



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

November 13, 2019

AMENDED CERTIFICATION

Victor White  
Superintendent  
Deer Park Independent School District  
2800 Texas Avenue  
Deer Park, Texas 77536

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Deer Park Independent School District and Pasadena Performance Products, LP, Application 1321

Dear Superintendent White:

This application (Application 1321) was originally submitted on November 12, 2018, to the Deer Park Independent School District (school district) by Pasadena Performance Products, LP (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On March 1, 2019, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on April 24, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on September 16, 2019.

On August 20, 2019, Comptroller received an amendment to the agreement to move the start of the limitation from 2021 to 2022 and decrease investment. 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 B; 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.

<sup>1</sup> 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)

Based on the amended information provided by the applicant, 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, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously 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](mailto: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 Pasadena Performance Products, LP (project) applying to Deer Park 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 Pasadena Performance Products, LP.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	Pasadena Performance Products, LP	Pasadena Performance Products, LP
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Deer Park ISD	Deer Park ISD
2017-2018 Average Daily Attendance	12,159	12,159
County	Harris	Harris
Proposed Total Investment in District	\$575,000,000	\$469,000,000
Proposed Qualified Investment	\$575,000,000	\$469,000,000
Limitation Amount	\$80,000,000	\$80,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
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	\$1,346	\$1,346
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,274	\$1,274
Minimum annual wage committed to by applicant for qualified jobs	\$70,000	\$70,000
Minimum weekly wage required for non-qualifying jobs	\$1,347	\$1,347
Minimum annual wage required for non-qualifying jobs	\$70,019	\$70,019
Investment per Qualifying Job	\$23,000,000	\$18,760,000
Estimated M&O levy without any limit (15 years)	\$88,009,391	\$68,674,685
Estimated M&O levy with Limitation (15 years)	\$36,309,214	\$29,310,552
Estimated gross M&O tax benefit (15 years)	\$51,700,177	\$39,364,133

**Table 2** is the estimated statewide economic impact of Pasadena Performance Products, LP (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	400	535	935	\$28,000,000	\$45,464,965	\$73,464,965
2021	425	666	1090.98	\$29,750,000	\$61,492,180	\$91,242,180
2022	25	202	227	\$1,750,000	\$24,233,193	\$25,983,193
2023	25	133	158	\$1,750,000	\$18,794,595	\$20,544,595
2024	25	86	111	\$1,750,000	\$14,561,867	\$16,311,867
2025	25	62	87	\$1,750,000	\$12,050,839	\$13,800,839
2026	25	54	79	\$1,750,000	\$10,867,340	\$12,617,340
2027	25	56	81	\$1,750,000	\$10,718,008	\$12,468,008
2028	25	64	89	\$1,750,000	\$11,271,097	\$13,021,097
2029	25	74	99	\$1,750,000	\$12,283,268	\$14,033,268
2030	25	84	109	\$1,750,000	\$13,557,915	\$15,307,915
2031	25	93	118	\$1,750,000	\$14,913,613	\$16,663,613
2032	25	92	117	\$1,750,000	\$15,399,594	\$17,149,594
2033	25	95	120	\$1,750,000	\$16,279,177	\$18,029,177
2034	25	97	122	\$1,750,000	\$17,174,636	\$18,924,636
2035	25	99	124	\$1,750,000	\$18,087,084	\$19,837,084
2036	25	100	125	\$1,750,000	\$18,961,785	\$20,711,785

