

**O'HANLON, DEMERATH & CASTILLO**

1273 Brazosport-dow-amendment001  
August 14, 2018

ATTORNEYS & COUNSELORS AT LAW

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AUSTIN, TEXAS 78701

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August 14, 2018

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: (1273) Amendment001 to Brazosport Independent School District from The Dow  
Chemical Company

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you Amendment001 to Brazosport Independent School District from The  
Dow Chemical Company.

A copy of Amendment001 will be submitted to the Brazoria County Appraisal District.  
Please do not hesitate to call with any questions.

Sincerely,

William Eggleston  
Assistant to Kevin O'Hanlon  
School District Consultant

Cc: Brazoria Appraisal District

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

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 2018  
(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)? ..... 4,574  
 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? ..... 40
  
5. What is the number of new non-qualifying jobs you are estimating you will create? ..... 0
  
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 ..... 1,088.50
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 2,592.43
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,273.50
  
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? ..... 66,222.20
  
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 66,222.20
  
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.

# Tab 7&8

## Project Description

This project will design and construct a global scale polyethylene plant that would utilize raw materials from both internal Dow (ethylene) and external (co-monomers) sources to produce polyethylene. The company is reviewing potential sites along the U.S. gulf coast for Dow's expansion due to anticipated global demand for polyethylene.

Ethylene is produced by Dow and the comonomer is purchased by a 3<sup>rd</sup> party. Every major Dow site has some ethylene and comonomer capacity at the site and part of the evaluation is the proximity of raw materials to the site, logistics, site development, taxes etc. The interconnecting racks between Poly 5 and Rockwell would bring the feedstocks to the proposed project.

## Site Information

The plant is proposed to be built primarily on a vacant block area with no existing improvements.

## Proposed Improvements

Proposed improvements and fixed equipment for which abatement is requested would include:

- day tanks/drums
- exchangers
- compressors
- pumps
- process piping and instrumentation
- pellet handling systems
- flare
- cooling tower
- silos
- air coolers
- filters
- heaters
- transformers
- and electrical equipment

