

**GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

P.O. Box 13528 • Austin, TX 78711-3528

August 26, 2020

AMENDED CERTIFICATION

Dr. Walter Jackson
Superintendent
La Porte Independent School District
1002 San Jacinto Street
La Porte, Texas 77571

Re: Amended Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between La Porte Independent School
District and Celanese Ltd., Application 1382

Dear Superintendent Jackson:

This application (Application 1382) was originally submitted on June 18, 2019, to the La Porte Independent School District (school district) by Celanese Ltd. (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On August 2, 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 August 7, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 19, 2019.

On July 20, 2020, Comptroller received an amendment to the agreement to delay the start of limitation period from 2021 to 2024. 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.

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)

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, 2020.

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,

DocuSigned by:

11EA6DEF0EC441E...

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 Celanese Ltd. (project) applying to La Porte 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 Celanese Ltd.

	Original	Amendment No. 1
Applicant	Celanese Ltd.	Celanese Ltd.
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	La Porte ISD	La Porte ISD
2017-2018 Average Daily Attendance	7,210	7,210
County	Harris	Harris
Proposed Total Investment in District	\$400,020,000	\$379,000,000
Proposed Qualified Investment	\$400,020,000	\$190,000,000
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	\$1,274	\$1,274
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	\$66,222.20	\$66,222.20
Minimum weekly wage required for non-qualifying jobs	\$1,356	\$1,356
Minimum annual wage required for non-qualifying jobs	\$70,513	\$70,513
Investment per Qualifying Job	\$16,000,800	\$15,160,000
Estimated M&O levy without any limit (15 years)	\$51,014,816	\$50,232,419
Estimated M&O levy with Limitation (15 years)	\$24,302,454	\$23,476,584
Estimated gross M&O tax benefit (15 years)	\$26,712,362	\$26,755,835

Table 2 is the estimated statewide economic impact of Celanese Ltd. (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	75	107	182	\$5,250,000	\$9,183,800	\$14,433,800
2021	100	146	246.385	\$7,000,000	\$13,944,500	\$20,944,500
2022	400	546	946	\$28,000,000	\$53,234,800	\$81,234,800
2023	400	562	962	\$28,000,000	\$61,200,000	\$89,200,000
2024	25	148	173	\$1,655,555	\$22,668,545	\$24,324,100
2025	25	106	131	\$1,655,555	\$17,835,245	\$19,490,800
2026	25	73	98	\$1,655,555	\$14,092,645	\$15,748,200
2027	25	60	85	\$1,655,555	\$12,206,745	\$13,862,300
2028	25	60	85	\$1,655,555	\$11,691,645	\$13,347,200
2029	25	67	92	\$1,655,555	\$12,113,445	\$13,769,000
2030	25	77	102	\$1,655,555	\$13,147,145	\$14,802,700
2031	25	87	112	\$1,655,555	\$14,492,145	\$16,147,700
2032	25	97	122	\$1,655,555	\$16,001,045	\$17,656,600
2033	25	105	130	\$1,655,555	\$17,526,145	\$19,181,700
2034	25	106	131	\$1,655,555	\$18,462,945	\$20,118,500
2035	25	109	134	\$1,655,555	\$19,605,845	\$21,261,400
2036	25	112	137	\$1,655,555	\$20,700,245	\$22,355,800
2037	25	113	138	\$1,655,555	\$21,730,345	\$23,385,900
2038	25	113	138	\$1,655,555	\$22,707,845	\$24,363,400

Source: CPA REMI, Celanese Ltd.

