



**The Dow Chemical Company**  
Texas Innovation Center  
332 SH 332 E  
Lake Jackson, TX 77566  
U.S.A.

December 21, 2015

Data Analysis and Transparency Division  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

Re: Application to the Brazosport Independent School District from The Dow Chemical Company - Appraised Value Limitation on Qualified Property

Dear Mr. TJ Costello,

Please find attached an updated and amended application to the Brazosport Independent School District from The Dow Chemical Company - Appraised Value Limitation on Qualified Property.

Amendments include:

1. Tab 1 – Pages 1 through 11 of Application-Section 2,4 and 14
2. Tab 5 – Determining Factor Update
3. Tab 7 & 8 – Update to descriptions of Qualified Property and Investment
4. Tab 11 - Updated site map with descriptive detail
5. Tab 17 - Signature page update

Please contact me at 979-238-0065 if you have any further questions.

Sincerely,

David Ngo  
Authorized Agent  
The Dow Chemical Company

Cc: John Villarreal, Manager-Data Analysis and Transparency Division  
Dan Casey- Partner  
Lowell McLaughlin – State & Local Tax Director

# TAB 1



# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development  
and Analysis  
**Form 50-296-A**

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

July 16, 2015

Date Application Received by District

Danny

First Name

Superintendent

Title

Brazosport ISD

School District Name

301 W. Brazoswood Dr., Clute, TX 77531

Street Address

P.O. Drawer Z

Mailing Address

Freeport

City

979-730-7000

Phone Number

Mobile Number (optional)

Massey

Last Name

TX

State

979-266-2486

Fax Number

dmassey@brazosportisd.net

Email Address

77542

ZIP

2. Does the district authorize the consultant to provide and obtain information related to this application? .....

Yes

No

**SECTION 1: School District Information (continued)**

**3. Authorized School District Consultant (If Applicable)**

<u>Dan</u> First Name	<u>Casey</u> Last Name
<u>Partner</u> Title	
<u>Moak, Casey &amp; Associates</u> Firm Name	
<u>512-485-7878</u> Phone Number	<u>512-485-7888</u> Fax Number
	<u>dcasey@moakcasey.com</u> Email Address
<u>Mobile Number (optional)</u>	

4. On what date did the district determine this application complete? ..... 11/6/2015

5. Has the district determined that the electronic copy and hard copy are identical? .....  Yes  No

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

<u>David</u> First Name	<u>Ngo</u> Last Name
<u>Property Tax Manager</u> Title	<u>The Dow Chemical Company</u> Organization
<u>Tax Dept., TXINN APB</u> Street Address	
<u>332 SH 332 E</u> Mailing Address	
<u>Lake Jackson</u> City	<u>TX</u> State
<u>979-238-0065</u> Phone Number	<u>77566</u> ZIP
	<u>979-235-8121</u> Fax Number
<u>Mobile Number (optional)</u>	<u>dngo@dow.com</u> Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No

2a. If yes, please fill out contact information for that person.

<u>Lowell</u> First Name	<u>McLaughlin</u> Last Name
<u>State &amp; Local Tax Director</u> Title	<u>The Dow Chemical Company</u> Organization
<u>1790 Bldg, Washington St.</u> Street Address	
<u>Midland</u> Mailing Address	
<u>Midland</u> City	<u>MI</u> State
<u>989-636-0458</u> Phone Number	<u>48674</u> ZIP
	<u>989-638-7142</u> Fax Number
<u>989-492-4729</u> Mobile Number (optional)	<u>ltmclaughlin@dow.com</u> Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....  Yes  No

# Application for Appraised Value Limitation on Qualified Property



## SECTION 2: Applicant Information (continued)

### 4. Authorized Company Consultant (If Applicable)

First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
Title \_\_\_\_\_  
Firm Name \_\_\_\_\_  
Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Business Email Address \_\_\_\_\_

## SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? .....  Yes  No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in Tab 2 proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? .....  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? .....  Yes  No  N/A

## SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? \_\_\_\_\_ The Dow Chemical Company
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) ..... 13812851288
3. List the NAICS code ..... 325199
4. Is the applicant a party to any other pending or active Chapter 313 agreements? .....  Yes  No
- 4a. If yes, please list application number, name of school district and year of agreement  
172, Brazosport ISD, 2011; 213, 214, 215, 216, Brazosport ISD, 2012

## SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) \_\_\_\_\_ Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? .....  Yes  No
- 2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? .....  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? .....  Yes  No  N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in Tab 3)

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

# Application for Appraised Value Limitation on Qualified Property



## SECTION 9: Projected Timeline

- |   |   |
|---|---|
| 1. Application approval by school board .....   | 3/30/2016   |
| 2. Commencement of construction .....   | 4/1/2017  |
| 3. Beginning of qualifying time period .....  | 1/2/2017  |
| 4. First year of limitation .....   | 1/1/2018  |
| 5. Begin hiring new employees .....   | 1/1/2018  |
| 6. Commencement of commercial operations .....  | 12/31/2018  |
| 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ..... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Note: Improvements made before that time may not be considered qualified property.  |   |
| 8. When do you anticipate the new buildings or improvements will be placed in service? .....  | 12/31/2018  |

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Brazoria
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria Central Appraisal Dist.
3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes     No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 

County: <u>Brazoria, 100%, \$0.4985/\$100</u> <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: <u>Velasco Drainage Dist, 100%, \$0.098018/\$100</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Brzsport Coll, 100%, \$0.280878/\$100</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Port Freeport, 100%, \$0.045/\$100</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes     No
 

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes     No
 

6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.

## SECTION 11: Investment

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying?..... 30,000,000.00

**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes     No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
  - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 7);
  - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7); and
  - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes     No

**SECTION 12: Qualified Property**

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
  - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
  - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
  - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
  
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)?  Yes  No
  - 2a. If yes, attach complete documentation including:
    - a. legal description of the land (Tab 9);
    - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
    - c. owner (Tab 9);
    - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
    - e. a detailed map showing the location of the land with vicinity map (Tab 11).
  
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . .  Yes  No
  - 3a. If yes, attach the applicable supporting documentation:
    - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
    - b. legal description of reinvestment zone (Tab 16);
    - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
    - d. guidelines and criteria for creating the zone (Tab 16); and
    - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
  - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? .....

**SECTION 13: Information on Property Not Eligible to Become Qualified Property**

1. In Tab 10, attach a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all proposed new property that will not become new improvements as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
  - a. maps and/or detailed site plan;
  - b. surveys;
  - c. appraisal district values and parcel numbers;
  - d. inventory lists;
  - e. existing and proposed property lists;
  - f. model and serial numbers of existing property; or
  - g. other information of sufficient detail and description.
  
4. Total estimated market value of existing property (that property described in response to question 1): . . . . . \$ 0.00
  
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
  
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): . . . . . \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

# 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)? ..... 0
  
2. What is the last complete calendar quarter before application review start date:  
 First Quarter     Second Quarter     Third Quarter     Fourth Quarter of 2015  
(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)? ..... 7,053  
 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? ..... 35
  
5. What is the number of new non-qualifying jobs you are estimating you will create? ..... 17
  
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 ..... 1,070.50
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 2,230.80
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,153.24
  
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? ..... 59,968.48
  
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 59,968.48
  
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



## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project vicinity</li> <li>b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

# TAB 5

# The Dow Chemical Company

## School Limitation on Appraised Value (Tab 5)

September 21, 2015

The Dow Chemical Company (Dow) has analyzed the property tax liability of constructing an ethylene glycol manufacturing plant in Texas and Alberta, Canada as an alternate location. Dow is partnering with MeGlobal Americas Inc., a joint venture between Dow and Petrochemical Industries Company (PIC) of Kuwait, to advocate for the best siting decision for a global scale ethylene glycol plant. Dow has seen tremendous growth and investment in its operations on the U.S. Gulf Coast recently and is well situated to leverage this growth to attract additional investment. To fully attract this investment, the public partnership with the State and Local Governments in Texas is critical.