Source: CPA REMI, Pasadena Performance Products, LP

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Deer Park ISD I&S Tax Levy	Deer Park ISD M&O Tax Levy	Deer Park M&O and I&S Tax Levies	City of Pasadena Tax Levy	Harris County Tax Levy	Harris County Flood Control District Tax Levy	Port of Houston Authority Tax Levy	Harris County Hospital District Tax Levy	Harris County Department of Education Tax Levy	San Jacinto College District Tax Levy	Estimated Total Property Taxes	
2022	\$469,000,000	\$469,000,000	0.2800	\$1,313,200	\$5,323,619	\$6,636,819	\$2,886,442	\$1,963,140	\$134,931	\$54,170	\$802,365	\$24,341	\$841,053	\$13,343,261	
2023	\$459,620,000	\$459,620,000	0.2800	\$1,286,936	\$5,217,147	\$6,504,083	\$2,828,713	\$1,923,877	\$132,233	\$53,086	\$786,318	\$23,854	\$824,232	\$13,076,396	
2024	\$450,240,000	\$450,240,000	0.2800	\$1,260,672	\$5,110,674	\$6,371,346	\$2,770,984	\$1,884,615	\$129,534	\$52,003	\$770,271	\$23,367	\$807,411	\$12,809,531	
2025	\$440,860,000	\$440,860,000	0.2800	\$1,234,408	\$5,004,202	\$6,238,610	\$2,713,255	\$1,845,352	\$126,835	\$50,919	\$754,223	\$22,881	\$790,590	\$12,542,665	
2026	\$431,480,000	\$431,480,000	0.2800	\$1,208,144	\$4,897,729	\$6,105,873	\$2,655,526	\$1,806,089	\$124,137	\$49,836	\$738,176	\$22,394	\$773,769	\$12,275,800	
2027	\$422,100,000	\$422,100,000	0.2800	\$1,181,880	\$4,791,257	\$5,973,137	\$2,597,798	\$1,766,826	\$121,438	\$48,753	\$722,129	\$21,907	\$756,946	\$12,008,935	
2028	\$412,720,000	\$412,720,000	0.2800	\$1,155,616	\$4,684,785	\$5,840,401	\$2,540,069	\$1,727,563	\$118,740	\$47,669	\$706,081	\$21,420	\$740,127	\$11,742,070	
2029	\$403,340,000	\$403,340,000	0.2800	\$1,129,352	\$4,578,312	\$5,707,664	\$2,482,340	\$1,688,301	\$116,041	\$46,586	\$690,034	\$20,933	\$723,306	\$11,475,205	
2030	\$393,960,000	\$393,960,000	0.2800	\$1,103,088	\$4,471,840	\$5,574,928	\$2,424,611	\$1,649,038	\$113,342	\$45,502	\$673,987	\$20,447	\$706,485	\$11,208,339	
2031	\$384,580,000	\$384,580,000	0.2800	\$1,076,824	\$4,365,368	\$5,442,192	\$2,366,882	\$1,609,775	\$110,644	\$44,419	\$657,939	\$19,960	\$689,663	\$10,941,474	
2032	\$375,200,000	\$375,200,000	0.2800	\$1,050,560	\$4,258,895	\$5,309,455	\$2,309,153	\$1,570,512	\$107,945	\$43,336	\$641,892	\$19,473	\$672,842	\$10,674,609	
2033	\$365,820,000	\$365,820,000	0.2800	\$1,024,296	\$4,152,423	\$5,176,719	\$2,251,425	\$1,531,249	\$105,246	\$42,252	\$625,845	\$18,986	\$656,021	\$10,407,744	
2034	\$356,440,000	\$356,440,000	0.2800	\$998,032	\$4,045,950	\$5,043,982	\$2,193,696	\$1,491,987	\$102,548	\$41,169	\$609,798	\$18,499	\$639,200	\$10,140,878	
2035	\$347,060,000	\$347,060,000	0.2800	\$971,768	\$3,939,478	\$4,911,246	\$2,135,967	\$1,452,724	\$99,849	\$40,085	\$593,750	\$18,012	\$622,379	\$9,874,013	
2036	\$337,680,000	\$337,680,000	0.2800	\$945,504	\$3,833,006	\$4,778,510	\$2,078,238	\$1,413,461	\$97,151	\$39,002	\$577,703	\$17,526	\$605,558	\$9,607,148	
				<b>Total</b>	<b>\$16,940,280</b>	<b>\$68,674,685</b>	<b>\$85,614,965</b>	<b>\$37,235,098</b>	<b>\$25,324,509</b>	<b>\$1,740,614</b>	<b>\$698,787</b>	<b>\$10,350,511</b>	<b>\$314,000</b>	<b>\$10,849,584</b>	<b>\$172,128,068</b>