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		La Porte ISD I&S Tax Levy	La Porte ISD M&O Tax Levy	La Porte ISD M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Hospital District Tax Levy	Port of Houston Authority Tax Levy	City of Pasadena Tax Levy	Harris County Flood Control District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2800	1.0500		0.4180	0.1711	0.0126	0.6154	0.0283	
2024	\$366,199,855	\$366,199,855		\$1,025,360	\$3,845,098	\$4,870,458	\$1,530,752	\$626,568	\$45,995	\$2,253,762	\$103,671	\$9,431,206
2025	\$358,847,255	\$358,847,255		\$1,004,772	\$3,767,896	\$4,772,668	\$1,500,017	\$613,988	\$45,071	\$2,208,511	\$101,590	\$9,241,846
2026	\$351,641,707	\$351,641,707		\$984,597	\$3,692,238	\$4,676,835	\$1,469,897	\$601,659	\$44,166	\$2,164,165	\$99,550	\$9,056,272
2027	\$344,580,270	\$344,580,270		\$964,825	\$3,618,093	\$4,582,918	\$1,440,380	\$589,577	\$43,279	\$2,120,705	\$97,551	\$8,874,410
2028	\$337,660,062	\$337,660,062		\$945,448	\$3,545,431	\$4,490,879	\$1,411,453	\$577,736	\$42,410	\$2,078,115	\$95,592	\$8,696,185
2029	\$330,878,258	\$330,878,258		\$926,459	\$3,474,222	\$4,400,681	\$1,383,104	\$566,133	\$41,558	\$2,036,377	\$93,672	\$8,521,525
2030	\$324,232,089	\$324,232,089		\$907,850	\$3,404,437	\$4,312,287	\$1,355,323	\$554,761	\$40,724	\$1,995,473	\$91,790	\$8,350,358
2031	\$317,718,845	\$317,718,845		\$889,613	\$3,336,048	\$4,225,661	\$1,328,097	\$543,617	\$39,905	\$1,955,388	\$89,946	\$8,182,614
2032	\$311,335,865	\$311,335,865		\$871,740	\$3,269,027	\$4,140,767	\$1,301,415	\$532,696	\$39,104	\$1,916,104	\$88,139	\$8,018,225
2033	\$305,080,545	\$305,080,545		\$854,226	\$3,203,346	\$4,057,571	\$1,275,267	\$521,993	\$38,318	\$1,877,606	\$86,368	\$7,857,124
2034	\$298,950,331	\$298,950,331		\$837,061	\$3,138,978	\$3,976,039	\$1,249,642	\$511,504	\$37,548	\$1,839,878	\$84,633	\$7,699,245
2035	\$292,942,721	\$292,942,721		\$820,240	\$3,075,899	\$3,896,138	\$1,224,530	\$501,225	\$36,794	\$1,802,904	\$82,932	\$7,544,523
2036	\$287,055,264	\$287,055,264		\$803,755	\$3,014,080	\$3,817,835	\$1,199,920	\$491,152	\$36,054	\$1,766,670	\$81,265	\$7,392,896
2037	\$281,285,556	\$281,285,556		\$787,600	\$2,953,498	\$3,741,098	\$1,175,802	\$481,280	\$35,329	\$1,731,161	\$79,632	\$7,244,301
2038	\$275,631,242	\$275,631,242		\$771,767	\$2,894,128	\$3,665,896	\$1,152,166	\$471,605	\$34,619	\$1,696,361	\$78,031	\$7,098,679
			Total	\$13,395,312	\$50,232,419	\$63,627,730	\$19,997,765	\$8,185,492	\$600,875	\$29,443,182	\$1,354,362	\$123,209,407

Source: CPA, Celanese Ltd.

