



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

January 25, 2019

AMENDED CERTIFICATION

Dr. Greg Smith
Superintendent
Clear Creek Independent School District
P.O.Box 799
League City, Texas 77574-0799

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Clear Creek Independent School District and Novealis Holdings, LLC Application 1216

Dear Superintendent Smith:

This application (Application 1216) was originally submitted on September 5, 2017, to the Clear Creek Independent School District (school district) by Novealis Holdings, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313^[1]. On November 17, 2017, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on January 12, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on June 25, 2018.

On October 4, 2018, the Comptroller received an amendment to assign the agreement in its entirety to Bayport Polymers, LLC. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

^[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The information provided by the applicant has not changed and therefore, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period.

Determination required by 313.026(c)(2)

Comptroller has still determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2019.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Novealis Holdings, LLC (project) applying to Clear Creek Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Novealis Holdings, LLC.

	Original	Amendment No. 1 (Assignment)
Applicant	Novealis Holdings LLC	Bayport Polymers, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Clear Creek ISD	Clear Creek ISD
2016-2017 Average Daily Attendance	39,190	39,190
County	Harris	Harris
Proposed Total Investment in District	\$810,000,000	\$810,000,000
Proposed Qualified Investment	\$810,000,000	\$810,000,000
Limitation Amount	\$100,000,000	\$100,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	25	25
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,250	\$1,250
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,211	\$1,211
Minimum annual wage committed to by applicant for qualified jobs	\$65,000	\$65,000
Minimum weekly wage required for non-qualifying jobs	\$1,343	\$1,343
Minimum annual wage required for non-qualifying jobs	\$69,811	\$69,811
Investment per Qualifying Job	\$32,400,000	\$32,400,000
Estimated M&O levy without any limit (15 years)	\$100,957,000	\$100,957,000
Estimated M&O levy with Limitation (15 years)	\$41,127,946	\$41,127,946
Estimated gross M&O tax benefit (15 years)	\$59,829,053	\$59,829,053