Property taxes in the State of Texas are levied on Real and Personal property as well as inventory while the Province of Alberta levies taxes on Real and Personal Property. Projected property tax liability to the company, based on the same \$1 Billion capital investment in Texas compared to Alberta Canada, is approximately three times higher (in Texas) after considering estimated tax savings from negotiated agreements with local authorities in the two locations.

The investment in and siting of such a large project is complex and while no one factor alone can determine site location there are many taken as a group that can. Texas has some advantages over Alberta, Canada such as a deep water port; however one area where Texas is not competitive is in property tax liability. Alberta, Canada is favorable here because property tax rates are substantially less. The lower tax rates in Alberta emphasizes the need for property tax relief. Approval of the 313 agreement is key in closing the property tax gap and thereby will create a more competitive investment environment. Without approval of the 313 agreement a wide gap exists in the company's property tax liability between the two locations which negatively impacts the competitiveness of Texas.

Also important is that property tax liabilities in Alberta are more stable and predictable for the company because business inventories are not taxable. When Texas taxes business inventories, it creates an uncertain and often high tax liability for the company because inventories can vary significantly over time. This uncertainty does not exist in Alberta, Canada.

Approval of the 313 agreement is essential to allow the property tax liabilities in Texas to be as favorable, certain and competitive as possible for this project. Approval will allow the company to be competitive today, so it can make the necessary capital investment decision to make this manufacturing project successful.

TAB 7

## Ethylene Glycol Plant

(Tabs 7 & 8)

### Project Description

This project will design and construct a new Ethylene Glycol plant that will produce a range of chemical intermediate and final products.

### Site Information

The plant is proposed to be built primarily at the Oyster Creek East Plant site.

### Proposed Improvements

The proposed improvements for this project include: Site improvements such as roads, rail line extensions, buildings, pipeways, utilities, foundations and process equipment including reactors, compressors, purification systems, separation equipment, raw material unloading facilities, storage facilities, vessels, pumps, valves, filters, electrical and instrument systems and other miscellaneous equipment.

Project will also include any other necessary equipment and structures to construct and operate a fully functioning manufacturing plant.

### DESCRIPTION OF QUALIFIED PROPERTY

This project provides for the design and construction of an ethylene glycol production facility and related raw material conditioning, utilities and logistics improvements. The plant will manufacture ethylene glycol which is used in products such as polyester fibre (textiles), PET plastic water bottles, automotive antifreeze and many more. The estimated total investment for this project is \$1 Billion.

The proposed ethylene glycol facility will be constructed on a green-field site in the Freeport / Oyster Creek area of Brazoria County, with associated logistics improvements constructed near Brazos Harbor. The proposed site is undeveloped land to be purchased by MEGlobal Americas Inc and developed into a stand-alone manufacturing facility. This facility would be MEGlobal's first operating asset in the United States (all existing assets located in Canada).

Major equipment and facilities provided within the scope of the project may include:

- Heat Exchangers
- Distillation Towers
- Compressors
- Pumps
- Filters
- Chemical Processing Equipment
- Steam Generation Equipment (Boilers)
- Cooling Tower
- Storage Tanks