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



**LEGEND**

-  BRAZORIA COUNTY
-  BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

West Columbia

Angleton

42.3726 ACRE  
PROPOSED NEW PLANT ROCKWELL  
WITHIN BRAZOSPORT ISD

Sweeny

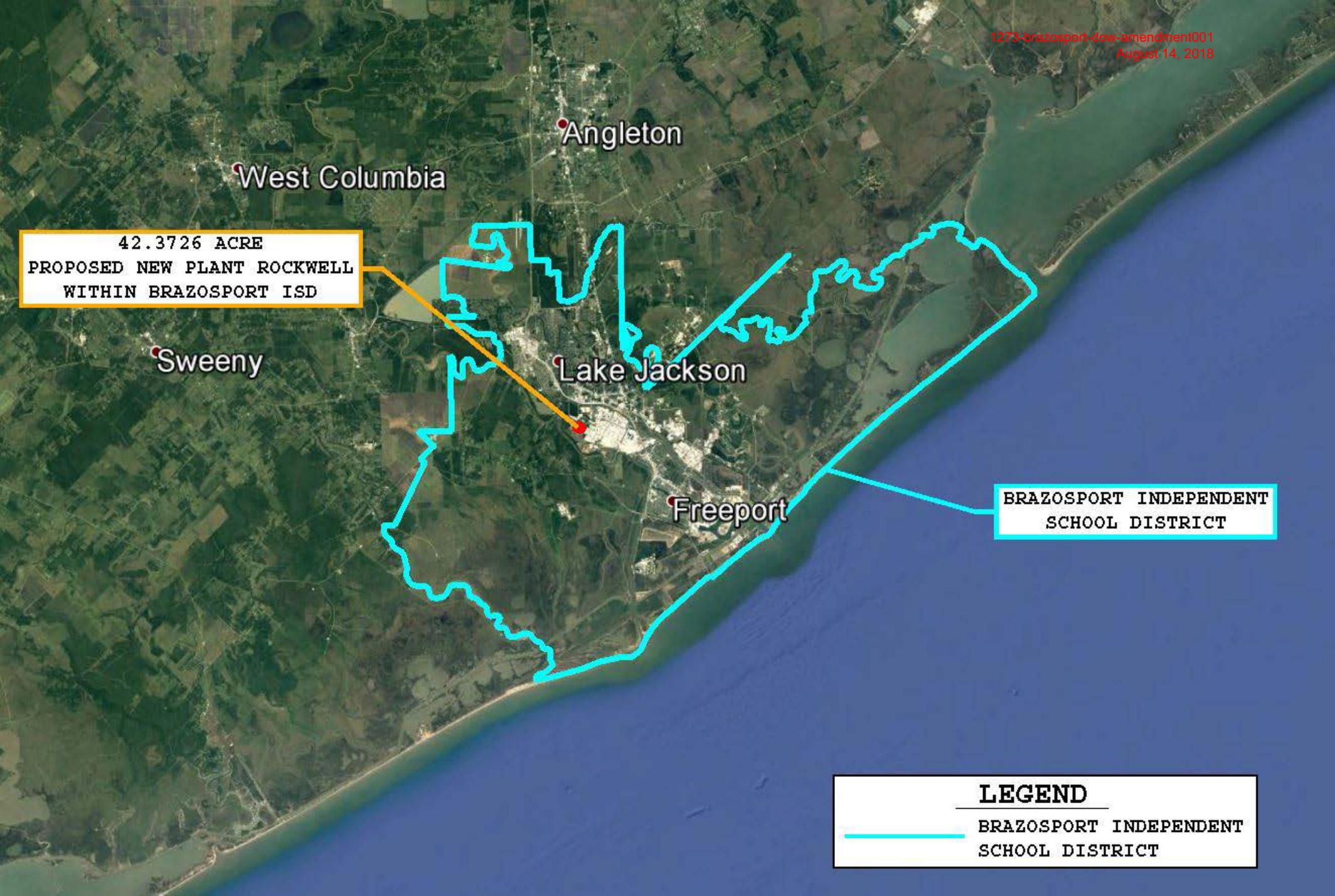
Lake Jackson

Freeport

BRAZOSPORT INDEPENDENT  
SCHOOL DISTRICT

**LEGEND**

— BRAZOSPORT INDEPENDENT  
SCHOOL DISTRICT





LEGEND	
	REINVESTMENT ZONE BOUNDARY AND PROJECT BOUNDARY
	PROPOSED PLANT SITE
	INTERCONNECTING RACKS BETWEEN POLY 5 AND ROCKWELL

**THE DOW CHEMICAL COMPANY**  
**Project Rockwell**  
**Brazosport ISD, 313 APPLICATION, TAB 13**

**Calculations of Wage Information - Based on Most Recent Data Available for Brazoria Co. (as of 8/1/18)**

a. **Average Weekly Wage for all jobs (all industries) in the county: Brazoria**

Year	Period	A.W.Wage	Annualized
2017	1st Qtr	\$ 1,116	\$ 58,032
2017	2nd Qtr	\$ 1,030	\$ 53,560
2017	3rd Qtr	\$ 1,074	\$ 55,848
2017	4th Qtr	\$ 1,134	\$ 58,968
<b>Average WW (4Qtrs)</b>		<b>1,088.50</b>	<b>\$ 56,602.00</b>

b. **Average Weekly Wage for manufacturing jobs in the county: Brazoria**

Year	Period	A.W.Wage	Annualized
2017	1st Qtr	\$ 2,659	\$ 138,268
2017	2nd Qtr	\$ 2,157	\$ 112,164
2017	3rd Qtr	\$ 2,263	\$ 117,676
2017	4th Qtr	\$ 2,348	\$ 122,096
<b>Average WW (4Qtrs)</b>		<b>\$ 2,356.75</b>	<b>\$ 122,551</b>
		<b>X 110%</b>	<b>X 110%</b>
		<b>\$ 2,592.43</b>	<b>\$ 134,806.10</b>

c. **Average Weekly Wage for manufacturing jobs in the region: Houston - Galveston Area / Council of Government Region**

Region	Year	A.W.Wage	Annualized
<b>Houston-Galveston Area</b>	2017	\$ 1,157.73	\$ 60,202
		<b>X 110%</b>	<b>X 110%</b>
		<b>\$ 1,273.50</b>	<b>\$ 66,222.20</b>