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Harris County, with all property tax incentives sought being granted 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		La Porte ISD I&S Tax Levy	La Porte ISD M&O Tax Levy	La Porte ISD M&O and I&S Tax Levies	Harris County Tax Levy	Harris County Hospital District Tax Levy	Port of Houston Authority Tax Levy	City of Pasadena Tax Levy	Harris County Flood Control District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2800	1.0500		0.4180	0.1711	0.0126	0.6154	0.0283	
2024	\$366,199,855	\$80,000,000		\$1,025,360	\$840,000	\$1,865,360	\$1,530,752	\$626,568	\$45,995	\$2,253,762	\$103,671	\$6,426,108
2025	\$358,847,255	\$80,000,000		\$1,004,772	\$840,000	\$1,844,772	\$1,500,017	\$613,988	\$45,071	\$2,208,511	\$101,590	\$6,313,949
2026	\$351,641,707	\$80,000,000		\$984,597	\$840,000	\$1,824,597	\$1,469,897	\$601,659	\$44,166	\$2,164,165	\$99,550	\$6,204,034
2027	\$344,580,270	\$80,000,000		\$964,825	\$840,000	\$1,804,825	\$1,440,380	\$589,577	\$43,279	\$2,120,705	\$97,551	\$6,096,317
2028	\$337,660,062	\$80,000,000		\$945,448	\$840,000	\$1,785,448	\$1,411,453	\$577,736	\$42,410	\$2,078,115	\$95,592	\$5,990,754
2029	\$330,878,258	\$80,000,000		\$926,459	\$840,000	\$1,766,459	\$1,383,104	\$566,133	\$41,558	\$2,036,377	\$93,672	\$5,887,303
2030	\$324,232,089	\$80,000,000		\$907,850	\$840,000	\$1,747,850	\$1,355,323	\$554,761	\$40,724	\$1,995,473	\$91,790	\$5,785,921
2031	\$317,718,845	\$80,000,000		\$889,613	\$840,000	\$1,729,613	\$1,328,097	\$543,617	\$39,905	\$1,955,388	\$89,946	\$5,686,566
2032	\$311,335,865	\$80,000,000		\$871,740	\$840,000	\$1,711,740	\$1,301,415	\$532,696	\$39,104	\$1,916,104	\$88,139	\$5,589,198
2033	\$305,080,545	\$80,000,000		\$854,226	\$840,000	\$1,694,226	\$1,275,267	\$521,993	\$38,318	\$1,877,606	\$86,368	\$5,493,778
2034	\$298,950,331	\$298,950,331		\$837,061	\$3,138,978	\$3,976,039	\$1,249,642	\$511,504	\$37,548	\$1,839,878	\$84,633	\$7,699,245
2035	\$292,942,721	\$292,942,721		\$820,240	\$3,075,899	\$3,896,138	\$1,224,530	\$501,225	\$36,794	\$1,802,904	\$82,932	\$7,544,523
2036	\$287,055,264	\$287,055,264		\$803,755	\$3,014,080	\$3,817,835	\$1,199,920	\$491,152	\$36,054	\$1,766,670	\$81,265	\$7,392,896
2037	\$281,285,556	\$281,285,556		\$787,600	\$2,953,498	\$3,741,098	\$1,175,802	\$481,280	\$35,329	\$1,731,161	\$79,632	\$7,244,301
2038	\$275,631,242	\$275,631,242		\$771,767	\$2,894,128	\$3,665,896	\$1,152,166	\$471,605	\$34,619	\$1,696,361	\$78,031	\$7,098,679
			Total	\$13,395,312	\$23,476,584	\$36,871,895	\$19,997,765	\$8,185,492	\$600,875	\$29,443,182	\$1,354,362	\$96,453,572
			Diff	\$0	\$26,755,835	\$26,755,835	\$0	\$0	\$0	\$0	\$0	\$26,755,835
Assumes School Value Limitation and Tax Abatements with the County.												

Source: CPA, Celanese Ltd.
*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 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Celanese Ltd. (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)
Limitation Pre-Years	2021	\$693,733	\$693,733	\$0	\$0
	2022	\$1,517,983	\$2,211,717	\$0	\$0
	2023	\$1,895,983	\$4,107,700	\$0	\$0
Limitation Period (10 Years)	2024	\$840,000	\$4,947,700	\$3,005,098	\$3,005,098
	2025	\$840,000	\$5,787,700	\$2,927,896	\$5,932,995
	2026	\$840,000	\$6,627,700	\$2,852,238	\$8,785,233
	2027	\$840,000	\$7,467,700	\$2,778,093	\$11,563,325
	2028	\$840,000	\$8,307,700	\$2,705,431	\$14,268,756
	2029	\$840,000	\$9,147,700	\$2,634,222	\$16,902,978
	2030	\$840,000	\$9,987,700	\$2,564,437	\$19,467,415
	2031	\$840,000	\$10,827,700	\$2,496,048	\$21,963,463
	2032	\$840,000	\$11,667,700	\$2,429,027	\$24,392,489
	2033	\$840,000	\$12,507,700	\$2,363,346	\$26,755,835
Maintain Viable Presence (5 Years)	2034	\$3,138,978	\$15,646,679	\$0	\$26,755,835
	2035	\$3,075,899	\$18,722,577	\$0	\$26,755,835
	2036	\$3,014,080	\$21,736,658	\$0	\$26,755,835
	2037	\$2,953,498	\$24,690,156	\$0	\$26,755,835
	2038	\$2,894,128	\$27,584,284	\$0	\$26,755,835
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	\$2,835,945	\$30,420,229	\$0	\$26,755,835
	2040	\$2,778,926	\$33,199,155	\$0	\$26,755,835
	2041	\$2,723,047	\$35,922,202	\$0	\$26,755,835
	2042	\$2,668,286	\$38,590,488	\$0	\$26,755,835
	2043	\$2,614,620	\$41,205,108	\$0	\$26,755,835
	2044	\$2,562,027	\$43,767,135	\$0	\$26,755,835
	2045	\$2,510,486	\$46,277,621	\$0	\$26,755,835
	2046	\$2,459,976	\$48,737,597	\$0	\$26,755,835
	2047	\$2,410,476	\$51,148,073	\$0	\$26,755,835
	2048	\$2,361,966	\$53,510,040	\$0	\$26,755,835
		\$53,510,040	is greater than	\$26,755,835	
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 levy directly related to this project.

Source: CPA, Celanese Ltd.

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