## **Ethylene Glycol Plant**

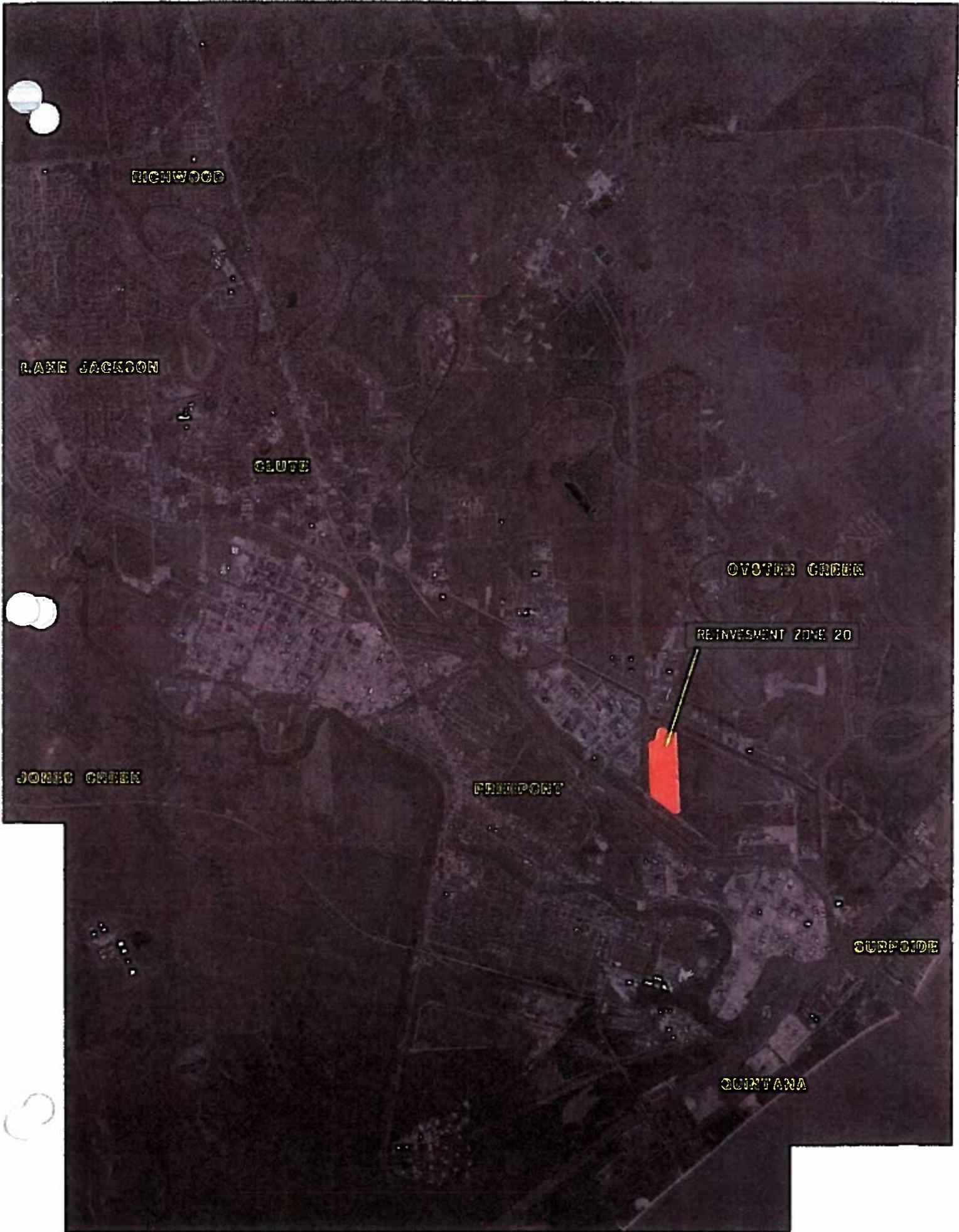
(Tabs 7 & 8)

- Electrical Power Distribution
- Transmitters / Instrumentation
- Computer Control System
- Insulation
- Raw Material Conditioning Equipment
- Marine Loading Facility Improvements

In addition, the project will provide site infrastructure facilities such as:

- Administration Building
- Operations Control Building
- Maintenance Building
- Security Facilities
- Upgrade of Site Roadway Access From Existing Highways
- Site Drainage, Grading and Rainfall Management