\*TWC Documentations attached

# Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="▲"/> Year	<input type="text" value="▲"/> Period	<input type="text" value="▲"/> Area	<input type="text" value="▲"/> Ownership	<input type="text" value="▲"/> Division	<input type="text" value="▲"/> Level	<input type="text" value="▲"/> Ind Code	<input type="text" value="▲"/> Industry	<input type="text" value="▲"/> Avg Weekly Wages
2017	1st Qtr	Brazoria County	Private	31	2	31-33	Manufacturing	\$2,659
2017	2nd Qtr	Brazoria County	Private	31	2	31-33	Manufacturing	\$2,157
2017	3rd Qtr	Brazoria County	Private	31	2	31-33	Manufacturing	\$2,263
2017	4th Qtr	Brazoria County	Private	31	2	31-33	Manufacturing	\$2,348

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Brazoria County	Total All	00	0	10	Total, all industries	\$1,116
2017	2nd Qtr	Brazoria County	Total All	00	0	10	Total, all industries	\$1,030
2017	3rd Qtr	Brazoria County	Total All	00	0	10	Total, all industries	\$1,074
2017	4th Qtr	Brazoria County	Total All	00	0	10	Total, all industries	\$1,134

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Schedule C: Employment Information

Date 8/1/2018  
Applicant Name The Dow Chemical Company  
ISD Name Brazosport ISD

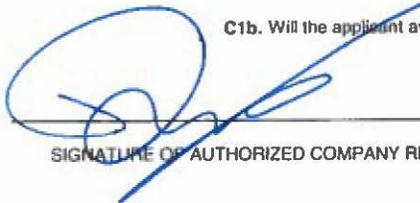
Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				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	2021-2022	2021	265 FTE (peak)	\$ 66,220	0	30	\$ 66,220
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	900 FTE (peak)	\$ 66,220	0	40	\$ 66,220
	2	2023-2024	2023	875 FTE (peak)	\$ 66,220	0	40	\$ 66,220
	3	2024-2025	2024			0	40	\$ 66,220
	4	2025-2026	2025			0	40	\$ 66,220
	5	2026-2027	2026			0	40	\$ 66,220
	6	2027-2028	2027			0	40	\$ 66,220
	7	2028-2029	2028			0	40	\$ 66,220
	8	2029-2030	2029			0	40	\$ 66,220
	9	2030-2031	2030			0	40	\$ 66,220
	10	2031-2032	2031			0	40	\$ 66,220
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046			0	40	\$ 66,220

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)  Yes  No
- qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
- 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

  
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-6-18  
DATE

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-3

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  
Print Name (Authorized School District Representative)

Superintendent  
Title

**sign here** ▶   
Signature (Authorized School District Representative)

Aug 13, 2018  
Date

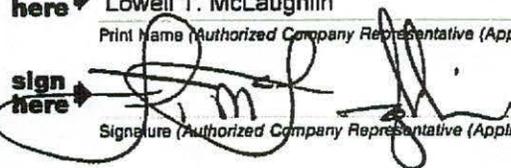
2. Authorized Company Representative (Applicant) Signature and Notarization

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** ▶ Lowell T. McLaughlin  
Print Name (Authorized Company Representative (Applicant))

State and Local Tax Director  
Title

**sign here** ▶   
Signature (Authorized Company Representative (Applicant))

August 7th, 2018  
Date

GIVEN under my hand and seal of office this, the

\_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission expires: \_\_\_\_\_

(Notary Seal)

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.

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

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print here

Danny Massey

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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print here

Lowell T. McLaughlin

Print Name (Authorized Company Representative (Applicant))

State and Local Tax Director

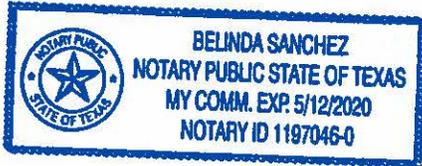
Title

sign here

Signature (Authorized Company Representative (Applicant))

Date

August 7<sup>th</sup>, 2018



(Notary Seal)

GIVEN under my hand and seal of office this, the

7 day of August, 2018

Belinda Sanchez  
Notary Public in and for the State of Texas

My Commission expires. 5-12-2020

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.