Source: CPA, Pasadena Performance Products, LP

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, City of Pasadena, Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Hospital District, Harris County Department of Education and San Jacinto College, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Deer Park ISD I&S Tax Levy	Deer Park ISD M&O Tax Levy	Deer Park M&O and I&S Tax Levies	City of Pasadena Tax Levy	Harris County Tax Levy	Harris County Flood Control District Tax Levy	Port of Houston Authority Tax Levy	Harris County Hospital District Tax Levy	Harris County Department of Education Tax Levy	San Jacinto College District Tax Levy	Estimated Total Property Taxes	
				0.2800	1.1351		0.6154	0.4186	0.0288	0.0116	0.1711	0.0052	0.1793		
2022	\$469,000,000	\$80,000,000		\$1,313,200	\$908,080	\$2,221,280	\$2,886,442	\$1,963,140	\$134,931	\$54,170	\$802,365	\$24,341	\$841,053	\$8,927,722	
2023	\$459,620,000	\$80,000,000		\$1,286,936	\$908,080	\$2,195,016	\$2,828,713	\$1,923,877	\$132,233	\$53,086	\$786,318	\$23,854	\$824,232	\$8,767,329	
2024	\$450,240,000	\$80,000,000		\$1,260,672	\$908,080	\$2,168,752	\$2,770,984	\$1,884,615	\$129,534	\$52,003	\$770,271	\$23,367	\$807,411	\$8,606,936	
2025	\$440,860,000	\$80,000,000		\$1,234,408	\$908,080	\$2,142,488	\$2,713,255	\$1,845,352	\$126,835	\$50,919	\$754,223	\$22,881	\$790,590	\$8,446,544	
2026	\$431,480,000	\$80,000,000		\$1,208,144	\$908,080	\$2,116,224	\$2,655,526	\$1,806,089	\$124,137	\$49,836	\$738,176	\$22,394	\$773,769	\$8,286,151	
2027	\$422,100,000	\$80,000,000		\$1,181,880	\$908,080	\$2,089,960	\$2,597,798	\$1,766,826	\$121,438	\$48,753	\$722,129	\$21,907	\$756,948	\$8,125,758	
2028	\$412,720,000	\$80,000,000		\$1,155,616	\$908,080	\$2,063,696	\$2,540,069	\$1,727,563	\$118,740	\$47,669	\$706,081	\$21,420	\$740,127	\$7,965,365	
2029	\$403,340,000	\$80,000,000		\$1,129,352	\$908,080	\$2,037,432	\$2,482,340	\$1,688,301	\$116,041	\$46,586	\$690,034	\$20,933	\$723,306	\$7,804,972	
2030	\$393,960,000	\$80,000,000		\$1,103,088	\$908,080	\$2,011,168	\$2,424,611	\$1,649,038	\$113,342	\$45,502	\$673,987	\$20,447	\$706,485	\$7,644,579	
2031	\$384,580,000	\$80,000,000		\$1,076,824	\$908,080	\$1,984,904	\$2,366,882	\$1,609,775	\$110,644	\$44,419	\$657,939	\$19,960	\$689,663	\$7,484,186	
2032	\$375,200,000	\$80,000,000		\$1,050,560	\$4,258,895	\$5,309,455	\$2,309,153	\$1,570,512	\$107,945	\$43,336	\$641,892	\$19,473	\$662,842	\$10,674,609	
2033	\$365,820,000	\$365,820,000		\$1,024,296	\$4,152,423	\$5,176,719	\$2,251,425	\$1,531,249	\$105,246	\$42,252	\$625,845	\$18,986	\$656,021	\$10,407,744	
2034	\$356,440,000	\$356,440,000		\$998,032	\$4,045,950	\$5,043,982	\$2,193,696	\$1,491,987	\$102,548	\$41,169	\$609,798	\$18,499	\$639,200	\$10,140,878	
2035	\$347,060,000	\$347,060,000		\$971,768	\$3,939,478	\$4,911,246	\$2,135,967	\$1,452,724	\$99,849	\$40,085	\$593,750	\$18,012	\$622,379	\$9,874,013	
2036	\$337,680,000	\$337,680,000		\$945,504	\$3,833,006	\$4,778,510	\$2,078,238	\$1,413,461	\$97,151	\$39,002	\$577,703	\$17,526	\$605,558	\$9,607,148	
				<b>Total</b>	<b>\$16,940,280</b>	<b>\$29,310,552</b>	<b>\$46,250,832</b>	<b>\$37,235,098</b>	<b>\$25,324,509</b>	<b>\$1,740,614</b>	<b>\$698,787</b>	<b>\$10,350,511</b>	<b>\$314,000</b>	<b>\$10,849,584</b>	<b>\$132,763,935</b>
				<b>Diff</b>	<b>\$0</b>	<b>\$39,364,133</b>	<b>\$39,364,133</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,364,133</b>	