**TAB 11**



RICHWOOD

LANE JACKSON

CLUTE

OYSTER CREEK

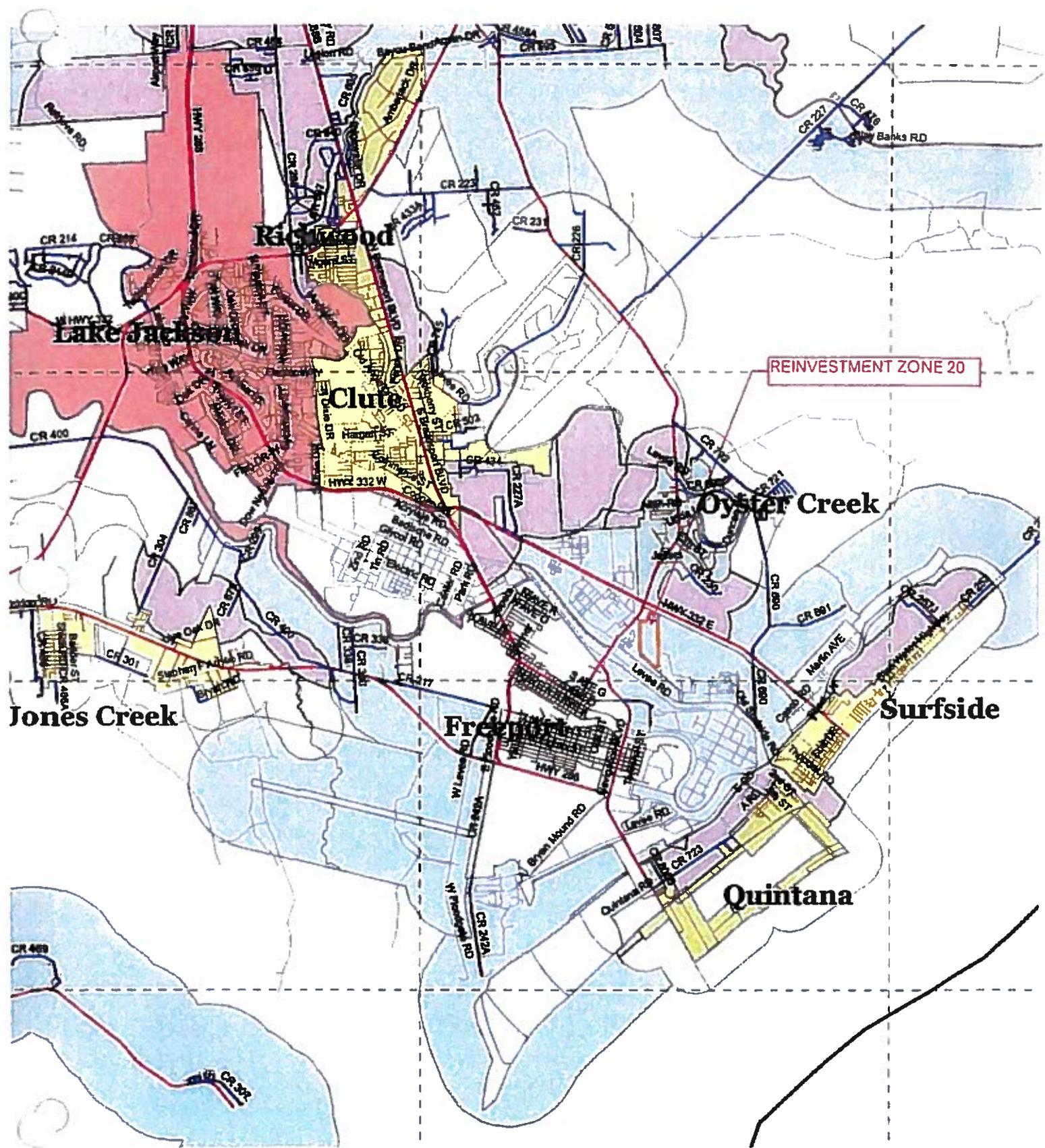
REINVESTMENT ZONE 20

JONES CREEK

AIRPORT

SURFIDE

QUINTANA



REINVESTMENT ZONE 20

Richmond

Lake Jackson

Clute

Oyster Creek

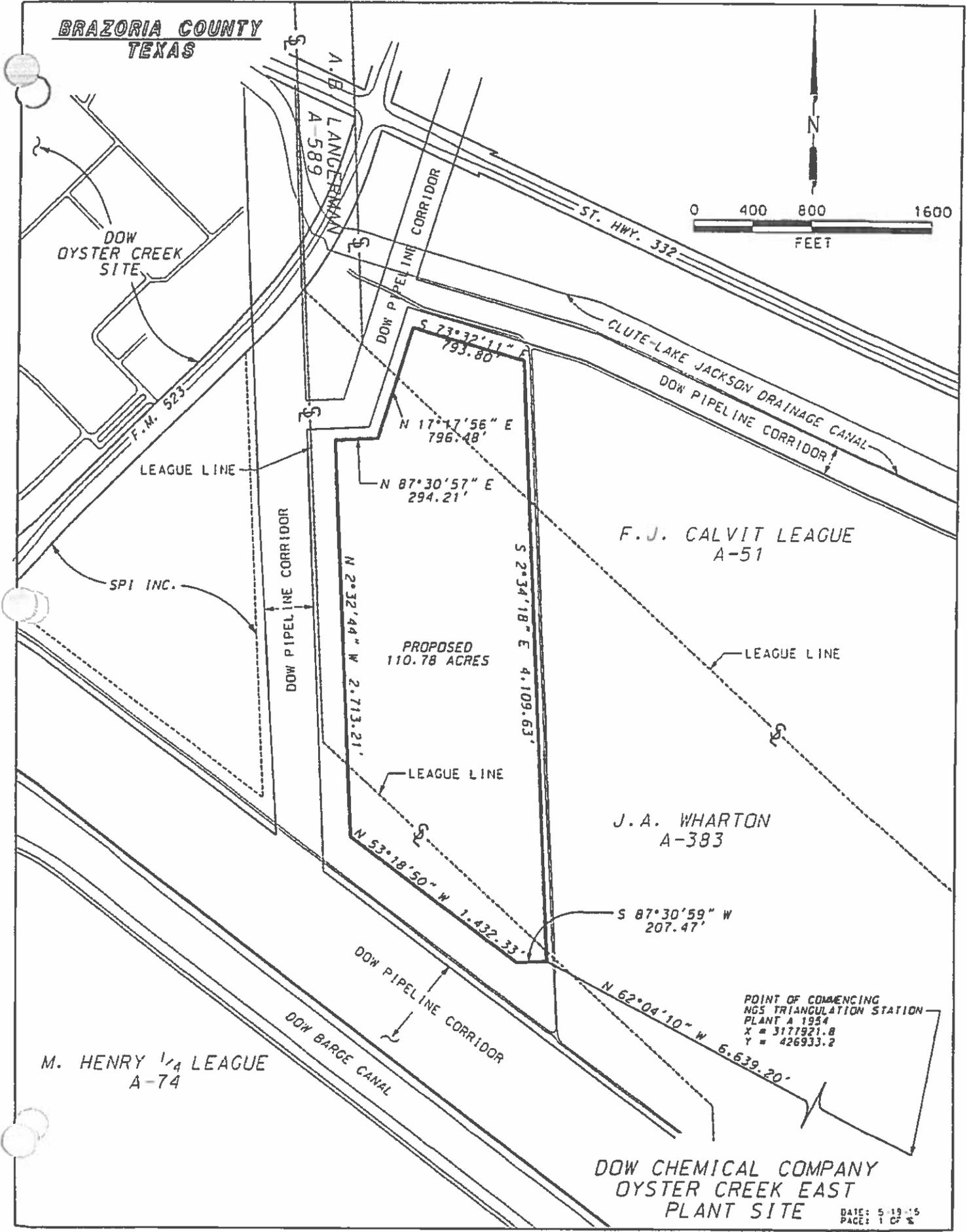
Jones Creek

Freer

Surfside

Quintana

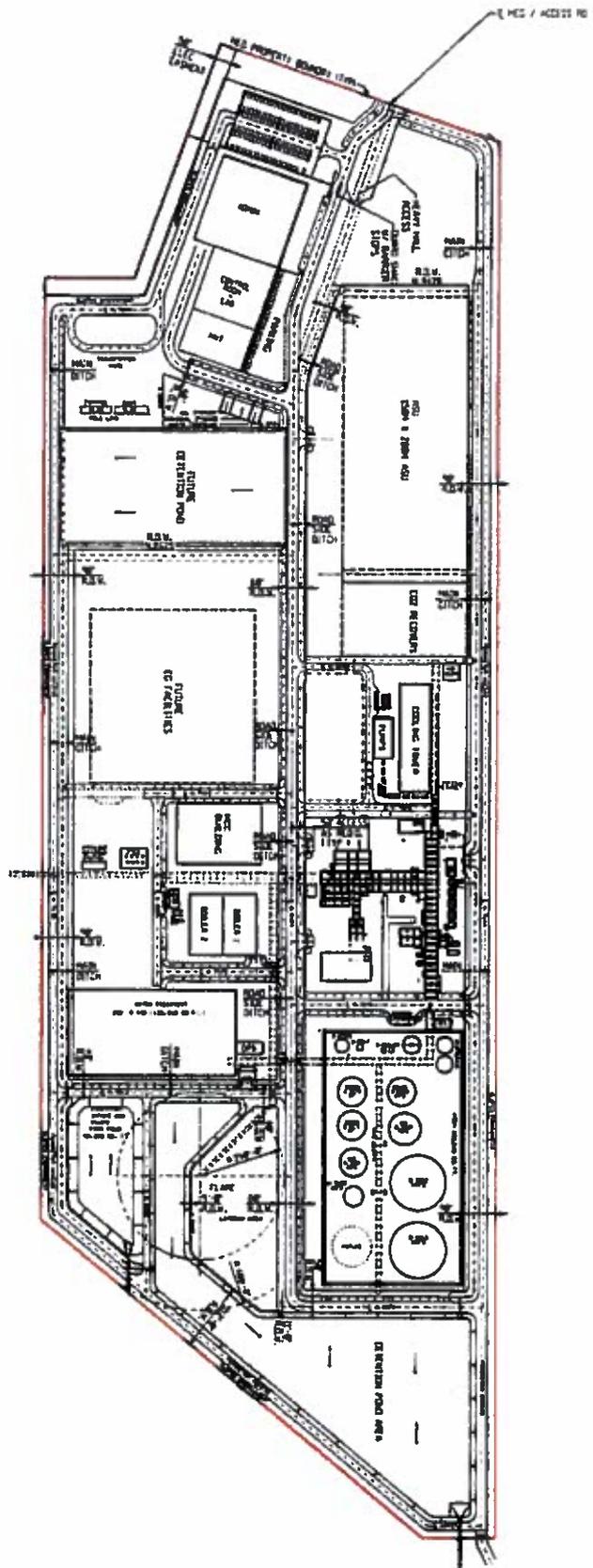
**BRAZORIA COUNTY  
TEXAS**



POINT OF COMMENCING  
NGS TRIANGULATION STATION  
PLANT A 1954  
X = 3177921.8  
Y = 426933.2

**DOW CHEMICAL COMPANY  
OYSTER CREEK EAST  
PLANT SITE**







DATE		BY		REVISION		BY		DATE		REVISION		BY		DATE		REVISION		BY		DATE		REVISION	
