicant created	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

- Jobs meeting all of the requirements of Tax Code §313.021(3).
- For non-qualifying job definition see TAC §9.1051.
- Insert columns as needed to adjust beginning date of limitation per 313.027(a-1)(2).

Biennial Progress Report for Texas Economic Development Act
CHART B2: Investment and Market Values for Applications 1000+

Date 5/12/2016 **Form 50-773A**
Application Number 1006 *Revised May 2014*
Current Agreement Holder Name IKO Southwest Inc.
ISD Name Hillsboro

CHART B1 - Only complete this for applications 1000+

	Year	School Year (YYYY-YYYY)	Tax Year (actual tax year) YYYY	Total Investment ¹ (cumulative)	Market value ² of qualified property on Jan. 1 BEFORE any exemptions	Market value less any exemptions (such as pollution control) and before limitation ³	Taxable value of qualified property for purposes of M&O
Prior to start of value limitation period or most recent year end. Insert rows as needed ⁴ .	0	2015-16	2015	145,950,000	0	0	0
	0	2016-17	2016	145,950,000	24,500,000	24,500,000	24,500,000
Value limitation period	1	2017-18	2017	145,950,000	78,552,500	78,552,500	20,000,000
	2	2018-19	2018	145,950,000	76,263,163	76,263,163	20,000,000
	3	2019-20	2019	145,950,000	74,042,252	74,042,252	20,000,000
	4	2020-21	2020	145,950,000	71,887,724	71,887,724	20,000,000
	5	2021-22	2021	145,950,000	69,791,092	69,791,092	20,000,000
	6	2022-23	2022	145,950,000	67,757,360	67,757,360	20,000,000
	7	2023-24	2023	145,950,000	65,784,639	65,784,639	20,000,000
	8	2024-25	2024	145,950,000	63,871,100	63,871,100	20,000,000
	9	2025-26	2025	145,950,000	62,014,967	62,014,967	20,000,000
	10	2026-27	2026	145,950,000	60,214,518	60,214,518	20,000,000
Viable presence period	11	2027-28	2027	145,950,000	58,468,082	58,468,082	58,468,082
	12	2028-29	2028	145,950,000	56,774,040	56,774,040	56,774,040
	13	2029-30	2029	145,950,000	55,130,818	55,130,818	55,130,818
	14	2030-31	2030	145,950,000	53,536,894	53,536,894	53,536,894
	15	2031-32	2031	145,950,000	51,990,787	51,990,787	51,990,787

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

1. Total investment is all investment at original cost, including land acquired after filing of application. Investments made in a year should be reflected in the subsequent year's market value.
2. Use appraisal values from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad volorem tax purposes in that year.
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