Assumes School Value Limitation.

Source: CPA, Pasadena Performance Products, LP

\*Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Pasadena Performance Products, LP (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$241,947	\$241,947	\$0	\$0
	2021	\$1,394,357	\$1,636,303	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$908,080	\$2,544,383	\$4,415,539	\$4,415,539
	2023	\$908,080	\$3,452,463	\$4,309,067	\$8,724,606
	2024	\$908,080	\$4,360,543	\$4,202,594	\$12,927,200
	2025	\$908,080	\$5,268,623	\$4,096,122	\$17,023,322
	2026	\$908,080	\$6,176,703	\$3,989,649	\$21,012,971
	2027	\$908,080	\$7,084,783	\$3,883,177	\$24,896,148
	2028	\$908,080	\$7,992,863	\$3,776,705	\$28,672,853
	2029	\$908,080	\$8,900,943	\$3,670,232	\$32,343,085
	2030	\$908,080	\$9,809,023	\$3,563,760	\$35,906,845
	2031	\$908,080	\$10,717,103	\$3,457,288	\$39,364,133
<b>Maintain Viable Presence (5 Years)</b>	2032	\$4,258,895	\$14,975,999	\$0	\$39,364,133
	2033	\$4,152,423	\$19,128,421	\$0	\$39,364,133
	2034	\$4,045,950	\$23,174,372	\$0	\$39,364,133
	2035	\$3,939,478	\$27,113,850	\$0	\$39,364,133
	2036	\$3,833,006	\$30,946,856	\$0	\$39,364,133
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$3,726,533	\$34,673,389	\$0	\$39,364,133
	2038	\$3,620,061	\$38,293,450	\$0	\$39,364,133
	2039	\$3,513,589	\$41,807,038	\$0	\$39,364,133
	2040	\$3,407,116	\$45,214,155	\$0	\$39,364,133
	2041	\$3,300,644	\$48,514,798	\$0	\$39,364,133
	2042	\$3,194,171	\$51,708,970	\$0	\$39,364,133
	2043	\$3,087,699	\$54,796,669	\$0	\$39,364,133
	2044	\$2,981,227	\$57,777,895	\$0	\$39,364,133
	2045	\$2,874,754	\$60,652,650	\$0	\$39,364,133
	2046	\$2,768,282	\$63,420,932	\$0	\$39,364,133

**\$63,420,932**

is greater than

**\$39,364,133**

**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

**Yes**

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levv directly related to this project.  
Source: CPA, Pasadena Performance Products, LP

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