<p>ENGINEERED BY: JOW ENGINEERING COMPANY          MEDICAL AMERICAS INC.          OSTEON CENTER BUILDING 0102A          MEDICAL AMERICAS</p>																							
<p>PROJECT NO.: 117          SHEET NO.: 1 OF 1          DRAWING TITLE: MFG SITE          CLIENT: MEDICAL AMERICAS          PROJECT LOCATION: 117 ACRES MFG SITE          PROJECT PHASE: SKETCH MEG OVERALL</p>																							
<p>DATE: 11/15/2023          TIME: 10:00 AM          OPERATOR: JOW          INSTRUMENT: 117 ACRES MFG SITE          CIVIL: 2</p>																							

TAB 17

## Application for Appraised Value Limitation on Qualified Property

### 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** → Danny Massey Superintendent  
Print Name (Authorized School District Representative) Title

**sign here** → [Signature] Dec. 14, 2015  
Signature (Authorized School District Representative) Date

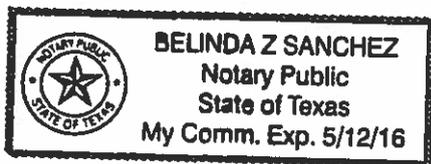
#### 2. Authorized Company Representative (Applicant) Signature and Notarization

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** → David Ngo Authorized Agent  
Print Name (Authorized Company Representative (Applicant)) Title

**sign here** → [Signature] 12-14-15  
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

14 day of December, 2015  
Belinda Z Sanchez  
 Notary Public in and for the State of Texas

My Commission expires: 5-12-16

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.