

POWELL & LEON, LLP

108 Wild Basin Road, Suite 100, Austin, TX 78746 T: (512) 494-1177 F: (512) 494-1188

January 4, 2018

Via Hand Delivery

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Post Office Box 13528
Austin, Texas 78711-3528

Re: Application #1084 for a Chapter 313 Value Limitation Agreement between the Deer Park Independent School District and Lubrizol Corporation


Dear Local Government Assistance and Economic Analysis Division:

Please find enclosed a hardcopy and digital copy of Amendment #001 to the above-referenced Application. The Applicant is requesting that the District waive the minimum new qualifying job creation requirement. Changes to the original Application are as follows:

1. Page 7, Section 14, Item 4: changed number of new qualifying jobs to 19.
2. Page 7, Section 14, Item 6: changed to reflect "yes".
3. Page 8, Signature Page: new signature page is provided.
4. Form 50-296, Schedule C: updated job creation numbers.

Thank you for your consideration to the foregoing. Please do not hesitate to contact me should you have any questions.

Respectfully submitted,



Sara Hardner Leon

SHL;sl

Enclosures

cc: *Via Electronic Mail:* kglasby@dmmainc.com
Mr. Kirk Glasby, Director of Property Tax, DuCharme McMillen and Associates, Inc.

Via Electronic Mail: vwhite@dpisd.org
Mr. Victor White, Superintendent of Schools, Deer Park Independent School District

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?
 2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____ (year)
 3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)?
- Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create?
 5. What is the number of new non-qualifying jobs you are estimating you will create?
 6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
 7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
 8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
 9. What is the minimum required annual wage for each qualifying job based on the qualified property?
 10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
 11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☐ Yes ☐ No
 12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☐ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
 13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☐ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.



Application for Appraised Value Limitation on Qualified Property

Lubrizol - Application #1084
Deer Park ISD
Amendment 1
12/5/2018

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Victor E. White, Jr.

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Victor E. White, Jr.

Signature (Authorized School District Representative)

12-16-18

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Deborah Peres

Print Name (Authorized Company Representative (Applicant))

Manager Finance & Accounting

Title

sign
here

Deborah Peres

Signature (Authorized Company Representative (Applicant))

12-10-2018

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10 day of December 2018

Michele Lorraine Vargas

Notary Public in and for the State of Texas

My Commission expires: 9/23/2020

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.



Mr. Victor White,
Superintendent of Schools
Deer Park Independent School District
2800 Texas Avenue
Deer Park, TX 77536

Re: Lubrizol Corporation – Chapter 313, Value Limitation Agreement, Job Waiver Request

Mr. White,

As stipulated in our Chapter 313, Value Limitation Agreement, executed September 29, 2015, Lubrizol anticipated creating 25 “new qualifying jobs” by 12/31/2018. To date we have created and filled 21 jobs with approximately 10 more jobs anticipated by January 2019 and an eventual 39 jobs total.

Approximately 20 of these new hires will be going straight into new roles within the new unit, while approximately 19 others will be “back-filling” existing Lubrizol employees who are transferring from existing units elsewhere in the plant and filling the new roles in the new project.

However, in strict compliance with Chapter 313 language and the Comptroller of Public Accounts interpretation, we appear to be short of the 25 “qualifying jobs” at 12/31/2018.

Therefore, in accordance with Texas Property Tax Code Section, §313.025(f-1), under the above described conditions, we request Deer Park ISD grant a “Job Waiver” to the Lubrizol Corporation for project Zeus and this current Value Limitation Agreement.

Sincerely,

A handwritten signature in cursive script that reads "Deborah d Peres 12-10-18".

Deborah Peres

Manager Finance & Accounting

Lubrizol Corporation

The Lubrizol Corporation
2015 Deer Park Ch. 313 Application

Schedule C: Employment Information

Date Jan-15
Applicant Name Lubrizol Corp.
ISD Name Deer Park

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	24,000 hours	94000	0		
	0	2016-2017	2016	480,000 hours	94000	0		
	0	2017-2018	2017	480,000 hours	94000	0		
	0	2018-2019	2018			0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019			0	9	0
	2	2020-2021	2020			0	19	65,000
	3	2021-2022	2021			0	19	65,000
	4	2022-2023	2022			0	19	65,000
	5	2023-2024	2023			0	19	65,000
	6	2024-2025	2024			0	19	65,000
	7	2025-2026	2025			0	19	65,000
	8	2026-2027	2026			0	19	65,000
	9	2027-2028	2027			0	19	65,000
Years Following Value Limitation Period	10	2028-2029	2028			0	19	65,000
	11 through 25	2026-2036	2026-2036			0	19	65,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☒ Yes ☐ No
If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No